



新天绿色能源股份有限公司

China Suntien Green Energy Corporation Limited*

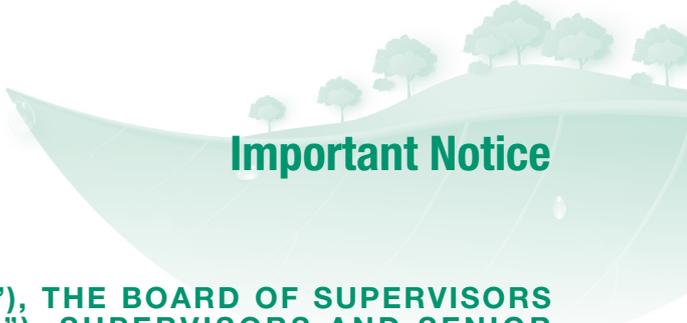
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code : 00956.HK 600956.SH



INTERIM REPORT
2022

**For identification purpose only*



Important Notice

- I. THE BOARD OF DIRECTORS (THE “BOARD”), THE BOARD OF SUPERVISORS AND THE DIRECTORS (THE “DIRECTORS”), SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY CONFIRM THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN THIS INTERIM REPORT WITHOUT ANY FALSE AND MISLEADING STATEMENTS OR MATERIAL OMISSIONS, AND SEVERALLY AND JOINTLY ACCEPT LEGAL RESPONSIBILITY FOR THE ABOVE.**
- II. ALL DIRECTORS OF THE COMPANY ATTENDED THE BOARD MEETING.**
- III. THIS INTERIM REPORT IS UNAUDITED.**
- IV. DR. CAO XIN, THE PERSON IN CHARGE OF THE COMPANY, MS. FAN WEI HONG, THE PERSON IN CHARGE OF ACCOUNTING AND MR. YANG ZHAN QING, THE HEAD OF ACCOUNTING DEPARTMENT (ACCOUNTING IN CHARGE), WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE FINANCIAL STATEMENTS SET OUT IN THE INTERIM REPORT.**
- V. PROFIT DISTRIBUTION PROPOSAL OR PROPOSAL FOR TRANSFER OF CAPITAL RESERVE TO THE SHARE CAPITAL RESOLVED AND APPROVED BY THE BOARD**

Nil

VI. STATEMENT FOR RISKS INVOLVED IN THE FORWARD-LOOKING STATEMENTS

Forward looking statements, including development strategies and future business plans, contained in this report do not constitute a real commitment to investors by the Company. Investors should understand the difference between plans, forecasts and commitment, and be aware of the investment risks.

VII. IS THERE ANY MISAPPROPRIATION OF NON-OPERATING FUNDS BY THE CONTROLLING SHAREHOLDER(S) AND ITS/THEIR RELATED PARTIES?

No

VIII. IS THERE ANY EXTERNAL GUARANTEE MADE IN VIOLATION OF THE REQUIRED DECISION-MAKING PROCEDURES?

No

IX. IS THERE A CIRCUMSTANCE WHERE MORE THAN HALF OF THE DIRECTORS CANNOT WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE INTERIM REPORT DISCLOSED BY THE COMPANY?

No

X. WARNING OF MAJOR RISKS

The Company has described in detail the potential relevant risks and countermeasures in this report. Investors are reminded to read the description of risks that the Company may face set out in relevant chapters including “Section III. Management Discussion and Analysis”.

XI. OTHERS

Applicable Not Applicable



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Documents available for inspection	Financial statements signed and sealed by the legal representative, chief accountant, accounting officer (person in charge of accounting) of the Company
	Originals of all corporate documents and drafts of announcements openly disclosed on the media designated by the CSRC by the Company during the Reporting Period
	Interim Report 2022 with signature of Chairman of the Company



In this report, unless the context otherwise requires, the expressions stated below have the following meanings:

DEFINITIONS OF FREQUENTLY-USED TERMS

“availability factor”	the amount of time that a power plant is able to produce electricity after it starts commercial operations over a certain period divided by the amount of time in such period
“average utilization hours”	the consolidated gross power generation in a specified period (in MWh or GWh) divided by the consolidated installed capacity in the same period (in MW or GW)
“Company”	China Suntien Green Energy Corporation Limited (新天綠色能源股份有限公司), a limited liability company incorporated in the PRC, whose A shares are listed on the main board of the SSE (Stock Code: 600956) and H shares are listed on the main board of the Hong Kong Stock Exchange (Stock Code: 956)
“Group”	the Company and its wholly-owned, controlled subsidiaries
“Financial Statements”	the unaudited financial statements for the six months ended 30 June 2022
“consolidated gross power generation”	the gross power generation of the project companies that the Group fully consolidates in its consolidated Financial Statements. For a specified period, the gross power generation of a power plant in that period includes net power delivered to grid, auxiliary electricity and electricity generated during the construction and testing period
“consolidated installed capacity”	the aggregate installed capacity or operating capacity (as the case may be) of the project companies that the Group fully consolidates in its consolidated Financial Statements. This is calculated by including 100% of the installed capacity or operating capacity of the project companies that the Group fully consolidates in its consolidated Financial Statements and are deemed as its subsidiaries. Consolidated installed capacity and consolidated operating capacity do not include the capacity of the Group’s associated companies
“gross power generation”	for a specified period, the total amount of electricity produced by a power plant in that period, including net power delivered to grid, auxiliary electricity and electricity generated during the construction and testing period
“GW”	unit of power, 1 GW = 1,000 MW
“GWh”	unit of energy, gigawatt-hour. 1 GWh = 1 million kWh. GWh is typically used for measurement of the annual power production of a large wind farm



Definitions

“HECIC”	Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company, which is primarily engaged in the investment in and development of projects in the foundation, infrastructures and provincial pillar industries, such as energy, transportation, water supply and commercial real estates
“Group Finance Company”	HECIC Group Finance Company Limited (河北建投集團財務有限公司), a limited liability company incorporated in the PRC, a non-banking financial institution under the supervision of the People’s Bank of China and the CBIRC, and a non-wholly owned subsidiary of HECIC
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“installed capacity”	the capacity of the wind turbines that have been completely assembled and erected
“kW”	unit of power, 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 consumed by a 1 kW electrical appliance in one hour
“Hebei Natural Gas”	Hebei Natural Gas Company Limited (河北省天然氣有限責任公司), a limited liability company incorporated in the PRC and a non-wholly-owned subsidiary of the Company
“HECIC New Energy”	HECIC New Energy Co., Ltd. (河北建投新能源有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“A Share Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“LNG”	liquefied natural gas
“CNG”	compressed natural gas



“MW”	unit of power, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW
“MWh”	unit of energy, megawatt-hour. 1 MWh = 1,000 kWh
“National Energy Administration”	National Energy Administration of the People’s Republic of China (中華人民共和國國家能源局)
“NDRC”	National Development and Reform Commission of the People’s Republic of China (中華人民共和國國家發展和改革委員會)
“operating capacity”	the capacity of the wind turbines that have been connected to power grids and started generating electricity
“projects under construction”	projects for which the project company has received approval, detailed engineering and construction blueprints have been completed, and the construction work on the roads, foundations or electrical infrastructure has commenced
“Reporting Period”	the fiscal period from 1 January 2022 to 30 June 2022
“RMB” or “RMB’000” or “RMB’0,000” or “RMB’00 million”	Renminbi or Renminbi thousand or Renminbi ten thousand or Renminbi hundred million. Unless otherwise stated, the currency of the amounts presented in this report is RMB
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
“SSE”	the Shanghai Stock Exchange
“CSRC”	China Securities Regulatory Commission
“A shares”	the domestic listed RMB ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the SSE
“H shares”	the Hong Kong listed HKD ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the Hong Kong Stock Exchange



Corporate Profile and Principal Financial Indicators

I. COMPANY PROFILE

Company name in Chinese	新天綠色能源股份有限公司
Abbreviation in Chinese	新天綠色能源
Company name in English	China Suntien Green Energy Corporation Limited
Abbreviation in English	China Suntien Green Energy
Legal representative of the Company	Cao Xin

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	Ban Ze Feng	Yu Ping
Contact Address	No. 9 Yuhua West Road, Shijiazhuang	No. 9 Yuhua West Road, Shijiazhuang
Telephone	86-311-85516363	86-311-85516363
Fax	86-311-85288876	86-311-85288876
E-mail	ir@suntien.com	ir@suntien.com

III. BASIC INFORMATION

Registered address of the Company	No. 9 Yuhua West Road, Shijiazhuang
Historical changes to registered address of the Company	N/A
Office address of the Company	Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang
Postal code of the office address of the Company	050001
Website of the Company	www.suntien.com
Email	ir@suntien.com
Enquiry index for changes during the Reporting Period	N/A



IV. INFORMATION DISCLOSURE AND CHANGE IN PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	“Shanghai Securities News”, “China Securities Journal”, “Securities Times” and “Securities Daily”
Websites for publishing the interim report of the Company	www.sse.com.cn, www.hkexnews.hk
Place of inspection of the interim report of the Company	Office of the Board of the Company at Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang
Enquiry index for changes during the Reporting Period	N/A

V. BASIC INFORMATION OF THE COMPANY’S SHARES

Class of shares	Stock exchanges on which the shares are listed	Stock abbreviation	Stock code	Stock abbreviation before the change
A shares	SSE	新天綠能	600956	N/A
H shares	Hong Kong Stock Exchange	China Suntien	00956	N/A

VI. OTHER RELEVANT INFORMATION

Applicable Not Applicable



Corporate Profile and Principal Financial Indicators

VII. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Principal accounting data

Unit: Yuan Currency: RMB

Principal accounting data	During the Reporting Period (Jan – Jun)	The same period of the previous year ^(Note)		Increase/decrease during the Reporting Period as compared with the same period of the previous year (%)
		After adjustment	Before adjustment	
Operating revenue	10,225,309,885.43	8,545,067,129.57	8,404,374,325.14	19.66
Net profit attributable to shareholders of the listed company	1,616,612,596.40	1,706,990,339.97	1,583,586,082.89	-5.29
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,608,968,342.38	1,703,527,131.08	1,580,122,874.00	-5.55
Net cash flows from operating activities	2,089,768,200.22	2,264,719,068.53	2,264,719,068.53	-7.73

	As at the end of the Reporting Period	As at the end of previous year ^(Note)		Increase/decrease at the end of the Reporting Period as compared with the end of previous year (%)
		After adjustment	Before adjustment	
Net assets attributable to shareholders of the listed company	19,789,915,529.14	19,834,599,822.27	19,684,364,276.94	-0.23
Total assets	72,255,177,353.57	72,077,013,277.00	63,193,444,396.08	0.25



Corporate Profile and Principal Financial Indicators

(II) Principal Financial Indicators

Principal Financial Indicators	During the Reporting Period (Jan – Jun)	The same period of the previous year ^(Note)		Increase/decrease during the Reporting Period as compared with the same period of the previous year (%)
		After adjustment	Before adjustment	
Basic earnings per share (Yuan/share)	0.38	0.43	0.40	-11.63
Diluted earnings per share (Yuan/share)	0.38	0.43	0.40	-11.63
Basic earnings per share after deducting non-recurring profit/loss (Yuan/share)	0.38	0.43	0.40	-11.63
Weighted average return on net assets (%)	8.47	11.87	11.03	decrease by 3.40 percentage points
Weighted average return on net assets after deducting non-recurring profit/loss (%)	8.43	11.85	11.01	decrease by 3.42 percentage points

Particulars of principal accounting data and financial indicators of the Company

Applicable Not Applicable

Note: The adjustments to major accounting data and financial indicators for the corresponding period of last year were made in accordance with the Accounting Standards for Business Enterprises No. 15. For details, please refer to “Financial Reports – V. Significant Accounting Policies and Accounting Estimates – 43. Changes in Significant Accounting Policies and Accounting Estimates” in this report.

VIII. DISCREPANCIES OF ACCOUNTING DATA UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

Applicable Not Applicable



Corporate Profile and Principal Financial Indicators

IX. NON-RECURRING ITEMS AND AMOUNTS

Unit: Yuan Currency: RMB

Non-recurring items	Amount	Notes (if any)
Profit or loss from disposal of non-current assets	638,566.74	
Tax refund or exemption from ultra vires approval or without official approval document or received occasionally		
Government subsidies included in profit or loss in the current period, but excluding those closely related to the Company's normal business operations, in line with national policies and regulations and in accordance with certain fixed amounts on a continuous basis	11,574,868.44	
Capital utilization fee received from non-financial enterprises and included in profit or loss for the period		
Gain on investments of subsidiaries, associates and joint ventures in which the investment cost was less than the interest in fair value of identifiable net assets of the investees at the time of acquisition		
Gain or loss on exchange of non-monetary assets		
Gain or loss on entrusted investments or assets under management		
Asset impairment provisions for force majeure such as natural disasters		
Gain or loss on debt restructuring		
Corporate restructuring fees such as staff settlement expenses and consolidation charges		
Gain or loss arising from unfair trading transactions prices over their fair value		
Net gain or loss of subsidiaries from the beginning of the period to the consolidation date arising from the consolidation of enterprises under common control		
Gain or loss on contingency items unrelated to the normal business operations of the Company		
Gain or loss on changes in fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other equity investments, except for effective hedging transactions that are closely related to the Company's normal operation		
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test		
Gain or loss from external entrusted loans		
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurements		
Effect on profit or loss for the period from one-off adjustment to profit or loss for the period according to the requirements of the tax and accounting laws and regulations		
Custody fee income received from custody operation		
Other non-operating income and expenses apart from the aforesaid items	-299,932.31	
Other items of non-recurring gains or losses		
Less: Effect of income tax	2,515,000.49	
Effect of minority interests (after taxation)	1,754,248.36	
Total	7,644,254.02	

Explanation on the identification of non-recurring gain or loss items set out in the "Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Gain or Loss Items" as recurring gain or loss items



Corporate Profile and Principal Financial Indicators

The Group recognizes non-recurring gain or loss items in accordance with the requirements of the “Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Gain or Loss Items” (CSRC Announcement [2008] No. 43).

For the non-recurring gain or loss items identified according to the definition of non-recurring gain or loss, and non-recurring gain or loss items set out therein identified as recurring gain or loss items are as follows:

Unit: Yuan Currency: RMB

	Amount for the current period	Amount for the previous period
VAT refund	96,462,516.98	70,036,205.77

X. OTHERS

Applicable Not Applicable



Management Discussion and Analysis

I. DESCRIPTION OF INDUSTRY IN WHICH THE COMPANY OPERATES AND PRINCIPAL BUSINESS DURING THE REPORTING PERIOD

(I) Principal business and business model

The Company is a leader in the development and utilization of clean energy in northern China. The Company's principal business focuses on two segments: wind power generation and sale of natural gas. The other businesses in the principal business are ancillary or extended businesses that the Company develops by making use of its resources and technical advantages in the natural gas and wind power sectors. The photovoltaic power generation business is also one of the Company's important strategic investment and business development directions.

1. Wind power business

The Company's wind power generation business mainly involves the construction, operation and management of wind farms, sale of electricity to downstream power grid customers and other aspects.

(1) *The construction, operation and management of wind farms*

In the early stage of the construction of a wind farm, the location of the project shall have abundant and stable wind energy resources, which are suitable for power generation and convenient to connecting to power grids. Preliminary research and feasibility studies and other related work shall be conducted, and before it commences construction, it shall obtain approvals or replies from development and reform commissions, environmental protection, natural resources departments and other regulatory authorities. In addition, it is also necessary to obtain the connection permit of the power grid company to be connected. After the project construction and completion acceptance, according to industry regulations, wind power generation units need to go through trial operation before they can be transferred to commercial operation.

(2) *Sale of electricity*

At present, the sales of wind power electricity mainly adopt direct sale method. In accordance with the national policy and the grid connection commitment when the project was approved, the project company will enter into an "Agreement on the Purchase and Sale of Electricity" with a local grid company during the construction of the project to connect the electricity generated by the wind farm to the designated grid connection point so as to achieve electricity delivery. The amount of electricity will be confirmed by the grid company using the metering device recognized by it on a monthly basis, and the tariff will be determined according to the regional tariff or concession bidding price determined by the national department in charge of energy prices.



2. Natural gas business

The operation of the natural gas business mainly involves the purchase of gas from upstream companies, the construction, operation and management of long-distance pipelines, and the sale of natural gas to downstream customers. The Company's current principal business is in the middle and lower reaches of the natural gas industry, involving the construction, operation and management of natural gas long-distance pipelines, sale of natural gas and other aspects.

(1) *The construction, operation and management of natural gas long-distance pipelines*

The natural gas long-distance pipeline project must go through the stages of feasibility study, approval of project application report, preliminary design, construction drawing design, construction, and completion acceptance. The project shall obtain the approval of the NDRC and other competent government authorities, and pass the completion acceptance conducted by relevant government departments before it can be put into production and operation.

At the feasibility study stage of the project, the Company will determine the gas source according to the supply of natural gas; after the construction of natural gas long-distance pipeline is completed, it will connect with downstream users through various stations. The Company will supply gas to downstream users in accordance with gas supply contracts entered into with downstream users. After the completion of the long-distance pipeline, the natural gas pipeline transmission price will be determined by the provincial authority in charge of commodity price by taking into consideration the construction costs and other factors.

(2) *Sale of natural gas*

Sale of natural gas mainly refers to the distribution of gas sources purchased from upstream producers to downstream end consumers. The revenue from sale of natural gas mainly includes pipeline transmission income and urban gas distribution income. The unit profit rate of this business is relatively stable. The increase in revenue and total profit is mainly due to an increase in sales volume of natural gas.



(II) Industry situation

In 2020, China proposed the strategic goals of “striving to peak its carbon dioxide emission by 2030, and achieving carbon neutrality by 2060”, outlining the vision of green and low-carbon transformation and development.

“Carbon peaking and carbon neutrality” is the strategic decision and important target for China’s quality development in the “14th Five-Year Plan” and beyond. The introduction of the “dual carbon” will reshape the future production and lifestyle of China and will also have a huge impact on the transformation of economic structure, which will create a profound impact on energy structure, energy usage and energy technology. Under the situation and requirements of strictly controlling the total amount and intensity of traditional energy consumption and continuous improvement of the ecological environment, wind power, photovoltaic power and natural gas, as green and clean energy, will become one of the major strategic energy sources in China for a long period of time in the future. The analysis of the industry situation of new energy and gas segments is as follows:

1. New energy segment

(1) *New energy projects entering the fair price era*

In June 2021, the NDRC issued the “Notice on Matters Concerning the New Energy Power Grid Tariff Policy of 2021” (《關於 2021 年新能源上網電價政策有關事項的通知》), which stipulated that newly registered centralized photovoltaic power stations, commercial and industrial distributed photovoltaic projects and newly approved onshore wind power projects will settle the grid power at fair price and will no longer be subsidized by the central government. New energy projects have entered the fair price era. As relevant national policies are still evolving, the revenue model of annual guaranteed grid-connected new energy allocation and storage projects is gradually undergoing profound changes, and market-scale grid-connected new energy projects and pumped storage power stations have formally embarked on the fast track of industry development. Through transformation of coal power generation, promotion of energy storage allocation, new load absorption, protection of self-provided green power, complementary synergy of multiple energy sources and complementarity of related industries, major power groups have increased their investment in the construction targets of guaranteed grid-connected projects, market-scale grid-connected new energy projects and new energy projects supporting outward transmission channels, so as to promote the sustainable and high-quality development of the industry.



(2) *Comprehensively accelerating the development of a modern energy system*

Accelerating energy reform, building a clean, low-carbon, safe and efficient energy system, and improving the capacity to secure energy supply are necessary to achieve the “dual carbon targets” as soon as possible. The Company needs to accelerate the development of non-fossil energy by insisting on both centralized and distributed forms, vigorously increase the scale of wind power and photovoltaic power generation by accelerating the development of distributed energy in the east-central region, orderly develop offshore wind power, build several complementary clean energy bases with multiple energy sources, and promote the use of electricity instead of coal. It is also needed to improve the complementary and intelligent adjustment ability of power systems, strengthen the convergence of generation, grid, load and energy to enhance the capacity of clean energy consumption and storage, as well as accelerate the construction of pumped storage power stations and the scale up of new energy storage technologies.

(3) *Energy storage industry entering the stage of scale-up and high-speed development*

With the accelerated pace of reformation of power system and policies evolving, the energy storage industry is gradually moving into the scale-up and high-quality growth stage. In July 2021, the NDRC and the National Energy Administration jointly issued the “Guiding Opinions on Accelerating the Development of New Energy Storage” (《關於加快推動新型儲能發展的指導意見》), which clearly takes the development of new energy storage as an important measure to enhance the regulation capacity, comprehensive efficiency and safety guarantee capacity of energy electricity systems and support the construction of new power systems. New energy storage may become a key supporting factor of carbon peaking and carbon neutrality in the energy sector and play a significant role in the process of promoting carbon peaking and carbon neutrality in the energy sector.

(4) *Transformation of energy structure hardly effected by any single energy resource*

From the policy perspective, there is huge space for the development of the new energy industry, in light of national-level policies such as carbon peaking and carbon neutrality targets and the construction of a new power system with new energy as the mainstay. In view of development direction and approach, a single source of energy can hardly effect the transformation of energy structure, and it is necessary to improve the comprehensive and in-depth utilization of resources by means of multi-energy complementary integration, big base, centralized and distributed forms according to local conditions. At the same time, quality development, integration of the new energy industry with other industries, implementation of the national rural revitalization strategy and the synthetic development of ecology and civilization will be emphasized.



2. Gas segment

(1) *The “dual carbon targets” has brought new development opportunities for the natural gas industry*

In recent years, China has continued to implement pollution control, energy saving and emission reduction as well as clean heating policies, while vigorously promoting the policy of replacing coal by gas, gas-fired power generation, clean heating and gasification of industrial kilns and boilers. The use of natural gas has become an important means of reducing carbon emissions and will continue to develop rapidly during the “14th Five-Year” and in the foreseeable future. Meanwhile, the steady economic and social development will drive the continuous growth of natural gas demands, and the development of China’s natural gas industry will also be presented with an important strategic opportunity. According to the “China’s Natural Gas Development Report (2021)” (《中國天然氣發展報告 (2021)》), the scale of domestic natural gas consumption will reach 430 billion to 450 billion cubic meters in 2025 and reach 550 billion to 600 billion cubic meters in 2030; and the natural gas consumption will subsequently grow steadily and sustainably and will enter a plateau of development around 2040.

(2) *Multi-energy complementation promoting urbanization and green energy layout*

In 2021, the work report of the China government has made plans for the “carbon peaking” and “carbon neutrality” targets, the government will continue to optimize the industry and energy structures, nurture and strengthen environmental industries and implement financial support policies for green and low-carbon development. The use of natural gas is one of the means to achieve environmental protection and pollution control, energy saving and emission reduction at this stage. The use of natural gas is widespread, flexible and mature, and existing pipeline facilities can form a better multi-energy complementary relationship with renewable energy in the urbanization process, which can jointly embrace the intelligent transformation of the energy industry chain. At present, the construction of natural gas pipeline facilities nationwide is becoming more and more advanced, the urban fuel projects of which have the potential for mutually beneficial commercial cooperation in the operation of energy platforms, including supply of combined cooling, heating and power, multi-energy utilization and smart communities, which can provide a boost to the “carbon neutrality” at the terminal market level. Leveraging the smart city plans implemented in different regions, the natural gas industry can collaborate with other nearby green energy businesses in developing multi-energy complementarities to create local green energy economies of scale.



(3) *The State has vigorously promoted the construction of natural gas reserve system*

In recent years, China's natural gas industry has developed rapidly and its importance in the national energy system has continued to increase. However, at the same time, the construction of gas storage infrastructure has lagged behind, relatively, and its gas storage capacity is lower than the global average level, which has become a weakness for the safe and stable supply of natural gas and the healthy development of the industry. In recent years, the State has strived to build a multi-level natural gas reserve system and focused on solving the bottleneck problem in gas storage capacity building and operation, and actively promoted the construction of gas storage facilities to promote the dynamic balance of natural gas supply and demand and enhance the ability to ensure supply.

(4) *"One National Grid" pattern gradually emerging*

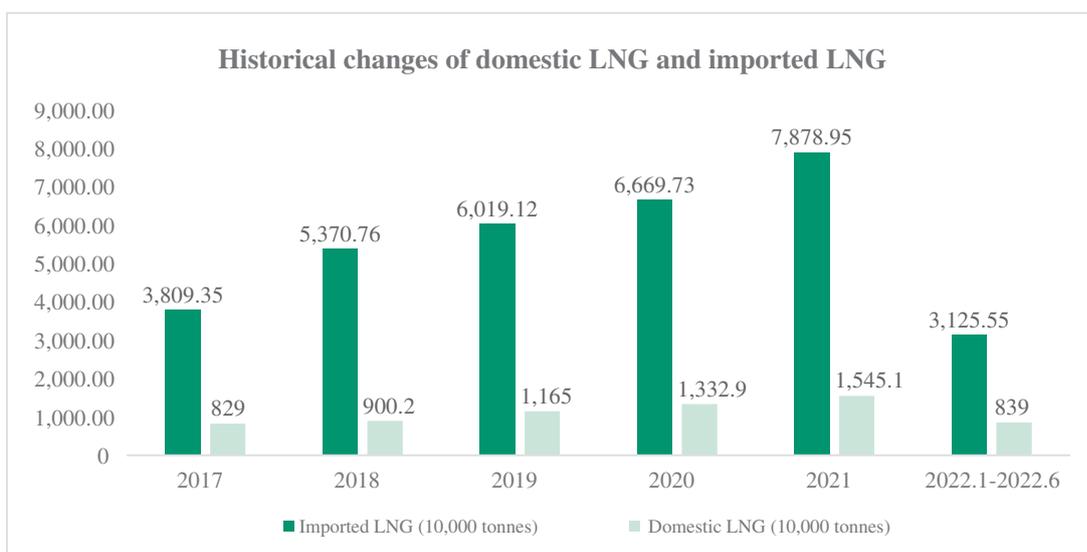
Promoting the integration of provincial networks into the State Piping Network is a concrete action to implement the new energy security strategy of "Four Revolutions and One Cooperation" of the General Secretary Xi Jinping, and an important measure to implement the reform of the oil and gas pipeline operation mechanism of the Central Committee of the Party and the State Council, which is crucial to the construction of China's "X+1+X" oil and gas market system, promotion of economic and social development as well as optimization and adjustment of the energy structure. To date, a number of provinces such as Guangdong, Fujian, Hunan and Zhejiang have integrated their provincial networks into the State Piping Network by various means and are promoting the construction of the national natural gas trunk pipelines and feeder pipelines in their provinces in accordance with the principles of "unified planning, unified construction, unified operation, unified management and unified tariffs", providing various resource entities and downstream market users with a fair and open service platform which allows fair competition, and opening up the "last mile" from the natural gas pipeline network to end-users, so as to reduce the number of tiers of gas supply, lower energy costs for downstream users, achieve flexible deployment of regional and network-wide resources, and effectively make use of the operational advantages of the "One National Grid".



Management Discussion and Analysis

(5) *The trend of diversification of natural gas import resources will become more obvious*

In recent years, China has accelerated and continuously deepened the oil and gas system reform, achieving a steady growth of natural gas consumption. In order to ensure the security of national energy supply, the State will continue to implement the strategy of opening up natural gas and the strategy of diversified natural gas trade, and gradually change the relatively concentrated natural gas importing place and the relatively unitary transportation mode so as to realize the decentralization of import sources and channels, and diversify transportation methods. It is expected that the structure of the domestic market will undergo major adjustments, the competitive landscape will gradually take shape, the price of gas supply will tend to be rationalized and balanced, and the enthusiasm of natural gas companies for production and import will further increase.



Source: General Administration of Customs and the National Bureau of Statistic of China



(6) *The layout of LNG receiving stations will be further improved*

According to the relevant data from the General Administration of Customs and the National Bureau of Statistic of China, the demand for LNG in China has been increasing in recent years. As the production capacity of our country is relatively limited, the demand for imported LNG has also shown an upward trend, and LNG receiving station have become an essential infrastructure for receiving imported LNG. Further improving the layout of LNG receiving stations will become an important part for the construction of China's natural gas production, supply, storage and marketing system. The external pipelines of LNG receiving stations will be interconnected with pipeline networks at all levels and connected to inland cities to realize the full connection between imported LNG and domestic gas to make up for the gap in supply and demand, meet China's growing demand for natural gas, and ensure the security of future natural gas supply.

II. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Through years of development and accumulation, the Company has established a professional team in the wind power, photovoltaic power segment and natural gas segments, and has accumulated rich experience in management, operation, technology, and talents, to provide development momentum for the future. Meanwhile, the Company has established a set of efficient management mechanism suitable for its future development, and makes continuous efforts to improve it, striving to get a favourable position in the fierce market competition in the future. During the Reporting Period, the Company's core competitiveness did not undergo major changes.

1. The Company is a leading clean energy company in northern China. As it has been a long-standing player engaging in the clean energy sector in the Hebei Province, the Company has a strong competitive edge in terms of policy support, technologies, customers and brand recognition. At present, with the principal businesses based in the Hebei Province, the Company is also steadily promoting its nationwide layout, maintaining its advantages in the northern China, while continuing to actively explore new market and improve our business development.
2. The Company's management team has been engaged in the clean energy industry for many years and has extensive management experience in the wind power, photovoltaic power and natural gas fields. The Company has established a team consisting of several hundreds of production and technical service personnel with high-level professional knowledge and relevant technical qualifications, and strong professional operation and maintenance capabilities. During the Reporting Period, the Company built a smart digital manufacturing platform at group-level based on its internet of things, big data and cloud computing technology, and fully implement the management model of "remote centralized control, unattended operation (minimal manpower)" so as to continuously improve operational maintenance, cost reduction and efficiency enhancement measures and refine management capabilities.
3. The Company's wind power, photovoltaic power and natural gas businesses, can form a benign complement, which can effectively reduce the volatility of the Company's profits, prevent adverse changes in a single business and diversify operational risks.



III. BUSINESS DISCUSSION AND ANALYSIS

(I) Operating Environment

During this year, the international environment has become more complicated and severe. With the frequent and sporadic outbreak of the pandemic in different regions of China, the adverse effects increased significantly, economic development has been extremely unusual and unexpected factors brought about a serious impact. In the face of the exceptionally complex and difficult situation, under the strong leadership of the Central Committee of the Party with Xi Jinping at its core, various departments in different regions have been thoroughly implementing the decisions and plans of the Central Committee of the Party and the State Council, and efficiently coordinating the prevention and control of the pandemic with economic and social development. With the gradual recovery of the economy, policies and measures about guaranteed supply of energy and price stabilization took effect, energy production volume grew steadily and the supply security capacity was steadily enhanced. The consumption structure was continuously optimized and the proportion of non-fossil energy consumption continued to increase. According to preliminary calculations, gross domestic product in the first half of the year was RMB56,264.2 billion, representing a year-on-year increase of 2.5% at constant prices.

In response to the current economic situation, the Central Committee of the Party and the State Council issued a series of preferential policies on expanding investment, promoting consumption, protecting market players, and reducing taxes and fees. During the first half of the year, China promulgated about 30 national-level policies to promote the development of renewable energy, including the Implementation Plan for Promoting High-Quality Development of New Energy in the New Era, which aims to accelerate the construction of a clean, low-carbon, safe and efficient energy system.

The NDRC and the National Energy Administration issued the Implementation Plan for Promoting High-Quality Development of New Energy in the New Era (the "Implementation Plan"). The Implementation Plan insists on coordinating the development and utilization of new energy resources as well as the parallel development of centralized and distributed forms, highlights model and system innovation, and proposes measures for the development and utilization of new energy resources in four areas to promote universal participation and shared development. Firstly, the construction of large wind power and photovoltaic power generation bases focusing on desert, Gobi and barren areas should be accelerated. Secondly, the integration of new energy development and utilization with rural revitalization should be promoted. Thirdly, the application of new energy in industry and construction should be promoted. Fourthly, the whole society should be guided to consume new energy and other green electricity.



The “14th Five-Year Plan for Renewable Energy Development” (the “Plan”), jointly published by nine departments including the NDRC and the National Energy Administration, was publicly released to the public. The Plan specifies that by 2025, the annual electricity generation of renewable energy will reach about 3.3 trillion kWh; and during the 14th Five-Year Plan period, the increase in electricity generation of renewable energy will account for more than 50% of the increase in electricity consumption of society as a whole while the electricity generation of wind power and solar energy will double. At the same time, the Plan specifies that development methods will be optimized and renewable energy will be developed on a large scale. Priority is given to ecology according to the local conditions with diversified integrated development. In the three northern regions, the development of wind power and photovoltaic power generation will be optimized on a large scale. In the southwestern region, the integrated development of water power, wind power and photovoltaic power will be coordinated. In the central and southeastern region, the local development of wind power and photovoltaic power generation in the vicinity will be promoted. In the eastern coastal region, the development of offshore wind power clusters will be actively promoted, the diversified development of biomass energy will be steadily promoted, the large-scale development of geothermal energy will be actively promoted and the demonstration development of ocean energy will be steadily pushed forward.

The Hebei Provincial Party Committee and the provincial government have formulated a package of measures and 20 supporting policies to stabilize the economic operation of the province, giving more prominence to stabilizing growth and providing timely relief to enterprises. At the same time, at the first meeting of the special working class of responsible liaison leaders of the Hebei Provincial Task Force on High-Quality Development of New Energy Industry, the “Work Plan of the Provincial Leaders for High-Quality Development of New Energy Industry in Hebei Province” was studied and approved, which made policy plans conducive to the development of the new energy industry in terms of new energy development and utilization, grid integration and load absorption, especially land use targets for projects, providing strong support for the optimization and upgrading of the new energy industry of the province. In addition, the Hebei Provincial State-owned Assets Supervision and Admission Commission published the Administrative Measures for Supervision on Enterprise Investment of the Hebei Provincial State-owned Assets Supervision and Admission Commission and the Six Measures to Support Economic Stability of the Hebei State-owned Assets and State-owned Enterprises. These expand the delegation of project investment and constrain the audit time limit of projects. In addition, these strengthen the pre-regulation, in-process monitoring and post-assessment of investments of state-owned enterprises, highlighting the importance of investment guidance, strengthening and refining the main industries, building a whole process of investment risk prevention system and promoting the quality development of state-owned enterprises.

During the first half of the year, the power generation of above-scale industrial enterprises increased by 0.7% year-on-year to 3,963.1 billion kWh. As the construction of large clean energy bases and nuclear power generation progressed steadily, clean energy generation grew at a faster pace, with 1,235.4 billion kWh of electricity generated from water power, nuclear power, wind power and solar power, increasing by 12.8% year-on-year, among which water power increased by 20.3%, nuclear power increased by 2.0%, wind power increased by 7.8% and solar power increased by 13.5%. Thermal power decreased by 3.9% year-on-year.



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According to the statistics published by the National Energy Administration, from January to June 2022, the national electricity consumption accumulated to 4,097.7 billion kWh, representing a year-on-year increase of 2.9%. From January to June 2022, the nationwide wind power generation installed capacity was approximately 340 million kW, representing a year-on-year increase of 17.2%; and solar energy generation installed capacity was approximately 340 million kW, representing a year-on-year increase of 25.8%. The average utilization hours of wind power generation units were 1,154 hours, 58 hours less than the same period of last year, and the average utilization rate of 95.8%. The national average utilization hours of photovoltaic power is 690 hours, 30 hours more than the same period of last year with the average utilization rate of 97.7%.

According to the statistics published by the National Bureau of Statistics, from January to June 2022, the domestic production capacity of natural gas amounted to 109.6 billion cubic meters, representing a year-on-year increase of 4.9%. Imports of natural gas totaled 53.57 million tonnes, representing a year-on-year decrease of 10.0%. Despite the impact of the multiple factors during the first half of the year, the domestic demand for natural gas consumption was suppressed to a certain extent. However, in the long run, natural gas plays an important role in the achievement of the “dual carbon” goal and will remain stable growth for a long time in the future with the immense development potentials.

(II) Business Review

1. Business review of the wind power business

(1) Power generation of wind farms remaining stable

During the Reporting Period, the wind farms controlled by the Group realized a power generation of 7.575 billion kWh, representing a year-on-year increase of 0.37%; the utilization hours of the wind farms controlled by the Group were 1,349 hours, representing a decrease of 84 hours as compared with the same period of last year, which were 195 hours higher than the nationwide average utilization hours; the average availability factor was 98.31%, representing an increase of 0.02 percentage point over the same period of last year. The wind curtailment rate of 8.65%, representing a year-on-year decrease of 1.8 percentage points.

(2) Sturdily proceeding with project construction

During the Reporting Period, the Group's consolidated installed capacity of wind power was 5,677.85 MW, and its accumulative installed capacity under management was 5,873.45 MW. In the first half of the year, the commercial operation project capacity was increased by 204.1 MW, and its accumulated commercial operation project capacity was 5,567.25 MW. As of the end of the Reporting Period, the Group had projects under construction with a total installed capacity of 673.3 MW. The installation of the first wind turbine of the Hunan Passage Phase II Wind Farm Project (湖南通道二期風電場項目) was completed. The Chongli Guyuan Integrated Utilization and Demonstration Project of Wind Power Hydrogen Production - Hydrogen Production Station Phase II (崇禮沽源風電制氫綜合利用示範項目制氫站二期工程) passed the production trial run. Projects including the Liaoning Taian Sanglin Wind Farm Project (遼寧台安桑林風電場項目) and the Fengning Waigoumen Wind Power and Photovoltaic Power Complementation Wind Farm Phase I Project (豐寧外溝門風光互補一期風電場) were under construction as scheduled.



During the Reporting Period, the Group continued to optimize the construction process and tighten its overall management and control of the projects to improve the efficiency of project management. The Company has also been continuously improving the quality of construction work to ensure that quality, progress, investment and safety are under control and that the projects are progressing as scheduled. The Wuchuan Dayuanshan Wind Power Clean Heating Project (武川大元山風電清潔供暖工程) and the Fengning Guandaoliang Wind Farm Project (豐寧關道梁風電場項目工程) won the 2021 Hebei Province Construction Project Anji Cup Award (Provincial Quality Projects) awarded by the Hebei Provincial Construction Industry Association.

(3) *Active expansion in wind resources reserves*

During the Reporting Period, the approved capacity of consolidated wind power projects for the Group increased by 271.5 MW and the total approved unstarted project capacity amounted to 1,620 MW. The wind power construction quota increased by 400 MW and the accumulative wind power quota capacity reached 7,309.1 MW, spanning over 16 provinces across the country. During the Reporting Period, the Group signed agreements on the development of multi-energy complementary integration projects with Qing County, Cangzhou, Hebei Province and Bohai New District, Cangzhou as well as agreements on the development of wind power in Xingtai, Hebei Province, Yongzhou, Hunan Province, etc., and acquired an agreed capacity of new wind power of 3,300 MW, resulting in total agreed capacity of wind resources reaching 52,402.5 MW in over 23 provinces across the country.

A breakthrough was made in “closing down smaller generation units and replacing with bigger ones”. An approval notice was received in respect of the Kangbao Wind Power Parity Demonstration Project (康保風電平價示範項目) from the Development and Reform Commission of the Hebei Province and the scale of the project was increased from the original 30MW to 200 MW.

2. **Business review of the natural gas business**

(1) *Steady increase in transmission volume of natural gas*

During the Reporting Period, the Group's total transmission volume of the natural gas business was 2.456 billion cubic meters, representing an increase of 7.18% as compared with the same period of last year, among which, the sales volume amounted to 2.187 billion cubic meters, representing an increase of 3.00% as compared with the same period of last year, including (i) wholesale volume amounted to 1.165 billion cubic meters, representing a decrease of 9.57% as compared with the same period of last year, mainly due to the warmer winter with some areas experiencing a decline in gas volume out of factors like the pandemic; (ii) retail sales volume amounted to 974 million cubic meters, representing an increase of 22.9% as compared with the same period of last year, mainly due to the increase in some industrial users as compared to the same period of last year; (iii) sales volume of



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CNG amounted to 45 million cubic meters, representing an increase of 28.25% as compared with the same period of last year, due to some users switching to CNG after the increase in the price of LNG; (iv) sales volume of LNG amounted to 3 million cubic meters, representing a decrease of 54.9% as compared with the same period of last year, mainly due to some switching to CNG after the increase in the price of LNG; and the gas transmission volume amounted to 269 million cubic meters, representing an increase of 60.26% as compared with the same period of last year, mainly due to the increase in gas consumption of Huadian gas power plants which is transmitted by the Group.

- (2) *Steadily proceeding with the construction of key projects of natural gas with the province's "unified network" layout gradually taking shape*

As of 30 June 2022, the aggregate length of the Group's pipelines in operation was 7,934.83 kilometers with 6 CNG primary filling stations, 3 CNG filling stations, 3 LNG filling stations and 2 L-CNG joint filling stations were in operation.

The Zhangzhou-Yongqing Transmission Pipeline Project (涿州 - 永清輸氣管道工程), The entire main line has been completed and is ready for production. The Connection Line Project of Erdos-Anping-Cangzhou Gas Pipeline and Jingshihan Gas Pipeline (鄂安滄 - 京石邯管線邯鄲聯絡線項目) has commenced production. The main line of the "Jingshihan" Dual Track Gas Pipeline Project ("京石邯"輸氣管道複線工程) has been completed, with approximately 90% of the station site process installation completed. The construction of the Central Hebei Pipeline Network Phase IV Project (冀中管網四期工程) has started. The renovation of the Beijing-Handan Pipeline LNG Gas Storage Peak Capacity Station Phase I Project (京邯線 LNG 儲氣調峰站一期工程) is under progress with concreting of the sixth layer of the outer tank in the storage tank session. The tender of the Qinhuangdao-Fengnan Gas Pipeline Project (秦皇島 - 豐南沿海輸氣管道工程) has been completed and preparatory work is underway before commencement of construction. The approval for the Luquan-Jingxing Gas Transmission Pipeline Project (鹿泉 - 井陘輸氣管線項目) was obtained and the environmental and safety assessment approvals are being processed. The pre-tender preparatory work is underway for the South Baoding Connection Line Project (保定南部聯絡線項目). The preliminary design preparation of the Coastal Gas Transmission Pipeline (Cangzhou section) (沿海 - 輸氣管線(滄州段)) is undergoing. The land and stability assessment and other preliminary procedures of the Baoding Qingyuan-Cangzhou Suning Pipeline Project (保定清苑 - 滄州肅寧管線項目) has completed. Upon completion, the above projects will further expand the coverage of the Company's pipeline network and achieve interconnection and interoperability, enhancing the emergency protection capability.

- (3) *The construction of the Tangshan LNG project progressed smoothly*

The overall progress of the construction of the phase I of the Tangshan LNG Receiving Station project and the supporting Pier No 3 project are 84% and 92%, respectively. All pipeline welding of the Caofeidian-Baodi section ((寶坻 - 永清段)) and Baodi-Yongqing section of the Outbound Pipelines Project was completed.



(4) *Striving to explore the end-user market of natural gas*

During the Reporting Period, leveraging its newly operating pipelines, the Group vigorously developed its end user base of natural gas and newly acquired 57,373 users of different categories. As of 30 June 2022, the Group had an aggregate of 538,309 users. The Group steadily promoted the development of regional markets and acquired 80% equity interests of Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd. (石家莊市捷誠天然氣貿易有限公司) which operates in the Western and Southern areas of Gaocheng including the Eastern Expansion Area of Shijiazhuang Economic and Technological Development Zone.

3. Other businesses

(1) *Photovoltaic power business*

During the Reporting Period, the approved capacity of photovoltaic projects for the Group increased by 300 MW; it signed agreements on multi-energy complementary integration projects with Qing County, Cangzhou, and Bohai New District, as well as agreements on the development of photovoltaic projects in Yongzhou, Hunan Province, Zhujiang, Guangdong Province, and Chifeng, Inner Mongolia. The newly agreed capacity of the photovoltaic projects was 3,600 MW and the accumulated agreed capacity was 15,799 MW. As of 30 June 2022, the Group operated photovoltaic power generation projects with accumulated operating capacity of 118.59 MW and accumulative installed capacity under management of 288.59 MW. The number of hours available for photovoltaic projects was 730, down 32 hours from the same period of last year and 40 hours higher than the national average of photovoltaic power used.

(2) *Energy storage business*

The Company participated in an equity investment for the construction of Hebei Fengning pumped storage power station project (河北豐寧抽水蓄能電站項目), the designed total installed capacity of which amounted to 3,600 MW, which will be developed in two phases with installed capacity of 1,800 MW each for pumping and water retention functions such as peak load regulation and valley filling. As of 30 June 2022, the lifting of generator No. 7 of the Hebei Fengning pumped storage power station project was completed and the 100% load dumping test for its generators No. 1 and 2 was successfully completed. Meanwhile, during the Reporting Period, the Group added 1,200 MW to the agreed pumped storage power.

The Group actively attempted to explore investment in new energy storage projects, focusing on the research and development of technologies and projects such as flywheel energy storage. During the Reporting Period, two flywheel energy storage projects developed by the Group, namely the Weichang Flywheel Energy Storage Demonstration Project (圍場飛輪儲能示範項目) and the Jingjing Flywheel Energy Storage Demonstration Project (井陘飛輪儲能示範項目), were included in the “2022 List of Independent Energy Storage Demonstration Projects on the Grid Side of Provincial Planning (First Batch)” issued by the Development and Reform Commission of Hebei Province, which are located in the northern grid of Hebei Province and the southern grid of Hebei Province, respectively. The Group will also continue to try to invest in new energy storage projects outside the province.



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(3) Wind turbine technical improvement and technology development and research business

During the Reporting Period, the newly enhanced bearing series (including main bearings, bearing housings, sealing systems and related accessories) of the Gamesa wind turbine developed and designed by the Group's technical team in Shanghai enables the complete replacement of mechanical and transmission chain systems, thereby opening up incremental markets for the Company in new business areas.

(III) Business Discussion and Analysis

1. Overview

In the first half of 2022, the Group recorded operating revenue of RMB10.225 billion, representing a year-on-year increase of 19.66%, which was mainly due to the increase in natural gas sales and unit selling price of gas of the Company; the operating costs of RMB7.185 billion, representing a year-on-year increase of 30.56%, which was mainly due to the commencement of operation of new wind farms and the increase in gas sales.

2. Net profit

During the Reporting Period, the Group recorded a net profit of RMB2.024 billion, representing a year-on-year decrease of 3.69%. During the Reporting Period, the wind power and photovoltaic power segments realized a net profit of RMB1.448 billion, representing a year-on-year decrease of 17.01%, which was mainly due to the impact of a decrease in utilization hours in the first half of the year compared to the same period of last year for the wind power segment; the natural gas business segment realized a net profit of RMB593 million, representing a year-on-year increase of 43.60%, which was mainly due to an increase in natural gas sales volume as compared to the same period of last year and the increase in unilateral gross profit.

3. Net profit attributable to shareholders of the listed company

During the Reporting Period, the net profit attributable to shareholders of the listed company was RMB1.617 billion, representing a decrease of RMB90 million compared with the RMB1.707 billion in the same period of the last year, representing a year-on-year decrease of 5.29%, which was mainly due to the decrease in the Group's net profit over the same period of last year.

Basic earnings per share attributable to shareholders of the Company is RMB0.38.



4. Gain or loss attributable to minority shareholders

During the Reporting Period, net profit attributable to minority interests of the Company amounted to RMB408 million, representing an increase of RMB13 million as compared with RMB395 million in the corresponding period of last year. This was mainly due to the fact that the natural gas segment of the Company recorded growth in net profit over the same period of last year.

5. Contingent liabilities

As of 30 June 2022, RMB137 million was used as a guarantee provided by the Group for a joint venture, Hebei Suntien Guohua Gas Co., Ltd., for its application to a financial institution for credit line.

As of 30 June 2022, the Group was subject to certain pending litigations/arbitrations with its suppliers, etc., involving RMB35 million. The cases are still under trial.

6. Cash flows

As of 30 June 2022, the Group's net current liabilities were RMB17.728 billion, and the net decrease in cash and cash equivalents was RMB3.006 billion. The Group has obtained credit facilities of a total amount of RMB101.592 billion from various domestic banks, of which an amount of RMB31.511 billion was utilized.

The majority of the Group's incomes and expenses are denominated in Renminbi. The Group did not enter into any financial instrument for hedging purposes as it is expected that its foreign exchange exposure will not be material.

7. Capital expenditure

During the Reporting Period, capital expenditures mainly included project construction costs for new wind power projects, natural gas pipelines and additions to properties, plants and equipment and prepayment for leased lands. Capital resources mainly included self-owned capital, bank borrowings and cash flows from the Group's operating activities. During the Reporting Period, the Group's capital expenditure was RMB2.508 billion, representing a decrease of 46.39% as compared with RMB4.678 billion last year. A breakdown of capital expenditure is as follows:

Unit: '000 Yuan Currency: RMB

	30 June 2022	30 June 2021	Change (%)
Natural gas	1,519,889	3,654,627	-58.41
Wind power and solar energy	986,812	1,020,680	-3.32
Unallocated capital expenditures	1,340	2,894	-53.70
Total	2,508,041	4,678,201	-46.39



8. Borrowings

As of 30 June 2022, the Group's long-term and short-term borrowings totaled RMB33.672 billion, representing an increase of RMB84 million as compared with the end of 2021. Among all borrowings, the short-term borrowings (including long-term loans due within one year) aggregated to RMB5.464 billion, the long-term borrowings amounted to RMB28.208 billion.

During the Reporting Period, the Group actively expanded its financing channels and strengthened its capital management to guarantee the smooth operation of capital chain and to reduce finance cost. Firstly, the Group replaced existing high-interest-rate loans, and managed to get the prime rate for new loans. Secondly, the Group strengthened the capital management to improve efficiency of the use of funds and to reduce the chance of fund precipitation.

9. Debt-to-asset ratio

As of 30 June 2022, the Group's debt-to-asset ratio (the ratio of total liabilities divided by total assets) was 66.53%, representing a decrease of 0.28 percentage point from 66.81% as at 31 December 2021, mainly due to the slight decrease in liabilities from the beginning of the year.

10. Substantial mortgage

The Group has no material asset pledges on assets during the year.

Significant changes in the Company's operating conditions during the Reporting Period and events that occurred during the Reporting Period that had a significant impact on the Company's operating conditions and are expected to have a significant impact in the future.

Applicable Not Applicable



IV. MAJOR OPERATIONS DURING THE REPORTING PERIOD

(I) Analysis of principal business

1. Analysis of changes in relevant items of financial statements

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period	Amount for the corresponding period of previous year	Percentage Change(%)
Operating revenue	10,225,309,885.43	8,545,067,129.57	19.66
Operating costs	7,185,416,025.72	5,503,516,493.10	30.56
Selling expenses	1,709,640.11	1,180,879.25	44.78
Administration expenses	254,539,409.30	247,375,629.63	2.90
Finance costs	588,247,100.89	552,434,209.15	6.48
R&D expenses	37,888,206.99	16,451,004.15	130.31
Net cash flows from operating activities	2,089,768,200.22	2,264,719,068.53	-7.73
Net cash flows from investing activities	-3,716,766,991.84	-3,556,572,439.46	4.50
Net cash flows from financing activities	-1,379,191,625.25	2,455,080,688.50	-156.18

Explanation on reasons for changes in operating revenue: During the Reporting Period, the increase in revenue was mainly attributable to the increase in sales volume and unit selling price of gas under the natural gas segment as compared with the same period of last year.

Explanation on reasons for changes in operating costs: During the Reporting Period, the Group's operating costs increased by 30.56% as compared with the same period of last year, mainly due to the commencement of operation of new wind farms and the increase in sales volume of gas.

Explanation on reasons for changes in selling expenses: During the Reporting Period, the Group's selling expenses were RMB1.7096 million, representing an increase of 44.78% as compared with the same period of 2021, mainly due to the increase in the remuneration of sales force as compared with the same period of last year.

Explanation on reasons for changes in administrative expenses: During the Reporting Period, the Group's administrative expenses were RMB255 million, representing an increase of 2.90% as compared with the same period of 2021.



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Explanation on reasons for changes in finance costs: During the Reporting Period, the Group's finance costs were RMB588 million, representing an increase of 6.48% from RMB552 million for the same period of last year.

Explanation on reasons for changes in R&D expenses: During the Reporting Period, the Group's R&D expenses were RMB37.8882 million, representing an increase of 130.31% from RMB16.4510 million for the same period of last year, mainly due the increase in R&D investment for the current period.

Explanation on reasons for changes in net cash flows from operating activities: The net cash inflows from operating activities were RMB2.090 billion representing a decrease of 7.73% over the same period of last year, mainly due to increase in cash paid for purchase of goods and acceptance of services.

Explanation on reasons for changes in net cash flows from investing activities: The net cash outflows from investing activities were RMB3.717 billion, representing an increase of 4.50% over the same period of last year, mainly due to the increase in the Company's purchase of structured wealth management products from banks.

Explanation on reasons for changes in net cash flows from financing activities: The net cash outflows generated from the financing activities were RMB1.379 billion, representing a decrease of 156.18% over the same period of last year, mainly due to the Company's absorption of investment, reduction of bank borrowings as compared with the same period of last year, repayment of debts during the current period and increase in redemption of perpetual bonds as compared with the same period of last year.

2. Explanation on major changes in the type of business, composition or source of profit of the Company during the current period

Applicable Not Applicable

(II) Major changes in profits caused by non-principal businesses

Applicable Not Applicable



(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan

Items	Balance as at the end of the Reporting Period	Balance as at the end of the Reporting Period as a percentage of total assets (%)	Balance as at the end of the corresponding period of last year	Balance as at the end of the corresponding period of last year as a percentage of total asset (%)	Change in balance as at the end of the Reporting Period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Cash	4,658,724,748.78	6.45	7,648,396,983.55	10.61	-39.09	Mainly due to the Company's purchase of trading financial assets, repayment of maturing debts and purchase of long-term assets
Derivative financial assets	1,349,000,000.00	1.87	-	-	100.00	Mainly due to the Company's purchase of structured deposits from banks
Receivable financing	654,608,841.55	0.91	494,976,373.69	0.69	32.25	Increase in acceptance bills received during the current period
Advances to suppliers	351,587,052.12	0.49	161,631,341.92	0.22	117.52	Increase in prepayments for purchase of natural gas
Inventories	90,447,346.72	0.13	214,186,265.69	0.30	-57.77	Mainly due to the decrease in natural gas in stock
Non-current assets due within one year	22,349,480.00	0.03	-	-	100.00	Increase in amounts receivable for construction work to be recovered within one year
Long-term receivables	1,163,662.27	0.00	41,133,817.83	0.06	-97.17	Receipt of amounts receivable for construction work
Goodwill	93,856,558.08	0.13	55,450,878.54	0.08	69.26	Increase in goodwill arising from the business combinations involving enterprises not under common control during the current period
Short-term borrowings	1,277,590,696.24	1.77	1,978,114,966.89	2.74	-35.41	Repayment of short-term borrowings from financial institutions
Bills payable	42,464,844.58	0.06	14,738,449.62	0.02	188.12	Mainly due to the increase in the settlement of bank acceptance bills
Other current liabilities	1,219,086,621.02	1.69	704,107,945.21	0.98	73.14	Mainly due to the issuance of super short-term commercial papers by the Company during the current period
Long-term payables	206,126,428.37	0.29	361,236,137.17	0.50	-42.94	Mainly due to the decrease in sale-leaseback finance leases of the Company over the same period of last year

Other explanations

Nil.



Management Discussion and Analysis

2. Information on foreign assets

(1) *Size of assets*

Of which: foreign assets 2.10 (Unit: '00 million Currency: RMB), representing 0.29% of total assets.

(2) *Explanation of the high proportion of foreign assets*

Applicable Not Applicable

Other explanation

Nil.

3. Restrictions on main assets as of the end of the Reporting Period

Unit: Yuan

Items	Carrying amount as at the end of the period	Reasons for such restriction
Cash	131,502,323.85	Land reclamation deposit, guarantee deposit and others
Receivables financing	590,000.00	Financing pledges
Accounts receivable	6,203,038,542.95	Financing pledges
Fixed assets	269,861,038.32	Financing collaterals
Intangible assets	3,272,748.07	Financing collaterals
Total	6,608,264,653.19	

4. Other explanation

Applicable Not Applicable



(IV) Analysis of investment status

1. General analysis of external equity investments

During the Reporting Period, the Group's investment income from joint ventures and associates amounted to RMB131 million, representing a decrease of RMB2 million as compared with RMB133 million in the corresponding period of last year. This was mainly due to a decrease in profit of joint ventures and associates during the period.

During the Reporting Period, the Group's external investments amounted to RMB14.7000 million, representing an increase of RMB14.7000 million as compared with RMB0 million in the corresponding period of last year. This was mainly due to the fact that additional investments in joint ventures and associates were made during the period.

Unit: RMB'0,000

Investment amount during the Reporting Period	Investment amount of the corresponding period last year	Percentage change
1,470.00	–	100%

(1) Material equity investments

Applicable Not Applicable

(2) Material non-equity investments

Applicable Not Applicable

(3) Financial assets measured at fair value

Unit: Yuan

Item	Amount
Investments in other equity instruments	218,605,700.00
Receivables financing	654,608,841.55



Management Discussion and Analysis

(V) Material disposal of assets and equity interest

Applicable Not Applicable

(VI) Analysis of major subsidiaries and investee companies

As at the end of the Reporting Period, net profit from a single subsidiary or investment income from a single investee company that equals to 10% or more of the net profit of the Company:

Unit: RMB'0,000

Company name	Proportion of shareholding	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
HECIC New-energy Co., Ltd. (河北建投新能源有限公司)	100%	Wind power generation, wind farm investment and service consulting	509,730.00	2,503,687.56	797,239.28	186,819.51	79,827.27	70,089.07
Hebei Natural Gas Company Limited (河北省天然氣有限公司)	55%	Sale of natural gas and gas appliances, as well as the connection and construction of natural gas pipelines	190,000.00	1,100,523.27	431,576.56	682,152.67	76,572.73	60,216.08
Hebei Fengning CIC New Energy Co., Ltd. (河北豐寧建投新能源有限公司)	100%	Wind power generation	86,783.00	492,797.21	145,886.37	54,268.54	37,882.40	33,779.63

(VII) Structured entities controlled by the company

Applicable Not Applicable

V. OTHER DISCLOSURES

(I) Potential risks

1. Wind power business

(1) Risk of market-based electricity trading

With the deepening of national power system reform, the scale of market-based electricity trading is expected to further expand. The Company will conduct in-depth study on the business rules of market-based electricity trading, carefully study the electricity sales policies promulgated by the country and various provinces, understand and master the relevant operating procedures, and increase the Company's grid-connected power by actively participating in market-based trading, in order to maximize the interests of the Company.



(2) *Continuation of power constraints*

Under general circumstances, the construction of power grids lags behind the construction of new energy projects, and in some areas where new energy resources are concentrated, the phenomenon of power constraints still exists. The Group will prioritize the development of grid facilities and wind power projects in areas with satisfactory grid integration conditions according to the grid construction situation of each project location, and at the same time, explore innovative ways to develop new energy consumption.

(3) *Risk from natural conditions*

The new energy industry is relatively dependent on weather conditions and any unforeseen changes in weather may have an adverse impact on the electricity production, revenue and operating results of the Company.

2. Natural gas business

(1) *Intensification of market competition*

The fair opening of national oil and gas pipeline facilities to third parties will break down the barrier for downstream city gas enterprises sourcing gas directly from upstream, and the Company's stock market will face the competition from major upstream enterprises, and price advantage, resource control and other factors will become a favourable measure for upstream enterprises to enter the end-user market, and the difficulty for market expansion will be further increased.

The Group will firmly adhere to the market-oriented philosophy, further optimize its resource mix, market layout and sales policy, continue to broaden market reach, deeply tap the market potential, make full use of its resource and synergy advantages, open up new channels amid fierce market competition, and take multiple measures to ensure the continuous growth of gas volume. During the winter supply period, the Group launched the use of the emergency reserve gas business of the State Grid Corporation of China, which was the first of its kind in China. This made a significant contribution to the guaranteed winter supply in the Hebei Province, opening up a new mode of guaranteed winter supply and improving the emergency protection capability of the Company.

(2) *Increased difficulty for payment collection of accounts receivable*

Through the unremitting efforts of the Group, the number of its users in arrears in the downstream of natural gas and the overdue amount decreased year by year. However, as the remaining two defaulting enterprises have entered the respective stages of production suspension and bankruptcy, the Group will closely monitor the relevant progress and make its best efforts to strive for recovery in the best interest of the Group. At present, there is still a high degree of uncertainty.



Management Discussion and Analysis

(3) Risks of natural gas price increase

In the first half of 2022, due to international geopolitical factors, natural gas prices ran high and the overall resources were maintained in a tight balance, which may lead to a reduction in the use of natural gas by downstream users. The Group will continue to increase its efforts in downstream market development and actively introduce expedient resources and low-cost gas sources in an effort to ensure growth in sales volume.

3. Interest rate risk

The Group is principally engaged in investment in domestic wind power, photovoltaic power and natural gas projects, which requires certain amount of capital expenditure. The demand for borrowing funds is high and fluctuation in interest rate will have certain influence on the capital costs of the Group. The Group will keep an eye on the trend of the national monetary policies, strengthen its communications with financial institutions to bargain for prime interest rate loans; and expand financing channels in various aspects to achieve financial innovation to ensure the smooth operation of capital chain and a low cost for project construction.

(II) Other disclosures

Applicable Not Applicable

VI. PROSPECTS FOR THE SECOND HALF OF THE YEAR

In the second half of 2022, with the efficient coordination of the pandemic prevention and control as well as the economic and social development, the effects of the various policy measures to stabilize the economy will continue to emerge, and the economy of China is expected to continue to rebound and remain within a reasonable range. In the second half of the year, the Company will closely follow China's major strategic decisions on carbon peaking and carbon neutrality and continue to promote the Group towards high-quality development, and will continue to promote the following works at a steady pace seeking for improvement:

1. Doing our utmost to construct safe production facilities, bearing in mind that "safety is the first responsibility", building systems, strengthening responsibility, completing the release and implementation of the HSE (health, safety and environment) management system, and guiding and promoting the implementation of the system-wide HSE system. We will further improve the responsibility system for safe production of all staff, and will focus on detailed and practical risk classification and control as well as screening and treatment of pitfall. We will also organize emergency drills for major hazards before the commissioning of key projects such as the Tangshan LNG Project in a timely manner, so as to enhance the emergency disposal capability of the Company's systems and maintain safe production.



2. Further increasing project development efforts, forming the new development pattern of the dual drive of the two major business segments, new energy and natural gas and striving the effective implementation of the major projects and key projects in the year. At the same time, we will continue to follow up on the big bases and big channels of new energy projects, and make every effort to promote offshore wind power projects and integrated source-grid-load-storage projects, and strive to make a breakthrough as soon as possible.
3. Strengthening the management of construction period of projects under construction to ensure smooth construction of all projects under construction as scheduled. Among which, new energy projects under construction such as the Liaoning Taian Sanglin Project (遼寧台安桑林) and Hunan Channel II (湖南通道二期) should be connected to the grid as planned; the external pipelines of the Tangshan LNG Project Phase I and the Caobao section (曹寶段) and Baoyong section (寶永段) meeting production conditions, and the storage tanks meeting inlet conditions; the “Jingshihan” Dual Track Gas Pipeline Project (“京石邯”輸氣管道複綫工程) meeting production conditions, and the construction of the main storage tank of the Jinghan Pipeline LNG Gas Storage Peak Capacity Station Project Phase I having completed.
4. Timely commencing the technical reform, efficiency enhancement and upgrades by “closing down smaller generation units and replacing with bigger ones” of the new energy projects which were put into early operation, doing a good job in upgrades of the old gas pipeline networks in urban areas, long-distance pipeline upgrades and transformation and other key work; enhancing the efficiency of the stock of assets; and carrying out the strategic layout and systematic planning of new energy storage projects.
5. Paying close attention to electricity trading, natural gas trading and carbon trading market dynamics as well as the relevant policies launched by China, and adjusting trading strategies in a timely manner to maximize the Company’s interests.



Corporate Governance

I. SUMMARY OF THE GENERAL MEETINGS

Session	Date of general meeting	Enquiry index of the designated website on which the resolution was published	Publication date of the resolution	Resolutions
2021 Annual General Meeting	14 June 2021	www.sse.com.cn www.hkexnews.hk	15 June 2021 14 June 2021	All resolutions were approved

The extraordinary general meetings requested by the shareholders of preference shares with restored voting right

Applicable Not Applicable

Descriptions of general meeting

Applicable Not Applicable

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Applicable Not Applicable

Descriptions of the changes in Directors, Supervisors and Senior Management of the Company

Applicable Not Applicable

III. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALISATION OF CAPITAL RESERVE

Profit distribution proposal and proposal on capitalisation of capital reserve for the first half of the year

Any distribution or capitalisation	No
Number of bonus shares for every 10 shares (share)	0
Dividends for every 10 shares (RMB) (tax inclusive)	0
Number of capitalisation shares for every 10 shares (share)	0

Details of proposal on profit distribution or capitalisation of capital reserve
Nil



IV. SHARE OPTION INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME AND OTHER INCENTIVE MEASURES OF THE COMPANY AND THE IMPACTS THEREOF

(I) Relevant share incentive events which have been published in interim announcements and without further progress or changes in subsequent implementation

Applicable Not Applicable

(II) Incentive events not disclosed in interim announcements or with subsequent development

Equity incentive

Applicable Not Applicable

Other explanation

Applicable Not Applicable

Employee share ownership plan

Applicable Not Applicable

Other incentive measures

Applicable Not Applicable

V. CORPORATE GOVERNANCE

(I) Compliance with the CG Code

The Company focuses on high standards of corporate governance, so as to enhance value for shareholders and protect their interests. The Company has established a modern corporate governance structure and set up shareholders meeting, the Board, the board of supervisors, Board committees and senior management in accordance with the PRC Company Law, the Mandatory Provisions for the Articles of Association of Companies Listed Overseas and the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the “CG Code”). During the Reporting Period, the Company has complied with all provisions set out in the CG Code, except for code provision F.2.2 of Part 2 of the CG Code. In accordance with the requirements of provision F.2.2 of Part 2 of the CG Code, the chairman of the Board shall attend the annual general meeting. Mr. Cao Xin, the Chairman of the Company, was not able to attend the 2021 annual general meeting of the Company due to other business engagement. According to relevant requirements, the meeting was chaired by Mr. Mei Chun Xiao, an executive director, as elected by the shareholders who attended the meeting.



(II) Directors, Supervisors, Senior Management and Employees

1. Changes in Directors, Supervisors and Senior Management of the Company

In the first half of 2022, the Directors, supervisors and senior management of the Company remained unchanged. During the Reporting Period, the Company was not aware of any change in the information of Directors, supervisors and senior management which is required to be disclosed pursuant to the requirements of the Rule 13.51B(1) of the Hong Kong Listing Rules.

2. Number of Employees

As of 30 June 2022, the Company had 2,481 employees under labour contracts with the Company.

During the Reporting Period, based on the overall strategic operational objectives in combination with the need in a changing business environment as well as the core business, the Group keeps improving the system and procedures of recruitment, staffing, training, remuneration, performance and labor relationship management, promoting the innovation and improvement in human resources management system of the Group. To cope with the changes, we will continually optimize, and establish an organizational structure and system that can keep pace with the rapid development of the Group, strive to formulate efficient business processes and provide a human resources support platform for the implementation of the Group's business strategy.

Guided by its own strategies, the Group improved its incentive system and assessment indicators, and established an assessment system based on multiple dimensions such as "performance, act and attitude". Though the multi-dimensional assessment system, a sound value assessment system was thus put in place to realise scientific assessment of value, rational allocation of value and value creation, which created a virtuous cycle. On such foundation, the management units of the Group developed performance management systems that met the needs of their own development by taking into account their actual situation and continued to conduct performance evaluation for all staff. The Group adopted the "combination of internal recruitment and external recruitment as well as campus recruitment and market recruitment" method, focused on promoting the implementation of recruitment of project personnel, strived to provide more career selection opportunities for staff and also attracted and recruited high calibre talents with strong skills to join the Group to provide human resources support for its business development.

Adhering to the principle of combination of talent development and the enhancement of core capabilities of the Group's business and organization, the Group has optimized its employee training model. Combining internal, external and online courses can effectively enhance the professional skills of the employees. The Group emphasizes on talent training at different levels including mid to senior management, reserve high potential personnel and professional technicians in order to enhance the core competitiveness and satisfy the talent needs of the existing and future business development of the Group.



The Group regulates the labor usage and social insurance management in strict compliance with the relevant laws and regulations, including the “Labor Law” and the “Labor Contract Law”, to maximize the protection of legal rights and interests of employees. During the Reporting Period, the Group improved the social security welfare management, further advanced the Company’s staff benefits system, arranged negotiations for the execution of a collective wage agreement and standardized the staff profile management to clarify the approach towards labor relations and to enable the continued maintenance of stable and harmonious labor relations.

(III) The Board

The Board is responsible for leading and overseeing the Company. Under the leadership of the Chairman, the Board is responsible for approving and monitoring the overall strategies and policies of the Company, executing the resolutions passed by shareholders’ general meetings, evaluating the performance of the Company and supervising the work of the management.

During the Reporting Period, the Company held eleven Board meetings, three Audit Committee meetings, one Strategy and Investment Committee meeting, eight meetings of the board of supervisors and one annual general meeting. All Directors have attended all the Board meetings and meetings of the relevant committees. Mr. Mei Chun Xiao attended and chaired the 2021 annual general meeting.

1. Audit Committee

During the Reporting Period, the Audit Committee of the Company consisted of three Directors, namely Mr. Wan Yim Keung, Daniel (an independent Director), Mr. Qin Gang (a non-executive Director) and Mr. Guo Ying Jun (an independent Director), and Mr. Wan Yim Keung, Daniel served as the chairman of the Audit Committee.

During the Reporting Period, the Company held three Audit Committee meetings, at which the following resolutions were reviewed and approved:

- (1) The nineteenth meeting of the fourth session of the Audit Committee of the Board was held on 23 March 2022, at which the “Resolution on the Audit Results of the Company for the Year 2021”, “Resolution on the Performance Report of Audit Committee of the Company for 2021”, “Resolution on the 2021 Internal Audit and Risks Management Report of the Company”, the “Resolution on the 2021 Annual Report of the Company”, “Resolution on the Internal Audit Plan of the Company for the Year 2022”, “Resolution on the Internal Control Assessment Report for the Year 2021”, “Resolution on the Report on the 2021 Final Accounts of the Company”, “Resolution on the Description of the Operations and Financing of the Company for the Year 2022”, “Resolution on the Provision for Impairment and Recognition of Asset Losses of the Company for the Year 2021” and “Resolution on the 2021 Profit Distribution Proposal of the Company” were reviewed and approved, and the above resolutions were submitted to the Board for consideration.



- (2) The twentieth meeting of the fourth session of the Audit Committee of the Board was held on 28 April 2022, at which the “Resolution on the 2022 First Quarterly Report of the Company” was reviewed and approved, and the above resolution was submitted to the Board for consideration.
- (3) The twenty-first meeting of the fourth session of the Audit Committee of the Board was held on 20 May 2022, at which the “Resolution on the Appointment of the Audit Institution for the Company for 2022” was reviewed and approved, and the above resolution was submitted to the Board for consideration.

2. Remuneration and Appraisal Committee

During the Reporting Period, the Remuneration and Appraisal Committee of the Company consisted of five Directors, namely Dr. Lin Tao (an independent Director), Dr. Cao Xin (the Chairman and a non-executive Director), Mr. Mei Chun Xiao (an executive Director), Mr. Guo Ying Jun (an independent Director) and Mr. Wan Yim Keung, Daniel (an independent Director), and Dr. Lin Tao served as the chairman of the Remuneration and Appraisal Committee.

During the Reporting Period, one meeting was convened by the Remuneration and Appraisal Committee, at which the “Resolution on the Proposed Remunerations of Directors of the Fifth Session of the Board” was reviewed and approved, and was submitted to the Board for consideration.

3. Nomination Committee

During the Reporting Period, the Nomination Committee of the Company consisted of five Directors, namely Dr. Cao Xin (a non-executive Director), Dr. Li Lian Ping (a non-executive Director), Mr. Guo Ying Jun (an independent Director), Mr. Wan Yim Keung, Daniel (an independent Director) and Dr. Lin Tao (an independent Director), and Mr. Guo Ying Jun served as the chairman of the Nomination Committee.

During the Reporting Period, two meetings were convened by the Nomination Committee, at which the following resolutions were reviewed and approved:

- (1) The fourth meeting of the fourth session of the Nomination Committee of the Board was held on 23 March 2022, at which the “Resolution on Nomination of Candidates of Directors for the Fifth Session of the Board” was reviewed and approved, and the above resolution was submitted to the Board for consideration.
- (2) The first meeting of the fifth session of the Nomination Committee of the Board was held on 14 June 2022, at which the “Resolution on Nomination of Chairman of the Fifth Session of the Board”, “Resolution on Nomination of Mr. Mei Chun Xiao as President of the Company”, “Resolution on Nomination of Mr. Sun Xin Tian, Ms. Ding Peng, Mr. Lu Yang, Mr. Tan Jian Xin and Mr. Ban Ze Feng as Vice President of the Company”, “Resolution on Nomination of Ms. Fan Wei Hong as Chief Accountant of the Company” and “Resolution on Nomination of Mr. Ban Ze Feng as Secretary to the Board of the Company” were reviewed and approved, and the above resolutions were submitted to the Board for consideration.



4. Strategic and Investment Committee

During the Reporting Period, the Strategy and Investment Committee of the Company consisted of five Directors, namely Dr. Cao Xin (a non-executive Director), Mr. Mei Chun Xiao (an executive Director), Mr. Wang Hong Jun (an executive Director), Mr. Qin Gang (a non-executive Director) and Mr. Wu Hui Jiang (a non-executive Director) and Dr. Cao Xin served as the chairman of the Strategy and Investment Committee.

During the Reporting Period, one meeting was convened by the Strategy and Investment Committee, and the “Resolution on the Consideration of the 14th Five-Year Strategic Plan of the Company” was reviewed and approved and then submitted to the Board for consideration.

(IV) Internal Control

The Board has the responsibility to maintain and review the Company's internal control system to protect the Company's assets and shareholders' interests. The Board also reviews the internal control and risk management systems to ensure their effectiveness.

The Company has set up an audit affairs department, which is responsible for the Company's internal control under the leadership of the Audit Committee. The Company established a sound and effective internal control system according to the governance and business structure of the Company. The Board considers that, during the Reporting Period, the internal control system has been operating in an effective and stable manner in financial, operational, compliance and risk management aspects.

VI. ADDITIONAL INFORMATION

(I) Purchase, Sale or Redemption of the Company's Listed Securities

In order to enhance the profitability and sustainable development capabilities, lower debt-to-asset ratio and enhance risk resistance capacity, the Company commenced a non-public offering of A shares in 2021 (the “A Share Offering”), which was completed on 6 January 2022. The price of the A Share Offering was determined on 9 December 2021, the trading day following the delivery date of the invitation of subscription and the first day of the period of the A Share Offering, on which the Company's A shares closed at RMB18.34 per share. The subscribers to the offering are HECIC, the controlling shareholder of the Company, and 21 legal persons, natural persons or other lawful investment organizations that meet the requirements of the CSRC and other relevant laws and regulations. Other than HECIC, the other subscribers and their respective ultimate beneficial owners are third parties independent of and not connected with the Company or its connected persons. The par value of the additional A shares in the A Share Offering was RMB1 per share and the issue price was RMB13.63 per share. The number of shares issued was 337,182,677, raising total proceeds of RMB4,595,799,887.51. The actual net proceeds raised were RMB4,545,055,183.47 after deducting the expenses related to the offering. Upon completion of the A Share Offering, the total number of shares in issue of the Company increased from 3,849,910,396 shares to 4,187,093,073 shares, and the total number of A shares increased from 2,010,906,000 to 2,348,088,677.



For details of the A Share Offering, please refer to the circular of the Company dated 1 April 2021 and the announcements dated 5 March 2021, 23 April 2021, 7 May 2021, 18 May 2021, 28 June 2021, 15 July 2021, 26 July 2021, 24 August 2021, 6 January 2022 and 9 January 2022.

Save for the A Share Offering and issuance of bonds as mentioned in “Particulars of Bonds” of this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities as of 30 June 2022.

(II) Use of Proceeds from the A Share Offering

As at 30 June 2022, the Company has used RMB1,701,425,796.58 of the proceeds, of which RMB1,212,526,272.15 was used to replenish working capital and repay bank loans; RMB285,600,000.00 was used for replacement of the Company's preliminary investment in projects; RMB203,299,524.43 was used for investment in the construction of fundraising projects; the balance of the proceeds was RMB2,868,451,537.78 (including wealth management products of RMB1,982,794,775.34).

As at 30 June 2022, the use of proceeds from the Company’s A Share Offering was as follows:

Unit: Yuan

No.	Project	Proposed amount of proceeds to be invested	Actual amount of utilized proceeds during the Reporting Period ⁽¹⁾	Net unutilized proceeds as at 30 June 2022 ⁽¹⁾	Expected time of utilization
1	Tangshan LNG Project (Phase I and Phase II)	2,397,971,114.80	368,944,287.57	2,045,641,796.83	By the end of 2027
2	Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section)	699,029,487.22	113,470,100.66	590,465,115.41	December 2023
3	Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section)	236,797,375.06	6,485,136.20	231,476,533.98	December 2023
4	Replenishment of liquidity and repayment of bank loans	1,211,257,206.39	699,998,910.00	868,091.56	–
Total		4,545,055,183.47	1,188,898,434.43	2,868,451,537.78	

Note: (1) The amounts set out in these columns are the proceeds and the accrued bank interest (including wealth management income) generated therefrom. The related bank interest was also applied to the corresponding use of the proceeds in accordance with the regulations. As at 30 June 2022, interest income (including wealth management income) accrued on the proceeds amounted to RMB20,672,900.



(III) Audit Committee

The Audit Committee established by the Board is mainly responsible for reviewing and supervising the procedures for financial reporting and internal control. It has reviewed with the management of the Company the accounting principles and practices adopted by the Company and its subsidiaries, and has discussed with the Directors on the internal control and financial reporting matters of the Company, including review of the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2022 and this report and considered that the Group has adopted applicable accounting policies for preparation of relevant results and made adequate disclosures.

(IV) Contact Person for the External Joint Company Secretary

During the Reporting Period, the main contact person of the Company for Ms. Lam Yuen Ling, Eva, the external joint company secretary, is Mr. Ban Ze Feng, the vice president, secretary to the Board and joint company secretary. Mr. Ban Ze Feng is responsible for reporting to the Chairman of the Board the material matters.



Environmental and Social Responsibilities

I. ENVIRONMENT INFORMATION

(I) Explanation on environmental protection of companies and their significant subsidiaries classified as the key pollutant discharging units announced by the environmental protection department

Applicable Not Applicable

(II) Explanation on environmental protection of companies other than those classified as the key pollutant discharging units

1. Administrative penalties for environmental problems

Applicable Not Applicable

2. Disclosure of other environmental information with reference to key pollutant discharging units

The wind farms held by the Group have constructed customized hazardous waste storage room tailored for storage of wastes, used batteries and pollutants such as waste oil. Disposals of replaced batteries, waste oil, waste oil drums, waste filters and waste packaging for hazardous waste of wind farms and waste fluid from compressors of gas companies are commissioned to qualified entities with relevant experience, and hazardous waste disposal, collection and transportation agreements are signed. Relevant enterprises under the Group have formulated environmental emergency plans which are filed to environmental protection authorities.

3. Explanation of reasons for the non-disclosure of other environmental information

Applicable Not Applicable

(III) Explanation of the follow-up progress or changes in the disclosure of environmental information during the Reporting Period

Applicable Not Applicable

(IV) Information on ecological protection, pollution prevention and environmental responsibility

On the World Environment Day 2022, the Group launched the following activities: (1) printing and distribution of promotion posters about energy saving and emission reduction by its affiliated companies; and (2) distribution of energy saving and emission reduction initiatives and promotional learning documents by its affiliated companies.

The Group ensures the safe and stable operation of wind power and photovoltaic equipment, takes measures to reduce equipment downtime and increases the generation volume of new energy.



(V) Measures taken to reduce their carbon emissions during the Reporting Period and their effectiveness

In respect of equipment operation and maintenance, the Group strictly implements the Company's systems and standardized equipment operation procedures to avoid equipment leakage, reduce equipment failure and reduce carbon emissions.

II. DETAILS OF CONSOLIDATING AND DEVELOPING THE ACHIEVEMENTS IN POVERTY ALLEVIATION BATTLE AND RURAL REVITALIZATION

Year 2022 is a year of continuously consolidating and developing the achievements in poverty alleviation battle and rural revitalization. During the first half of the year, the resident teams of the Company, in accordance with the important task of consolidating and developing the achievements in poverty alleviation, the development planning of rural revitalization and the actual situation of support work, did a good job in village work and ensured that practical results were achieved in terms of village revitalization under the unified leadership of the county and township party committees. The specific tasks were as follows:

- (1) Building and strengthening village party organizations. The Company's resident teams assisted the county and rural party committees in strengthening the building of the "two committees" of Leguo Village, helping the village party organizations to improve their ability and work style, and to perform their duties and responsibilities in village development and governance.
- (2) Promoting the strengthening of the village and enriching the people. The company's resident teams actively carried out investigation and dynamic monitoring of drinking water safety in Leguo Village, paying constant attention to the amount and quality of drinking water, the convenience of water consumption and the attainment of the water supply guarantee rate by villagers. They visited households on a regular basis to actively promote the policy of monitoring and helping villagers to prevent return to poverty; assist village cadres to conduct household verification, study and judge risks, and include eligible villagers as targets for monitoring to prevent return to poverty. They also prevented the spread of illegal religions and promoted harmony and stability in rural areas.
- (3) Normalization of pandemic prevention and control. The Company's resident teams assisted the committees of Leguo Village in adhering to the normal management of pandemic prevention and control in the village, strictly implementing the requirements of various departments at all levels regarding the pandemic prevention and control, striving to achieve strict management and control by carrying out temperature testing and disinfection of people and vehicles entering and leaving the village as well as providing villagers with pandemic prevention supplies.

The Company will continue to follow the important remarks of General Secretary Xi Jinping on the strategy of rural revitalization, take political responsibility, demonstrate the commitment of state-owned enterprises, and deeply implement the requirements of "four non-removals", i.e. removing poverty without removing responsibility, policies, assistance and supervision, so as to continuously consolidate and enhance the effect and result of poverty alleviation, enable the villages receiving assistance to drive sustainable internal motivation, and lay a solid foundation for rural revitalization.



Significant Events

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings made by relevant parties such as the actual controller, shareholders, related parties and acquirers of the Company and the Company during the Reporting Period or subsisting to the Reporting Period

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in details	If not performed timely, Specify further plans
Undertakings relating to the initial public offering of shares	Selling restrictions on shares	HECIC	Complying with the requirements on lock-up period and selling restriction for the controlling shareholders of the listed company	36 months from the date of listing of A shares of the Company	Yes	Yes	/	/
	Other	HECIC	Complying with the requirements on reduction of shareholding for the controlling shareholder of the listed company	Long-term effective	No	Yes	/	/
	Other	the Company	True, accurate and complete disclosures in the Prospectus	Long-term effective	No	Yes	/	/
	Other	HECIC	True, accurate and complete disclosures in the Prospectus	Long-term effective	No	Yes	/	/
	Other	Directors, supervisors and senior management	True, accurate and complete disclosures in the Prospectus	Long-term effective	No	Yes	/	/
	Other	HECIC, the Company, Directors (excluding independent Directors) and senior management	Complying with the requirements on stock price stabilization measures for the controlling shareholder of the listed company, the Company, its Directors (excluding independent Directors) and senior management	Within three years from the date of listing of A shares of the Company	Yes	Yes	/	/
	Other	HECIC	Adoption of remedial measures for the dilution of current return as a result of the initial public offering of shares of the Company	Long-term effective	No	Yes	/	/
	Other	Directors, supervisors and senior management	Adoption of remedial measures for the dilution of current return as a result of the initial public offering of shares of the Company	Long-term effective	No	Yes	/	/
	Other	the Company	Measures to be taken if undertakings disclosed in the Prospectus fail to be performed	Long-term effective	No	Yes	/	/



Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in details	If not performed timely, Specify further plans
	Other	HECIC	Measures to be taken if undertakings disclosed in the Prospectus fail to be performed	Long-term effective	No	Yes	/	/
	Other	Directors, supervisors and senior management	Measures to be taken if undertakings disclosed in the Prospectus fail to be performed	Long-term effective	No	Yes	/	/
	Other	HECIC	Avoiding horizontal competition	Long-term effective	No	Yes	/	/
	Resolving title defects in land, etc.	HECIC	Full compensation shall be made to the Company for any actual losses suffered by the Company or its subsidiaries as a result of any disputes, risks or administrative penalty imposed by competent authorities or being unable to carry out normal production and operation arising from or in connection with any use of land non-conformity with standards, defect of property, defect of leased property or incomplete leasing procedures (excluding land grant fee or rent, land requisition fee, title registration fee, tax and levies and other related expenses payable by the Company according to laws and regulations) after the actual losses caused by such matters are ascertained by the Company in accordance with legal procedures.	Long-term effective	No	Yes	/	/
Undertakings relating to refinancing	Selling restrictions on shares	HECIC	Undertaking in relation to the lock-up period of shares held by the shareholders	Within 36 months from the date of closing of the non-public issuance of A shares	Yes	Yes	/	/
	Selling restrictions on shares	21 subscribers	Undertaking in relation to the lock-up period of shares held by the shareholders	Within 6 months from the date of closing of the non-public issuance of A shares	Yes	Yes	/	/



Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in details	If not performed timely, Specify further plans
	Selling restrictions on shares	HECIC	Undertaking of not reducing the shares of the Company held for a specified period	From the pricing benchmark date for the non-public issuance of A shares to the date on which the 6-month period after the completion of the Issuance ends	Yes	Yes	/	/
	Selling restrictions on shares	HECIC	Undertaking of not reducing the shares of the Company obtained under the subscription for a specified period	Within 36 months from the date of completion of the non-public issuance of A shares	Yes	Yes	/	/
	Distribution of dividends	The Company	Subject to the distribution of dividends in accordance with the provisions of the Shareholders' Return Plan for the Next Three Years (2021-2023) after the Non-public Issuance, the profits distributed by the Company in the form of cash dividends every year shall not be less than 20% of the distributable profits attributable to the shareholders of the Company realized in that year.	3 years after the non-public issuance of A shares	Yes	Yes	/	/



II. MISAPPROPRIATION OF FUNDS FOR PURPOSES OTHER THAN FOR BUSINESS BY THE CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Applicable Not Applicable

III. NON-COMPLIANCE WITH GUARANTEE

Applicable Not Applicable

IV. AUDIT ON THE INTERIM REPORT

Applicable Not Applicable

V. CHANGES IN THE MATTERS COVERED BY THE NON-STANDARD AUDIT OPINION ON THE PREVIOUS YEAR'S ANNUAL REPORT AND HOW IT WAS ADDRESSED

Applicable Not Applicable

VI. EVENTS IN RELATION TO BANKRUPTCY AND REORGANISATION

Applicable Not Applicable

VII. MATERIAL LITIGATIONS AND ARBITRATIONS

The Company has material litigations and arbitrations during this Reporting Period
 The Company has no material litigation and arbitration during this Reporting Period

VIII. SUSPECTED BREACHES OF LAWS AND REGULATIONS, PUNISHMENTS AND RECTIFICATIONS INVOLVED BY THE LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS

Applicable Not Applicable

IX. EXPLANATION ON CREDIBILITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLER DURING THE REPORTING PERIOD

During the Reporting Period, the Company, its controlling shareholder and actual controller operate in good faith with good creditability.



X. MATERIAL RELATED PARTY TRANSACTIONS

(I) Related party transactions in relation to ordinary operations

1. Events disclosed in interim announcements without subsequent development or changes during implementation

Applicable Not Applicable

2. Events disclosed in interim announcements with subsequent development or changes during implementation

- (1) On 28 October 2021, the Company and the Group Finance Company entered into the Renewed Financial Services Framework Agreement (the “Renewed Financial Services Framework Agreement”). pursuant to which the Group will, on a voluntary and non-compulsory basis, continue to utilize various financial services provided by the Group Finance Company, including (i) the Deposit Service, (ii) the Loan Service, (iii) the Bill Discounting Service, (iv) the Miscellaneous Fee-based Financial Services (including guarantee service, acceptance service, entrusted loan service and other fee-based services), and (v) the Other Permitted Financial Services (including but not limited to the finance lease service and settlement service, financial and financing advisory services, credit authentication and relevant consulting and agency services, insurance agency service and corporate bonds underwriting service). Under the Renewed Financial Services Framework Agreement, the Group Finance Company has undertaken to the Company that whenever it provides financial services to the Group, the terms thereof shall not be less favorable than those offered by any commercial banks or other financial institutions for comparable financial services. The term of the agreement is effective from 1 January 2022 to 31 December 2023, and the annual caps of the agreed services are as follows: (i) the maximum daily deposit balance (including accrued interests) of the Deposit Service will be RMB3,570 million; (ii) the maximum daily loan balance (including accrued interests) of the Loan Service will be RMB4,000 million; (iii) the maximum daily discounting fund balance (including discounting interests) of the Bill Discounting Service will be RMB500 million; and (iv) the annual caps on the handling fees of the Miscellaneous Fee-based Financial Services will be RMB5 million. Details are set out in the announcement and shareholders’ circular published by the Company on SSE and the Stock Exchange in relation to this continuing connected transaction. The transaction was approved at the extraordinary general meeting of the Company on 14 December 2021. On the same day, the Company published the announcement regarding the poll results of the extraordinary general meeting on the websites of the Hong Kong Stock Exchange and the Company.



- (2) On 21 December 2020, the Company entered into the Asset Financing Services Framework Agreement with Huihai Leasing, pursuant to which the Group will continue to, on a voluntary and non-compulsory basis, utilize the asset financing services provided by Huihai Leasing. The agreement was considered and approved at the first extraordinary general meeting of 2021 on 8 February 2021 with an effective period ending on 31 December 2023. According to the Asset Financing Services Framework Agreement, Huihai Company provides asset financing services to the Company and its subsidiaries, including finance leasing services (including direct lease service and sale-and-leaseback service), and other services provided by Huihai Company of which it has obtained regulatory license for operation, including but not limited to the disposal of residual value and maintenance of leased assets, consulting service and provision of guarantees in leasing transactions, etc. For each year ending 31 December during the term of the agreement, newly added direct lease and sale-and-leaseback service shall not be higher than RMB800 million and RMB800 million, respectively. In the first half of 2022, newly added direct lease and sale-and-leaseback service amounted to RMB100,000,000 and RMB145,000,000, respectively.

3. Events not disclosed in interim announcements

Applicable Not Applicable

(II) Connected transactions in relation to acquisition of assets or acquisition or disposal of equity

1. Events disclosed in interim announcements without subsequent development or changes during implementation

Applicable Not Applicable

2. Events disclosed in interim announcements with subsequent development or changes during implementation

Applicable Not Applicable

3. Events not disclosed in interim announcements

Applicable Not Applicable

4. Where an agreement on performance is involved, the performance achievements during the Reporting Period shall be disclosed

Applicable Not Applicable



(III) Material related party transactions related to joint external investment

1. Events disclosed in interim announcements without subsequent development or changes during implementation

Events Summary

On 18 January 2022, the Company convened the Twenty-ninth Extraordinary Meeting of the Fourth Session of the Board to consider and approve the Resolution on the Participation of a Wholly-owned Subsidiary of the Company in the Establishment of the Hebei Suntien Green Shuifa Carbon Neutrality Equity Investment Fund (河北新天綠色水發碳中和股權投資基金) (“Suntien Shuifa Carbon Neutrality Fund”), consenting to the participation in establishment of the Suntien Shuifa Carbon Neutrality Fund by the wholly-owned subsidiary of the Company, HECIC Huineng New Energy Co., Ltd. (“HECIC Huineng”). The target fund size of the Suntien Shuifa Carbon Neutrality Fund is RMB360 million, of which HECIC Huineng will contribute RMB179 million as a limited partner; Hunan Shuifa Singyes Green Energy Co., Ltd. (湖南水發興業綠色能源股份有限公司) (“Hunan Shuifa Singyes”) will contribute RMB179 million as a limited partner; and each of HECIC Chuangfa Fund Management Co., Ltd. (“HECIC Chuangfa”) and Shandong Shuifa Innovation Investment Co., Ltd. (山東水發創新投資有限公司) (“Shuifa Innovation Investment”) as general partners will contribute RMB1 million. The percentages of capital contribution from HECIC Huineng, Hunan Shuifa Singyes, HECIC Chuangfa and Shuifa Innovation Investment were 49.722%, 49.722%, 0.278% and 0.278% respectively.

Index for details

For details, please refer to the relevant announcement published by the Company on the website of the SSE (www.sse.com.cn) on 19 January 2022 (Announcement No.: 2022-008) and the relevant announcement published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 18 January 2022.

2. Events disclosed in interim announcements with subsequent development or changes during implementation

Applicable Not Applicable

3. Events not disclosed in interim announcements

Applicable Not Applicable



(IV) Amounts due to or from related parties

1. Events disclosed in interim announcements without subsequent development or changes during implementation

Applicable Not Applicable

2. Events disclosed in interim announcements with subsequent development or changes during implementation

Applicable Not Applicable

3. Events not disclosed in interim announcements

Applicable Not Applicable

(V) Financial businesses between the Company and finance companies with which it is affiliated, and between the Company's holding finance companies and related parties

1. Deposit business

Unit: '00 million Yuan Currency: RMB

Related parties	Related relationship	Maximum daily deposit limit	Range of deposit interest rates	Opening balance	Amount for the current period		Closing balance
					Total amount deposited during the current period	Total amount withdrawn during the current period	
HECIC Group Finance Company Limited	under common control	35.7	0.35%-1.196%	31.16	170.07	175.68	25.55
Total	/	/	/	31.16	170.07	175.68	25.55

2. Loan business

Unit: '00 million Yuan Currency: RMB

Related parties	Related relationship	Loan facilities	Range of loan interest rates	Opening balance	Amount for the current period		Closing balance
					Total amount deposited during the current period	Total amount withdrawn during the current period	
HECIC Group Finance Company Limited	under common control	29.72	2.90%-4.20%	10.82	11.97	10.85	11.94
Total	/	/	/	10.82	11.97	10.85	11.94



Significant Events

3. Credit business or other financial businesses

Unit: '00 million Yuan Currency: RMB

Related parties	Related relationship	Types of business	Total amount	Actual amount
HECIC Group Finance Company Limited	under common control	Composite credit	31.20	25.97

4. Other explanation

Applicable Not Applicable

(VI) Material related party transactions

Applicable Not Applicable

(VII) Others

On 28 April 2022, the Company entered into a loan agreement with Caofeidian Suntien Liquefied Natural Gas Co., Ltd. (“Caofeidian Company”), pursuant to which, conditional upon, among other things, the resolution on the proposed change in the method of investment of use of proceeds being considered and approved at a general meeting of the Company, the Company will provide interest-bearing loans of RMB3 billion in aggregate to Caofeidian Company in phases according to Caofeidian Company’s capital use plan for a term of not more than three years from the first drawdown date. The repayment date of any drawdown shall not exceed the loan expiry date as set out in the loan agreement. The loans shall be funded by the proceeds of the A Share Offering and will be specifically used for the investment and construction of the funded projects. The interest rate of each loan drawdown shall be calculated based on the one-year loan prime rate (LPR) as announced by the National Interbank Funding Center on the working day prior to the drawdown date, minus five base points.

HECIC, the controlling shareholder of the Company, holds 10% or more equity interest in Caofeidian Company, and Caofeidian Company is therefore a connected subsidiary of the Company. As such, the loans constitute a connected transaction involving the provision of financial assistance to a connected person by the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios in respect of the loans are 5% or above, the loans are subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The transaction was approved by the Company at the 2021 annual general meeting held on 14 June 2022. Details and the poll results are set out in the relevant announcements of the Company published on the website of the SSE (www.sse.com.cn) on 29 April 2022 and 15 June 2022 (Announcement No.: 2022-036) and the relevant announcements published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 28 April 2022 and 14 June 2022.



XI. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

1. Trusteeship, contracting and leasing

Applicable Not Applicable

2. Performing and outstanding significant guarantees during the Report Period

Unit: '0,000 Yuan Currency: RMB

Guarantor	Relationship between guarantor and the Company		External guarantees provided by the Company (excluding guarantees provided for subsidiaries)							Whether fully performed	Whether overdue	Overdue amount	Any counter guarantee	Whether provided for related parties	Related relationship
	Guaranteed party	Amount guaranteed	Guarantee date (agreement date)	Commencement of guarantee	Expiry of guarantee	Type of guarantee	Condition of principal debt	Collateral (if any)							
China Suntien Green Energy Corporation Limited	The Company's head office	Hebei Suntien Guohua Gas Co., Ltd.	14,000	2021.09.27	2021.09.27	2030.06.27	Joint liability guarantee	Fixed asset loan from the Ci County Sub-branch of China Construction Bank Corporation	No	No	0	No	Yes	Joint venture	

Total amount of guarantees incurred during the Reporting Period (excluding guarantees provided for subsidiaries) 0

Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries) 13,700

Guarantees provided by the Company for subsidiaries

Total amount of guarantees incurred for subsidiaries during the Reporting Period 0

Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B) 34,908.76

Total amount of guarantees provided by the Company (including guarantees provided for subsidiaries)

Total amount of guarantee (A+B) 48,608.76

Total amount of guarantees as a percentage of the net assets of the Company (%) 2.03

Including:

Amount of guarantees provided for shareholders, de facto controller and their related parties (C) 0



Significant Events

Amount of debt guarantees directly or indirectly provided for guaranteed parties with a debt-to-asset ratio exceeding 70% (D)	28,467.32
Total amount of guarantees in excess of 50% of net assets (E)	0
Total amount of guarantees of the above three items (C+D+E)	28,467.32
Statement on the potential joint liability in connection with unexpired guarantees	Nil
Details of guarantees	Not applicable

3. Other Material Contracts

Applicable Not Applicable

XII. EXPLANATION ON OTHER MAJOR EVENTS

Applicable Not Applicable



Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARES

(I) Table of changes in shares

1. Table of changes in shares

During the Reporting Period, there were no changes in total number of shares and share capital structure.

2. Explanation for changes in shares

Applicable Not Applicable

3. Effects of changes in shares during the period from the end of the Reporting Period to the disclosure date of the interim report on financial indicators such as earnings per share and net assets per share (if any)

Applicable Not Applicable

4. Other information the disclosure of which is deemed necessary by the Company or is required by securities regulatory authorities

Applicable Not Applicable

(II) Change in restricted shares

Applicable Not Applicable

II. SHAREHOLDERS

(I) Total number of Shareholders:

As of 30 June 2022, the total number of shareholders of the Company was 44,600, of which: 43,368 A share shareholders and 1,232 H share shareholders.

Total number of holders of ordinary shares as at the end of the Reporting Period (person)	44,600
Total number of holders of preference shares with restored voting right as at the end of the Reporting Period (person)	0



Changes in Shares and Particulars of Shareholders

(II) Table of shareholding of the top 10 shareholders and the top 10 shareholders of tradable shares or shares not subject to selling restrictions as at the end of the Reporting Period

Unit: Share(s)

Name of shareholder (full name)	Shareholding of the top 10 shareholders						
	Increase/ decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares subject to selling restriction held	Share pledged, marked or frozen Status of shares	Number	Nature of shareholder
Hebei Construction & Investment Group Co., Ltd.	182,685,253	2,058,841,253	49.17	2,058,841,253	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	-62,000	1,835,702,285	43.84	0	Unknown		Overseas legal person
Jinan Jiangshan Investment Partnership (Limited Partnership)	22,010,271	22,010,271	0.53	22,010,271	Nil	0	Others
CLSA Asset Management Limited – Customer funding	18,434,540	18,434,540	0.44	18,341,892	Nil	0	Overseas legal person
UBS AG	11,040,907	11,040,907	0.26	11,005,135	Nil	0	Overseas legal person
China International Capital Corporation Limited	7,791,662	7,791,662	0.19	7,776,962	Nil	0	Domestic non- state-owned legal person
Southern Industrial Assets Management Co., Ltd.	7,336,757	7,336,757	0.18	7,336,757	Nil	0	Domestic non- state-owned legal person
CSC Financial Co., Ltd.	6,217,985	6,217,985	0.15	6,162,875	Nil	0	State-owned legal person
Nanfang Tianchen (Beijing) Investment Management Co., Ltd. – Nanfang Tianchen Jingsheng First Tranche Private Securities Investment Fund (南方天辰景晟1期私募證券投資 基金)	5,913,426	5,913,426	0.14	5,913,426	Nil	0	Others



Changes in Shares and Particulars of Shareholders

Shareholding of the top 10 shareholders

Name of shareholder (full name)	Increase/ decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares subject to selling restriction held	Share pledged, marked or frozen		Nature of shareholder
					Status of shares	Number	
Xiamen Borui Oriental Investment Management Co., Ltd. (廈門博芮東方投資管理有限公司) – Borui Oriental Value No. 12 Private Securities Investment Fund (博芮東方價值12號私募證券投資基金)	5,869,405	5,869,405	0.14	5,869,405	Nil	0	Others
Wang Yulan (王玉蘭)	5,135,730	5,135,730	0.12	5,135,730	Nil	0	Domestic natural person
Sheng Jianying (盛鑑英)	5,135,730	5,135,730	0.12	5,135,730	Nil	0	Domestic natural person
Qingdao Fanyi Asset Management Co., Ltd. (青島凡益資產管理有限公司) – Fanyiduo Strategy Yushixixing No. 1 Private Securities Investment Fund (凡益多策略與時偕行1號私募證券投資基金)	5,135,730	5,135,730	0.12	5,135,730	Nil	0	Others



Changes in Shares and Particulars of Shareholders

Shareholding of the top 10 shareholders holding shares not subject to selling restrictions

Name of shareholder	Class and number of shares		
	Number of tradable shares not subject to selling restrictions held	Class	Number
HKSCC NOMINEES LIMITED	1,835,702,285	Overseas listed foreign shares	1,835,702,285
Hong Kong Securities Clearing Company Limited	2,963,499	RMB ordinary shares	2,963,499
China Construction Bank Co., Ltd. – Qianhai Kaiyuan Public Utilities Equity Securities Investment Fund	2,170,100	RMB ordinary shares	2,170,100
Kong Jiong	593,400	RMB ordinary shares	593,400
Techgart (Beijing) Engineering Ltd	556,500	RMB ordinary shares	556,500
Lin Yaowen	550,500	RMB ordinary shares	550,500
Jiang Deming	530,000	RMB ordinary shares	530,000
Zhao Hurong (趙虎榮)	460,000	RMB ordinary shares	460,000
China Merchants Bank Co., Ltd. – Truvalue CSI 500 Index Enhanced Initiated Securities Investment Fund	381,700	RMB ordinary shares	381,700
Zhang Xiaoying	367,900	RMB ordinary shares	367,900
Description of repurchase accounts among the top ten shareholders	Nil		
Description of rights to vote by proxy, proxy and abstention from voting among the above shareholders	Nil		
Description of connected relationship or acting in concert among the above shareholders	The Company is not aware that there are any shareholders above with related party relationship or acting in concert under The Measures for the Administration of the Takeover of Listed Companies		
Description of holders of preference shares subject to restored voting rights and their shareholdings	N/A		



Changes in Shares and Particulars of Shareholders

Number of shares held by top 10 shareholders holding shares subject to selling restrictions and the terms of selling restrictions

Unit: Share(s)

No.	Name of shareholder holding shares subject to selling restrictions	Number of shares subject to selling restrictions held	Tradable status of shares subject to selling restrictions		Term of selling restriction
			Date tradable	Number of Additional shares tradable	
		1,876,156,000	2023.6.29	1,876,156,000	36 months from the listing date of A shares of the Company
1	Hebei Construction & Investment Group Co., Ltd.	182,685,253	2025.7.6	182,685,253	36 months from the date of closing of the non-public issuance of A shares
2	Jinan Jiangshan Investment Partnership (Limited Partnership)	22,010,271	2022.7.6	22,010,271	6 months from the date of closing of the non-public issuance of A shares
3	CLSA Asset Management Limited – Customer funding	18,341,892	2022.7.6	18,341,892	6 months from the date of closing of the non-public issuance of A shares
4	UBS AG	11,005,135	2022.7.6	11,005,135	6 months from the date of closing of the non-public issuance of A shares
5	China International Capital Corporation Limited	7,776,962	2022.7.6	7,776,962	6 months from the date of closing of the non-public issuance of A shares



Changes in Shares and Particulars of Shareholders

No.	Name of shareholder holding shares subject to selling restrictions	Number of shares subject to selling restrictions held	Tradable status of shares subject to selling restrictions		
			Date tradable	Number of Additional shares tradable	Term of selling restriction
6	Southern Industrial Assets Management Co., Ltd.	7,336,757	2022.7.6	7,336,757	6 months from the date of closing of the non-public issuance of A shares
7	CSC Financial Co., Ltd.	6,162,875	2022.7.6	6,162,875	6 months from the date of closing of the non-public issuance of A shares
8	Nanfang Tianchen (Beijing) Investment Management Co., Ltd. – Nanfang Tianchen Jingsheng First Tranche Private Securities Investment Fund (南方天辰景晟 1 期私募證券投資基金)	5,913,426	2022.7.6	5,913,426	6 months from the date of closing of the non-public issuance of A shares
9	Xiamen Borui Oriental Investment Management Co., Ltd. (廈門博芮東方投資管理有限公司) – Borui Oriental Value No. 12 Private Securities Investment Fund (博芮東方價值12號私募證券投資基金)	5,869,405	2022.7.6	5,869,405	6 months from the date of closing of the non-public issuance of A shares
10	Wang Yulan (王玉蘭)	5,135,730	2022.7.6	5,135,730	6 months from the date of closing of the non-public issuance of A shares
	Sheng Jianying (盛鑑英)	5,135,730	2022.7.6	5,135,730	6 months from the date of closing of the non-public issuance of A shares



Changes in Shares and Particulars of Shareholders

No.	Name of shareholder holding shares subject to selling restrictions	Number of shares subject to selling restrictions held	Tradable status of shares subject to selling restrictions		
			Date tradable	Number of Additional shares tradable	Term of selling restriction
	Qingdao Fanyi Asset Management Co., Ltd. (青島凡益資產管理有限公司) – Fanyiduo Strategy Yushixiexing No. 1 Private Securities Investment Fund (凡益多策略與時偕行1號私募證券投資基金)	5,135,730	2022.7.6	5,135,730	6 months from the date of closing of the non-public issuance of A shares
	Description of connected relationship or acting in concert among the above shareholders	Nil			

(III) Strategic investors or general legal persons became the top 10 shareholders as a result of the placement of new shares

Applicable Not Applicable

III. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Particulars about changes in the shareholding of current and resigned Directors, supervisors and senior management during the Reporting Period

Applicable Not Applicable

Other notes

Applicable Not Applicable



Changes in Shares and Particulars of Shareholders

(II) Share incentives granted to Directors, supervisors and senior management during the Reporting Period

Applicable Not Applicable

(III) Other notes

Applicable Not Applicable

IV. CHANGE IN CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLER

Applicable Not Applicable

V. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTERESTS AND SHORT POSITIONS OF THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, the interests of Directors, supervisors and senior management of the Company in the shares of the Company are as follows:

Name of shareholders	Class of shares	Position	Capacity	Number of shares held (shares)	Percentage in the relevant class of share equity (%)	Percentage in the total share equity (%)
Cao Xin	H shares	Chairman	Beneficial owner	50,000 (Long position)	0.0027	0.0012
Mei Chun Xiao	H shares	Executive Director and President	Beneficial owner	50,000 (Long position)	0.0027	0.0012
Ban Ze Feng	H shares	Vice president and Secretary to the Board	Beneficial owner	50,000 (Long position)	0.0027	0.0012

Saved as disclosed above, as at 30 June 2022, none of other Directors, supervisors and senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they were also applicable to the supervisors).



Changes in Shares and Particulars of Shareholders

VI. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, to the best knowledge of the Directors of the Company, the following persons (other than the Directors, supervisors or senior management of the Company) had interests or short positions in the shares or underlying shares of the Company which requires disclosure to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of the shareholders	Class of shares	Capacity	Number of shares/ underlying shares (shares)	Percentage in the relevant class of share equity (%)	Percentage in the total share equity (%)
HECIC	A shares	Beneficial owner	2,058,841,253	87.68	49.17
Citigroup Inc. ⁽¹⁾	H shares	Interest of a controlled corporation	210,892,656	11.46	5.04
			(Long position)	0.25	0.11
		4,642,001	11.17	4.91	
		Approved lending agent	205,563,426 (Shares available for lending)		
GIC Private Limited	H shares	Investment manager	145,431,000	7.91	3.47
			(Long position)		
Brown Brothers Harriman & Co.	H shares	Approved lending agent	133,138,033	7.24	3.18
			(Long position)	7.24	3.18
			133,138,033 (Shares available for lending)		
BlackRock, Inc. ⁽²⁾	H shares	Interest of a controlled corporation	114,341,347	6.22	2.73
			(Long position)	0.08	0.03
			1,416,000		
			(Short position)		
FIL Limited ⁽³⁾	H shares	Interest of a controlled corporation	92,314,000	5.02	2.20
			(Long position)		
Pandanus Associates Inc. ⁽³⁾	H shares	Interest of a controlled corporation	92,314,000	5.02	2.20
			(Long position)		
Pandanus Partners L.P. ⁽³⁾	H shares	Interest of a controlled corporation	92,314,000	5.02	2.20
			(Long position)		

Notes:

- (1) Citigroup Inc. holds the interests of the Company through its controlled entities Citibank N.A., Citigroup Global Markets Inc. and Citigroup Global Markets Limited. In particular, 562,000 H shares is a long position under unlisted derivatives – cash settled and 377,000 H shares is a short position under unlisted derivatives – cash settled.
- (2) BlackRock, Inc. holds the interests of the Company through its controlled entities BlackRock Investment Management, LLC, BlackRock Financial Management, Inc., BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Japan Co., Ltd., BlackRock Asset Management Canada Limited, BlackRock Investment Management (Australia) Limited, BlackRock Asset Management North Asia Limited, BlackRock (Netherlands) B.V., BlackRock Advisors (UK) Limited, BlackRock International Limited, BlackRock Asset Management Ireland Limited, BLACKROCK (Luxembourg) S.A., BlackRock Investment Management (UK) Limited, BlackRock Fund Managers Limited, BlackRock Life Limited and BlackRock Asset Management Schweiz AG. In particular, 1,269,000 H shares is a short position under unlisted derivatives – cash settled.
- (3) Pandanus Associates Inc. is in control of Pandanus Partners L.P. and is thus in control of FIL Limited. FIL Limited further holds the interests of the Company through its controlled entities FIL Investment Management (Hong Kong) Limited, FIL Investment Management (Singapore) Limited and FIL Fund Management (Ireland) Limited.



Changes in Shares and Particulars of Shareholders

VII. COMPLIANCE WITH MODEL CODE

The Company has adopted Model Code as the code of conduct regarding securities transactions of the Company by all Directors, supervisors and relevant employees (with the same definition as in the Corporate Governance Code). According to the enquiries made to the Directors and supervisors of the Company, all Directors and supervisors had confirmed that during the Reporting Period, they had fully complied with the standards set out in the Model Code. At the same time, to the knowledge of the Company, there were no incidents of non-compliance with the Model Code by employees.

The Board will review from time to time the corporate governance and operations of the Company so as to meet the requirements under the Hong Kong Listing Rules and to protect interests of shareholders.

VIII. DIVIDENDS

The Board did not make any recommendations on the distribution of interim dividends for the six months ended 30 June 2022.



I. DEBENTURE, CORPORATE BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

(I) Debenture

Applicable Not Applicable

(II) Corporate Bonds

1. Basic information of corporate bonds

Unit: '00 million Yuan Currency: RMB

Name	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate(%)	Means to repay principal and interest	Trading place	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Risk of termination of listing and trading
2019 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G19 New Y1	155956	1 March 2019	5 March 2019	5 March 2022	9.1	4.7	3+N, interest to be paid annually	SSE	For eligible investors	Listed	No
2021 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G21 New Y1	175805	8 March 2021	10 March 2021	9 March 2024	10.4	5.15	3+N, interest to be paid annually	SSE	For professional investors	Listed	No

The response of the Company to the risk of termination of trading of the bonds

Applicable Not Applicable

Overdue bonds

Applicable Not Applicable

Description of overdue debts

Applicable Not Applicable



2. The triggering and execution of option terms of issuers or investors and investors' protection terms

- (1) G19 New Y1: taking every 3 interest accrual years as a cycle, the Company has the right to choose to extend the term of the bonds by 1 cycle (that is, to extend it by 3 years) at the end of each cycle, or choose to settle the payment for the bonds in full at the end of the cycle. The bonds were issued with an option for the issuer to defer the payment of interest. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, choose to defer the payment for the interest payable for the current period, and all the interest and yields that were deferred according to this term, to the next interest payment date, and there is no limit on the number of times of interest payment deferral. The aforementioned interest deferral is not a failure of the Company to pay the full amount of interest in accordance with the agreement. The Company elected and settled the payment for the principal and interest in full and the delisting of the bonds on 7 March 2022.
- (2) G21 New Y1: taking every 3 interest accrual years as a cycle, the Company has the right to choose to extend the term of the bonds by 1 cycle (that is, to extend it by 3 years) at the end of each cycle, or choose to settle the payment for the bonds in full at the end of the cycle. The bonds were issued with an option for the issuer to defer the payment of interest. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, choose to defer the payment for the interest payable for the current period, and all the interest and yields that were deferred according to this term, to the next interest payment date, and there is no limit on the number of times of interest payment deferral. The aforementioned interest deferral is not a failure of the Company to pay the full amount of interest in accordance with the agreement. As at the end of the Reporting Period, this tranche of bonds was not due yet, and no option term was triggered. The payment for principal was not settled yet.

3. Adjustment to credit rating result

Applicable Not Applicable

Other explanations

Nil

4. The execution and changes and the effect of guarantees, debt repayment scheme and other debt repayment protection practices during the Reporting Period

Applicable Not Applicable

Other explanations

Nil



5. Description of other information of corporate bond

- (1) G19 New Y1: the principal and interest were fully paid when due on 7 March 2022. For details, please refer to the “Announcement on Reimbursement of Principal Capital and Interest in 2022 for, and Delisting of, 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited” available on the website of the Shanghai Stock Exchange (www.sse.com.cn).
- (2) G21 New Y1: not yet matured, and no payment of principal made; interest was fully paid when due as follows: Interest for the period from 10 March 2021 to 9 March 2022 was paid on 10 March 2022. For details, please refer to the “Announcement on Payment of Interest in 2022 for 2021 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited” available on the website of the Shanghai Stock Exchange (www.sse.com.cn).

The aggregate proceeds from the issuance of bonds amounted to RMB1,040 million, and after deducting the issuance expenses, the net proceeds amounted to RMB1,039.376 million. The proceeds from the issuance of the bonds are intended to be used for the payment for the principal and interest of the renewable green corporate bonds of the Company at maturity as well as for the construction, operation and acquisition of green projects. As the Company is a green issuer, and in accordance with the provisions of the prospectus of the bonds, the Company may adjust the relevant funding of project in accordance with the progress of the green projects and the actual capital requirements. According to the Company’s capital utilisation plan, the scope of projects for which the proceeds from the bonds will be extended from those of the prospectus for “G21 New Y1” to include eight more projects, i.e. the Hebei Construction and Investment Wind Power Hydrogen Production Project (hydrogen production part), Kangbao Wolongshan 100 MW Wind Farm Project, Kangbao Yongfeng 200 MW Wind Farm Project, Shangyi Dadongshan 49.5 MW Wind Farm Project, Chengde Yuyuan Weichang Dahuanqi Wind Farm, Julu County Laozhang River 50 MW Wind Farm, Wuchuan Dayuanshan (Desheng) 50 MW Wind Power Clean Heating Project and Maniba Wind Farm Project, which will make use of the proceeds from the bonds to replace RMB103.00 million of its own funds invested after the registration date of the bonds (27 November 2020). For details, please refer to the “Announcement of China Suntien Green Energy Corporation Limited and China Galaxy Securities Co., Ltd. on the Adjustment of the Use of Proceeds of “G21 New Y1”” dated 6 June 2022.

- (3) Pingan-HECIC New-energy No.1 Renewable Energy Tariff Surcharge Green Assets Support Scheme (G HECIC 1): issued on 24 December 2019-25 December 2019, value day was 26 December 2019, maturity date is 26 December 2022, balance is RMB260 million, interest rate is 4.09%, with interest payable semi-annually and the principal payable when due.



Particulars of Bonds

- (4) Pingan-HECIC New-energy No.1 Renewable Energy Tariff Surcharge Green Assets Support Scheme (G HECIC 2): issued on 24 December 2019-25 December 2019, value day was 26 December 2019, maturity date is 26 December 2022, balance is RMB15 million, interest rate is 4.09%, with interest payable semi-annually and the principal payable when due.

- (5) Progress and environmental benefits of green projects for which funds were raised:

During the Reporting Period, the Company's consolidated wind farms realized a power generation of 7,575 million kWh and photovoltaic generation of 87 million kWh. With reference to the conversion factors in the "2022 Annual Development Report of the Chinese Electricity Industry" published by the China Electricity Council in July 2022, in comparison with the use of conventional energy, the total electricity from wind power and photovoltaic generation is equivalent to a reduction of 6,343,400 tonnes of carbon dioxide emissions (approximately 828 grams of carbon dioxide per kWh of thermal power generation nationwide), 773.77 tonnes of sulphur dioxide emissions (approximately 0.101 gram of sulphur dioxide per kWh of thermal power generation nationwide), 1,164.48 tonnes of nitrogen oxide emissions. (approximately 0.152 gram of nitrogen oxide per kWh of thermal power generation nationwide) and 168.54 tonnes of dust (0.022g of smoke and dust per kWh of thermal power generation nationwide).

In the first half of the year, the Kangbao Dayingtu Project and Chongli Wind Powered Hydrogen Production Project were switched to commercial operation, and the Shaanxi Fuping Suntien Project Phases I and II (陝西富平新天一期、二期項目) were connected to the grid for trial operation. The overall progress of the Tangshan LNG Receiving Station Construction Project Phase I is 84% complete. The overall progress of the Supporting #3 Pier Construction Project is 92% complete. All pipeline welding is completed for the Caofeidian-Baodi section and the Baodi-Yongqing section (曹妃甸—寶坻段、寶坻—永清段) of the external gas transmission pipeline project. The Handan liaison line project of the Connection Line Project of Erdos-Anping-Cangzhou Gas Pipeline and Jingshihan Gas Pipeline (鄂安滄—京石邯管綫邯鄲聯絡綫項目) has been put into production. The construction of other green industry projects is progressing smoothly.



(III) Debt Financing Instruments of Non-financial Enterprises in the Inter-bank Bond Market

1. Basic information of debt financing instruments of non-financial enterprises

Unit: '00 million Currency: RMB

Name	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate (%)	Means to repay principal and interest	Trading place	Trading mechanism	Risk of termination of listing and trading
China Suntien Green Energy Corporation Limited 2020 First Tranche of Medium-Term Notes	20 Suntien Green MTN001	102001005	2020/5/13-2020/5/14	2020/5/15	2025/5/15	10	3.86	Interest payable annually and principal payable at maturity	Inter-bank Market	Listed	No
China Suntien Green Energy Corporation Limited 2022 First Tranche of Super Short-Term Commercial Papers	22 Suntien Green SCP001 (green)	012280740	2022/2/25	2022/2/28	2022/11/25	5	2.40	Interest payable and principal payable at maturity	Inter-bank Market	Listed	No
HECIC New Energy Co., Ltd. 2021 First Tranche of Super Short-Term Commercial Papers	21 HECIC New Energy SCP001	012103855	2021/10/21-2021/10/22	2021/10/25	2022/07/22	7	3.15	Interest payable and principal payable at maturity	Inter-bank Market	Listed	No
HECIC New Energy Co., Ltd. 2017 First Tranche of Medium-Term Notes	17 HECIC New Energy MTN001	101754128	2017/11/22-2017/11/23	2017/11/24	2022/11/24	5	6.2	Interest payable annually and principal payable at maturity	Inter-bank Market	Listed	No
HECIC New Energy Co., Ltd. 2019 First Tranche of Medium-Term Notes	19 HECIC New Energy MTN001	101901220	2019/9/3-2019/9/4	2019/9/5	2022/9/5	3	4.43	Interest payable annually and principal payable at maturity	Inter-bank Market	Listed	No

The response of the Company to the risk of termination of trading of the bonds

Applicable Not Applicable

Overdue bonds

Applicable Not Applicable

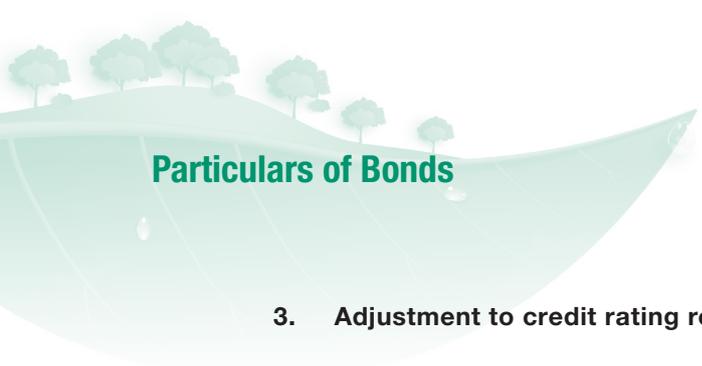
Description of overdue debts

Applicable Not Applicable

2. The triggering and execution of option terms of issuers or investors and investors' protection terms

Applicable Not Applicable





Particulars of Bonds

3. Adjustment to credit rating result

Applicable Not Applicable

Other explanations

Nil

4. The execution and changes and the effect of guarantees, debt repayment scheme and other debt repayment protection practices during the Reporting Period

Applicable Not Applicable

Other explanations

There were no new guarantees during the period and the existing guarantees were repaid on time according to the contractual repayment schedule without default.

5. Description of other information of debt financing instruments of non-financial enterprises

Applicable Not Applicable

(IV) Consolidated statement of comprehensive loss exceeds 10% of the Company's net assets at the end of the previous year during the Reporting Period

Applicable Not Applicable



(V) Principal Accounting Data and Financial Indicators

Unit: Yuan Currency: RMB

Principal Indicators	At the end of Reporting Period	At the end of previous year	Increase/decrease at the end of the Reporting Period as compared to the end of last year (%)	Reason for changes
Current ratio	87.68%	93.81%	-6.53	Mainly due to the Company's improvement of capital utilization efficiency, reduction of capital deposits, the decrease in cash over the end of last year and the increase in non-current liabilities due within one year over the end of last year
Quick Ratio	82.29%	87.54%	-6.00	Mainly due to the decrease in cash over the end of last year and the increase in non-current liabilities due within one year over the end of last year
Debt-to-asset Ratio (%)	66.53%	66.81%	-0.42	Mainly due to the increase in shareholders' equity of the Company

	Reporting Period (January-June)	Same period of the previous year	Increase or decrease over the same period of the previous year (%)	Reason for changes
Net profit after deducting non-recurring gain or loss	1,608,968,342.38	1,703,527,131.08	-5.55	Mainly due to the decrease in total profit for the period
Total debt to EBITDA ratio	0.0878	0.1058	-17.01	Mainly due to the decrease in total profit for the period
Interest coverage ratio	3.98	4.20	-5.24	Mainly due to the increase in the size of interest-bearing liabilities and decrease in the total profit of the period
Cash interest coverage ratio	3.29	3.61	-8.73	Mainly due to the increase in the size of interest-bearing liabilities
EBITDA interest Coverage ratio	5.63	7.22	-22.02	Mainly due to the increase in the size of interest-bearing liabilities and decrease in the total profit of the period
Loan repayment ratio (%)	100	100		
Interest coverage (%)	100	100		

II. CONVERTIBLE CORPORATE BONDS

 Applicable Not Applicable


Financial Reports

I. AUDIT REPORT

Applicable Not Applicable

II. FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET

30 June 2022

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	Balance at the end of the period	Balance at the beginning of the period
CURRENT ASSETS:			
Cash		4,658,724,748.78	7,648,396,983.55
Clearing settlement funds			
Lending to banks and other financial institutions			
Financial assets for trading		1,349,000,000.00	
Derivative financial assets			
Notes receivable			
Accounts receivable		7,783,019,125.72	6,657,415,202.23
Receivables financing		654,608,841.55	494,976,373.69
Advances to suppliers		351,587,052.12	161,631,341.92
Premium receivable			
Receivables from reinsurers			
Reinsurance deposits receivable			
Other receivables		142,541,434.83	135,599,831.17
Including: Interest receivable			
Dividends receivable		84,043,320.33	94,765,961.18
Financial assets purchased under agreements to resell			
Inventories		90,447,346.72	214,186,265.69
Contract assets			
Assets held for sale		12,167,182.35	12,373,484.60
Non-current assets due within one year		22,349,480.00	
Other current assets		478,832,708.57	681,347,576.94
Total current assets		15,543,277,920.64	16,005,927,059.79



II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

30 June 2022

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	Balance at the end of the period	Balance at the beginning of the period
NON-CURRENT ASSETS:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables		1,163,662.27	41,133,817.83
Long-term equity investments		3,027,055,406.94	3,058,088,144.23
Other investments in equity instruments		218,605,700.00	218,605,700.00
Other non-current financial assets			
Investment properties		25,479,617.26	26,032,201.48
Fixed assets		32,661,007,316.66	32,369,586,695.36
Construction in progress		14,240,370,732.98	13,724,320,499.93
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		1,872,167,630.34	2,017,852,925.66
Intangible assets		2,104,922,930.63	2,151,290,713.14
Development expenses		28,019,508.22	27,227,806.35
Goodwill		93,856,558.08	55,450,878.54
Long-term prepaid expenses		36,318,846.99	37,147,692.06
Deferred income tax assets		188,822,823.34	186,877,995.35
Other non-current assets		2,214,108,699.22	2,157,471,147.28
Total non-current assets		56,711,899,432.93	56,071,086,217.21
Total assets		72,255,177,353.57	72,077,013,277.00



II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

30 June 2022

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	Balance at the end of the period	Balance at the beginning of the period
CURRENT LIABILITIES:			
Short-term loans		1,277,590,696.24	1,978,114,966.89
Loans from central bank			
Deposits and amounts due to banks			
Financial liabilities for trading			
Derivative financial liabilities			
Notes payable		42,464,844.58	14,738,449.62
Accounts payable		396,204,405.80	458,031,776.88
Advances from customers		778,761,061.94	778,761,061.94
Contract liabilities		1,221,221,219.06	1,654,191,386.15
Financial assets sold for repurchase			
Customer and inter-bank deposits			
Customer deposits for trading in securities			
Amount due to issuer for securities underwriting			
Wages payable		62,439,468.04	79,033,920.95
Taxes payable		159,108,643.31	159,169,763.37
Other payables		7,093,405,675.81	7,016,558,174.65
Including: Interest payable			
Dividends payable		926,124,881.46	169,836,057.78
Handling charges and commission payable			
Amount payable for reinsurance			
Liabilities held for sale		6,282,861.99	7,859,895.72
Non-current liabilities due within one year		5,471,646,319.67	4,211,344,922.30
Other current liabilities		1,219,086,621.02	704,107,945.21
Total current liabilities		17,728,211,817.46	17,061,912,263.68



II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

30 June 2022

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	Balance at the end of the period	Balance at the beginning of the period
NON-CURRENT LIABILITIES:			
Provisions for insurance contracts			
Long-term loans		28,208,171,744.09	28,705,566,379.15
Debentures payable		1,000,000,000.00	1,000,000,000.00
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		688,415,703.98	784,769,810.01
Long-term payables		206,126,428.37	361,236,137.17
Long-term salaries payable			
Accrued liabilities		77,531,149.68	77,531,149.68
Deferred income		108,375,533.76	106,249,255.16
Deferred income tax liabilities		56,349,497.13	56,187,755.68
Other non-current liabilities			
Total non-current liabilities		30,344,970,057.01	31,091,540,486.85
Total liabilities		48,073,181,874.47	48,153,452,750.53
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		4,187,093,073.00	4,187,093,073.00
Other equity instruments		1,039,376,000.00	1,945,736,000.00
Including: Preferred shares			
Perpetual bonds		1,039,376,000.00	1,945,736,000.00
Capital surplus		6,588,154,821.92	6,590,287,168.26
Less: Treasury stocks			
Other Comprehensive Income		6,493,135.00	6,493,135.00
Special reserves			
Surplus reserves		792,320,157.74	638,241,006.48
Provision for general risks			
Undistributed profit		7,176,478,341.48	6,466,749,439.53
Total equity attributable to owners of the parent company (or shareholders)		19,789,915,529.14	19,834,599,822.27
Minority interests		4,392,079,949.96	4,088,960,704.20
Total owners' equity (or shareholders' equity)		24,181,995,479.10	23,923,560,526.47
Total liabilities and owners' equity (or shareholders' equity)		72,255,177,353.57	72,077,013,277.00

Company representative :
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing



Financial Reports

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE PARENT COMPANY

30 June 2022

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	Balance at the end of the period	Balance at the beginning of the period
CURRENT ASSETS:			
Cash		2,710,428,146.23	4,955,847,636.66
Financial assets for trading		1,349,000,000.00	
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Advances to suppliers		3,515,248.82	1,635,332.15
Other receivables		1,939,795,488.75	1,350,583,043.68
Including: Interest receivable			
Dividends receivable		1,348,763,670.26	585,067,066.45
Inventories		543,699.97	
Contract assets			
Assets held for sale		2,174,706.49	2,174,706.49
Non-current assets due within one year		6,288,129.99	19,834,399.46
Other current assets		6,882,410.51	5,422,603.07
Total current assets		6,018,627,830.76	6,335,497,721.51



II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE PARENT COMPANY (continued)

30 June 2022

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	Balance at the end of the period	Balance at the beginning of the period
NON-CURRENT ASSETS:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		12,078,991,197.05	11,911,865,694.69
Other investments in equity instruments		200,000,000.00	200,000,000.00
Other non-current financial assets			
Investment properties			
Fixed assets		5,719,683.60	6,154,825.70
Construction in progress		12,319,172.01	12,258,459.14
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		5,113,585.37	
Intangible assets		4,544,369.25	3,898,427.16
Development expenses			
Goodwill			
Long-term prepaid expenses		115,770.68	139,723.22
Deferred income tax assets			
Other non-current assets		3,339,670,600.00	2,827,369,600.00
Total non-current assets		15,646,474,377.96	14,961,686,729.91
Total assets		21,665,102,208.72	21,297,184,451.42



Financial Reports

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE PARENT COMPANY (continued)

30 June 2022

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	Balance at the end of the period	Balance at the beginning of the period
CURRENT LIABILITIES:			
Short-term loans		200,128,888.89	700,724,166.66
Financial liabilities for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable			
Advances from customers			
Contract liabilities			
Wages payable		5,886,383.55	2,575,017.87
Taxes payable		458,807.69	3,025,635.06
Other payables		798,988,523.29	140,550,247.75
Including: Interest payable			
Dividends payable		733,658,070.97	96,330,000.00
Liabilities held for sale			
Non-current liabilities due within one year		484,821,946.64	485,834,490.35
Other current liabilities		504,044,292.23	
Total current liabilities		1,994,328,842.29	1,332,709,557.69



II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE PARENT COMPANY (continued)

30 June 2022

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	Balance at the end of the period	Balance at the beginning of the period
NON-CURRENT LIABILITIES:			
Long-term loans		2,665,260,600.00	2,841,770,600.00
Debentures payable		1,000,000,000.00	1,000,000,000.00
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		2,127,804.85	
Long-term payables			
Long-term salaries payable			
Accrued liabilities			
Deferred income		3,300,000.00	2,400,000.00
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		3,670,688,404.85	3,844,170,600.00
Total liabilities		5,665,017,247.14	5,176,880,157.69
Owners' equity (or shareholders' equity):			
Paid-in capital (share capital)		4,187,093,073.00	4,187,093,073.00
Other equity instruments		1,039,376,000.00	1,945,736,000.00
Including: Preferred shares			
Perpetual bonds		1,039,376,000.00	1,945,736,000.00
Capital surplus		6,671,061,496.34	6,673,646,098.38
Less: Treasury stocks			
Other comprehensive income			
Special reserves			
Surplus reserves		792,320,157.74	638,241,006.48
Undistributed profit		3,310,234,234.50	2,675,588,115.87
Total Owners' equity (or shareholders' equity)		16,000,084,961.58	16,120,304,293.73
Total liabilities and owners' equity (or shareholders' equity)		21,665,102,208.72	21,297,184,451.42

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing



II. FINANCIAL STATEMENT (continued)

CONSOLIDATED INCOME STATEMENT

January to June 2022

Unit: Yuan Currency: RMB

Items	Note	Half year of 2022	Half year of 2021
1. Total operating revenue		10,225,309,885.43	8,545,067,129.57
Including: Operating revenue		10,225,309,885.43	8,545,067,129.57
Interest income			
Premiums earned			
Handling charges and commission income			
2. Total operating costs		8,105,073,134.31	6,351,002,382.30
Including: Operating costs		7,185,416,025.72	5,503,516,493.10
Interest expenses			
Handling charges and commission expenses			
Surrender payment			
Net compensation expense			
Net provisions for insurance contract			
Insurance policy dividend payment			
Reinsurance cost			
Taxes and surcharges		37,272,751.30	30,044,167.02
Selling expenses		1,709,640.11	1,180,879.25
Administration expenses		254,539,409.30	247,375,629.63
R&D expenses		37,888,206.99	16,451,004.15
Finance costs		588,247,100.89	552,434,209.15
Including: Interest expenses		618,874,448.70	558,949,337.20
Interest income		34,310,866.79	11,401,157.20
Add: Other gains		105,946,430.99	72,949,078.57
Investment gains (losses are indicated with "-")		148,007,463.44	144,574,433.25
Including: Gains from investment in associated companies and joint ventures		131,217,378.53	132,631,426.33
Gains on derecognition of financial assets measured at amortized cost (losses are indicated with "-")			
Foreign exchange gains (losses are indicated with "-")			
Net gain on exposure hedging (losses are indicated with "-")			
Gains from changes in fair value (losses are indicated with "-")			
Credit impairment losses (losses are indicated with "-")		-13,951,636.26	-8,401,881.86
Asset impairment losses (losses are indicated with "-")			
Asset disposal gains (losses are indicated with "-")		1,288,034.57	-659.03



II. FINANCIAL STATEMENT (continued)
CONSOLIDATED INCOME STATEMENT (continued)

January to June 2022

Unit: Yuan Currency: RMB

Items	Note	Half year of 2022	Half year of 2021
3. Operating profit (losses are indicated with“-”)		2,361,527,043.86	2,403,185,718.20
Add: Non-operating income		3,178,024.62	5,777,740.33
Less: Non-operating expenses		2,036,470.33	367,738.39
4. Gross profit (total losses are indicated with “-”)		2,362,668,598.15	2,408,595,720.14
Less: Income tax expenses		338,309,401.17	306,738,742.08
5. Net profit (net losses are indicated with “-”)		2,024,359,196.98	2,101,856,978.06
(i) By continuity as a going concern			
1. Net profit from continuing operations (net losses are indicated with “-”)		2,024,359,196.98	2,101,856,978.06
2. Net profit from discontinued operations (net losses are indicated with “-”)			
(ii) By ownership			
1. Net profit attributable to owners of the parent company (net losses are indicated with “-”)		1,616,612,596.40	1,706,990,339.97
2. Gain or loss attributable to minority interests (net losses are indicated with “-”)		407,746,600.58	394,866,638.09
6. Net other comprehensive income after tax			
(i) Net other comprehensive income after tax attributable to owners of the parent company			
1. Other comprehensive income that may not be reclassified to profit or loss			
(1) Change in re-measurement of defined benefit plans			
(2) Other comprehensive income that may not be reclassified to profit or loss under equity method			
(3) Change in fair value of investments in other equity instruments			
(4) Change in fair value of own credit risk			
2. Other comprehensive income that may be reclassified to profit or loss			
(1) Other comprehensive income that may be reclassified to profit or loss under equity method			
(2) Change in fair value of other debt investments			
(3) Amount included in other comprehensive income on reclassification of financial assets			
(4) Provision for credit impairment of other debt investment			
(5) Cash flows hedging reserve			
(6) Exchange differences arising from translation of foreign currency financial statements			
(7) Others			
(ii) Net other comprehensive income after tax attributable to minority interests			



Financial Reports

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED INCOME STATEMENT (continued)

January to June 2022

Unit: Yuan Currency: RMB

Items	Note	Half year of 2022	Half year of 2021
7. Total comprehensive income		2,024,359,196.98	2,101,856,978.06
(i) Total comprehensive income attributable to owners of the parent company		1,616,612,596.40	1,706,990,339.97
(ii) Total comprehensive income attributable to minority interests		407,746,600.58	394,866,638.09
8. Earnings per share:			
(i) Basic earnings per share (RMB/share)		0.38	0.43
(ii) Diluted earnings per share (RMB/share)		0.38	0.43

In case of business combination involving enterprises under common control in the current period, the net profit realized by the combining entities before the combination was RMB0, and the net profit realized by the combining entities in the previous period was RMB0.

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing



II. FINANCIAL STATEMENT (continued)
INCOME STATEMENT OF THE PARENT COMPANY

January to June 2022

Unit: Yuan Currency: RMB

Items	Note	Half year of 2022	Half year of 2021
1. Total operating revenue		75,000.00	267,300.00
Less: Operating costs			
Taxes and surcharges		172,994.30	5.00
Selling expenses			
Administration expenses		30,204,547.17	46,550,561.69
R&D expenses		7,574,419.60	6,699,817.62
Finance costs		-3,944,591.99	21,613,812.17
Including: Interest expenses		18,036,409.11	22,199,939.09
Interest income		-22,576,996.43	2,648,943.91
Add: Other gains		561,143.37	205,551.60
Investment gains (losses are indicated with "-")		1,575,205,516.21	1,432,842,635.74
Including: Gains from investment in associated companies and joint ventures		12,948,211.41	15,873,894.93
Gains on derecognition of financial assets measured at amortized cost (losses are indicated with "-")			
Net gain or loss on exposure hedging (losses are indicated with "-")			
Gains from changes in fair value (losses are indicated with "-")			
Credit impairment losses (losses are indicated with "-")		-490,293.80	1,478,301.66
Asset impairment losses (losses are indicated with "-")			-195,385.16
Asset disposal gains (losses are indicated with "-")		214,430.54	
2. Operating profit (losses are indicated with "-")		1,541,558,427.24	1,359,734,207.36
Add: Non-operating income			5,000,000.00
Less: Non-operating expenses		28,614.16	58.08
3. Gross profit (total losses are indicated with "-")		1,541,529,813.08	1,364,734,149.28
Less: Income tax expenses			
4. Net profit (net losses are indicated with "-")		1,541,529,813.08	1,364,734,149.28
(i) Net profit from continuing operations (net losses are indicated with "-")		1,541,529,813.08	1,364,734,149.28
(ii) Net profit from discontinued operations (net losses are indicated with "-")			



II. FINANCIAL STATEMENT (continued)

INCOME STATEMENT OF THE PARENT COMPANY (continued)

January to June 2022

Unit: Yuan Currency: RMB

Items	Note	Half year of 2022	Half year of 2021
5. Net other comprehensive income after tax			
(i) Other comprehensive income that may not be reclassified to profit or loss			
1. Change in re-measurement of defined benefit plans			
2. Other comprehensive income that may not be reclassified to profit or loss under equity method			
3. Change in fair value of investments in other equity instruments			
4. Change in fair value of own credit risk			
(ii) Other comprehensive income that may be reclassified to profit or loss			
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Change in fair value of other debt investments			
3. Amount included in other comprehensive income on reclassification of financial assets			
4. Provision for credit impairment of other debt investments			
5. Cash flows hedging reserve			
6. Exchange differences arising from translation of foreign currency financial statements			
7. Others			
6. Total comprehensive income		1,541,529,813.08	1,364,734,149.28
7. Earnings per share:			
(i) Basic earnings per share (RMB/share)			
(ii) Diluted earnings per share (RMB/share)			

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing



II. FINANCIAL STATEMENT (continued)
CONSOLIDATED CASH FLOW STATEMENT

January to June 2022

Unit: Yuan Currency: RMB

Items	Note	Half year of 2022	Half year of 2021
1. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		9,220,787,895.34	7,749,796,232.12
Net increase in deposits from customers and deposits from other banks			
Net increase in loans from central bank			
Net increase in loans from other financial institutions			
Cash received from premiums under original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits of policyholders and investment			
Cash receipts of interest, fees and commission			
Net increase in placement from banks and other financial institutions			
Net increase in sale and repurchase operations			
Net cash received from securities trading agency services			
Cash received from tax refund		287,264,326.22	69,489,136.88
Cash received from other operating activities		48,300,264.35	19,938,631.70
Sub-total of cash inflows from operating activities		9,556,352,485.91	7,839,224,000.70
Cash paid for goods and services		6,486,160,247.98	4,659,261,487.00
Net increase in loans and advances to customers			
Net increase in deposit with central bank and inter-banks			
Cash paid for compensation payments under original insurance contract			
Net increase in lending to banks and other financial institutions			
Cash paid for interest, fees and commission			
Cash paid for insurance policy dividend			
Cash paid to and on behalf of employees		328,793,764.20	345,859,773.79
Payments of taxes and surcharges		546,251,536.13	504,615,661.01
Cash paid relating to other operating activities		105,378,737.38	64,768,010.37
Sub-total of cash outflows from operating activities		7,466,584,285.69	5,574,504,932.17
Net cash flows from operating activities		2,089,768,200.22	2,264,719,068.53



II. FINANCIAL STATEMENT (continued)

CONSOLIDATED CASH FLOW STATEMENT (continued)

January to June 2022

Unit: Yuan Currency: RMB

Items	Note	Half year of 2022	Half year of 2021
2. Cash flows from investing activities:			
Cash received from investment			
Cash received from investment income		181,868,773.82	48,746,247.16
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		10,594,711.07	175,242.58
Net cash received from disposal of subsidiaries and other business units		7,807,272.86	–
Cash received from other investing activities		–	5,562,868.90
Sub-total of cash inflows from investing activities		200,270,757.75	54,484,358.64
Cash paid to acquire fixed assets, intangible assets and other long-term assets		2,509,743,701.00	3,591,898,587.85
Cash paid for investments		1,349,000,000.00	–
Net increase in secured loans			
Net cash paid to acquire subsidiaries and other business units		42,103,992.73	19,158,210.25
Cash paid relating to other investing activities		16,190,055.86	–
Sub-total of cash outflows from investing activities		3,917,037,749.59	3,611,056,798.10
Net cash flows from investing activities		-3,716,766,991.84	-3,556,572,439.46
3. Cash flows from financing activities:			
Cash received from investment		17,017,074.90	1,393,576,000.00
Including: Cash received by subsidiaries from minority Shareholders' investment		17,017,074.90	354,200,000.00
Cash received from borrowings		4,524,382,832.93	6,350,329,024.20
Cash received from other financing activities		40,000,000.00	
Sub-total of cash inflows from financing activities		4,581,399,907.83	7,743,905,024.20
Cash paid for loan repayments		4,213,529,919.13	3,565,022,169.12
Cash paid for dividends, profits appropriation or payments of interest		711,141,861.01	1,108,533,458.43
Including: Dividends and profits paid to minority interest by subsidiaries		52,053,031.73	103,065,647.73
Cash paid for the redemption of other equity instruments		910,000,000.00	590,000,000.00
Cash paid relating to other financing activities		125,919,752.94	25,268,708.15
Sub-total of cash outflows from financing activities		5,960,591,533.08	5,288,824,335.70
Net cash flows from financing activities		-1,379,191,625.25	2,455,080,688.50
4. Effect of changes in foreign exchange rate on cash and cash equivalents		328,126.24	-73,835.21
5. Net increase in cash and cash equivalents		-3,005,862,290.63	1,163,153,482.36
Add: Cash and cash equivalents at the beginning of the year		7,533,084,715.56	1,863,441,446.73
6. Cash and cash equivalents at the end of the year		4,527,222,424.93	3,026,594,929.09

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing



II. FINANCIAL STATEMENT (continued)

CASH FLOW STATEMENT OF THE PARENT COMPANY

January to June 2022

Unit: Yuan Currency: RMB

Items	Note	Half year of 2022	Half year of 2021
1. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		79,500.00	1,801,503.50
Cash received from tax refund			
Cash received from other operating activities		705,978,118.67	370,565,087.16
Sub-total of cash inflows from operating activities		706,057,618.67	372,366,590.66
Cash paid for goods and services		1,719,201.03	
Cash paid to and on behalf of employees		22,652,002.17	21,822,707.82
Payments of taxes and surcharges		1,334,185.00	5.00
Cash paid relating to other operating activities		944,221,507.94	741,373,228.28
Sub-total of cash outflows from operating activities		969,926,896.14	763,195,941.10
Net cash flows from operating activities		-263,869,277.47	-390,829,350.44
2. Cash flows from investing activities:			
Cash received from investment		7,807,272.86	–
Cash received from investment income		815,343,055.14	905,371,423.02
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,726,281.00	–
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		826,876,609.00	905,371,423.02
Cash paid to acquire fixed assets, intangible assets and other long-term assets		1,339,602.64	2,633,155.85
Cash paid for investments		1,349,000,000.00	590,023,900.00
Net cash paid to acquire subsidiaries and other business units		179,089,400.00	
Cash paid to other investing activities			
Sub-total of cash outflows from investing activities		1,529,429,002.64	592,657,055.85
Net cash flows from investing activities		-702,552,393.64	312,714,367.17



II. FINANCIAL STATEMENT (continued)

CASH FLOW STATEMENT OF THE PARENT COMPANY (continued)

January to June 2022

Unit: Yuan Currency: RMB

Items	Note	Half year of 2022	Half year of 2021
3. Cash flows from financing activities:			
Cash received from investment			1,039,376,000.00
Cash received from borrowings		975,215,000.00	1,939,750,000.00
Cash received from other financing activities			
Sub-total of cash inflows from financing activities		975,215,000.00	2,979,126,000.00
Cash paid for loan repayments		1,135,260,000.00	1,336,150,000.00
Cash paid for dividends, profits appropriation or payments of interest		207,979,552.14	550,044,588.71
Cash paid for redemption of other equity instruments		910,000,000.00	590,000,000.00
Cash paid relating to other financing activities		1,016,678.00	2,237,899.68
Sub-total of cash outflows from financing activities		2,254,256,230.14	2,478,432,488.39
Net cash flows from financing activities		-1,279,041,230.14	500,693,511.61
4. Effect of changes in foreign exchange rate on cash and cash equivalents		43,410.82	-11,564.54
5. Net decrease in cash and cash equivalents		-2,245,419,490.43	422,566,963.80
Add: Cash and cash equivalents at the beginning of the period		4,955,847,636.66	140,173,830.24
6. Cash and cash equivalents at the end of the period		2,710,428,146.23	562,740,794.04

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing



II. FINANCIAL STATEMENT (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

January to June 2022

Unit: Yuan Currency: RMB

Items	Half year of 2022														
	Other equity instruments					Equity attributable to owners of the Company					Total owners' equity				
	Paid-up capital (or Share capital)	Preference Share	Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Surplus reserve		Undistributed profit	Others	Subtotal	Minority interest
(V) Internal transfer of owners' equity															
1. Conversion of capital reserve into capital (or shares)															
2. Conversion of surplus reserve into capital (or shares)															
3. Making good of loss with surplus reserve															
4. Change in defined benefit plan transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(VI) Special reserve															
1. Appropriation for the current period								30,441,331.24					30,441,331.24		
2. Application for the current period								30,441,331.24					30,441,331.24		
(VII) Others															
IV. Balance at the end of the current period	4,187,093,073.00		1,039,376,000.00		6,369,154,821.92		6,493,135.00		792,220,157.74		7,176,479,341.48		19,789,916,529.14	4,392,079,949.96	24,181,996,479.10



II. FINANCIAL STATEMENT (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

January to June 2022

Unit: Yuan Currency: RMB

Items	Equity attributable to owners of the Company										Total owners' equity			
	Balance at the end of last year	Preference Share	Perpetual bond	Other	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision		Undistributed profit	Others	Subtotal
I. Balance at the end of last year	3,849,910,385.00		1,494,000,000.00		2,400,024,673.73		6,483,185.00		486,085,679.01		4,829,530,066.37	13,164,995,950.11	3,330,622,147.30	16,856,468,097.41
Add: Effects of changes in accounting policies														
Effects of correction of prior year errors														
Business combination involving enterprises under common control														
Others														
II. Increase/decrease in the period	3,849,910,385.00		1,494,000,000.00		2,400,024,673.73		6,483,185.00		486,085,679.01		4,849,816,816.49	13,180,279,200.23	3,330,984,657.94	16,711,674,088.17
(I) Other comprehensive income														
(II) Owners' contribution and decrease in capital														
1. Ordinary shares contributed by owners														
2. Capital invested by owners of other equity instruments														
3. Share-based payments credited to owners' equity														
4. Others														
(III) Profit distribution														
1. Appropriation to surplus reserve														
2. Appropriation to general risk provision														
3. Distribution to owners (or shareholders)														
4. Others														
III. Increase/decrease in the period (increase is represented by "+")														
(I) Other comprehensive income														
(II) Owners' contribution and decrease in capital														
1. Ordinary shares contributed by owners														
2. Capital invested by owners of other equity instruments														
3. Share-based payments credited to owners' equity														
4. Others														
(III) Profit distribution														
1. Appropriation to surplus reserve														
2. Appropriation to general risk provision														
3. Distribution to owners (or shareholders)														
4. Others														



II. FINANCIAL STATEMENT (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

January to June 2022

Unit: Yuan Currency: RMB

Items	Half year of 2021														
	Equity attributable to owners of the Company						Other equity instruments								
	Paid-up capital (or Share capital)	Preference Share	Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profit	Others	Subtotal	Minority interest	Total owners equity
(M) Internal transfer of owners' equity															
1. Conversion of capital reserve into capital (or shares)															
2. Conversion of surplus reserve into capital (or shares)															
3. Making good of loss with surplus reserve															
4. Change in defined benefit plan transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(N) Special reserve															
1. Appropriation for the current period								25,872,252.54					25,872,252.54		25,872,252.54
2. Application for the current period								25,872,252.54					25,872,252.54		25,872,252.54
(O) Others															
IV. Balance at the end of the current period	3,949,910,386.00		1,945,736,000.00		2,986,531,750.72		6,493,135.00		622,538,083.94		5,771,010,170.39		14,684,193,576.25	4,160,601,252.70	18,754,791,828.95

Company representative: Cao Xin

Person in charge of accounting: Fan Wei Hung

Head of accounting: Yang Zhanqing



II. FINANCIAL STATEMENT (continued)

STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY

January to June 2022

Unit: Yuan Currency: RMB

Items	Half year of 2022							Total owners' equity		
	Paid-up capital (or Share capital)	Preference Share	Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income		Surplus reserve	Undistributed profit
I. Balance at the end of last year	4,187,093,073.00		1,945,736,000.00		6,673,646,093.38			638,241,006.48	2,675,588,115.87	16,120,304,293.73
Add: Effects of changes in accounting policies										
Effects of correction of prior year errors										
Others										
II. Balance at the beginning of the year	4,187,093,073.00		1,945,736,000.00		6,673,646,093.38			638,241,006.48	2,675,588,115.87	16,120,304,293.73
III. Increase/decrease in the period (decrease is represented by "-")										
(I) Other comprehensive income										
(II) Owners' contribution and decrease in capital										
1. Ordinary shares contributed by owners			-906,360,000.00		-2,394,602.04			154,079,151.26	634,646,118.63	-120,219,332.15
2. Capital invested by owners of other equity instruments										
3. Share-based payments credited to owners' equity										
4. Others					-2,394,602.04				1,541,529,813.08	-906,944,602.04
(III) Profit distribution										
1. Appropriation to surplus reserve					-3,640,000.00					-910,000,000.00
2. Distribution to owners (or shareholders)										
3. Others					1,055,397.96					1,055,397.96
(IV) Internal transfer of owners' equity										
1. Conversion of capital reserve into capital (or shares)								154,079,151.26	-906,360,000.00	-752,280,848.74
2. Conversion of surplus reserve into capital (or shares)										
3. Making good of loss with surplus reserve										
4. Change in defined benefit plan transferred to related earnings										
5. Other comprehensive income transferred to retained earnings										
6. Others										
(V) Special reserve										
1. Appropriation for the current period										
2. Application for the current period										
(VI) Others										
IV. Balance at the end of the current period	4,187,093,073.00		1,039,376,000.00		6,671,061,496.34			792,320,157.74	3,310,234,234.50	16,000,094,961.58





II. FINANCIAL STATEMENT (continued)

STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY (continued)

January to June 2022

Unit: Yuan Currency: RMB

Items	Half year of 2021							Total owners' equity		
	Paid-up capital (or Share capital)	Preference Share	Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income		Special reserve	Other comprehensive income
I. Balance at the end of last year	3,849,910,386.00		1,494,000,000.00		2,467,688,320.02			480,035,679.01	1,925,657,892.54	10,223,242,377.57
Add: Effects of changes in accounting policies										
Effects of correction of prior year errors										
Others										
II. Balance at the beginning of the year	3,849,910,386.00		1,494,000,000.00		2,467,688,320.02			480,035,679.01	1,925,657,892.54	10,223,242,377.57
III. Increase/decrease in the period (decrease is represented by "-")			451,736,000.00		-1,879,118.03			136,473,414.93	668,342,920.49	1,194,673,217.39
(I) Other comprehensive income			451,736,000.00		-1,879,118.03			136,473,414.93	1,364,734,149.28	1,364,734,149.28
(II) Owners' contribution and decrease in capital										
1. Ordinary shares contributed by owners										
2. Capital invested by owners of other equity instruments										
3. Share-based payments credited to owners' equity										
4. Others										
(III) Profit distribution										
1. Appropriation to surplus reserve										
2. Distribution to owners (or shareholders)										
3. Others										
(IV) Internal transfer of owners' equity										
1. Conversion of capital reserve into capital (or shares)										
2. Conversion of surplus reserve into capital (or shares)										
3. Making good of loss with surplus reserve										
4. Change in defined benefit plan transferred to retained earnings										
5. Other comprehensive income transferred to retained earnings										
6. Others										
(V) Special reserve										
1. Appropriation for the current period										
2. Application for the current period										
Others										
IV. Balance at the end of the current period	3,849,910,386.00		1,945,736,000.00		2,465,759,201.99			622,509,093.94	2,534,000,803.03	11,417,915,594.96

Company representative: Cao Xin

Person in charge of accounting: Fan Wei Hung

Head of accounting: Yang Zhanqing

III. BASIC INFORMATION OF THE COMPANY

1. Company Overview

China Suntien Green Energy Corporation Limited (the “Company”) is a joint-stock company established in the PRC on 9 February 2010 with limited liability, with its capital jointly contributed by its promotor shareholder, Hebei Construction & Investment Group Co., Ltd. (“HECIC”), with its new energy and natural gas assets, and HECIC Water Investment Co., Ltd. (“HECIC Water”, a wholly-owned subsidiary of HECIC).

The registered office of the Company is located at No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, PRC.

The initial public offering and listing of the shares of the Company on the main board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) was completed on 13 October 2010. A total of 1,076,900,000 H shares were issued and sold at a price of HK\$2.66 per share to investors in Hong Kong and overseas. In October 2010, the Company issued a total of 161,535,000 H shares at a price of HK\$2.66 per share upon exercise of the over-allotment option. As of 31 December 2010, the total number of shares of the Company was approximately 3,238,435,000, including 1,876,156,000 domestic shares and 1,362,279,000 H shares. HECIC directly and indirectly holds all domestic shares, representing 57.9% of the total number of shares of the Company, and is the controlling shareholder of the Company.

On 28 January 2014, the Company successfully placed 476,725,396 H shares, thereby increasing its registered capital by RMB476,725,396 and raising total funds of approximately HK\$1,597,030,077. After the completion of the capital increase by the issuance of additional H shares, the total issued share capital of the Company amounted to RMB3,715,160,396, divided into 3,715,160,396 shares of RMB1 each, with a direct and indirect shareholding of 50.5% by HECIC and shareholding of 49.5% by H shareholders in aggregate.

In July 2015, the State-owned Assets Supervision and Administration Commission of the State Council approved an agreement in relation to the transfer at nil consideration entered into by HECIC and HECIC Water to transfer 375,231,200 shares in the Company held by HECIC Water to HECIC at nil consideration. Upon completion of the transfer, HECIC directly held 50.5% shares of the Company, and H shareholders held a total of 49.5%.

With the approval of China Securities Regulatory Commission (Zheng Jian Xu Ke [2020] No. 1012), the initial public offering and listing of the shares of the Company on the Shanghai Stock Exchange were completed on 28 May 2020. A total of 134,750,000.00 ordinary shares in the Company (A shares) were issued at a price of RMB3.18 per share, with aggregate proceeds of RMB428,505,000.00.

On 19 August 2021, as approved by the Zheng Jian Xu Ke [2021] No. 2730 issued by the China Securities Regulatory Commission, the Company conducted the non-public issuance of A shares, under which, 337,182,677 shares were issued to specific subscribers at the issue price of RMB13.63 per share, raising total proceeds of RMB4,595,799,887.51.



III. BASIC INFORMATION OF THE COMPANY (continued)

1. Company Overview (continued)

As of 30 June 2022, the total accumulated issued share capital of the Company was RMB4,187,093,073.00, of which 49.17% was held by HECIC, 43.92% was held by H shareholders and 6.91% was held by A shareholders.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the investment, development, management and operation of wind power and solar energy generation, the sale of natural gas and gas appliances, and the connection and construction of natural gas pipelines.

The parent company and ultimate parent company of the Company is HECIC, a Chinese state-owned enterprise.

The financial statements have been approved and authorised for issue by the Company’s Board of Directors on 25 August 2022.

2. Scope of consolidated financial statements

The consolidation scope of these consolidated financial statements shall be determined on the basis of control. Refer to Note VIII for the change of scope for this period.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance and the specific accounting standards, application guide, interpretation and other relevant provisions promulgated and revised thereafter (the “Accounting Standards for Business Enterprises”).

The financial statements of the Company are prepared on a going concern basis.

2. Going concern

As at 30 June 2022, the Group’s current liabilities exceeded its current assets by approximately RMB2,166 million. The management has considered the following sources of funding available for the next 12 months:

- (1) expected net cash inflows from operating activities;
- (2) unutilised banking facilities as at 30 June 2022 of approximately RMB70,081 billion;
- (3) The Group registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in March 2021. Such facilities were approved for revolving use before March 2023. As at 30 June 2022, the unutilised facilities amounted to RMB1.3 billion.



IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2. Going concern (continued)

The directors of the Company believe that the Group has adequate capital resources to meet its funding requirements for the next 12 months from the end of the Reporting Period. The directors of the Company therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

These financial statements have been prepared under the historical cost convention, except for certain financial instruments. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant rules.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

The Group has developed specific accounting policies and accounting estimates based on the characteristics of its production operations, as described below:

1. Statement of compliance with Accounting Standards for Business Enterprises (ASBEs)

The financial statements prepared by the Company have been complied with ASBE, and presented the Company's and the Group's financial position as on 30 June 2022, and the operating results and cash flow for the six months ended 30 June 2022 truly and completely.

2. Accounting period

The accounting year of the Company commences from 1 January to 31 December of each calendar year.

3. Operating cycle

The accounting year for the Group is from 1 January to 31 December of each calendar year.

4. Functional currency

The functional currency of and the currency adopted for the preparation of these financial statements by the Company is Renminbi. Unless otherwise stated, the financial statements are all presented in RMB.

5. Accounting for business combinations under common control and those not under common control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

5. Accounting for business combinations under common control and those not under common control (continued)

Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties before and after the combination, and that control is not transitory.

Assets and liabilities that are obtained in a business combination involving enterprises under common control, including goodwill arising from the acquisition of the merging party by the ultimate controller, shall be accounted for on the basis of the carrying amounts on the financial statements of the ultimate controller on the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued) is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination involving entities not under common control are measured at fair value at the acquisition date.

The excess of the fair value of the sum of the combination consideration paid (or the fair value of equities securities issued) and equity interests in the acquiree held prior to the acquisition date over the fair value of the acquiree's identifiable net assets acquired in combination, measured at fair value, was recognized as goodwill, which is subsequently measured at cost less cumulative impairment loss. In case the fair value of the sum of the combination consideration paid (or the fair value of equities securities issued) and equity interests in the acquiree held prior to the acquisition date is less than the fair value of the acquiree's identifiable net assets acquired in combination, a review of the measurement of the fair values of the various identifiable assets, liabilities and contingent liabilities, the consideration paid for the combination of the acquiree (or the fair value of equity securities issued) and the equity interests in the acquiree held prior to the acquisition date is conducted. If the review indicates that the fair value of the sum of the combination consideration paid (or the fair value of equities securities issued) and equity interests in the acquiree held prior to the acquisition date is indeed less than the fair value of the acquiree's identifiable net assets acquired in combination, the difference is recognized in the current profit or loss.

6. Preparation of consolidated financial statements

The consolidation scope of the consolidated financial statements is determined on the basis of control, including the financial statements of the Company and all of its subsidiaries, which represent the entities controlled by the Company (contain enterprises, a divisible portion of the invested enterprises and structured entities controlled by the Company).

In preparation of the consolidated financial statements, the subsidiaries use the same accounting year and accounting policies as those of the Company. All intra-group assets, liabilities, interests, income, expenses and cash flows are eliminated in full on consolidation.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation of consolidated financial statements (continued)

Where the amount of losses of a subsidiary attributable to the minority shareholders in the current period exceeds their share of the opening balance of owners' equity of the subsidiary, the excess shall be allocated against minority interests.

For a subsidiary acquired through a business combination involving enterprises not under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statement from the date on which the Group gains control till the Group ceases the control of it. While preparing the consolidated financial statements, the acquirer shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognized on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements from the beginning of the period in which the combination occurs. While preparing the comparative consolidated financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity established through combination had been existing since the ultimate controller begins to exercise control.

The Group's control over an investee is re-assessed if change in relevant facts and situations causes changes in one or more of the elements of control.

Where there is no loss of control, the change in minority interests is accounted for as an equity transaction.

By stepping through multiple transactions to dispose of the equity investment in a subsidiary until the loss of control, if it is a package transaction, the transactions are treated as a transaction that disposes of the subsidiary and loses control; however, the price difference between the disposal price and the disposal investment before the loss of control and the share of the net assets of the subsidiary is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the current period profit or when the control is lost. If it is not a package transaction, the corresponding accounting treatment shall be carried out for each transaction. If the control right is not lost, the minority shareholders' equity changes will be treated as an equity transaction. If the control right is lost, the remaining equity shall be re-measured according to its fair value on the date of losing control. The difference between the summary of consideration obtained from the disposal of the equity and the fair value of the remaining equity, less the difference between the share of the original assets and the share of the net assets that have been continuously calculated from the date of purchase from the date of the original shareholding, is included in the current period profit and; If there is a goodwill for the subsidiary, the amount of the goodwill is deducted when calculating the profit and loss of the disposal of the subsidiary; Other comprehensive income related to the original subsidiary's equity investment shall be accounted for on the same basis as the subsidiary's direct disposal of the relevant assets or liabilities when the control is lost, due to the net profit and loss, other comprehensive income and profit distribution related to the original subsidiary. Shareholders' equity is recognized in addition to changes in other shareholders' equity, which are transferred to the current period profit or loss when control is lost.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Classification of joint arrangements and accounting for joint ventures

There are two types of joint arrangements – joint operations and joint ventures. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement.

A joint operator recognizes the following items in relation to its interest in a joint operation: its solely-held assets, and its share of any assets held jointly; its solely-assumed liabilities, and its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its solely-incurred expenses, and its share of any expenses incurred jointly.

8. Criteria for determining cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Foreign currency transactions and translation of foreign currency statements

The Group translates the amount of foreign currency transactions which occurred into its functional currency.

Foreign currency transactions are recorded, on initial recognition, in the functional currency, by applying the foreign currency amount the spot exchange rate prevailing on the transaction dates. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate prevailing on the balance sheet date. All the resulting differences on settlement and monetary item translation are taken to profit or loss in the current period, except for those relating to foreign currency borrowings specifically for construction and acquisition of qualifying assets, which are capitalized in accordance with the principle of capitalization of borrowing costs. Non-monetary foreign currency items measured at historical cost shall still be translated at the spot exchange rate prevailing on the transaction date, and the amount denominated in the functional currency is not changed. Non-monetary foreign currency items measured at fair value are translated at the spot exchange rate prevailing at the date on which the fair values are determined. The difference thus resulted are recognized in profit or loss for the current period or as other comprehensive income based on the nature of the non-monetary items.

For foreign operations, the Group translates their functional currency amounts into RMB when preparing the financial statements as follows: as at the balance sheet date, the assets and liabilities are translated using the spot exchange rate at the balance sheet date, and equity items other than "unappropriated profit" are translated at the spot exchange rates at the dates of transactions; revenue and expense items in profit or loss are translated using the exchange rate at the transaction date. The resulting exchange differences are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss. If the disposal only involves a portion of a particular foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss on a pro-rata basis.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the spot exchange rates prevailing on the dates of cash flows. The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset (or part of a financial asset, or part of a group of similar financial assets), i.e. writes off the financial asset from the account and balance sheet, when the following conditions are met:

- (1) the rights to receive cash flows from the financial asset expire;
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; and either (a) has transferred substantially all the risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has not retained control of the financial asset.

If the underlying obligation of a financial liability has been discharged or cancelled or has expired, the financial liability is derecognized. If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different terms, or if the terms of an existing financial liability are substantially revised, such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulting difference is recognized in profit or loss for the current period.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales of financial assets refer to that the financial assets are delivered to or by the Group under the terms of a contract within a period as specified by law or general practice. The trade date is the date on which the Group undertakes to buy or sell a financial asset.

Changes in contracts due to benchmark rate reform

Due to the benchmark rate reform, terms of the Group’s certain financial instruments have been amended to replace the original benchmark rate with the alternative benchmark rate as the reference rate.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Changes in contracts due to benchmark rate reform (continued)

For the financial assets or financial liabilities accounted for using the effective interest rate method, when changes in the basis for determining the contractual cash flows are only directly resulted from the benchmark rate reform and such basis for determination is economically equivalent before and after the changes, the Group does not evaluate whether the changes would result in derecognition or adjust the balance of carrying amount of the financial assets or financial liabilities. The Group recalculates the effective interest rate based on the future cash flows after the changes and uses such basis for subsequent measurement. For the financial assets or financial liabilities that occur other changes at the same time, the Group first accounts for the changes resulted from the benchmark rate reform in accordance with the above-mentioned requirements, and evaluates whether the other changes would result in substantial revision afterwards.

Classification and measurement of financial assets

The Group's financial assets are, on initial recognition, classified into the following categories based on the business model of the Group's financial asset management and the characteristics of the financial assets' contractual cash flows: financial assets measured at fair value through profit or loss, financial assets measured at amortised cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

A financial asset is initially recognised at fair value. However, if the initial recognition of account receivables does not include significant financing components or does not consider financing components not exceeding one year, it shall be initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, the related transaction expense is directly recognised in profit or loss for the current period, transaction costs related to financial assets measured at amortized cost are included in their initial recognition amount.

Subsequent measurement of a financial asset is determined by its category as follows:

Debt instrument investments measured at amortised cost

Financial assets are classified as financial assets measured at amortised cost if the financial assets meet the following conditions: The Group's business model for managing the financial assets is to collect contractual cash flows; the contractual terms of the financial assets stipulate that cash flows generated on a specific date are only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, the effective interest method is used for recognition of interest income. The gains or losses arising from derecognition, modification or impairment are recognised in profit or loss of the current period.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Classification and measurement of financial assets (continued)

Debt instrument investments measured at fair value through other comprehensive income

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. When the financial assets are derecognized, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Equity instrument investments at fair value through other comprehensive income

The Group irrevocably opts to assign some of the investments in non-tradable equity instruments to financial assets at fair value through other comprehensive income, and only recognizes relevant dividend incomes in profit or loss for the current period, while subsequent changes in fair value are recognised in other comprehensive income (except for the dividend income recovered as investment costs), without needing to withdraw impairment provision. When the financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than those measured at amortized cost and at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognized in profit or loss for the current period.

Classification and measurement of financial liabilities

Except for financial guarantee contracts issued and financial liabilities arising from the transfer of financial assets that do not meet the derecognition criteria or from the continued involvement in the transferred financial assets, on initial recognition, the Group's financial liabilities are classified as: financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost. For financial liabilities at fair value through profit or loss, related transaction expenses are directly charged to profit or loss for the current period; and transaction expenses relating to financial liabilities measured at amortized cost are included in the initial recognized amount.

The subsequent measurement of financial liability is determined by its category:



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Classification and measurement of financial assets (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivative financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivative financial liabilities) are subsequently measured at fair value, and all of them will be recognized in the current profit or loss. For such financial liabilities, the subsequent measurement is based on fair value. Except for changes in fair value arising from changes in the Group's own credit risk, changes in fair value are recognized in profit or loss. The Group changes all fair value changes (including the impact of changes in its own credit risk) in the current profit or loss, if the changes in fair value of the Group's own credit risk are included in other comprehensive income.

Financial liabilities measured at amortised cost

Such financial liabilities are measured at amortized cost by using the effective interest method.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Impairment of financial instruments

The Group performs impairment treatment on financial assets measured at amortised cost and debt instrument investments, lease receivables, contract assets, loan commitments and financial guarantee contracts at fair value through other comprehensive income and provides impairment provision on the basis of expected credit losses.

For receivables and contract assets which do not contain significant financing components and contractual assets, the Group uses a simplified measurement method to measure loss allowance at the full lifetime expected credit loss.

For receivables with significant financing components, the Group has chosen to use a simplified measurement method to measure loss allowance at the full lifetime expected credit loss.

In addition to the financial assets, loan commitments and financial guarantee contracts described above using the simplified measurement method, the Group assesses whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has not increased significantly since the initial recognition, it is at the first stage, and the Group measures loss allowance according to the amount of expected credit loss in the next 12 months, and calculates the interest income according to the book balance and the actual interest rate; if the credit risk has increased significantly since the initial recognition, but no credit impairment occurs, it is at the second stage, and the Group measures loss allowance at the full lifetime expected credit loss, and calculates the interest income according to the book balance and the actual interest rate; if the credit impairment occurs after the initial recognition, it is at the third stage, and the Group measures loss allowance at the full lifetime expected credit loss, and calculates the interest income according to the amortised cost and the actual interest rate. For financial instruments with relatively low credit risk only on the balance sheet date, the Group assumes that its credit risk has not increased significantly since the initial recognition.

The Group assesses the expected credit losses on financial instruments based on an individual and a collective basis. The Group considers credit risk characteristics of different customers, and assesses the expected credit losses on financial instruments carried at amortised cost based on their ageing portfolio.

Refer to Note X. 3 for the disclosure of the criteria for judging significant increases in credit risk and definition of credit-impaired assets.

The factors reflected by the Group's approach to measuring expected credit losses on financial instruments include: the unbiased probability weighted average amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and substantiated information about past events, current conditions and projections of future economic conditions that is available at the balance sheet date without undue additional cost or effort.

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group writes down the carrying amount of the financial assets directly.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Offsetting of financial instruments

The net amount resulting from the set-off between financial assets and financial liabilities shall be presented in the balance sheet only if all of the following criteria are met: there is a legal right to offset recognised amounts which is currently enforceable; there is an intention to settle on a net basis, or the realisation of the financial asset and the settlement of the financial liability take place at the same time.

Financial guarantee contracts

A financial guarantee contract is a contract under which the issuer shall indemnify the contract holder suffering losses with a specified amount in the event that the specific debtor fails to repay its debt in accordance with the initial or revised terms of the debt instrument. Financial guarantee contracts are initially recognised as liability at fair value. Except for the financial guarantee contracts which are financial liabilities designated at fair value through profit or loss, other financial guarantee contracts are, after initial recognition, subsequently measured at the higher of the amount of provision for losses determined at the balance sheet date and the initial amount less accumulated amortisation determined in accordance with the revenue recognition principle.

Other than hedging accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the period.

Transfer of financial assets

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group does not derecognise the financial assets when it retains substantially all the risks and rewards of ownership of the financial assets.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the related accounting treatments of such financial assets are as follows: if the control of the financial assets is abandoned, the financial assets are derecognised and the assets and liabilities arising are recognised. If the control of the financial assets is not abandoned, the relevant financial assets are recognised according to the extent to which they continue to be involved in the transferred financial assets and the related liabilities are recognised accordingly.

If the transferred financial assets continue to be involved through the provision of financial guarantee method, the assets that continue to be involved are recognised according to carrying amount of the financial assets and the financial guarantee amount, whichever is lower. The amount of the financial guarantee is the maximum amount of the consideration received that will be required to be repaid.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Notes receivable

Determination and accounting treatment of ECLs of notes receivable

Applicable Not Applicable

12. Accounts Receivable

Determination and accounting treatment of ECLs of accounts receivable.

For details, please refer to the description of financial instruments in Note V of these financial statements.

13. Receivables financing

For details, please refer to the description of financial instruments in Note V of these financial statements.

14. Other receivables

Determination and accounting treatment of ECLs of other receivables

For details, please refer to the description of financial instruments in Note V of these financial statements.

15. Inventories

Inventories include raw materials, finished goods and turnover materials.

Inventories are initially measured at cost. Inventory costs include purchase costs, processing costs and other costs. The actual cost of inventories is calculated using the weighted average method when the inventories are removed. Turnover materials include low-value consumables and packaging materials, which are amortised using one-time resale method.

Inventories are accounted for using the perpetual inventory system.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost is higher than the new realizable value, provision for impairment of inventories is made and recognized in profit or loss for the period.

Net realisable value is the amount of the estimated inventory selling price in the ordinary course of business less the estimated costs of completion, the estimated selling expenses and relevant taxes. Provision is considered on a category basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Contract assets

(1). Recognition method and accounting treatment of contract assets

A contract asset is the right to consideration in exchange for goods or services that the Group has transferred to a customer, and that right is conditioned on something other than the passage of time.

For details of the Group's determination method and accounting treatment of expected credit losses of contract assets, please refer to Note V.10.

(2). Determination and accounting treatment of ECLs of contract assets

Applicable Not Applicable

17. Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

For non-current assets and disposal groups (other than financial assets and deferred tax assets) classified as held for sale, if the book value is higher than the net amount after the fair value minus the selling expenses, the book value is reduced to the net amount after the fair value minus the selling expenses. The amount of the write-down is recognized as the loss on impairment of assets and included in the current profit and loss. At the same time, provision for impairment of assets held for sale is made. Non-current assets held for sale or non-current assets in disposal groups are not depreciated or amortized and not accounted for under equity method.

18. Debt investments

Determination and accounting treatment of ECLs of debt investments.

Applicable Not Applicable

19. Other debt investments

Determination and accounting treatment of ECLs of other debt investments.

Applicable Not Applicable

20. Long-term receivables

Determination and accounting treatment of ECLs of long-term receivables.

Applicable Not Applicable



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

Long-term equity investments were initially recorded at initial investment cost on acquisition. For long-term equity investments acquired through the business combination of entities under common control, the initial investment cost shall be the share of carrying value of the owners' equity of the merged party at the date of combination as stated in the consolidated financial statements of the ultimate controlling party. Any difference between the initial investment cost and the carrying value of the consideration for the combination shall be dealt with by adjusting the capital reserve (if the capital reserve is insufficient for setting off the difference, such difference shall be further set off against retained earnings). Upon disposal of the investment, other comprehensive income prior to the date of combination shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Shareholders' equity recognised as a result of changes in shareholders' equity other than the net profit or loss, other comprehensive income and profit allocation of the investee shall be transferred to the current profit or loss upon disposal of the investment. Items which remain as long-term equity investments after the disposal shall be accounted for on a pro-rata basis, while items reclassified as financial instruments following the disposal shall be accounted for in full. For long-term equity investments acquired through the business combination of entities not under common control, the initial investment cost shall be the cost of combination (for business combinations of entities not under common control achieved in stages through multiple transactions, the initial investment cost shall be the sum of the carrying value of the equity investment in the acquired party held at the date of acquisition and new investment cost incurred as at the date of acquisition). The cost of combination shall be the sum of assets contributed by the acquiring party, liabilities incurred or assumed by the acquiring party and the fair value of equity securities issued. Upon disposal of the investment, other comprehensive income recognised under the equity method held prior to the date of acquisition shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Shareholders' equity recognised as a result of changes in shareholders' equity other than the set-off of profit or loss, other comprehensive income and profit allocation of the investee shall be transferred to the current profit or loss upon disposal of the investment. Items which remain as long-term equity investments after the disposal shall be accounted for on a pro-rata basis, while items reclassified as financial instruments following the disposal shall be accounted for in full. The accumulated fair value change of equity investments held prior to the date of acquisition and included in the other comprehensive income as financial instruments shall be transferred in full to the retained earnings (from 2018) or current profit or loss (before 2018) upon the change to cost method. The initial investment cost of long-term equity investments other than those acquired through business combination shall be recognised in accordance with the following: for those acquired by way of cash payments, the initial investment cost shall be the consideration actually paid plus expenses, tax amounts and other necessary outgoings directly related to the acquisition of the long-term equity investments. For long-term equity investments acquired by way of the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued. For long-term equity investments acquired by way of the swap of non-monetary assets, the initial investment cost shall be determined in accordance with "ASBE No. 7 – Swap of Non-monetary Assets." For long-term equity investments acquired by way of debt restructuring, the initial investment cost shall be determined in accordance with "ASBE No. 12 – Debt Restructuring."



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Long-term equity investments (continued)

In the financial statements of the Company, the cost method is used for long term equity investments in investees over which the Company exercises control. Control is defined as the power exercisable over the investee, the entitlement to variable return through involvement in the activities of the investee and the ability to influence the amount of return using the power over the investee.

When the cost method is used, long-term equity investments are measured at initial cost on acquisition. When additional investments are made or investments are recouped, the cost of long-term equity investments shall be adjusted. Cash dividends or profit distribution declared by the investee shall be recognised as investment gains for the period.

The equity method is used to account for long-term equity investments when the Group can jointly control or has significant influence over the invested entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence means having the authority to take part in the decision over the financial and operational policies but not the authority to control or jointly control with other parties the formulation of such policies.

Under the equity method, any excess of the initial investment cost over the Company's share of the net fair value of the investment's identifiable net assets and liabilities is included in the initial investment cost of the long-term equity investment. When the carrying amount of the investment is less than the Company's share of the fair value of the investment's identifiable net assets, the difference is recognised in profit or loss of the current period and debited to long-term equity investments.

Under the equity method, after the long-term equity investments are acquired, investment gains or losses and other comprehensive income are recognised according to the entitled share of net profit or loss and other comprehensive income of the investee and the carrying amount of the long-term equity investment is adjusted accordingly. When recognising the Group's share of the net profit or loss of the invested entity, the Group makes adjustments based on fair values of the investees' identifiable assets and liabilities at the acquisition date in accordance with the Group's accounting policy and accounting period to investee's net profits, eliminating pro-rata profit or loss from internal transactions with associates and joint ventures attributed to investor (except that loss from inter-group transactions deemed as asset impairment loss shall be fully recognised), provided that invested or sold assets constituting businesses shall be excluded. When the invested enterprise declares profit appropriations or cash dividends, the carrying amount of investment is adjusted down by the Group's share of the profit appropriations and dividends. The Group shall discontinue recognising its share of the losses of the investee after the long-term equity investment together with any long-term interests that in substance forms part of the Group's net investment in the investee are reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. The Group also adjusts the carrying amount of long-term equity investments for other changes in owners' equity of the investees (other than the net-off of net profit or loss, other comprehensive income and profit allocation of the investee), and includes the corresponding adjustment in equity.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Long-term equity investments (continued)

On disposal of the long-term equity investments, the difference between the carrying value and market price is recognised in profit or loss for the current period. For long-term equity investments under equity method, when the use of the equity method is discontinued, other comprehensive income previously accounted for under the equity method shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Shareholders' equity recognised as a result of changes in shareholders' equity other than the net-off of profit or loss, other comprehensive income and profit allocation of the investee shall be transferred in full to current profit and loss. If the equity method remains in use, other comprehensive income previously accounted for under the equity method shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee and transferred to the current profit or loss on a pro-rata basis. Shareholders' equity recognised as a result of changes in shareholders' equity other than the net-off of profit and loss, other comprehensive income and profit allocation of the investee shall be transferred to the current profit or loss on a pro-rata basis.

For step-by-step disposal of investment in a subsidiary through multiple transactions until the loss of control, if the transactions are a package deal, each transaction is accounted for as a disposal of subsidiary with loss of control. However, the difference between each disposal consideration until loss of control and the book value of the long-term equity investment disposed of corresponding to the equity interest disposed of is recognised as other comprehensive income in individual financial statements and is transferred to the current profit or loss for the period of loss of control. If they are not a package deal, each transaction is accounted for separately. For loss of control, if the remaining equity interest enables joint control or significant influence over the original subsidiary, it is recognised as a long-term equity investment in individual financial statements and accounted for pursuant to the relevant rules for conversion of the cost method into the equity method. Otherwise, it is recognised as a financial instrument and the difference between its fair value and its book value on the date of loss of control is included in the current profit or loss.

22. Investment properties

(1). The method of depreciation or amortization under cost measurement model

Depreciation or amortisation method

Investment property is property held to earn rentals or for capital appreciation or for both purposes. It includes a building for the purposes of leasing out and a building that will be used for leasing out after construction or development.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the cost can be measured reliably. Otherwise, they are recognised in profit or loss in the period in which they are incurred.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Investment properties (continued)

(1). The method of depreciation or amortization under cost measurement model (continued)

Depreciation or amortisation method (continued)

The Group uses the cost model for subsequent measurement of investment property. The useful life, estimated net residual value rate and annual depreciation rate of investment property are as follows:

	Useful life	Estimated net residual value rate	Annual depreciation rate
Buildings	30 years	5%	3.17%

23. Fixed assets

(1). Conditions of recognition

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in its cost, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures shall be recognised in profit or loss for the period during which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the assets is considered. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any other directly attributable expenditure for bringing the asset to working condition for its intended use.

(2). Depreciation method

Items	Depreciation method	Depreciation period (year)	Residual value rate	Annual depreciation rate
Buildings	Straight-line method	20-40	5%	2.38%-4.75%
Machinery and equipment	Straight-line method	5-30	5%	3.17%-19.00%
Transportation equipment	Straight-line method	5-8	5%	11.88%-19.00%
Electronic equipment and office equipment	Straight-line method	3-5	5%	19.00%-31.67%
Others equipment	Straight-line method	10	5%	9.50%

Depreciation is provided on fixed assets using the straight-line method, except for fix assets generated by consuming safety production reserves. The depreciation period, residual value rate and annual depreciation rate for each type of fixed assets are shown in the table above.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Fixed assets (continued)

(2). Depreciation method (continued)

Where individual component parts of an item of fixed assets have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each financial year end, and makes adjustments if necessary.

(3). Determination basis, valuation and depreciation method of fixed assets under finance leases

Applicable Not Applicable

24. Construction in progress

Construction in progress is recognized at its actual costs. The actual costs include various necessary construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs.

Construction in progress is transferred to fixed assets and intangible assets when it is ready for intended use.

25. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized, and other borrowing costs are recognized in profit or loss for the period. Qualifying assets are fixed assets, investment property and inventory that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs may be capitalized only when:

- (1) Expenditures for such asset are incurred;
- (2) Borrowing costs are incurred;
- (3) The acquisition, construction or production activities which are necessary to prepare the asset for its intended use or sale have started.

Capitalization of borrowing costs ceases when the qualifying assets being acquired, constructed or produced becomes ready for its intended use or sale. Borrowing costs incurred subsequently are recognized in the current profit or loss.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

25. Borrowing costs (continued)

Interest in each accounting period is determined by the following methods:

- (1) For dedicated borrowings, the amount of interest is the interest expenses actually incurred in the current period less the interest income earned on temporary deposits or investment income;
- (2) For general borrowings utilized, the amount of interest is the weighted average asset expenditures of the excess of accumulative asset expenditure over the dedicated borrowings multiplying the weighted average interest rate of the general borrowings.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 consecutive months, other than those necessary to prepare the asset for its intended use or sale, the capitalization of the borrowing costs shall be suspended. Borrowing costs incurred during the interruption period are recognized as costs in profit or loss for the current period, until the acquisition or construction is resumed.

26. Biological assets

Applicable Not Applicable

27. Oil and gas assets

Applicable Not Applicable

28. Right-of-use assets

On the date of commencement of the lease term, the Group recognises its right to use the leased asset during the lease term as a right-of-use asset. Right-of-use assets are initially measured at cost, including: (1) the initial measurement amount of lease liabilities; (2) for the lease payment made on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed which shall be deducted; (3) the initial direct expenses incurred by the lessee; (4) the costs expected to be incurred by the lessee for dismantling and removing the leased assets, restoring the leased assets' site or restoring the leased assets to the agreed state in the lease terms. If the Group remeasures the lease liability due to changes in lease payments, the carrying amount of the right-of-use assets is adjusted accordingly. The carrying amount of the right-of-use asset is adjusted accordingly. The Group subsequently adopts the straight-line method to accrue depreciation for the right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the Group shall accrue depreciation during the remaining useful life of the leased asset. If it is impossible to reasonably determine whether the ownership of the leased asset can be obtained at the end of the lease term, the Group shall accrue depreciation within the shorter of the lease term and the remaining useful life of the leased asset.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Intangible assets

(1). Measurement, useful life and impairment test

The Group's intangible assets include land use rights, concession rights, proprietary technology, software licenses and others.

Intangible assets may be recognized initially measured at cost only when economic benefits relating to it are likely to flow into the Group as well as its cost can be measured reliably. However, for intangible assets acquired from business combination not under common control, if their fair value can be measured reliably, they are recognized separately as intangible assets and measured at fair value.

The useful life of an intangible asset shall be determined based on the term in which it can generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable term in which it can generate economic benefits for the Group.

The useful life of each category of intangible assets is as follows:

Category	Useful life
Land use rights	20-50 years
Concession rights	25-30 years
Proprietary technology	10 years
Software licenses	10 years

Land use rights that are purchased by the Group are accounted for as intangible asset. For the buildings, such as plants that are developed and constructed by the Group, relevant land use rights and the building are accounted for individually as intangible assets and fixed assets, respectively. Payments for the land and buildings acquired are allocated between the land use rights and the buildings. If they cannot be reasonably allocated, all of the land use rights and buildings are accounted for as fixed assets.

An intangible asset with finite useful life is amortised over its useful life period by using the straight-line method. The useful life and amortization method of an intangible asset with finite useful life shall be reviewed at least once at each year end, and adjusted when necessary.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Intangible assets (continued)

(2). Accounting policy for internal R&D expenditure

The Group classifies the expenditure in an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognised in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalised when the Group can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred.

30. Impairment of assets

The impairment of assets other than inventories, contract assets and assets relating to contract costs, deferred income tax, financial assets and assets held for sale is determined using the following methods:

The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs testing for impairment. Goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not been ready for intended use are tested for impairment at least once at the end of each year, irrespective of whether there is any indication that the asset may be impaired.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction in carrying amount is treated as impairment loss and recognised in profit or loss for the current period. A provision for impairment loss of the asset is recognised accordingly.

For the purpose of goodwill impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is not possible to allocate to the related asset groups, it is allocated to each of the related sets of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergy of the business combination and shall not be larger than a reportable segment determined by the Group.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Impairment of assets (continued)

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment testing, if there is any indication of impairment, the Group first tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and recognises any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment and the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then by the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, based on the carrying amount of each asset on a pro rata basis.

Once the above asset impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

31. Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure, net of accumulated amortisation.

32. Contract liabilities

Recognition method of contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer, such as an amount of consideration that an entity has received before the transfer of the promised goods or services.

33. Employee benefits

(1). Accounting treatment for short-term employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits and post-employment benefits. Benefits given by the Group to an employee's spouse, children and dependents, family members of deceased employees and other beneficiaries are also employee benefits.

Short-term employee benefits

The liabilities of employee benefits are recognized in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

33. Employee benefits (continued)

(2). Accounting treatment for post-employment benefits

Post-employment benefits (defined contribution scheme)

The employees of the Group participate in a pension scheme and unemployment insurance managed by the local government, for which the corresponding expenses shall be included in the cost of related assets or profit or loss.

(3). Accounting treatment for termination benefits

Applicable Not Applicable

(4). Accounting treatment for other long-term employment benefit

Applicable Not Applicable

34. Lease Liabilities

On the commencement date of the lease term, the Group recognized the present value of the lease payments that have not been paid as lease liabilities, except for short-term leases and leases of low-value assets. Lease payments include fixed payments and actual fixed payments net of lease incentives, variable lease payments dependent on an index or rate, amounts expected to be payable based on the residual value of the guarantee and also the exercise price of a purchase option or amounts payable upon exercise of a termination option, provided that the Group is reasonably certain that the option to be exercised or the lease term reflects that the Group will exercise the termination option.

In calculating the present value of lease payments, the Group uses its implicit rate at the lease commencement date as discount rate. If the implicit rate in the lease is not readily determinable, the Group uses its incremental borrowing rate as discount rate. The Group calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate, and it is included in the current profit and loss, otherwise, it is required to be included in the cost of relevant assets. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profit and loss when they are actually incurred, otherwise, it is required to be included in relevant costs of assets.

After the commencement date of the lease term, the carrying amount of the Group's lease liabilities is increased when interest is recognised and reduced when lease payments are made. When the actual fixed payment amount changes; the expected amount of the guarantee residual value changes; the index or ratio used to determine the lease payment changes, or the assessment results or actual exercise of the purchase option, the renewal option or the termination option change, the Group re-measures the lease liability based on the present value of the changed lease payments.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Accrued liabilities

An obligation related to a contingency shall be recognized by the Group as a provision when all of the following conditions are satisfied, except for contingent considerations and contingent liabilities assumed in a business combination not involving entities under common control:

- (1) The obligation is a present obligation of the Group;
- (2) It is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) A reliable estimate can be made of the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. Provisions are reviewed at each balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

The contingent liabilities of the acquiree acquired in the business combination not under common control are measured at fair value at initial recognition. After initial recognition, contingent liabilities are subsequently measured by the higher of: the amount that would be recognised based on provisions and the balance of the amount initially recognised less the cumulative amortisation determined by the revenue recognition principle.

Financial guarantee contracts that are subsequently measured at expected credit losses are presented under the projected liabilities.

36. Share-based payment

Applicable Not Applicable

37. Other equity instruments

The perpetual capital instruments are issued by the Group, the term of which can be extended by the Group for an unlimited number of times upon maturity and the coupon interest payment for which can be deferred by the Group. The Group has no contractual obligation to pay cash or other financial assets and they are classified as equity instruments.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

38. Revenue generated from contracts with customers

(1). Accounting policies used in revenue recognition and measurement

Income from sales of commodities and income from the provision of connections and gas pipeline construction

The Group recognises revenue when a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Taking control of the relevant goods or services means being able to dominate the use of the goods or the provision of the services and obtain almost all of the economic benefits from them.

Revenue from the sale of goods

Goods sale contracts between the Group and its customers usually include only the performance obligations for the sale of electricity and natural gas. The Group usually recognises revenue at the time of transfer of control on the basis of comprehensive consideration of the following factors: the acquisition of the right to collect goods, the transfer of main risks and rewards of goods ownership, the transfer of legal ownership of goods, the transfer of physical assets, and the acceptance of goods by customers.

Revenue from wind/photovoltaic power generation is recognised when the power is supplied to the provincial power grid company where each power generation field is located, with the volume of power settled confirmed by both parties as the volume of power sold for the month and the on-grid tariff approved by the National Development and Reform Commission as the sales unit price.

For natural gas sales, the gas consumption set out in the natural gas measurement certificate confirmed by both parties shall be considered as the volume of natural gas sold for the month, and the pipeline transmission fee and natural gas sales unit price approved by the price authorities shall be considered as the sales unit price.

Revenue from the connection and construction of gas pipeline network

The service provision contracts between the Group and its customers usually include the performance obligations for the connection and construction of gas pipeline networks. As its customers are able to control the assets under construction in the process of performance, the Group regards them as performance obligations to be performed within a specific period and recognises their revenue based on the performance progress, unless the performance progress cannot be reasonably determined. The Group determines the performance progress for the provision of services using the input method and based on the cost incurred. If the performance progress cannot be reasonably determined and the cost incurred by the Group is expected to be compensated for, the revenue shall be recognised according to the amount of the cost incurred until the performance progress can be reasonably determined.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

38. Revenue (continued)

(1). Accounting policies used in revenue recognition and measurement (continued)

Interest income

Interest income is determined based on the length of time for which the Group's cash is used by others, using the effective interest method.

Rental income

Rental income under operating lease is recognised under the straight-line method over the lease term, and contingent rental is included in the current profit or loss upon incurrence.

(2). The adoption of different business models for the same type of business will lead to different accounting policies for revenue recognition

Applicable Not Applicable

39. Government grants

A government grant is recognised when the Group can comply with the conditions attached to it and it can be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

Pursuant to government documents, if the government grant is a compensation for constructing or forming long-term assets, the government grant is recognised as a government grant related to assets. When government documents are not stated clearly, the fundamental conditions attached to the grant should be the criterion for judgements. If the fundamental conditions attached to the grant are for constructing or forming long-term assets, the government grant is recognised as a government grant related to assets. Otherwise, the government grant is recognised as a government grant related to income.

A government grant related to income is accounted as follows: if the grant is a compensation for related costs, expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss or offset the related costs over the periods in which the related costs, expenses or losses are recognised; if the grant is a compensation for related costs, expenses or losses already incurred, it is recognised immediately in profit or loss or used to offset the related costs of the current period.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

39. Government grants (continued)

A government grant related to an asset shall offset the book value of related assets, or be recognised as deferred income, and reasonably and systematically amortised to profit or loss over the useful life of the related asset. However, a government grant measured at a nominal amount is recognised immediately in profit or loss of the current period. If related assets have been sold, disposed of, scrapped or damaged, the unamortised deferred income should be recognised in profit or loss in the period of disposal of assets.

40. Deferred income tax

The Group recognises deferred tax based on temporary differences using the balance sheet liability method. Temporary differences are differences between the carrying amount of assets or liabilities in the balance sheet and their tax base on the balance sheet date. Temporary differences also include the differences between the carrying amounts and tax bases of items not recognised as assets or liabilities where the tax base can be calculated according to the relevant tax regulations.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- (1) where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or deductible tax loss;
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

A deferred income tax asset is recognised for deductible temporary differences, and unused deductible tax losses and tax credits that can be carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, deductible tax losses and tax credits can be utilised, except:

- (1) taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination, and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- (2) taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future.

At the balance sheet date, deferred income tax assets and liabilities are measured at the tax rates that are estimated to apply to the period when the asset is recovered or the liability is settled, according to the requirements of tax laws. The measurement of deferred income tax assets and deferred income tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

40. Income tax (continued)

The carrying amount of deferred income tax assets is reviewed at the balance sheet date and reduced to the extent that taxable profit is no longer sufficient in future periods to allow the deferred income tax assets to be utilised. Unrecognised deferred income tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

41. Leases

(1). Accounting treatment for operating leases

Applicable Not Applicable

(2). Accounting treatment for finance leases

Applicable Not Applicable

(3). Determination and accounting treatment of leases under the new lease standard

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group recognizes right-of-use assets and lease liabilities for leases, except for short-term leases and leases of low-value assets. For the general accounting treatment, please refer to Note V. 28 and Note V. 34.

Where a contract contains both lease and non-lease components, the Group apportions the contract consideration in the relative proportion of the separate prices of each component.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

41. Leases (continued)

(3). Determination and accounting treatment of leases under the new lease standard (continued)

Short-term lease and low-value asset lease

The Group recognizes the lease whose lease term is not more than 12 months and the lease does not include the purchase option on the commencement date of the lease term as a short-term lease. The Group recognizes the lease that is with a value of not more than RMB50,000 while the single leased asset is new as a low-value lease. If the Group subleases or expects to sublease the leased assets, the original lease is not recognized as a low-value asset lease. The Group does not recognize the right-of-use assets and lease liabilities for short-term leases and low-value asset leases. During each period of the lease term, the related asset costs or profit or loss for the current period are included by using the straight-line method.

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, at the inception date and all other leases are operating leases. Where a contract contains both lease and non-lease components, the Group apportions the contract consideration in the relative proportion of the separate prices of each component.

As lessor of an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred. Initial direct costs are capitalized and amortized over the lease term on the same basis as rental income is recognized, and are credited or charged to profit or loss in the current period.

Leaseback transaction

The Group evaluates and determines whether an asset transfer in a leaseback transaction belongs to a sale in accordance with Note V.38.

As lessee

If the transfer of an asset in a sale and leaseback transaction satisfies the requirements to be accounted for as a sale of the asset, the Group, as a lessee, measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group, and recognises only the amount of any gain or loss that relates to the rights transferred to the lessor. If the transfer of an asset in a sale and leaseback transaction does not satisfy the requirements to be accounted for as a sale of the asset, the Group, as a lessee, continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds, and accounts for the financial liability in accordance with Note V.10.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

41. Leases (continued)

(3). Determination and accounting treatment of leases under the new lease standard (continued)

As lessor

If the transfer of an asset in a sale and leaseback transaction satisfies the requirements to be accounted for as a sale of the asset, the Group, as a lessee, accounts for the purchase of the asset and for the lease in accordance with the aforesaid accounting requirements. If the transfer of an asset in a sale and leaseback transaction does not satisfy the requirements to be accounted for as a sale of the asset, the Group, as a lessee, does not recognise the transferred asset but recognises a financial asset equal to the transfer proceeds, and accounts for the financial asset in accordance with Note V. 10.

42. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that will affect the reported amounts and disclosure of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. However, the outcomes of the uncertainties in relation to these assumptions and estimates would result in a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, the management has made the following judgements that have a significant impact on the amounts recognised in the financial statements.

Operating leases – as lessor

The Group has entered into lease contracts for its investment properties. The Group considers that, according to the terms of the lease contracts, the Group has retained substantially all the risks and rewards and therefore such leases are treated as operating leases.

Scope of consolidation – the Group holds half or less than half of the voting rights in the investee

HECIC New Energy Co., Ltd. ("HECIC New Energy"), a subsidiary of the Company and Beijing Tenglong Xinda Technology Co., Ltd. (48% shareholding) and Langfang Longxin Power Automation Control Technology Co., Ltd. (3% shareholding), two other shareholders of its subsidiary, Zhangbei Huashi CIC Wind Energy Co., Ltd. ("Zhangbei Huashi"), have entered into a concert party agreement, which provides that HECIC New Energy to make decisions on material operational matters of Zhangbei Huashi and HECIC New Energy to have the control over Zhangbei Huashi.

Our subsidiary, CIC New Energy, signed a concerted action agreement with China Longyuan Power Group Corporation Limited (龍源電力集團股份有限公司) (another shareholder of its subsidiary, HECIC Longyuan Chongli Wind Energy Co., Ltd. ("Longyuan Chongli"), holding 50% shares of Longyuan Chongli), under which, CIC New Energy would decide on important operational affairs of Longyuan Chongli, and have control over Longyuan Chongli.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

42. Significant accounting judgments and estimates (continued)

Method for determining the performance progress for construction contracts (only applicable to situations where control is transferred within a period of time)

The input method is adopted by the Group to determine the progress of performance of construction contracts. Specifically, the construction costs actually incurred on a cumulative basis as a percentage of estimated total costs is used to ascertain progress of performance. Costs actually incurred on a cumulative basis include direct and indirect costs incurred by the Group in the course of transfer of goods to customers. The Group considers that the consideration of construction contracts entered into with customers is determined based on construction costs. The construction costs actually incurred as a percentage of estimated total costs can practically reflect the progress of performance of the construction service. As the period of validity of construction contracts is relatively long and may span over a number of accounting periods, the Group will review and revise budget as the duration of the construction contracts continues, and adjust the amount of recognised revenue accordingly.

Business model

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets. In determining the business model, the Group considers, among other things, the way the enterprise evaluates and reports the results of the financial assets to key management personnel, the risks affecting the results of the financial assets and how they are managed, and the manner in which the relevant business management personnel are remunerated. In assessing whether to target the receipt of contractual cash flows, it requires the Group's analysis and judgement as to the reasons for, timing, frequency and value of sales of financial assets prior to their maturity date.

Characteristics of contractual cash flows

The classification of a financial asset at initial recognition depends on characteristics of contractual cash flow of the financial asset, and requires judgement as to whether the contractual cash flows are solely payments of principal and interest based on the outstanding principal, whether there is a significant difference between the time value of money and the benchmark cash flows at the evaluation for the adjustment to the time value of money, and whether the fair value of financial assets with early repayment feature is minimal.

Estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainties at the balance sheet date which would result in significant adjustments to the carrying amounts of assets and liabilities in future accounting periods are set out as follows.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

42. Significant accounting judgments and estimates (continued)

Estimation uncertainties (continued)

Impairment of financial instruments

The Group uses an expected credit loss model to assess the impairment of financial instruments and contractual assets. The application of the expected credit loss model requires significant judgement and estimation, taking into account all reasonable and substantiated information, including forward looking information. In making these judgements and estimation, the Group inferred expected changes in debtors' credit risk based on factors such as historical repayment data combined with economic policies, macroeconomic indicators and industry risks. Different estimation may affect the provision for impairment and the amount of impairment provision made may not equal the actual amount of future impairment loss. For details, please refer to Notes VII. 2 and VII. 5.

Impairment of non current assets other than financial assets (except goodwill)

The Group determines at the balance sheet date whether there is an indication that non current assets, other than financial assets, may be impaired. Non current assets, other than financial assets, are tested for impairment when there is an indication that the carrying amount may not be recoverable. An impairment is indicated when the carrying amount of an asset or a group of assets exceeds its recoverable amount, being the higher of the net fair value less costs of disposal and the present value of estimated future cash flows. The net fair value less costs of disposal is determined by reference to the agreed price in a sales agreement of a similar asset in an arm's length transaction or an observable market price, less incremental costs directly attributable to the disposal of the asset. In estimating the present value of future cash flows, the management must estimate the estimated future cash flows of the asset or group of assets and determine the present value of the future cash flows at an appropriate discount rate. For details, please refer to Notes VII. 18 and VII. 20.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. It requires the estimation of the present value of future cash flows for the asset group or portfolio of assets to which goodwill has been allocated. In estimating the present value of future cash flows, the Group is required to estimate the future cash flows generated by the asset group or portfolio of assets and to select an appropriate discount rate to determine the present value of future cash flows. For details, please refer to Notes VII. 28.

Fair value of unlisted equity investments

The Group determines the fair value of unlisted equity investments by market method. This requires the Group to identify comparable listed companies, select market multiples and estimate liquidity discounts and is therefore uncertain.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

42. Significant accounting judgments and estimates (continued)

Development expenditures

Determination of the capitalisation amount requires estimation of future cash flows of the related assets, choosing a suitable discount rate and estimation of beneficial useful lives by the management.

Deferred income tax assets

Deferred income tax assets should be recognised for all unused deductible losses to the extent that it is probable that sufficient taxable income will be available against which deductible losses can be utilised. This requires significant judgement of management in estimating the timing and amount of future taxable income, combined with tax planning strategies, to determine the amount of deferred income tax assets to be recognised.

Classification of investment properties and fixed assets

The Group determines whether properties it held meet the definition of investment properties, and establishes criteria during which. The Group classifies premises held for rental or capital appreciation, or both purposes, including buildings under construction or in the process of development for future rental, as investment properties. Accordingly, the Group considers whether a property generates cash flows in a manner that is largely independent of other assets held by the Group. Some properties are used in part to generate rent or capital appreciation, with the remainder being used to produce goods, provide service or manage the business. If the portion used to generate rentals or capital appreciation can be sold or financed separately, the Group accounts for that portion separately. If not, the property is classified as investment property only if the portion used for the production of goods, the provision of services or the management of the business is not significant. The Group makes judgement for properties on an individual basis in determining whether ancillary services are significant to the extent that disqualifying the property from recognition as investment properties.

Depreciation of fixed assets

Depreciation of the Group's fixed assets is calculated on a straight line basis over their estimated useful lives, with asset's recorded value less its estimated net residual value. The Group regularly assesses the estimated useful lives and estimated net residual values to ensure that the depreciation methods and rates are consistent with the expected pattern of realisation of economic benefits from fixed assets. The Group's estimates of the estimated useful lives and net residual values of fixed assets are based on historical experience and take into account expected technological updates. When there is a significant change in the estimated useful life and estimated net residual value, depreciation expense may have to be adjusted accordingly and therefore estimates based on current experience may differ from actual results for the next period, which may result in significant adjustments to the carrying value of fixed assets and accumulated depreciation amounts.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

42. Significant accounting judgments and estimates (continued)

Incremental borrowing rate of lessee

For leases where the implicit interest rate in the lease cannot be determined, the Group uses the lessee's incremental borrowing rate as the discount rate to calculate the present value of the lease payments. In determining the incremental borrowing rate, the Group uses observable interest rates as a reference for determining the incremental borrowing rate based on the economic environment in which it operates. On this basis, the reference rate is adjusted to calculate the applicable incremental borrowing rate based on the specific circumstances of the leasing business, including its own circumstances, the subject assets, the lease term and the amount of the lease liabilities.

43. Changes in significant accounting policies and accounting estimates

(1). Change in significant accounting policies

Other explanation:

Adjustment to the scope of application of rent concessions related to the COVID-19 Pandemic

The Group determined in previous years that there were no rent concessions to which the "Accounting Treatment Provisions for Rent Concessions Related to the COVID-19 Pandemic" applied. According to the "Notice on Issues Related to the Application of the "Accounting Treatment Provisions for Rent Concessions Related to the COVID-19 Pandemic"" issued in May 2022, the Group did not have any situations in the current and previous periods to which the simplified The Group did not have any situations in which the simplified accounting treatment in the "Accounting Treatment for Rent Reduction Related to the COVID-19 Pandemic" could be applied in the current and prior periods.

Accounting treatment for trial sales

In accordance with ASBE No. 15, the Group shall account for revenues and costs related to the external sale of products or by-products produced before the fixed assets reach their intended useable state (hereinafter collectively referred to as trial run sales) separately in profit or loss for the current period (those belonging to ordinary activities are included in "operating income" and "operating costs", and in "gain on disposal of assets" for those that are not ordinary activities) starting from 1 January 2022. The products or by-products from the trial run which are qualified for asset recognition conditions are recognized as inventories or other related assets until they are sold externally. For trial run sales occurred in 2021, the Group makes retrospective adjustments in accordance with the provisions of ASBE Interpretation No. 15.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

43. Changes in significant accounting policies and accounting estimates (continued)

(1). Change in significant accounting policies (continued)

The main impact of the retrospective adjustments arising from the above change in accounting policy on the financial statements are as follows:

2022	Opening balance after change in accounting policy	Opening balance before change in accounting policy	Affected Amount
Fixed assets	32,369,586,695.36	32,220,077,891.90	149,508,803.46
Construction in progress	13,724,320,499.93	13,714,572,817.36	9,747,682.57
Undistributed profits	6,466,749,439.53	6,316,513,894.20	150,235,545.33
Minority interests	4,088,960,704.20	4,079,939,763.50	9,020,940.70

Consolidated Income Statement			
	January-June 2021	January-June 2021	
	Amount after change in accounting policies	Amount before change in accounting policies	Affected Amount
Operating revenue	8,545,067,129.57	8,404,374,325.14	140,692,804.43
Operating costs	5,503,516,493.10	5,494,086,439.78	9,430,053.32
Net profit	2,101,856,978.06	1,970,594,226.95	131,262,751.11
Net profit attributable to shareholders of the parent company (net losses are indicated with "-")	1,706,990,339.97	1,583,586,082.89	123,404,257.08
Minority interests (net losses are indicated with "-")	394,866,638.09	387,008,144.06	7,858,494.03

2021	Opening balance after change in accounting policy	Opening balance before change in accounting policy	Affected amount
Undistributed profit	4,943,815,316.49	4,928,503,066.37	15,312,250.12
Minority interests	3,531,394,857.94	3,530,522,147.30	872,710.64
Construction in progress	13,999,549,949.04	13,983,364,988.28	16,184,960.76

This change in accounting policy has no impact on the balance sheet items of the parent company as at 1 January 2022.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

43. Changes in significant accounting policies and accounting estimates (continued)

(2). Changes in significant accounting estimates

Applicable Not Applicable

There were no significant changes in accounting estimates during the period.

44. Others

(1) Profit distribution

The Group's cash dividends are recognised as liabilities upon approval by the general meeting.

(2) Safety production fee

Safety production fee provided for as required is included in cost of product or the current profit and loss, and credited in special reserve, and the fee is treated separately depending on whether fixed assets are resulted when being used: fee related to expenditure is offset against special reserve directly, while those resulted in fixed assets will consolidate expenditure incurred and recognised as fixed assets when such assets are ready for their intended use, at the same time offsetting equivalent amounts in the special reserve and recognising equivalent amounts of accumulated depreciation.

(3) Fair value measurement

The Group measures receivables financing and investments in equity instruments at fair value at each of the balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities; Level 2 – Input that is observable for related assets or liabilities, either directly or indirectly, but other than the input of Level 1; Level 3 – Input that is unobservable for related assets or liabilities.

For assets and liabilities that are recognised in the financial statements on a recurring basis at fair value, the Group determines whether transfers have occurred between levels at fair value in the hierarchy by re-assessing categorisation at each of the balance sheet date.



VI. TAXATION

1. Major categories of taxes and respective tax rates

Major categories of taxes and tax rates

Tax category	Taxation basis	Tax rate
Value-added tax (VAT)	Output VAT is calculated by applying to the taxable income less deductible input VAT of the current period.	13%, 9%
City maintenance construction tax	On the turnover taxes paid.	7%, 5%
Educational surcharge	On the turnover taxes paid.	3%
Local educational surcharges	On the turnover taxes paid.	2%
Enterprise income tax	It is levied at 25% on the taxable profit, except for certain subsidiaries established in Mainland China which enjoy tax preferences and those subsidiaries incorporated outside Mainland China which are subject to local income tax regulations. Each of the Company and its subsidiaries calculates and pays enterprise income tax as a legal entity at the location where it is registered.	25%

Should there be any entity paying taxes being entitled to different enterprise income tax rate, the disclosure is explained below:

Name of entity paying taxes	Income tax rate (%)
Suntien Green Energy (Hong Kong) Corporation Limited	16.5
International Wind Farm Development V Limited	16.5
S&T International Natural Gas Trading Company Limited	16.5



VI. TAXATION (continued)

2. Tax Preference

Enterprise income tax

According to Article 27 of the Enterprise Income Tax Law of the PRC, enterprises engaged in the investment in and operation of public infrastructure projects supported by the state may be exempted or enjoy reduced enterprise income tax. Starting from the tax year in which the project obtains the first production and operation income, the enterprise income tax will be exempt from the first to the third year, and the enterprise income tax will be reduced by half from the fourth to the sixth year. The consolidated wind power generation and photovoltaic power generation subsidiaries of the Company meet the requirements of the Catalogue of Public Infrastructure Projects Entitled to Preferential Tax Treatment.

Pursuant to the Announcement on Issues regarding the Implementation of Enterprise Income Tax Policy Concerning Deductions for Equipment and Appliances issued by the State Taxation Administration (《國家稅務總局關於設備器具扣除有關企業所得稅政策執行問題的公告》) (Announcement [2018] No.46), during the period from 1 January 2018 to 31 December 2020, the newly purchased equipment and appliances with the unit cost less than RMB5 million can be included in the current costs at one time and be deducted from taxable income of current year, instead of being included in annual depreciation. Meanwhile, pursuant to the Announcement on Extending the Implementation Period of Certain Preferential Tax Policies issued by the State Taxation Administration (《稅務總局關於延長部分稅收優惠政策執行期限的公告》) (Announcement [2021] No. 6), the implementation period of preferential tax policies stipulated in 16 documents, including the Notice on Enterprise Income Tax Policy Concerning Deductions for Equipment and Appliances issued by the State Taxation Administration, Ministry of Finance (《財政部稅務總局關於設備器具扣除有關企業所得稅政策的通知》) (Cai Shui [2018] No. 54), will be extended to 31 December 2023 upon expiry.

Value-added tax (VAT)

Pursuant to the provision of the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (Cai Shui [2016] No. 36) that “Refund of VAT upon collection: (1) For general taxpayers providing pipeline transportation services, the policy of refund of VAT upon collection is applied to the excess of their effective VAT burden over 3%”, and the natural gas subsidiaries controlled by the Company enjoy the preferential policy of refund of VAT upon collection for the excess of their effective VAT burden over 3% with effect from 1 May 2016.

Pursuant to the provision of the Circular on the Value-added Tax Policy for Comprehensive Utilisation of Resources and Other Products (Cai Shui [2008] No. 156) jointly issued by the Ministry of Finance and the State Administration of Taxation that “The policy of refund of 50% VAT upon collection is applied to the sales of the following self-produced goods: (5) Electricity produced by wind” and the Circular on Value-added Tax Policy for Wind Power Generation (Cai Shui [2015] No. 74) that “The policy of refund of 50% VAT upon collection is applied to the sales by taxpayers of self-produced power products produced by wind with effect from 1 July 2015”, the wind power subsidiaries controlled by the Company enjoy the policy of refund of 50% VAT upon collection.



VI. TAXATION (continued)

2. Tax Preference (continued)

Value-added tax (VAT) (continued)

Pursuant to the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (Notice [2019] No. 39 of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs), taxpayers in production and living service industries are allowed to deduct tax payable based on deductible input tax for the period plus an additional 10% for the period from 1 April 2019 to 31 December 2021. Hebei Suntien Kechuang New Energy Technology Co., Ltd., a subsidiary of the Company, enjoys the preferential policy of deduction of tax payable plus additional amount based on deductible input tax since April 2019. Meanwhile, pursuant to the Announcement on the Value-Added Tax Policy Concerning Relieving and Advancing Development of Difficult Fields in Service Industries issued by the State Taxation Administration, Ministry of Finance (《財政部稅務總局關於促進服務業領域困難行業紓困發展有關增值稅政策的公告》), the implementation period of the value-added tax weighed deduction policy stipulated in Article 7 of the Announcement on Policies Concerning Deepening Value-Added Tax Reform issued by the General Administration of Customs, Ministry of Finance (《財政部稅務總局海關總署關於深化增值稅改革有關政策的公告》(Announcement [2019] No. 39 of General Administration of Customs, Ministry of Finance) and the Announcement on Clarifying Policies Concerning the Value-Added Tax Weighed Deduction of Livelihood Service Industries issued by the State Taxation Administration, Ministry of Finance (《財政部稅務總局關於明確生活性服務業增值稅加計抵減政策的公告》) (Announcement [2019] No. 87 of State Taxation Administration, Ministry of Finance) will be extended to 31 December 2022.

3. Others

Applicable Not Applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand		
Deposits at banks	4,633,334,927.58	7,533,084,715.56
Other deposits	25,389,821.20	115,312,267.99
Total	4,658,724,748.78	7,648,396,983.55
Including: total amount deposited abroad	6,005,372.84	5,452,417.59

Other explanation:

Demand deposits would bear interest at the bank demand deposit interest rate. Short-term bank deposits are deposited for a period of six months and earn interest income at the respective banks' time deposit rates.

Bank deposits and other monetary funds were stored in well-established and good-standing banks.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Financial assets for trading

Unit: Yuan Currency: RMB

Items	Balance at the end of the period	Balance at the beginning of the period
Financial assets measured at fair value through profit or loss for the current period	1,349,000,000.00	
Including:		
Debt instrument investments – wealth management products	1,349,000,000.00	
Financial assets designated at fair value through profit or loss for the current period		
Including:		
Total	1,349,000,000.00	

Other explanation:

 Applicable Not Applicable

3. Derivative financial assets

 Applicable Not Applicable

4. Notes receivable

(1). Categories of notes receivable

 Applicable Not Applicable

(2). Notes receivable pledged by the Company at the end of the period

 Applicable Not Applicable

(3). Endorsed or discounted notes receivable that are not mature on balance sheet date at the end of the period

 Applicable Not Applicable

(4). Notes that were transferred to accounts receivable by the Company at the end of the period because the drawer failed to perform contract

 Applicable Not Applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Notes receivable (continued)

(5). Disclosure by classification of bad debt provisions

Applicable Not Applicable

(6). Conditions on bad debts provision

Applicable Not Applicable

(7). Actual write-off of notes receivable for the current period

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

5. Accounts receivable

(1). Disclosure by age

Unit: Yuan Currency: RMB

Age	Closing balance
Within 1 year	
Including: sub-items within 1 year	
Within 6 months	2,122,934,845.26
6 months to 1 year	1,244,828,007.80
Subtotal within 1 year	3,367,762,853.06
1 to 2 years	2,016,214,310.01
2 to 3 years	1,386,632,100.76
Over 3 years	1,505,082,165.29
Total	8,275,691,429.12



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Accounts receivable (continued)

(2). Disclosure by classification of bad debt provisions

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts			Carrying amount		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision (%)	Book value	Amount	Percentage (%)	Amount	Provision (%)	Book value
Bad debt provision on an individual basis	399,037,330.81	4.82	399,037,330.81	100		399,037,330.81	5.59	399,037,330.81	100.00	
Including:										
Bad debt provision on a group basis	7,876,654,098.31	95.18	93,634,972.59	1.19	7,783,019,125.72	6,739,169,988.81	94.41	81,754,786.58	1.21	6,657,415,202.23
Including:										
Provision for bad debts made on the credit risk characteristics grouping basis	7,876,654,098.31	95.18	93,634,972.59	1.19	7,783,019,125.72	6,739,169,988.81	94.41	81,754,786.58	1.21	6,657,415,202.23
Total	8,275,691,429.12	/	492,672,303.40	/	7,783,019,125.72	7,138,207,319.62	/	480,792,117.39	/	6,657,415,202.23

Bad debt provision on an individual basis:

Unit: Yuan Currency: RMB

Name	Closing balance			Reason for provision
	Carrying amount	Provision for bad debts	Provision ratio (%)	
Hebei Yuanhua Glass Co., Ltd.	218,172,501.77	218,172,501.77	100	Expected unrecoverable
Hebei Daguangming Industrial Group Jiajing Glass Co., Ltd.	163,716,204.33	163,716,204.33	100	Expected unrecoverable
Hebei Daguangming Industrial Group Juwuba Tanhei Co., Ltd.	5,998,717.59	5,998,717.59	100	Expected unrecoverable
Carbon emission reduction receivables	11,149,907.12	11,149,907.12	100	Expected unrecoverable
Total	399,037,330.81	399,037,330.81	100	/

Explanation on bad debt provision on an individual basis:

The provision for bad debts is made at 100% on an individual basis.

Bad debt provision on a group basis:

Item provision on a group basis: Provision for bad debts made on the credit risk characteristics grouping basis



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Accounts receivable (continued)

(2). Disclosure by classification of bad debt provisions (continued)

Unit: Yuan Currency: RMB

Name	Closing balance		Provision ratio (%)
	Receivables	Provision for bad debts	
Renewable energy subsidies and benchmark tariffs	7,782,378,157.21	77,823,781.57	1.00
Other items based on credit risk characteristics grouping	94,275,941.10	15,811,191.02	16.77
Total	7,876,654,098.31	93,634,972.59	1.19

Recognition standard and description of provision for bad debts made on a group basis:

Other accounts receivable with bad debt provision based on credit risk characteristics grouping are as follows:

Name	Closing balance		Provision ratio (%)
	Accounts receivable	Provision for bad debts	
Within 6 months	69,026,713.94	3,451,335.70	5
6 months to 1 year	13,199,754.87	1,319,975.49	10
1 to 2 years	1,080,054.06	324,016.22	30
2 to 3 years	507,109.25	253,554.63	50
Over 3 years	10,462,308.98	10,462,308.98	100
Total	94,275,941.10	15,811,191.02	

If the bad debt provision is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Accounts receivable (continued)

(3). Conditions on bad debt provision

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Change for the Period			Closing balance
			Recovered or reversed	Write-off or cancellation	Other changes	
Bad debt provision on an accounts receivable	480,792,117.39	22,626,976.61	-10,746,790.60			492,672,303.40
Total	480,792,117.39	22,626,976.61	-10,746,790.60			492,672,303.40

Of which, significant amounts of provision for bad debts recovered or reversed for the period:

 Applicable Not Applicable

(4). Accounts receivable actually written off during the period

 Applicable Not Applicable

(5). Accounts receivable with the top five closing balances collected as per the borrowers

Organization	Relation with the Group	Balance at year end (RMB)	% of total balance of accounts receivable	Balance of allowance for doubtful or bad debts (RMB)
State Grid Jibei Electric Power Co., Ltd. (國網冀北電力有限公司)	Third party	4,353,769,628.96	52.61	43,537,696.29
State Grid Hebei Electric Power Co., Ltd. (國網河北省電力有限公司)	Third party	1,017,474,106.88	12.29	10,174,741.07
Yunnan Power Grid Co., Ltd. (雲南電網有限責任公司)	Third party	576,405,591.53	6.97	5,764,055.92
State Grid Shanxi Electric Power Co., Ltd. (國網山西省電力有限公司)	Third party	362,197,095.01	4.38	3,621,970.95
State Grid Xinjiang Electric Power Co., Ltd. Bazhou Branch (國網新疆電力有限公司巴州供電公司)	Third party	332,852,632.14	4.02	3,328,526.32
Total:		6,642,699,054.52	80.27	66,426,990.55



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Accounts receivable (continued)

(5). Accounts receivable with the top five closing balances collected as per the borrowers (continued)

As at 30 June 2022 and 31 December 2021, the corresponding accounts receivable in relation to the Group's longterm borrowings secured by part of the right of collection of future electricity fees amounted to RMB5,867,193,016.55 and RMB4,965,601,619.65, respectively. Please refer to Note VII. 81.

As at 30 June 2022 and 31 December 2021, the Group utilised accounts receivable with the carrying amount of RMB335,845,526.40 and RMB332,103,388.61, respectively, as the fundamental assets for the establishment of Ping An-HECIC Newenergy No. 1 Asset-backed Special Program. Please refer to Note VII. 81.

(6). Accounts receivable that were derecognized due to the transfer of financial assets

Applicable Not Applicable

(7). Amount of assets or liabilities for which accounts receivable are transferred but involvement continues

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

6. Receivables financing

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bank acceptance bills	654,608,841.55	494,976,373.69
Total	654,608,841.55	494,976,373.69

The changes in the current amount and fair value of accounts receivable financing in this period:

Applicable Not Applicable

In case the allowance for doubtful debts is provided on the general model of expected credit loss, refer to the disclosure of other receivables:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Receivables financing (continued)

Bills receivable that have been endorsed or discounted but not yet due at the balance sheet date are as follows:

	30 June 2022		31 December 2021	
	Derecognised	Not yet derecognised	Derecognised	Not yet derecognised
Bank acceptance bills	1,212,201,749.37	51,316,000.00	1,144,706,647.22	66,595,054.65

Other notes:

- As at 30 June 2022 and 31 December 2021, the Company had no bank acceptance bills transferred to accounts receivable due to non-performance of drawers. For the details of the transfer of notes receivables, please refer to Note X.2.
- As at 30 June 2022 and 31 December 2021, the corresponding electricity fees settled by bank acceptance bills in relation to the Group's long-term borrowings secured by part of the right of collection of future electricity fees have also been used to secure borrowings of the same kind and the corresponding accounts receivable amounted to RMB590,000.00 and RMB590,000.00, respectively. Please refer to Note VII. 81.

7. Advances to suppliers

(1). Presentation of advances to suppliers by aging analysis

Unit: Yuan Currency: RMB

Age	Closing balance		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	340,054,707.50	96.72	158,325,136.16	97.95
1 to 2 years	8,000,881.34	2.28	735,783.99	0.46
2 to 3 years	1,575,621.35	0.45	1,118,271.64	0.69
Over 3 years	1,955,841.93	0.55	1,452,150.13	0.90
Total	351,587,052.12	100.00	161,631,341.92	100.00

Notes to reasons for significant advances to suppliers over 1 year and not settled in time:

On 30 June 2022 and 31 December 2021, the Group does not have large prepayment aging over 1 year.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Advances to suppliers (continued)

(2). Advances to suppliers from top five prepaid parties classified based on the closing balance

Organization	Relation with the Group	Balance at year end	% of total balance of prepayments
Petroleum Bao Shi-Shun Steel Pipe (Qinhuangdao) Co., Ltd. (中油寶世順(秦皇島)鋼管有限公司)	Third party	64,923,773.46	18.47
PetroChina Company Limited, Natural Gas Sales Hebei Branch (中國石油天然氣股份有限公司天然氣銷售河北分公司)	Third party	51,897,164.38	14.76
Hunan Shengli Xianggang Steel Pipe Co., Ltd.* (湖南勝利湘鋼管有限公司)	Third party	41,220,269.70	11.72
Datang Energy Chemical Marketing Co., Ltd. (大唐能源化工營銷有限公司)	Third party	25,496,068.01	7.25
North China Petroleum Steel Pipe Co., Ltd. (華油鋼管有限公司)	Third party	24,692,808.88	7.02
Total:		208,230,084.43	59.22

Other explanations:

Applicable Not Applicable

8. Other receivables

Items presented

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	84,043,320.33	94,765,961.18
Other receivables	58,498,114.50	40,833,869.99
Total	142,541,434.83	135,599,831.17

Other explanations:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Interest receivable

(1). Classification of interest receivable

 Applicable Not Applicable

(2). Significant overdue interest

 Applicable Not Applicable

(3). Bad debt provision

 Applicable Not Applicable

Other explanations:

 Applicable Not Applicable

Dividends receivable

(1). Dividends receivable

Unit: Yuan Currency: RMB

Project (or Invested unit)	Closing balance	Opening balance
Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd. (河北圍場龍源建投風力發電公司) ("Hebei Weichang")	25,577,001.61	25,577,001.61
Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd. (龍源建投(承德)風力發電有限公司) ("Chengde Wind Energy")		24,960,437.72
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司) (“Chengde Dayuan”)	31,730,248.38	12,902,451.51
Zhangbei CIC Huashi Wind Energy Co., Ltd. (張北建投華實風能 有限公司) (“Zhangbei CIC”)	24,157,561.12	27,727,561.12
Chongli CIC Huashi Wind Energy Co., Ltd. (崇禮建投華實風能 有限公司) (“Chongli CIC”)	2,578,509.22	3,598,509.22
Total	84,043,320.33	94,765,961.18

(2). Significant dividends receivable aging over 1 year

 Applicable Not Applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Dividends receivable (continued)

(3). *Bad debt provision*

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

Other receivables

(4). *Disclosure by aging*

Unit: Yuan Currency: RMB

Age	Closing book balance
Within 1 year	
Including: sub-items within 1 year	
Within 6 months	29,797,104.39
6 months to 1 year	19,678,640.62
Subtotal within 1 year	49,475,745.01
1 to 2 years	13,341,785.04
2 to 3 years	6,281,678.48
Over 3 years	50,854,328.06
Total	119,953,536.59

(5). *Classified by nature*

Unit: Yuan Currency: RMB

Nature	Closing book balance	Opening book balance
Deposits	67,112,520.08	60,165,311.14
Advances	22,253,060.68	23,806,856.40
Reserves	1,097,709.49	1,191,594.17
Others	29,490,246.34	15,055,580.12
Total	119,953,536.59	100,219,341.83



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Other receivables (continued)

(6). Bad debt provision

Unit: Yuan Currency: RMB

Bad debt provision	The first stage	The second stage	The third stage	Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses (no credit impairment occurred)	Lifetime expected credit losses (credit impairment occurred)	
Balance as at 1 January 2022	7,727,096.37	37,224,036.23	14,434,339.24	59,385,471.84
The balance at 1 January 2022 during the period				
- Transfer into the second stage	-300,053.85	300,053.85		
- Transfer into the third stage				
- Reversal to the second stage				
- Reversal to the first stage				
Provisions during the period	4,052,802.00	179,515.86		4,232,317.86
Reversal during the period	-878,750.49	-1,282,117.12		-2,160,867.61
Transferral during the period				
Write-off during the period				
Other changes			-1,500.00	-1,500.00
Balance as at 30 June 2022	10,601,094.03	36,421,488.82	14,432,839.24	61,455,422.09

Explanation for the significant changes in the book balance of other receivables for which the loss provisions have changed during the period:

Applicable Not Applicable

Basis for the provisions for bad debts in this period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Other receivables (continued)

(7). Conditions on bad debt provision

Unit: Yuan Currency: RMB

Category	Opening balance	Provisions	Change for the period			Closing balance
			Recovered or reversed	Write-off or cancellation	Other changes	
Provision for bad debts of other receivables	59,385,471.84	4,232,317.86	-2,160,867.61		-1,500.00	61,455,422.09
Total	59,385,471.84	4,232,317.86	-2,160,867.61		-1,500.00	61,455,422.09

Significant amounts of provision for bad debts recovered or reversed for the period:

Applicable Not Applicable

(8). Other receivables actually written off for the period

Applicable Not Applicable

(9). Other accounts receivable ranking the top 5 by the ending balance aggregated by the owing party:

Unit: Yuan Currency: RMB

Organization	Nature	Ending balance	Age	% of the total ending balance of other accounts receivable (%)	Ending balance of bad debt provision
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	Advance	13,421,959.24	Over 3 years	11.19	13,421,959.24
Shanghai Petroleum and Gas Exchange Co., Ltd. (上海石油天然氣交易中心有限公司)	Deposit	12,180,545.87	Within 6 months and 1 to 2 years	10.15	1,342,663.76
Shuangqiao District Land Acquisition and Reserve Center (雙橋區土地收購儲備中心)	Others	10,689,357.80	Within 1 year and over 3 years	8.91	4,610,030.18
Bank of Communications Financial Leasing Co., Ltd. (交銀金融租賃有限責任公司)	Deposit	9,540,000.00	6 months to 2 years	7.95	2,014,000.00
Chongli CIC Huashi Wind Energy Co., Ltd. (崇禮建投華實風能有限公司)	Deposit	8,320,955.89	Within 6 months	6.94	416,047.79
Total	/	54,152,818.80	/	45.14	21,804,700.97



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Other receivables (continued)

(10). Accounts receivable related to government subsidy

Applicable Not Applicable

(11). Other receivables that were derecognised due to the transfer of financial assets

Applicable Not Applicable

(12). Amount of assets or liabilities for which other receivables are transferred but involvement continues

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

9. Inventories

(1). Classification of inventories

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories/ provision for impairment in contract performance cost	Book value	Book balance	Provision for decline in value of inventories/ provision for impairment in contract performance cost	Book value
Raw materials	44,966,168.12		44,966,168.12	35,036,428.32		35,036,428.32
Products in process						
Finished goods	45,262,010.45		45,262,010.45	178,930,669.22		178,930,669.22
Circulating materials	219,168.15		219,168.15	219,168.15		219,168.15
Consumable biological assets						
Contract performance cost						
Total	90,447,346.72	-	90,447,346.72	214,186,265.69	-	214,186,265.69



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Inventories (continued)

(2). Provision for decline in value of inventories/provision for impairment of contract performance

Applicable Not Applicable

(3). Capitalised amount of borrowing costs that is included in the closing balance of the inventories

Applicable Not Applicable

(4). Information on the amortised amount of cost of contract performance for the period

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

10. Contract assets

(1). Information for contract assets

Applicable Not Applicable

(2). The amount of and the reason for the significant changes in book value during the reporting period

Applicable Not Applicable

(3). Provision for impairment of contract assets in the current period

Applicable Not Applicable

Other explanations:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Assets held for sale

Unit: Yuan Currency: RMB

Items	Closing balance	Impairment provision	Closing carrying amount	Fair value	Expected disposal costs	Expected disposal timeline
Assets held for sale	12,167,182.35		12,167,182.35			
Total	12,167,182.35		12,167,182.35			/

Other explanations:

On 10 August 2021, the Group entered into the Equity Transfer Agreement with Longkou Hongkong and China Gas Company Limited and agreed to transfer 10% of equity interests held by the Group in Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司) ("Huludao Gas"). Upon the close of the equity transfer, the Group will lose its control over Huludao Gas. On 31 December 2021, the Group signed a legally binding transfer agreement and it is expected that such transfer will be closed within twelve months. Therefore, Huludao Gas is classified as held for sale. As at 30 June 2022, the transfer of the 10% equity interest in Huludao Gas has not completed as the legal formalities relating to the change of equity interests have not been completed.

The carrying value of assets and liabilities of Huludao Gas is as follows:

	30 June 2022	31 December 2021
Cash	396,479.85	57,083.86
Advances to suppliers	36,200.00	36,200.00
Other receivables	4,501.18	4,501.18
Other current assets	197,274.32	742,972.56
Fixed assets	7,857,306.74	7,857,306.74
Construction in progress	3,675,420.26	3,675,420.26
Assets held for sale	12,167,182.35	12,373,484.60



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Non-current assets due within one year

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Debt investments due within one year		
Other debt investments due within one year		
Long-term receivables	22,349,480.00	
Total	22,349,480.00	

Significant debt investment and other debt investment at the end of period:

Applicable Not Applicable

Other explanations:

Nil

13. Other current assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Contract acquisition costs		
Right of return assets		
Input VAT to be deducted	463,750,849.70	675,208,657.34
Enterprise income tax prepaid	2,708,625.68	6,138,919.60
Others	12,373,233.19	
Total	478,832,708.57	681,347,576.94

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Debt investment

(1). Debt investment

Applicable Not Applicable

(2). Significant debt investment at the end of period

Applicable Not Applicable

(3). Provision for impairment

Applicable Not Applicable

15. Other debt investment

(1). Other debt investment

Applicable Not Applicable

(2). Significant other debt investment at the end of period

Applicable Not Applicable

(3). Provision for impairment

Applicable Not Applicable

Other explanations:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Long-term receivables

(1). Long-term receivables

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance			Range of discounted rates
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount	
Finance lease							
Including: Unrealised financing income							
Sale of goods with amounts receivable by installments							
Rendering of services with amounts receivable by installments	1,163,662.27		1,163,662.27	41,133,817.83		41,133,817.83	4.35%
Total	1,163,662.27		1,163,662.27	41,133,817.83		41,133,817.83	/

(2). Bad debt provision

Applicable Not Applicable

(3). Long-term receivables derecognised due to transfer of financial assets

Applicable Not Applicable

(4). Amounts of assets or liabilities incurred by its continuous involvement of transferring long-term receivables

Applicable Not Applicable

Other explanation:

The amount is receivable from Anguo Housing and Urban Rural Development Bureau for the construction of "gas for coal" project. 97% of the project fund is expected to be recovered by 2023, and 3% of the project fund, as the quality guarantee fees, will be recovered after the guarantee period. As at 30 June 2022, a discount rate of 4.35% (31 December 2021: 4.35%) was adopted when calculating the present value of the long-term receivables.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Long-term equity investments

Unit: Yuan Currency: RMB

Investees	Beginning balance	Additional investment	Reduced investment	Investment gains/losses recognized under equity method	Current changes		Declared cash dividend or profit	Provision for impairment	Other	Ending balance	Ending balance of provision for impairment
					Investment gains/losses recognized under equity method	Other comprehensive income adjustment					
I. Joint ventures											
Hebei Suntien Guohua Gas Co., Ltd. (河北新天國化燃氣有限公司) ("Suntien Guohua")	43,077,076.68			3,931,036.59		1,055,397.96				48,063,511.43	
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司) ("Chengde Dayuan")	116,799,845.01	14,700,000.00		10,304,823.92			-18,827,796.87			122,976,872.06	
Chongli CIC Huashi Wind Energy Co., Ltd. (崇禮建投華實風能有限公司) ("Chongli CIC")	107,076,001.07			1,939,531.73						109,015,532.80	
Zhangbei CIC Huashi Wind Energy Co., Ltd. (張北建投華實風能有限公司) ("Zhangbei CIC")	72,916,497.36			4,113,295.02						77,029,792.38	
Subtotal	339,869,420.32	14,700,000.00		20,288,687.26		1,055,397.96	-18,827,796.87			357,085,708.67	
II. Associates											
Chengde Shuanglun District CIC LNG Co., Ltd. (承德市雙樂區建投液化天然氣有限公司) ("Shuanglun LNG")	3,183,816.44			-4,216.95						3,179,499.49	
PetroChina Jingtang LNG Co., Ltd. (中石油京唐液化天然氣有限公司) ("Jingtang LNG")	1,165,011,753.87			78,087,459.72		743,346.41	-160,000,000.00			1,083,842,560.00	
PipeChina Group North China Natural Gas Pipeline Co., Ltd. (國家管網集團華北天然氣管道有限公司) ("PipeChina Pipeline")	422,007,800.63			6,898,213.39		78,936.68	-			428,984,950.70	
Hebei Weichang	131,127,665.85			6,198,134.98						137,325,800.83	
Chengde Wind Energy	257,416,540.46			14,805,811.17						272,222,351.63	
Hebei Fengning Pumped Storage Co., Ltd. (河北豐寧抽水蓄能有限公司) ("Fengning Pumped Storage")	512,663,551.93			-1,287,649.10						511,375,902.83	
Hebei Jinjian Natural Gas Co., Ltd. (河北金建佳天然氣有限公司) ("Jinjianjia")	10,500,000.00			-						10,500,000.00	
Huihai Financial Leasing Co., Ltd. (匯海融資租賃股份有限公司) ("Huihai Leasing")	205,360,780.52			6,565,204.51						211,925,985.03	
Hengshui Honghua Gas Co., Ltd. (衡水鴻華燃氣有限公司)	10,946,814.21			-394,166.45						10,612,647.76	
Subtotal	2,718,218,723.91			110,928,691.27		822,283.09	-160,000,000.00			2,669,969,698.27	
Total	3,058,088,144.23	14,700,000.00		131,217,378.53		1,877,681.05	-178,827,796.87			3,027,055,406.94	

Other explanation:

PipeChina Group North China Natural Gas Pipeline Co., Ltd. was formerly known as CNOOC North China Natural Gas Pipeline Co., Ltd (中海油華北天然氣管道有限公司).

On 15 September 2021, the Group lost its control over Chongli CIC and Zhangbei CIC, which are accounted for as joint ventures.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Other investments in equity instruments

(1). Other investments in equity instruments

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
HECIC Group Finance Company Limited (“HECIC Finance”)	200,000,000.00	200,000,000.00
Baoding PetroChina Kunlun Gas Co., Ltd	18,605,700.00	18,605,700.00
Total	218,605,700.00	218,605,700.00

(2). Non-transactional equity instrument investment

Applicable Not Applicable

Other explanations:

The above equity instrument investments are designated as financial assets at fair value through other comprehensive income because they are held on a long-term basis as strategic investments.

The dividend income of HECIC Finance in the first half of 2022 amounted to RMB14,744,642.19.

19. Other non-current financial assets

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Investment properties

Measurement model of investment properties

(1). Investment properties under cost measurement model

Unit: Yuan Currency: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original carrying amount				
1. Opening balance	37,410,850.85			37,410,850.85
2. Addition during the period				
(1) Acquisition				
(2) Transfer from inventories/ fixed assets/construction in progress				
(3) Increase in Business combination				
3. Decrease during the period				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	37,410,850.85			37,410,850.85
II. Accumulated depreciation or amortization				
1. Opening balance	11,378,649.37			11,378,649.37
2. Addition during the period	552,584.22			552,584.22
(1) Provision or depreciation	552,584.22			552,584.22
3. Decrease during the period				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	11,931,233.59			11,931,233.59
III. Impairment provision				
1. Opening balance				
2. Addition during the period				
(1) Provision				
3. Decrease during the period				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance				
IV. Carrying amount				
1. At the end of the period	25,479,617.26			25,479,617.26
2. At the beginning of the period	26,032,201.48			26,032,201.48



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Investment properties (continued)

Measurement model of investment properties (continued)

(2). *Investment properties with pending certificates of ownership:*

Applicable Not Applicable

Other explanations:

As at 30 June 2022 and 31 December 2021, the Group had no investment property with restricted ownership, and all investment properties had obtained the relevant title certificates.

The investment properties of the Group are located in commercial buildings in Beijing, which are valued by management under market method, with reference to similar property transaction prices and other factors, such as housing features and location. As at 30 June 2022, the fair value of these investment properties was RMB43,164,927.00 (31 December 2021: RMB41,862,000.00).

The investment properties were leased to third parties and the controlled companies in the form of operating lease.

21. Fixed Assets

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	32,661,007,316.66	32,369,586,695.36
Disposal of fixed assets		
Total	32,661,007,316.66	32,369,586,695.36

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Fixed Assets (continued)

Fixed assets

(1). Fixed assets

Unit: Yuan Currency: RMB

Items	Houses and buildings	Mechanical equipment	Transportation equipment	Electronic equipment and office equipment	Others	Total
I. Original carrying amount:						
1. Opening balance	2,251,138,286.95	38,661,949,827.95	101,880,753.47	187,549,356.03	45,510,644.69	41,248,028,869.09
2. Addition during the period	17,638,103.59	1,264,676,008.92	1,449,823.77	17,799,272.50	1,689,953.05	1,303,253,161.83
(1) Acquisition	13,762,047.18	83,657,213.10	789,530.18	16,920,499.35	1,433,936.29	116,563,226.10
(2) Transfer from construction in progress	3,876,056.41	1,137,226,531.20	56,774.86	864,556.00	256,016.76	1,142,279,935.23
(3) Increase in Business combination	-	43,792,264.62	603,518.73	14,217.15	-	44,410,000.50
3. Decrease during the period	96,000.00	5,863,013.47	2,019,104.00	4,041,266.75	4,307,369.93	16,326,754.15
(1) Disposal or scrapping	96,000.00	5,863,013.47	2,019,104.00	4,041,266.75	4,307,369.93	16,326,754.15
4. Closing balance	2,268,680,390.54	39,920,762,823.40	101,311,473.24	201,307,361.78	42,893,227.81	42,534,955,276.77
II. Accumulated depreciation						
1. Opening balance	522,823,112.99	8,107,924,695.93	77,149,314.31	95,734,352.27	24,650,713.63	8,828,282,189.13
2. Addition during the period	53,424,537.63	933,318,753.93	1,734,833.10	13,978,588.30	5,720,505.95	1,008,177,218.91
(1) Provision	53,424,537.63	933,318,753.93	1,734,833.10	13,978,588.30	5,720,505.95	1,008,177,218.91
3. Decrease during the period	49,496.40	4,629,888.08	1,910,244.30	1,989,802.47	4,092,001.28	12,671,432.53
(1) Disposal or scrapping	49,496.40	4,629,888.08	1,910,244.30	1,989,802.47	4,092,001.28	12,671,432.53
4. Closing balance	576,198,154.22	9,036,613,561.78	76,973,903.11	107,723,138.10	26,279,218.30	9,823,787,975.51
III. Impairment provision						
1. Opening balance	-	50,159,984.60	-	-	-	50,159,984.60
2. Addition during the period						
(1) Provision						
3. Decrease during the period						
(1) Disposal or scrapping						
4. Closing balance	-	50,159,984.60	-	-	-	50,159,984.60
IV. Carrying amount						
1. At the end of the period	1,692,482,236.32	30,833,989,277.02	24,337,570.13	93,584,223.68	16,614,009.51	32,661,007,316.66
2. At the beginning of the period	1,728,315,173.96	30,503,865,147.42	24,731,439.16	91,815,003.76	20,859,931.06	32,369,586,695.36



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Fixed Assets (continued)

Fixed assets (continued)

(2). *Particulars of temporarily idle fixed assets*

Applicable Not Applicable

(3). *Fixed assets acquired under finance leases*

Applicable Not Applicable

(4). *Fixed assets leased by way of operating lease*

Applicable Not Applicable

(5). *Fixed assets with pending certificates of ownership*

Unit: Yuan Currency: RMB

Items	Carrying amount	Reasons for fixed assets with pending certificates of ownership
Houses and buildings	214,381,950.76	pending title certificate

Other explanations:

As at 30 June 2022 and 31 December 2021, the Group had fixed assets with restricted ownership of RMB269,861,038.32 and RMB282,529,150.15, respectively. Please refer to Note VII. 81.

As at 30 June 2022 and 31 December 2021, the Group had no temporarily idle fixed assets and fixed assets leased out for operating purposes.

Management believes that the Group is entitled to lawfully and effectively occupy and use the above houses and buildings, and believes that the above matters will not have any significant unfavorable effect on the Group's overall financial status as of 30 June 2022.

Fixed assets in liquidation

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Construction in progress

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Construction in progress	14,141,624,940.63	13,639,349,978.91
Construction materials	98,745,792.35	84,970,521.02
Total	14,240,370,732.98	13,724,320,499.93

Other explanations:

Nil

Construction in progress

(1). Construction in progress

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction in progress	14,158,188,619.79	16,563,679.16	14,141,624,940.63	13,660,239,414.27	20,889,435.36	13,639,349,978.91
Total	14,158,188,619.79	16,563,679.16	14,141,624,940.63	13,660,239,414.27	20,889,435.36	13,639,349,978.91



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Construction in progress (continued)

Construction in progress (continued)

(2). Movements of major construction projects in progress during the period

Unit: Yuan Currency: RMB

Items	Budget	Opening balance	Additions during the period	Transfer to fixed assets during the period	Other decrease during the period	Closing balance	Investment percentage to total budget (%)	Project Progress	Accumulated amount of interest capitalized	Including: amount of interest capitalized during the period	Interest capitalization rate of the period (%)	Source of the fund
Tangshan LNG Export Pipeline Project (Cao-Bao Section)	5,360,496,700.00	3,028,180,591.84	215,294,071.25			3,243,474,663.09	60.51%	60.51%	71,834,162.93	24,600,880.04	3.92%	Self-raising and borrowing
Tangshan LNG Receiving Station Construction Project	25,390,000,000.00	2,839,839,416.24	607,100,811.96			3,446,940,228.20	13.57%	13.57%	61,527,934.90	25,627,904.06	3.84%	Self-raising and borrowing
Tangshan LNG Export Pipeline Project (Bao-Yong Section)	2,712,762,900.00	2,130,861,404.39	131,462,545.80			2,262,343,950.19	83.40%	83.40%	54,053,753.31	18,727,060.45	3.87%	Self-raising and borrowing
Zhuzhou-Yongqing Gas Pipeline Construction Project	1,322,529,100.00	1,043,411,708.20	72,058,161.67			1,115,469,869.87	85.09%	85.09%	47,418,653.37	14,740,580.15	3.88%	Self-raising and borrowing
"Jingshihan" Dual Track Gas Pipeline Construction Project	1,821,365,900.00	1,033,859,606.83	87,503,018.57			1,121,362,625.40	62.65%	62.65%	27,413,737.19	14,197,765.62	3.81%	Self-raising and borrowing
Zhangbei Zhenhai 200MW Wind Farm Project	1,370,368,200.00	555,682,597.38	14,851,467.71			570,534,065.09	41.63%	41.63%	44,933,643.98	11,473,347.64	4.12%	Self-raising and borrowing
Fuping Wind Farm	765,343,800.00	724,763,815.16	25,444,271.62			750,208,086.78	98.02%	98.02%	13,165,985.05	10,761,976.12	4.35%	Self-raising and borrowing
Guyuan Hydrogen Production Station Integrated Utilization Demonstration Project	280,740,000.00	110,023,940.64	3,820,298.92			113,844,239.56	40.55%	40.55%	406,551.80	402,910.70	2.69%	Self-raising and borrowing
Guyuan Xiba Wind Farm 49.5 MW Wind Power Station Project	395,899,200.00	295,973,137.01	4,688,904.00	300,403,984.41		258,056.60	75.94%	75.94%	10,224,113.33	409,851.70		Self-raising and borrowing
Chongji 100 MW Wind Powered Hydrogen Production Project (Wind Farm Portion Phase I)	761,678,700.00	370,607,629.86	4,289,671.06	374,897,300.92		-	49.22%	49.22%	16,351,610.36	905,231.48		Self-raising and borrowing
Kangbao Dayingtu Grid Connection at Affordable Price Demonstration Project	594,535,200.00	426,815,304.73	18,167,364.41	445,002,669.14		-	74.85%	74.85%	6,099,017.69	1,586,418.39		Self-raising and borrowing
Total	40,775,709,700.00	12,560,039,152.28	1,184,700,586.97	1,120,303,954.47		12,624,435,784.78	/	/	353,429,163.91	123,433,926.35	/	/

(3). Provision for impairment of construction in progress in the current period

Applicable Not Applicable

Other explanations:

The capital reduction of Yunnan Pushi during the current period resulted in a decrease in the provision for impairment of construction in progress by RMB4,325,756.20.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Construction in progress (continued)

Construction materials

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction materials	105,859,602.66	7,113,810.31	98,745,792.35	92,084,331.33	7,113,810.31	84,970,521.02
Total	105,859,602.66	7,113,810.31	98,745,792.35	92,084,331.33	7,113,810.31	84,970,521.02

Other explanations:

Nil

23. Bearer biological assets

(1). Bearer biological assets under cost measurement model

 Applicable Not Applicable

(2). Bearer biological assets under fair value measurement model

 Applicable Not Applicable

Other explanations

 Applicable Not Applicable

24. Oil and gas assets

 Applicable Not Applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Right-of-use assets

Unit: Yuan Currency: RMB

Items	Leased land	buildings	Wind turbines and relevant equipment	Transportation equipment	Total
I. Original carrying amount					
1. Opening balance	73,242,723.69	53,355,455.30	2,444,885,591.62	19,104,420.74	2,590,588,191.35
2. Addition during the period	133,728.68	17,945,749.14		732,480.62	18,811,958.44
3. Decrease during the period		14,314,957.31	112,500,000.00		126,814,957.31
4. Closing balance	73,376,452.37	56,986,247.13	2,332,385,591.62	19,836,901.36	2,482,585,192.48
II. Accumulated depreciation					
1. Opening balance	9,889,369.32	25,057,253.54	528,447,176.64	9,341,466.19	572,735,265.69
2. Addition during the period	2,234,883.88	7,952,591.88	57,757,572.02	4,577,774.05	72,522,821.83
(1) Provision	2,234,883.88	7,952,591.88	57,757,572.02	4,577,774.05	72,522,821.83
3. Decrease during the period		14,070,911.14	20,769,614.24		34,840,525.38
(1) Disposal		14,070,911.14	20,769,614.24		34,840,525.38
4. Closing balance	12,124,253.20	18,938,934.28	565,435,134.42	13,919,240.24	610,417,562.14
III. Impairment provision					
1. Opening balance					
2. Addition during the period					
(1) Provision					
3. Decrease during the period					
(1) Disposal					
4. Closing balance					
IV. Carrying amount					
1. At the end of the period	61,252,199.17	38,047,312.85	1,766,950,457.20	5,917,661.12	1,872,167,630.34
2. At the beginning of the period	63,353,354.37	28,298,201.76	1,916,438,414.98	9,762,954.55	2,017,852,925.66

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Intangible assets

(1). Intangible assets

Unit: Yuan Currency: RMB

Items	Land use rights	Patent rights	Unpatented technology	Concession rights	Patented technology	Software license	Total
I. Original carrying amount							
1. Opening balance	712,452,906.04			2,620,758,417.07	4,053,234.48	78,946,586.59	3,416,211,144.18
2. Addition during the period	8,000,311.36				4,532,611.74	16,326,820.41	28,859,743.51
(1) Acquisition	8,000,311.36					16,326,820.41	24,327,131.77
(2) Internal research and development					4,532,611.74		4,532,611.74
(3) Increase in business combination							
3. Decrease during the period						5,131,040.00	5,131,040.00
(1) Disposal						5,131,040.00	5,131,040.00
4. Closing balance	720,453,217.40			2,620,758,417.07	8,585,846.22	90,142,367.00	3,439,939,847.69
II. Accumulated amortisation							
1. Opening balance	113,886,381.63			1,109,624,588.50	204,188.92	41,205,271.99	1,264,920,431.04
2. Addition during the period	6,531,737.16			59,760,606.98	253,145.32	6,287,551.14	72,833,040.60
(1) Provision	6,531,737.16			59,760,606.98	253,145.32	6,287,551.14	72,833,040.60
3. Decrease during the period						2,736,554.58	2,736,554.58
(1) Disposal						2,736,554.58	2,736,554.58
4. Closing balance	120,418,118.79			1,169,385,195.48	457,334.24	44,756,268.55	1,335,016,917.06
III. Impairment provision							
1. Opening balance							
2. Addition during the period							
(1) Provision							
3. Decrease during the period							
(1) Disposal							
4. Closing balance							
IV. Carrying amount							
1. At the end of the period	600,035,098.61			1,451,373,221.59	8,128,511.98	45,386,098.45	2,104,922,930.63
2. At the beginning of the period	598,566,524.41			1,511,133,828.57	3,849,045.56	37,741,314.60	2,151,290,713.14

At the end of the period, intangible assets formed through internal research and development of the Company account for 0.13% of the balance of intangible assets.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Intangible assets (continued)

(2). The situation of land use rights without title certificates

Unit: Yuan Currency: RMB

Project	Carrying amount	Reasons for fixed assets with pending certificates of ownership
Yanshan Guyuan Wind Powered Hydrogen Production Land	22,390,438.74	Pending title certificate
Horqin Right Front Banner Electric Heating Land	2,771,715.49	Pending title certificate
Shahe South Gate Mountain Land	1,808,838.48	Pending title certificate
Harbin Shuangcheng Land	10,819,590.81	Pending title certificate
Weihui Dongshuanma Wind Power Land	5,686,939.25	Pending title certificate
Tai'an Sanglin Wind Power Land	2,217,922.20	Pending title certificate
Zhaodu Ping'an Street Refilling Station Land	21,410,000.00	Pending title certificate

Other explanations:

Management believes that the Group is entitled to lawful and effective occupation and the use of the above land, and believes that the above matters will not have any significant unfavorable effect on the Group's overall financial status as of 30 June 2022.

27. Development expenditure

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Internal development expenditure	Others	Recognized as intangible assets	Transfer to current profit and loss	
Chongli Wind Powered Hydrogen Production 100MW Project (Hydrogen Production Section)	22,695,194.61	5,324,313.61				28,019,508.22
Corporate Warehouse and Big Data Platform System Project	4,532,611.74			4,532,611.74		
Total	27,227,806.35	5,324,313.61		4,532,611.74		28,019,508.22



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Development expenditure (continued)

Other explanations:

A project is established and approved to enter the development phase when the following conditions are considered to be met by the Group's internal evaluation: 1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; 2) the intention to complete the intangible asset and use or sell it; 3) how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; 4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and 5) the expenditure attributable to the intangible asset during its development can be measured reliably.

As at 30 June 2022, the Corporate Warehouse and Big Data Platform System Project has completed acceptance; Chongli Wind Powered Hydrogen Production 100MW Project (Hydrogen Production Section) was in the development phase and have not been completed.

28. Goodwill

(1). Original carrying amount of goodwill

Unit: Yuan Currency: RMB

Name of the investee or item resulting in goodwill	Opening balance	Increase during the period		Decrease during the period		Closing balance
		From business combination		Disposal		
Xingtai Tianhongxiang Gas Co., Ltd. (邢台天宏祥燃氣有限公司) ("Tianhongxiang")	18,411,275.29			-		18,411,275.29
Pingshan County Huajian Gas Co., Ltd. (平山縣華建燃氣有限公司) ("Pingshan Huajian")	5,846,078.90			-		5,846,078.90
Yunnan Pushi Natural Gas Co., Ltd. (雲南普適天然氣有限公司) ("Yunnan Pushi")	3,351,939.25				3,351,939.25	
Anguo Huagang Gas Co., Ltd. (安國市華港燃氣有限公司) ("Anguo Huagang")	14,882,681.29			-		14,882,681.29
Linxi County Xinneng Natural Gas Engineering Co., Ltd. (臨西縣新能天然氣工程有限公司) ("Linxi Xinneng")	9,468,410.69			-		9,468,410.69
Jinzhou CIC Gas Co., Ltd. (晉州市建設燃氣有限公司) ("Jinzhou Gas")	4,857,585.19			-		4,857,585.19
Shenzhou CIC Gas Co., Ltd. (深州市建設燃氣有限公司) ("Shenzhou Gas")	20,461.18			-		20,461.18
Xinji CIC Gas Co., Ltd. (辛集市建設燃氣有限公司) ("Xinji Gas")	1,964,386.00			-		1,964,386.00
Xinjiang Yusheng New Energy Development Co., Ltd. (新疆宇晟新能源開發有限公司) ("Xinjiang Yusheng")	-	396.80		-		396.80
Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd. (石家莊市捷誠天然氣貿易有限公司) ("Jiecheng Natural Gas")	-	38,405,282.74		-		38,405,282.74
Total	58,802,817.79	38,405,679.54		3,351,939.25		93,856,558.08



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28. Goodwill (continued)

(2). Impairment provision for goodwill

Unit: Yuan Currency: RMB

Name of the investee or item resulting in goodwill	Increase during the period		Decrease during the period	Closing balance
	Opening balance	Provision	Disposal	
Yunnan Pushi	3,351,939.25		3,351,939.25	0
Total	3,351,939.25		3,351,939.25	0

(3). Information about the asset group or the portfolio of asset groups to which goodwill belongs

Applicable Not Applicable

(4). Description of the process of goodwill impairment test, key parameters (such as forecast growth rate, steady growth rate, profit margin, discount rate and forecast period in estimating the present value of future cash flows, if applicable) and recognition of goodwill impairment

Applicable Not Applicable

(5). Impact of goodwill impairment test

Applicable Not Applicable

Other explanations:

The Group acquired the subsidiary Jiecheng Natural Gas on 8 March 2022, which resulted in a goodwill of RMB38,405,282.74. It newly increased registered capital by acquisition of the subsidiary Xinjiang Yusheng on 16 May 2022, which resulted in a goodwill of RMB396.80. Please refer to Note VIII. 1. Business combinations involving enterprises not under common control.

As at 30 June 2022, the recoverable amounts of the asset groups of Tianhongxiang, Linxi Xinneng, Anguo Huagang, Shenzhou Gas, Pingshan Huajian, Jinzhou Gas, Xinji Gas, Jiecheng Natural Gas and Xinjiang Yusheng were higher than their respective carrying amounts, therefore no goodwill impairment provision was required.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Long-term deferred expenses

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Amortization during the period	Others decrease	Closing balance
Prepaid lease payments	13,170,548.03	715,278.89	1,427,922.78		12,457,904.14
Reform of operating leased fixed assets	6,889,088.04	901,160.34	846,964.74		6,943,283.64
Project road reconstruction cost	9,368,750.67	–	330,661.80		9,038,088.87
Others	7,719,305.32	1,278,618.87	1,118,353.85		7,879,570.34
Total	37,147,692.06	2,895,058.10	3,723,903.17		36,318,846.99

Other explanations:

Nil

30. Deferred income tax assets/deferred income tax liabilities

(1). Deferred income tax assets before offsetting

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for asset impairment	515,610,375.82	123,541,250.88	508,001,360.02	122,792,928.63
Unrealised profit of internal transaction				
Deductible losses				
Offset by capitalized interest	47,479,577.16	11,869,894.29	42,488,809.16	10,622,202.29
Trial run to write down construction in progress	152,773,620.50	34,681,975.44	157,856,727.06	35,095,626.08
Deferred income	74,918,810.91	18,729,702.73	73,468,953.39	18,367,238.35
Total	790,782,384.39	188,822,823.34	781,815,849.63	186,877,995.35



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Deferred income tax assets/deferred income tax liabilities (continued)

(2). Deferred income tax liabilities before offsetting

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Appreciation of assets in business combination not involving enterprises under common control				
Changes in fair value of other debt investments				
Changes in fair value of other equity instruments				
Pre-tax deduction of fixed assets	206,764,016.76	51,691,004.19	205,733,486.36	51,433,371.59
Adjustments to fair values of business combinations involving enterprises not under common control	18,633,971.78	4,658,492.94	19,017,536.38	4,754,384.09
Total	225,397,988.54	56,349,497.13	224,751,022.74	56,187,755.68

(3). Deferred income tax assets or liabilities presented on a net basis after offsetting

Applicable Not Applicable

(4). Details of unrecognized deferred income tax assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Deductible temporary difference	119,673,848.99	125,362,101.77
Deductible loss	1,075,177,502.66	1,150,869,671.65
Total	1,194,851,351.65	1,276,231,773.42



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Deferred tax assets/deferred tax liabilities (continued)

(5). Deductible loss of the unrecognized deferred income tax assets will be due in the following years:

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Remarks
31 December 2022	61,969,253.94	167,648,239.81	
31 December 2023	171,913,597.87	178,154,582.87	
31 December 2024	220,152,399.54	220,162,655.54	
31 December 2025	268,724,965.57	268,906,780.74	
31 December 2026	315,648,426.15	315,997,412.69	
31 December 2027	36,768,859.59		
Total:	1,075,177,502.66	1,150,869,671.65	/

Other explanations:

The management of the Company considers that it is likely that there will not be sufficient taxable income to cover the above deductible losses before they expire.

31. Other non-current assets

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Contract obtainment cost						
Contract performance cost						
Right of return assets						
Contract assets						
Prepayment for equipment	397,814,347.86		397,814,347.86	238,416,754.36		238,416,754.36
Prepayment for construction cost	321,378,269.71		321,378,269.71	270,548,023.47		270,548,023.47
Prepayment for others	324,371,301.13		324,371,301.13	319,798,726.65		319,798,726.65
Input value-added tax to be deducted	1,170,544,780.52		1,170,544,780.52	1,328,707,642.80		1,328,707,642.80
Total	2,214,108,699.22		2,214,108,699.22	2,157,471,147.28		2,157,471,147.28

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. Short-term loans

(1). Classification of short-term loans

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged Loans	40,000,000.00	40,527,754.65
Secured Loans		
Guaranteed Loans	50,318,583.34	20,108,333.34
Credit Loans	1,187,272,112.90	1,917,478,878.90
Total	1,277,590,696.24	1,978,114,966.89

Description of classification of short-term loans:

Note 1: As at 30 June 2022, the Group discounted bank acceptance bills amounted to RMB40,000,000.00 (31 December 2021: RMB40,527,754.65). These bills were not derecognised by the Group since they were subject to recourse, accordingly, a pledged borrowing of RMB40,000,000.00 was recognised.

Note 2: The Company provided an irrevocable joint and several guarantee for its subsidiary Suntien Green Energy (Hong Kong) Co., Ltd. ("Suntien Hong Kong") for a short-term bank borrowing.

As at 30 June 2022, the interest rates per annum of the above-mentioned short-term borrowings were 3.50% – 4.35% (31 December 2021: 1.61% – 5.15%).

As at 30 June 2022 and 31 December 2021, the Group had no overdue short-term borrowings.

(2). Short-term loans that are due but unpaid

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

33. Transactional financial liabilities

Applicable Not Applicable

34. Derivative financial liabilities

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. Notes payable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills		
Bank acceptance bills	42,464,844.58	14,738,449.62
Total	42,464,844.58	14,738,449.62

At the end of the period, the total notes payable that are due but unpaid amounted to RMB0.

36. Accounts payable

(1). Accounts payable presented by items

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Within 6 months	185,066,764.50	374,483,668.83
6 months to 1 year	179,765,185.91	40,796,953.58
1 to 2 years	25,182,320.49	39,729,252.33
2 to 3 years	4,387,994.09	1,734,575.69
Over 3 years	1,802,140.81	1,287,326.45
Total	396,204,405.80	458,031,776.88

(2). Significant accounts payable with the aging over 1 year

Applicable Not Applicable

Other explanations:

As of 30 June 2022 and 31 December 2021, the Group had no significant account payable with the aging over 1 year.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Advances from customers

(1). Advances from customers presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Advances received for the costs of entrusted construction of storage tanks	778,761,061.94	778,761,061.94
Total	778,761,061.94	778,761,061.94

(2). Significant advances from customers with the aging over 1 year

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

38. Contract liabilities

(1). Contract liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Advance receipts for natural gas sales	438,441,800.02	974,854,970.07
Advances receipts for services during the window period	389,380,530.96	389,380,530.96
Advance receipts for pipeline construction	308,724,388.19	261,769,841.77
Advance receipt for pipeline transmission fees	3,854,856.20	7,075,036.96
Advances receipts for lease fees for booster station	50,957,200.00	10,191,440.00
Others received in advance	29,862,443.69	10,919,566.39
Total	1,221,221,219.06	1,654,191,386.15

(2). The amount of and reason for the significant change in the carrying amount during the reporting period

Applicable Not Applicable

Other explanations:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Wages payable

(1). Wages payable presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term wages	79,006,556.77	286,221,985.24	302,816,978.15	62,411,563.86
II. Post-employment				
– Defined contribution plan	27,364.18	47,453,055.59	47,452,515.59	27,904.18
III. Termination benefits				
IV. Other benefits due within one year				
Total	79,033,920.95	333,675,040.83	350,269,493.74	62,439,468.04

(2). Short-term wages presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Salary, bonus, allowances and subsidies	56,157,240.47	210,061,383.37	224,268,845.11	41,949,778.73
II. Employee welfare	23,722.81	15,902,558.72	15,902,558.72	23,722.81
III. Social insurance	1,020,071.05	29,317,515.16	29,185,785.89	1,151,800.32
Including: Medical insurance	1,018,823.63	27,212,040.70	27,080,311.43	1,150,552.90
Work injury	1,247.42	1,884,815.03	1,884,815.03	1,247.42
Maternity insurance	–	220,659.43	220,659.43	–
IV. Housing fund	–	22,675,998.80	22,653,270.80	22,728.00
V. Union expenses and employees education expenses	20,782,753.49	6,383,515.52	7,963,851.44	19,202,417.57
VI. Short-term paid leave				
VII. Short-term profit sharing plan				
VIII. Others	1,022,768.95	1,881,013.67	2,842,666.19	61,116.43
Total	79,006,556.77	286,221,985.24	302,816,978.15	62,411,563.86



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Wages payable (continued)

(3). Defined contribution plan

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic retirement insurance	1,893.13	28,604,377.54	28,603,837.54	2,433.13
2. Unemployment insurance	7,867.40	1,310,287.93	1,310,287.93	7,867.40
3. Enterprise annuity payment	17,603.65	17,538,390.12	17,538,390.12	17,603.65
Total	27,364.18	47,453,055.59	47,452,515.59	27,904.18

Other explanations:

Full-time employees of the Group are covered by various government-sponsored pension plans. These government agencies are responsible for the pension liability to retired employees. The Group contributes on a monthly basis to these pension plans for the full-time employees. The contribution rate for basic pension insurance is 16%-20% of the total wages, the contribution rate for unemployment insurance is 0.5%-0.7% of the total wages, and the contribution rate for enterprise annuity is 8% of the total wages. The maximum contribution for pension insurance is three times of the average social wage in the region where social security is located, and unemployment insurance and enterprise annuity have no requirements on maximum contribution. The above basic pension insurance is fully vested in the employees of the Group upon payment, and the paid amount shall not be forfeited by the Group. The part of the company contribution to the enterprise annuity plan that is not vested in the individual employee due to the termination of employment will be transferred to the enterprise annuity public account and shall not be used to offset the future company contribution. Funds in the public account, subsequent to the performance of approval procedures as required, shall be distributed among employees whose account status is normal. Under these plans, the Group has no obligations beyond the accrued amount.

40. Taxes payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Value-added tax	19,405,145.50	25,374,780.80
Consumption tax		
Business tax		
Enterprise income tax	136,127,242.54	115,985,663.53
Individual income tax	1,000,786.01	13,344,269.00
City maintenance and construction tax	1,019,497.63	1,541,058.81
Stamp duty	351,752.38	1,616,642.47
Others	1,204,219.25	1,307,348.76
Total	159,108,643.31	159,169,763.37

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Other payables

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest payable		
Dividends payable	926,124,881.46	169,836,057.78
Other payables	6,167,280,794.35	6,846,722,116.87
Total	7,093,405,675.81	7,016,558,174.65

Other explanations:

Nil

Interest payable

 Applicable Not Applicable

Dividends payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Ordinary share dividends	343,826,489.25	
Preferred share/perpetual bond dividends classified as equity instruments	53,560,000.00	96,330,000.00
Preferred share/perpetual bond dividends – Dividends payable to other equity holders	53,560,000.00	96,330,000.00
Dividends payable – minority shareholder dividends	528,738,392.21	73,506,057.78
Total	926,124,881.46	169,836,057.78

Other explanations, including important dividends payable that have not been paid for more than one year, should disclose the reason for the unpaid payment:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Other payables (continued)

Other payables

(1). Other payables presented by nature of amount

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payables for equipment	1,551,523,790.18	2,142,254,198.17
Payables for engineering and material	4,064,672,802.21	4,454,660,496.90
Payables for Investment	-	
Others	551,084,201.96	249,807,421.80
Total	6,167,280,794.35	6,846,722,116.87

(2). Significant other payables aged over 1 year

Unit: Yuan Currency: RMB

Items	Closing balance	Reasons for outstanding or carry-forward
Shanghai Electric Wind Power Group Company Limited (上海電氣風電集團股份有限公司)	281,221,442.62	Unpaid costs for equipment
Xinjiang Goldwind Science & Technology Co., Ltd. (新疆金風科技股份有限公司)	173,293,129.87	Unpaid costs for equipment and materials
Petroleum Bao Shi-Shun Steel Pipe (Qinhuangdao) Co., Ltd. (中油寶世順(秦皇島)鋼管有限公司)	85,630,585.58	Unpaid costs for materials
Huadian Heavy Industries Co., Ltd. (華電重工股份有限公司)	73,260,190.85	Unpaid costs for construction and equipment
Mingyang Smart Energy Group Limited (明陽智慧能源集團股份有限公司)	61,805,450.00	Unpaid costs for equipment
Harbin Electric Corporation Wind Power Co., Ltd. (哈電風能有限公司)	52,983,425.64	Unpaid costs for equipment
CCCC Third Harbour Engineering Co., Ltd. (中交第三航務工程局有限公司)	37,467,688.26	Unpaid costs for construction
Chengde Xinxin Vanadium And Titanium Co., Ltd. (承德新新鈮鈦儲能科技有限公司)	32,600,862.07	Unpaid costs for equipment
North China Petroleum Steel Pipe Co., Ltd. (華油鋼管有限公司)	31,628,276.90	Unpaid costs for construction and materials
China Power Construction Group Northwest Survey, Design and Research Institute Co., Ltd. (中國電建集團西北勘測設計研究院有限公司)	30,649,991.20	Unpaid costs for construction and equipment
Total	860,541,042.99	/

Other explanations:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. Liabilities held for sale

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Liabilities held for sale	6,282,861.99	7,859,895.72
Total	6,282,861.99	7,859,895.72

Other explanations:

On 10 August 2021, the Group entered into the Equity Transfer Agreement with Longkou Hongkong and China Gas Company Limited and agreed to transfer 10% of equity interests held by the Group in Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司) ("Huludao Gas"). Upon the close of the equity transfer, the Group will lose its control over Huludao Gas. On 31 December 2021, the Group signed a legally binding transfer agreement and it is expected that such transfer will be closed within twelve months. Therefore, Huludao Gas is classified as held for sale. As at 30 June 2022, the 10% equity interests in Huludao Gas has not yet been delivered as the legal formalities related to the change of shareholding have not yet been completed.

The carrying value of the liabilities of Huludao Gas was as follows:

Accounts receivable	2,536,439.86	2,536,439.86
Advances from customers	190,608.10	190,608.10
Other receivables	2,454,984.60	3,925,247.17
Employee benefits payable	367,767.08	367,767.08
Long-term borrowings due within one year	-	216,246.00
Long-term borrowings	733,062.35	623,587.51
Liabilities held for sale	6,282,861.99	7,859,895.72

43. Non-current liabilities due within 1 year

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	4,186,096,184.51	2,903,735,593.66
Bonds payable due within 1 year	1,094,944,573.26	1,117,210,160.56
Long-term payable due within 1 year	66,721,346.98	75,195,563.41
Lease liabilities due within 1 year	122,684,214.92	114,003,604.67
Others	1,200,000.00	1,200,000.00
Total	5,471,646,319.67	4,211,344,922.30

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. Other current liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Short-term bonds payable	1,219,086,621.02	704,107,945.21
Payable return payment		
Total	1,219,086,621.02	704,107,945.21

Change in short-term bonds payable:

Unit: Yuan Currency: RMB

Name of bonds	Par value	Date of issue	Term of bonds	Issue size	Opening balance	Issue size in the period	Provision for interest at par value	Amortisation of premium or discount	Repay in the period	Closing balance
21 HECIC New Energy SCP001	100	2021/10/25	270 days	700,000,000.00	704,107,945.21	-	10,934,383.58			715,042,328.79
22 Suntien Green SCP001 (green)	100	2022/2/25	270 days	500,000,000.00		500,000,000.00	4,044,292.23			504,044,292.23
Total	/	/	/	1,200,000,000.00	704,107,945.21	500,000,000.00	14,978,675.81			1,219,086,621.02

Other explanations:

Note: The Company registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in April 2020. Such facilities were approved for revolving use before April 2022. As at 25 February 2022, the Company issued super short-term commercial papers of RMB500 million with a term of 270 days and a coupon rate of 2.40%.

HECIC New Energy, a subsidiary of the Company, registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in March 2021. Such facilities were approved for revolving use before March 2023. HECIC New Energy issued super short-term commercial papers of RMB0.7 billion in October 2021, with a term of 270 days and a coupon rate of 3.15%. As at 30 June 2022, the unutilised facilities amounted to RMB1.3 billion.

45. Long-term borrowings

(1). Classification of long-term borrowings

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged borrowings	13,063,036,656.74	13,270,551,305.35
Secured borrowings	83,030,000.00	89,870,000.00
Guaranteed borrowings	349,887,657.91	417,991,588.37
Credit borrowings	18,780,044,938.40	17,666,889,079.09
Pledged and Secured borrowings	118,268,675.55	164,000,000.00
Less: Long-term borrowings due within one year	4,186,096,184.51	2,903,735,593.66
Total	28,208,171,744.09	28,705,566,379.15



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. Long-term borrowings (continued)

(1). Classification of long-term borrowings (continued)

Description on classification of long-term borrowings:

Classified according to the nature of the borrowings.

Other notes, including the range of interest rates:

As at 30 June 2022, the annual interest rate of the above-mentioned long-term borrowings was 1.20% to 5.65% (31 December 2021: 1.20% to 5.88%).

As at 30 June 2022 and 31 December 2021, the Group had no overdue long-term borrowings.

46. Debentures payable

(1). Debentures payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Medium-term notes	1,834,682,573.26	1,832,018,539.06
Ping An-HECIC New-energy No. 1 Asset-backed Special Program	260,262,000.00	285,191,621.50
Less: Debentures payable due within one year	1,094,944,573.26	1,117,210,160.56
Total	1,000,000,000.00	1,000,000,000.00

(2). Change in debentures payable (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities):

Unit: Yuan Currency: RMB

Name of bonds	Par value	Date of issue	Term of bonds	Issue size	Opening balance	Issue size in the period	Provision for interest at par value	Amortisation of premium or discount	Repay in the period	Closing balance
Medium-term notes	100	9/5/2019	3 years	300,000,000.00	304,321,448.80		6,590,383.58		10,911,832.38	300,000,000.00
Ping An-HECIC New-energy No. 1 Asset-backed Special Program	100	12/26/2019	3 years	285,000,000.00	285,191,621.50		5,780,346.57		30,709,968.07	260,262,000.00
Medium-term notes	100	11/24/2017	5 years	500,000,000.00	503,268,049.17		45,084,765.04		18,640,651.89	529,712,162.32
Medium-term notes	100	5/15/2020	5 years	1,000,000,000.00	1,024,429,041.09		24,111,780.79		43,570,410.94	1,004,970,410.94
Total	/	/	/	2,085,000,000.00	2,117,210,160.56		81,567,275.98		103,832,863.28	2,094,944,573.26



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

46. Debentures payable (continued)

(3). Description of the condition and time for conversion of convertible corporate bonds

Applicable Not Applicable

(4). Description of the other financial instrument classified as financial liabilities

Basic information of other financial instruments such as preferred shares and perpetual bonds issued at the end of the period

Applicable Not Applicable

Table of changes in financial instruments such as preferred shares and perpetual bonds issued at the end of the period

Applicable Not Applicable

Description on basis of dividing other financial instruments into financial liabilities

Applicable Not Applicable

Other explanations:

Note: HECIC, the parent company of the Group, provided full, unconditional and irrevocable joint and several liability guarantees for the Ping An-HECIC Newenergy No. 1 Asset-backed Special Program issued by the Group.

47. Lease liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Lease liabilities	811,099,918.90	898,773,414.68
Less: Lease liabilities due within one year	122,684,214.92	114,003,604.67
Total	688,415,703.98	784,769,810.01

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. Long-term payables

Item presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term payables	206,126,428.37	361,236,137.17
Special payables		
Total	206,126,428.37	361,236,137.17

Other explanations:

Nil

Long-term payables

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Compensation for Woodlands	86,207,981.67	86,207,981.67
Sale-leaseback borrowings	186,639,793.68	350,223,718.91
Less: Long-term payables due within one year	66,721,346.98	75,195,563.41
Total	206,126,428.37	361,236,137.17

Other explanations:

Nil

Special payables

 Applicable Not Applicable

49. Long-term payroll payable

 Applicable Not Applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. Estimated liabilities

Unit: Yuan Currency: RMB

Items	Opening balance	Closing balance	Formation reasons
Provision of external guarantees			
Pending litigation			
Product quality assurance			
Restructuring obligations			
Pending loss contracts			
Payable return payment			
Others			
Pending arbitration	24,798,127.94	24,798,127.94	Construction costs payable
Disposal obligations	52,733,021.74	52,733,021.74	
Total	77,531,149.68	77,531,149.68	/

Other descriptions, including the related significant assumptions and estimates related to significant estimated liabilities:

A supplier of Jianshui Suntien Wind Energy Co., Ltd. (hereinafter referred to as "Jianshui Suntien"), a subsidiary of the Company, filed an arbitration application with Shijiazhuang Arbitration Commission in relation to the amount of a construction cost. The Arbitration Commission issued an arbitration decision on 27 August 2021, pursuant to which Jianshui Suntien was required to pay the construction cost of RMB24,798,127.94 to the constructor. In September 2021, Jianshui Suntien applied for, and was accepted, cancellation of the arbitration award to Shijiazhuang Intermediate People's Court. As at 31 December 2021 and 30 June 2022, the Group recorded accrued liabilities of RMB24,798,127.94 according to the arbitration results. As at 30 June 2022, the case is still in the process of being accepted. No result has been issued yet.

51. Deferred income

Deferred income

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the period	Decrease in the period	Closing balance	Formation reasons
Government subsidy	106,249,255.16	4,061,043.66	1,934,765.06	108,375,533.76	Government subsidy
Total	106,249,255.16	4,061,043.66	1,934,765.06	108,375,533.76	/



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Deferred income (continued)

Deferred income (continued)

Projects involving government subsidy:

Unit: Yuan Currency: RMB

Indebted projects	Beginning balance	Additional grant	Current amount recognized in operating income	Current amount recognized in other revenue	Other changes	Closing balance	Related to assets/ income
Subsidies for Xingtai Xingdong New District Rerouting Project	33,844,776.43	-	-	1,550,142.44	-	32,294,633.99	Related to assets
Investment Subsidies within 2018 Central Budget for Renewable Energy Demonstration Zone Industrial Innovation Development Special Project	38,500,000.00	-	-	-	-	38,500,000.00	Related to assets
Strategic Emerging Industry Fund	2,631,579.39	-	-	131,578.92	-	2,500,000.47	Related to assets
Jiran Pipeline Coal-to-Gas Project	1,778,232.91	-	-	-	-	1,778,232.91	Related to assets
Key Technologies and Application Demonstration for Large-Scale Renewable Energy Coupling with Hydrogen Production	1,800,000.00	900,000.00	-	-	-	2,700,000.00	Related to assets
Key Technologies for Direct Current Microgrid Wind and Photovoltaic Complementary Hydrogen Production	600,000.00	-	-	-	-	600,000.00	Related to assets
Dedicated Funds Designated for Science and Technology Projects (Dedicated Project of the Department of Science and Technology of Hebei Province)	1,007,999.88	-	-	52,000.02	-	955,999.86	Related to assets
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	166,666.55	-	-	40,000.02	-	126,666.53	Related to assets
Construction costs of LNG Gas Storage Peak Capacity Station remitted from the Financial and Centralized Payment Center of Shahe City	25,620,000.00	-	-	-	-	25,620,000.00	Related to assets
Receipt of grant funds from the Department of Science and Technology of the Hebei Province	-	1,000,000.00	-	-	-	1,000,000.00	Related to income
Hydrogen production subsidy funds from the NDRC	-	2,000,000.00	-	-	-	2,000,000.00	Related to assets
Receipt of the return of unemployment insurance from Chengde City Unemployment Insurance Fund Management Center	-	161,043.66	-	161,043.66	-	-	Related to income
First Batch of 2021 Dedicated Funds for Provincial Industrial Transformation and Upgrading	100,000.00	-	-	-	-	100,000.00	Related to income
Subsidies for Key Research and Development Programs funded by the Department of Science and Technology of Hebei Province	200,000.00	-	-	-	-	200,000.00	Related to assets
Total:	106,249,255.16	4,061,043.66	-	1,934,765.06	-	108,375,533.76	

Other explanations:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. Other non-current liabilities

Applicable Not Applicable

53. Share capital

Unit: Yuan Currency: RMB

	Opening balance	Issue new shares	Increase or decrease in the period (+,-)			Sub-total	Closing balance
			Bonus share	Transfer of capital reserve to ordinary shares	Others		
Hebei Construction & Investment Group Co., Ltd.	2,058,841,253.00	-	-	-	-	-	2,058,841,253.00
Shareholders of overseas foreign H shares	1,839,004,396.00	-	-	-	-	-	1,839,004,396.00
Shareholders of domestic A shares	289,247,424.00	-	-	-	-	-	289,247,424.00
Total shares	4,187,093,073.00						4,187,093,073.00

Other explanations:

Nil

54. Other equity instruments

(1) Basic information of other financial instruments such as preferred shares and perpetual bonds issued at the end of the period

On 5 March 2019, the Company issued the first tranche of 2019 Renewable Green Corporate Bonds, in the aggregate offering amount of RMB910 million at a coupon rate of 4.70%, and after deducting the underwriting cost and other related trading costs, the Company received cash RMB906,360,000.00.

On 10 March 2021, the Company issued the first tranche of 2021 Renewable Green Corporate Bonds, in the aggregate offering amount of RMB1.04 billion at a coupon rate of 5.15%, and after deducting the underwriting cost and other related trading costs, the Company received RMB1,039,376,000.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Other equity instruments (continued)

(2) Table of changes in financial instruments such as preferred shares and perpetual bonds issued at the end of the period

Unit: Yuan Currency: RMB

Financial Instruments	Beginning of period		Increase in the period		Decrease in the period		End of the period	
	Quantity	Carrying Amount	Quantity	Carrying Amount	Quantity	Carrying Amount	Quantity	Carrying Amount
Perpetual bond	19,500,000.00	1,945,736,000.00			9,100,000.00	906,360,000.00	10,400,000.00	1,039,376,000.00
Total	19,500,000.00	1,945,736,000.00			9,100,000.00	906,360,000.00	10,400,000.00	1,039,376,000.00

Change in other equity instrument in the period, reason for change and basis for relevant accounting treatment:

According to the terms of issuance of the above two tranches of renewable green corporate bonds, the issuer has the option to renew the bonds, and the Company has the right to choose to extend the maturity of the bonds by three years at the end of every three years or to redeem the bonds in full at the end of that period and there is no limit on the number of times of extension; the annual interest rate is reset every three years, and the coupon rate of the subsequent cycle is the current benchmark interest rate plus the initial spread plus 300 basis points, and the initial spread is the coupon rate of the first cycle minus the initial benchmark interest rate. There is an option available to defer the payment of interests. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, defer the interest payment for the current period, and all the interests and yields deferred to the next interest payment date, and there is no limit on the number of times of deferring interest payment. There is a redemption option of the issuer. The issuer has the right to exercise the redemption option on the first interest payment date or at the end of the year due to changes in tax policies or changes in accounting standards. Except for these two cases, the Company has no right and no obligation to redeem the bonds. The Company has no contractual obligation to repay the principal or pay interest on schedule. The Company classifies it as other equity instruments.

Other explanations:

Applicable Not Applicable

55. Capital reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the period	Decrease in the period	Closing balance
Capital premium (share premium)	6,584,171,777.12			6,584,171,777.12
Other capital reserve	6,115,391.14	1,507,653.66	3,640,000.00	3,983,044.80
Total	6,590,287,168.26	1,507,653.66	3,640,000.00	6,588,154,821.92

Other descriptions, including changes in the period and reason for the changes:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Treasury stocks

Applicable Not Applicable

57. Other comprehensive income

Unit: Yuan Currency: RMB

Items	Opening balance	Amount before income tax in the period	Amount for the period				Attributable to minority shareholders after tax	Closing balance
			Less: amount included in other comprehensive income in previous periods and transferred to the current profit or loss	Less: amount included in other comprehensive income in previous periods and transferred to retained earnings	Less: income tax expenses	Attributable to the Parent Company after tax		
I. Other comprehensive income that may not be reclassified to profit or loss	6,493,135.00						6,493,135.00	
Including: Change in re-measurement of defined benefit plans								
Other comprehensive income that may not be reclassified to profit or loss under equity method								
Changes in fair value of other equity instruments	6,493,135.00						6,493,135.00	
Change in fair value of own credit risk								
II. Other comprehensive income that may be reclassified to profit or loss								
Including: Other comprehensive income that may be reclassified to profit or loss under the equity method								
Changes in fair value of other debt investments								
Amount included in other comprehensive income on reclassification of financial assets								
Provision for credit-impairment of other debt investments								
Cash flows hedging reserve								
Exchange differences arising from translation of foreign currency financial statements								
Total other comprehensive income	6,493,135.00						6,493,135.00	

Other description, including adjustment for the effective portion of hedging profit or loss of cash flows transferred to the initial recognition amount of the hedged item:

Nil

58. Special reserve

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

59. Surplus reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	638,241,006.48	154,079,151.26	–	792,320,157.74
Discretionary surplus reserve				
Reserve funds				
Enterprise expansion fund				
Other				
Total	638,241,006.48	154,079,151.26	–	792,320,157.74

Description of surplus reserve, including changes in the period and reason for the changes:

According to the provisions of the Company Law and the Articles of Association of the Company, the Company made provision for the statutory surplus reserve at 10% of its net profit. When the accumulative amount of statutory surplus reserve reaches more than 50% of the Company's registered capital, no further provision is needed.

The Company may make discretionary provision for the surplus reserve beyond the provision for the statutory surplus reserve. Subject to approval, the discretionary provision for the surplus reserve may be used to offset loss in the previous years or increase capital.

60. Undistributed profits

Unit: Yuan Currency: RMB

Items	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	6,316,513,894.20	4,928,503,066.37
Total increase or decrease in undistributed profits at the beginning of the period (increase represented by "+", and decrease represented by "-")	150,235,545.33	15,312,250.12
Undistributed profits at the beginning of the period after adjustment	6,466,749,439.53	4,943,815,316.49
Add: Net profit attributable to owners of the Parent Company in the period	1,616,612,596.40	2,295,057,264.37
Less: Extract for statutory surplus reserve	154,079,151.26	152,205,327.47
Extract for discretionary surplus reserve		
Extract for general risk reserve		
Ordinary shares dividend payable	699,244,543.19	523,587,813.86
Dividend of ordinary shares converted to share capital		
Dividends payable to holders of other equity instruments	53,560,000.00	96,330,000.00
Undistributed profits at the end of the period	7,176,478,341.48	6,466,749,439.53



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

60. Undistributed profits (continued)

Breakdown of the adjustments to the undistributed profits at the beginning of the period:

1. Due to retrospective adjustment under Accounting Standard for Business Enterprises and related new regulations, the undistributed profit at the beginning of the period was affected by RMB0.
2. Due to changes in accounting policies, the undistributed profit at the beginning of the period was affected by RMB150,235,545.33.
3. Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by RMB0.
4. Due to the change of scope after merger under the same control, the undistributed profit at the beginning of the period was reduced by RMB0.
5. Due to other adjustments, the undistributed profit at the beginning of the period was affected by RMB0.

Note: According to the resolution passed by the shareholders of the Company on 14 June 2022, it was agreed that the Company declared a cash dividend of RMB0.167 per share including tax for the year 2021, totaling RMB699,244,543.19.

According to the prospectus of the first tranche of 2019 Renewable Green Corporate Bonds and the first tranche of 2021 Renewable Green Corporate Bonds of the Company, the Company declared a dividend to ordinary shareholders on 14 May 2021, which triggered a mandatory interest payment and no current interest shall be deferred. The principal of the first tranche of 2021 Renewable Green Corporate Bonds was RMB1,040,000,000.00 with an initial interest rate of 5.15% per annum and accrued interest of RMB53,560,000.00 for the current interest payment period (10 March 2022 to 9 March 2023).

61. Operating revenue and operating costs

(1). Operating revenue and operating costs

Unit: Yuan Currency: RMB

Items	Amount for the current period		Amount for the previous period	
	Income	Cost	Income	Cost
Principal operations	10,162,845,082.83	7,131,073,362.95	8,531,399,947.77	5,498,920,658.21
Other operations	62,464,802.60	54,342,662.77	13,667,181.80	4,595,834.89
Total	10,225,309,885.43	7,185,416,025.72	8,545,067,129.57	5,503,516,493.10

(2). Income generated from contracts

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

61. Operating revenue and operating costs (continued)

(3). Description on performance obligations

Applicable Not Applicable

(4). Description of apportionment to the remaining performance obligations

Applicable Not Applicable

Other explanations:

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Operating income is presented as follows:		
Natural gas sales revenue	6,684,300,822.90	4,959,908,186.26
Wind/photovoltaic power generation revenue	3,384,728,473.55	3,498,887,589.07
Connection and construction of gas pipeline network revenue	30,184,010.18	40,040,575.19
Others	119,843,247.51	37,492,053.52
Rental income	6,253,331.29	8,738,725.53
Total	10,225,309,885.43	8,545,067,129.57

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Operating cost is presented as follows:		
Natural gas sales cost	5,956,770,366.47	4,453,867,447.06
Wind/photovoltaic power generation cost	1,157,440,794.19	1,012,016,220.68
Connection and construction of gas pipeline network cost	15,921,369.17	25,301,195.46
Other main operating cost	940,833.12	7,735,795.01
Other operating cost	54,342,662.77	4,595,834.89
Total	7,185,416,025.72	5,503,516,493.10

The performance obligations of the electricity sales contract are fulfilled when the power is supplied to the provincial power grid company where each electric field is located. The part of benchmark electricity prices of the contract price will be recovered within 30 days after settlement. The renewable energy subsidies will be paid in batches from the renewable energy fund by the Ministry of Finance and there is no fixed period for amounts collection. There are no sales returns and variable consideration.

The natural gas sales contract usually requires the receipt of advances, and performance obligations are fulfilled when the natural gas enters the customer's natural gas pipeline through the grounding point. There are no sales returns and variable consideration.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

61. Operating revenue and operating costs (continued)

(4). Description of apportionment to the remaining performance obligations (continued)

The contract for connection and construction of gas pipeline network usually requires the receipt of advances. The performance obligations are fulfilled over time and as services are provided. The remaining performance obligations are expected to be fulfilled and revenue to be recognized within the next year.

Trial sales

The profit and loss items related to the external sale of products or by-products produced before the fixed assets reach their intended useable state are presented as follows:

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Operating revenue	18,735,576.83	140,692,804.43
Operating cost		9,430,053.32
Gain on disposal of assets	-	-
Total	18,735,576.83	131,262,751.11

62. Taxes and surcharges

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Consumption tax		
Business tax		
City maintenance and construction tax	8,437,164.07	7,543,886.23
Education surcharges	8,630,488.77	8,440,077.94
Resources tax		
Property tax	2,494,647.48	1,703,736.34
Land use tax	2,720,479.62	6,120,758.64
Vehicle and vessel use tax		
Stamp duty	6,775,635.04	5,361,428.16
Others	8,214,336.32	874,279.71
Total	37,272,751.30	30,044,167.02

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

63. Selling expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Wages	1,193,693.53	737,501.61
Advertising and promotion fees	130,682.19	309,326.52
Others	385,264.39	134,051.12
Total	1,709,640.11	1,180,879.25

Other explanations:

Nil

64. Administration expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Wages	136,350,278.80	148,884,006.51
Depreciation	16,096,740.87	13,891,857.20
Vehicle, transportation and travelling expenses	5,763,600.14	7,041,396.13
Amortization of intangible assets	13,798,046.33	12,155,610.56
Rental fees	6,368,282.16	7,318,021.64
Business entertainment fees	5,330,575.54	4,603,016.47
Office expenses	14,749,997.64	9,743,521.63
Audit and evaluation consulting expense	14,519,165.90	12,018,239.19
Amortization of long-term prepaid expense	3,385,795.18	3,794,822.50
Others	38,176,926.74	27,925,137.80
Total	254,539,409.30	247,375,629.63

Other explanations:

For the six months ended 30 June 2022, the above administration expenses include remuneration of auditors of RMB1,300,000.00 (for the six months ended 30 June 2021: RMB1,050,000.00).



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

65. R&D expense

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Labor costs	18,088,200.13	10,322,334.92
Outsourcing development fees	12,052,981.11	3,138,669.74
Others	7,747,025.75	2,989,999.49
Total	37,888,206.99	16,451,004.15

Other explanations:

Nil

66. Finance costs

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Interest expense	749,900,060.65	705,942,490.84
Less: Interest income	34,310,866.79	11,401,157.20
Less: Amount of interest capitalized	131,025,611.95	146,993,153.64
Exchange gain and loss	914,616.32	386,094.97
Handling fees for banks	670,182.40	591,012.42
Others	2,098,720.26	3,908,921.76
Total	588,247,100.89	552,434,209.15

Other explanations:

Capitalised amount of borrowing costs was included in construction in progress and right-of-use assets.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

67. Other gains

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
VAT refund	96,462,516.98	70,036,205.77
Fiscal appropriation	9,346,911.12	2,226,679.23
Operating subsidy	–	476,190.47
Others	137,002.89	210,003.10
Total	105,946,430.99	72,949,078.57

Other explanations:

Below sets forth the government grants relating to daily activities:

Items	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Related to assets/income
Strategic Emerging Industry Fund	131,578.92	131,578.92	Related to assets
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	40,000.02	40,000.02	Related to assets
Job stabilization subsidy	1,430,788.58	–	Related to income
Receipt of the return of unemployment insurance from Chengde City Unemployment Insurance Fund Management Center	161,043.66	–	Related to income
Project funded by the Department of Science and Technology	52,000.02	52,000.02	Related to assets
Xingdong New District Rerouting	1,550,142.44	1,550,142.44	Related to assets
Subsidies for operation	–	476,190.47	Related to assets
Subsidy funds for wind and electricity clean heating projects	3,056,400.00	–	Related to income
Receipt of special funds for industrial transformation and upgrades	100,000.00	–	Related to income
VAT refund	96,462,516.98	70,036,205.77	Related to income
Others	2,961,960.37	662,960.93	
Total	105,946,430.99	72,949,078.57	



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

68. Investment gains

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Long-term equity investment income accounted for under the equity method	131,217,378.53	132,631,426.33
Investment gain on disposal of long-term equity investment	2,045,442.72	
Investment gain of held-for-trading financial assets during the period of holding		
Dividend income from investment in other equity instruments during the period of holding	14,744,642.19	11,943,006.92
Interest income from debt investment in the period of holding		
Interest income from other debt investment in the period of holding		
Investment gain on disposal of held-for-trading financial assets		
Investment gain on disposal of investment in other equity instruments		
Investment gain on disposal of debt investment		
Investment gain on disposal of other debt investment		
Gain on debt restructuring		
Total	148,007,463.44	144,574,433.25

Other explanations:

Nil

69. Gain on net exposure hedging

Applicable Not Applicable

70. Gain on change in fair value

Applicable Not Applicable

71. Loss on credit impairment

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Loss on bad debts of notes receivable		
Loss on bad debts of accounts receivable	-11,880,186.01	-11,036,197.56
Loss on bad debts of other receivables	-2,071,450.25	2,634,315.70
Impairment losses on debt investments		
Impairment losses on other debt investments		
Bad debt loss on long-term receivables		
Impairment losses on contract assets		
Total	-13,951,636.26	-8,401,881.86

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
72. Loss on asset gains
 Applicable Not Applicable

73. Gain on disposal of assets

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Gain on disposal of assets	1,288,034.57	-659.03
Total	1,288,034.57	-659.03

Other explanations:

 Applicable Not Applicable

74. Non-operating income

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Total gains on disposal of non-current assets	108,534.41	778.76	108,534.41
Including: Gain on disposal of fixed assets	108,534.41	778.76	108,534.41
Gain on disposal of intangible assets			
Gains on debt restructuring			
Exchange gain on non-monetary assets			
Income from donations			
Government subsidy	2,090,954.43	5,155,200.00	2,090,954.43
Unpayable amounts	476,996.90	67,014.21	476,996.90
Net gain from penalties	17,500.00	27,200.00	17,500.00
Others	484,038.88	527,547.36	484,038.88
Total	3,178,024.62	5,777,740.33	3,178,024.62



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

74. Non-operating income (continued)

Government subsidy included in profit or loss in the current period

Unit: Yuan Currency: RMB

Projects using subsidy	Amount for the current period	Amount for the previous period	Related to assets/ income
VAT refund	96,462,516.98	70,036,205.77	Related to assets
Strategic Emerging Industry Fund	131,578.92	131,578.92	Related to assets
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	40,000.02	40,000.02	Related to income
Job stabilization subsidy	1,430,788.58	–	Related to income
Receipt of the return of unemployment insurance from Chengde City Unemployment Insurance Fund Management Center	161,043.66	–	Related to income
Project funded by the Department of Science and Technology	52,000.02	52,000.02	Related to assets
Xingdong New District Rerouting	1,550,142.44	1,550,142.44	Related to assets
Subsidies for operation	–	476,190.47	Related to income
Subsidy funds for wind and electricity clean heating projects	3,056,400.00	–	Related to income
Receipt of special funds for industrial transformation and upgrades	100,000.00	–	Related to income
Listing Incentive Funds	–	5,000,000.00	Related to income
2022 Foreign Enterprise Investment Incentives of Development and Reform Bureau of Qiaoxi District	1,892,000.00	–	Related to income
Receipt of technology innovation incentive	100,000.00	–	Related to income
Others	3,060,914.80	818,160.93	
Less: Governmental grants recognized in other revenues	105,946,430.99	72,949,078.57	
Governmental grants recognized in non-operating revenue	2,090,954.43	5,155,200.00	

Other explanations:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

75. Non-operating expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Total losses on disposal of non-current assets	758,002.24	24,869.45	758,002.24
Including: Loss on disposal of fixed assets	758,002.24	24,869.45	758,002.24
Loss on disposal of intangible assets			
Loss on debt restructuring			
Exchange loss on non-monetary assets			
Donations	-	3,600.00	
Expenses on compensation, and penalties	49,000.00	10,050.00	49,000.00
Other expenses	1,229,468.09	329,218.94	1,229,468.09
Total	2,036,470.33	367,738.39	2,036,470.33

Other explanations:

Nil

76. Income tax expenses

(1). Table of income tax expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Current income tax expense	339,951,707.01	306,199,331.81
Deferred income tax expense	-1,642,305.84	539,410.27
Total	338,309,401.17	306,738,742.08



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

76. Income tax expenses (continued)

(2). Reconciliation of accounting profits and income tax

Unit: Yuan Currency: RMB

Items	Amount for the current period
Total profits	2,362,668,598.15
Income tax expense calculated at statutory/applicable tax rate	590,667,149.54
Impact of different tax rates applied to subsidiaries	-228,388,370.29
Impact of adjustment of income tax of previous periods	-4,871,457.67
Impact of non-taxable income	-3,686,160.55
Impact of non-deductible costs, expenses and losses	3,288,513.84
Impact of utilising deductible loss of deferred tax assets unrecognized in previous periods	-7,677,087.11
Impact of deductible temporary difference or deductible loss of deferred tax assets unrecognised in current period	21,781,158.04
Profit and loss attributable to joint ventures and associates	-32,804,344.63
Income tax expenses	338,309,401.17

Other explanations:

The PRC income tax of the Group is calculated based on the estimated taxable income gained in the PRC and applicable tax rate. Tax arising from the taxable income in other regions is calculated at applicable tax rate according to existing laws, interpretations and practices of the jurisdiction in which the Group operates.

77. Other comprehensive income

For details, please refer to the related content of Note "VII. 57 Other Comprehensive Income".



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

78. Items in the cash flow statement

(1). Other cash receipts relating to operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Interest income	34,310,866.79	11,401,157.20
Resale income of carbon emission allowances	288,250.52	94,885.72
Government subsidy	13,564,144.15	7,513,440.48
Wire subsidy	–	476,190.47
Others	137,002.89	452,957.83
Total	48,300,264.35	19,938,631.70

Descriptions of other cash receipts relating to operating activities:

Nil

(2). Other cash payments relating to operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Fees paid for outsourced research	12,052,981.11	3,138,669.74
Audit and evaluation consulting expense	14,519,165.90	12,018,239.19
Office expenses	14,749,997.64	9,743,521.63
Vehicle, transportation and travelling expenses	5,763,600.14	7,041,396.13
Rental fees	6,368,282.16	7,318,021.64
Business entertainment fees	5,330,575.54	4,603,016.47
Handling fee	670,182.40	591,012.42
Others	45,923,952.49	20,314,133.15
Total	105,378,737.38	64,768,010.37

Descriptions of other cash payments relating to operating activities:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

78. Items in the cash flow statement (continued)

(3). Other cash receipts relating to investment activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Cash with restricted use right		5,562,868.90
Total		5,562,868.90

Explanation on other cash receipts relating to investment activities:

Nil

(4). Other cash payments relating to investment activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Restricted Cash	16,190,055.86	
Total	16,190,055.86	

Description of other cash payments relating to investment activities:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

78. Items in the cash flow statement (continued)

(5). Other cash receipts relating to financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Discounted notes receivable	40,000,000.00	
Total	40,000,000.00	

Description of other cash receipts relating to financing activities:

Nil

(6). Other cash payments relating to financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Cash outflows related to leasing	125,919,752.94	25,268,708.15
Others		
Total	125,919,752.94	25,268,708.15

Description of other cash payments relating to financing activities:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

79. Supplementary information of the cash flow statement

(1). Supplementary information of the cash flow statement

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Net profit adjusted to cash flows of operating activities:		
Net profit	2,024,359,196.98	2,101,856,978.06
Add: Provision for impairment of assets		
Loss on credit impairment	13,951,636.26	8,401,881.86
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	1,008,177,218.91	846,200,496.01
Amortization of right-of-use assets	72,522,821.83	70,055,083.84
Amortization of intangible assets	152,948,837.96	66,372,713.58
Depreciation and amortization of investment properties	552,584.22	552,584.22
Amortization of long-term deferred expenses	3,723,903.17	5,035,798.98
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-1,288,034.57	659.03
Losses from scrapping of fixed assets ("-" for gains)	649,467.83	24,090.69
Losses from changes in fair value ("-" for gains)		
Finance expenses ("-" for gains)	619,789,065.02	562,784,423.75
Investment losses ("-" for gains)	-148,007,463.44	-144,574,433.25
Decrease in deferred income tax assets ("-" for increase)	-1,944,827.99	-915,927.13
Increase in deferred income tax liabilities ("-" for decrease)	161,741.45	1,455,337.40
Decrease in inventories ("-" for increase)	-124,874,405.96	-3,079,375.59
Decrease in operating receivables ("-" for increase)	-1,359,465,798.36	-1,015,716,023.43
Increase in operating payables ("-" for decrease)	-171,487,743.09	-233,735,219.49
Others		
Net cash flows from operating activities	2,089,768,200.22	2,264,719,068.53
2. Significant investing and financing activities that do not involve cash receipts and payment:		
Right-of-use assets acquired by committing lease liabilities	21,152,293.61	48,288,409.97
Transfer of bank acceptance bills by endorsement	315,271,847.94	202,568,446.62
Conversion of debts into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	4,527,222,424.93	3,026,594,929.09
Less: Opening balance of cash	7,533,084,715.56	1,863,441,446.73
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-3,005,862,290.63	1,163,153,482.36



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

79. Supplementary information of the cash flow statement (continued)

(2). Net cash paid for acquisition of subsidiaries in the current period

Unit: Yuan Currency: RMB

	Amount
Payment of cash and cash equivalent for business combination completed in the period	39,200,000.00
Less: Cash and cash equivalent held by the Company on date of purchase	11,796,007.27
Add: Payment of cash and cash equivalent in the period for business combination completed in previous period	
Cash payment for the acquisition of the subsidiary	27,403,992.73

Other explanations:

Nil

(3). Net cash received from disposal of subsidiaries in the current period

	Amount
Cash or cash equivalents received during the current period from disposal of subsidiaries during the current period	7,807,272.86
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	
Add: Cash or cash equivalents received during the current period from disposal of subsidiaries during previous periods	
Net cash received from disposal of subsidiaries	7,807,272.86

Other explanations:

Nil



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

79. Supplementary information of the cash flow statement (continued)

(4). Cash and cash equivalents composition

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	4,527,222,424.93	7,533,084,715.56
Including: Cash on hand	-	
Bank deposit that can be used for payment at any time	4,527,222,424.93	7,533,084,715.56
Other monetary fund that can be used for payment at any time		
Central bank deposits that can be used for payment		
Deposits in other banks		
Call loans to banks		
II. Cash equivalents		
Including: bond investments due within 3 months		
III. Balance of cash and cash equivalents at the end of the period	4,527,222,424.93	7,533,084,715.56
Including: restricted cash and cash equivalents used by the parent company and the subsidiaries of the Group		

Other explanations:

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

80. Notes to the statement of changes in owners' equity

The explanation for matters such as the item name of "Others" and amount adjustment for adjusting the balance at the end of the previous year:

Applicable Not Applicable

81. The assets whose ownership or right-of-use is restricted

Unit: Yuan Currency: RMB

Items	Book value at the end of period	Reasons
Cash	131,502,323.85	Land reclamation deposit, guarantee deposit, etc
Notes receivable		
Inventory		
Fixed assets	269,861,038.32	Secured long-term bank borrowings
Intangible assets	3,272,748.07	Secured long-term bank borrowings
Receivables financing	590,000.00	Long-term borrowings secured by the right of electricity cost collection
Accounts receivable	6,203,038,542.95	Long-term borrowings secured by the right of electricity cost collection
Total	6,608,264,653.19	/

Other explanations:

Note 1: Cash with restricted ownership represents mainly the land reclamation deposit, guarantee deposit and others. Please refer to Note VII. 1.

Note 2: As at 30 June 2022 and 31 December 2021, the corresponding receivable financing in relation to the Group's long-term borrowings secured by part of the right of collection of future electricity fees amounted to RMB590,000.00 and RMB590,000.00, respectively. Please refer to Note VII. 6.

Note 3: As at 30 June 2022 and 31 December 2021, the corresponding accounts receivable in relation to the Group's long-term borrowings secured by part of the right of collection of future electricity fees amounted to RMB5,867,193,016.55 and RMB4,965,601,619.65, respectively. Please refer to Note VII. 5.

Note 4: As at 30 June 2022 and 31 December 2021, the Group obtained long-term bank borrowings secured by fixed assets with the carrying amount of RMB269,861,038.32 and RMB282,529,150.15, respectively. Please refer to Note VII. 21.

Note 5: As at 30 June 2022 and 31 December 2021, the Group obtained long-term bank borrowings secured by intangible assets with the carrying amount of RMB3,272,748.07 and RMB3,310,438.09, respectively. Please refer to Note VII. 26.

Note 6: As at 30 June 2022 and 31 December 2021, the Group utilised accounts receivable with the carrying amount of RMB335,845,526.40 and RMB332,103,388.61, respectively, as the fundamental assets for the establishment of Ping An-HECIC New-energy No. 1 Asset-backed Special Program. Please refer to Note VII. 5.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

82. Monetary item in foreign currency

(1). Monetary item in foreign currency

Unit: Yuan

Items	Balance of foreign currency at the end of the period	Exchange rate	Balance of RMB converted at the end of the period
Cash	-	-	
Including: USD			
UEURO			
HKD	5,123,562.07	0.8552	4,381,619.05
Other receivables	-	-	
Including: USD			
EURO			
HKD	1,387,044.29	0.8552	1,186,186.41
Other payables			
Including: USD			
EURO			
HKD	300,493.35	0.8552	256,978.91
Long-term loans	-	-	
Including: USD			
EURO			
HKD	34,000,000.00	0.8552	29,076,460.00

Other explanations:

Nil

- (2). Descriptions of foreign business entity (including those that are considered important) should include disclosure of: the overseas principal place of business of the foreign business entity; the reporting currency and the basis for using that currency; the reason(s) for the change of reporting currency

Applicable Not Applicable



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

83. Hedging

Applicable Not Applicable

84. Government subsidy

1. Information about government subsidies

Unit: Yuan Currency: RMB

Category	Amount	Item presented	Amount included in the current profit or loss
VAT refund	96,462,516.98	Other gains	
Fiscal appropriation	9,346,911.12	Other gains	
Operating subsidy			
Others	137,002.89	Other gains	
Non recurring government grants	2,090,954.43	Non operating income	

2. Refund of government subsidies

Applicable Not Applicable

Other explanations

Nil

85. Others

Applicable Not Applicable



VIII. CHANGES IN CONSOLIDATION SCOPE

1. Business combination under different control

(1). Business combinations under the common control that occurred in the current period

Unit: Yuan Currency: RMB

Name of acquiree	Time of acquisition of equity interests	Consideration of acquisition of equity interests	Percentage of equity interests acquired(%)	Method of acquisition of equity interests	Date of Acquisition	Basis for determining the date of acquisition	Income of the acquiree from the date of acquisition to the end of the period	Net profit of the acquiree from the date of acquisition to the end of the period
Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd.	2022.3.8	76,387,319.53	80	Acquired with cash	2022.3.8	Transfer of control	11,197,734.55	942,901.67
Xinjiang Yusheng New Energy Development Co., Ltd.	2022.5.16	16,289,400.00	51	Acquired with cash	2022.5.16	Transfer of control	0	-1,101.78

Other explanations:

- (1) Acquisition of Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd. (“Jiecheng Natural Gas”) by Hebei Natural Gas Company Limited (“Hebei Natural Gas”)

On 15 December 2021, Hebei Natural Gas entered into an equity transfer agreement and a supplemental agreement with Li Donglu and Li Bin, being natural persons, to acquire their respective 50% and 30% equity interests in Jiecheng Natural Gas. Jiecheng Natural Gas was established in Shijiazhuang City on 4 January 2009, and is owned as to 70% by Li Donlu and 30% by Li Bin. The registered capital of the company is RMB40 million. The articles of association were changed on 8 March 2022. Since then, Hebei Natural Gas holds 80% of the shares of Jiecheng Natural Gas and Li Donglu, being a natural person, holds 20% of the shares. The purchase price is RMB76,387,319.53 and the purchase date is confirmed as 8 March 2022. The acquisition was accounted for as a business combination not under the common control.

- (2) Acquisition of Xinjiang Yusheng New Energy Development Co., Ltd. (“Xinjiang Yusheng”) by the Company by way of cash capital increase and share expansion

On 12 May 2022, the Company entered into a capital increase agreement with Yao Junyu and Yao Yongpeng, being natural persons, to subscribe for their new registered capital of Xinjiang Yusheng amounting to RMB16.2894 million. After the completion of the capital increase, the Company holds 51% equity interest in Xinjiang Yusheng. Xinjiang Yusheng was established in Urumqi on 10 November 2011. Yao Junyu and Yao Yongpeng held 60% and 40% of its equity interests. The registered capital is RMB10 million. The articles of association were changed on 16 May 2022. Since then, the Company holds 51% of the shares of Xinjiang Yusheng, and Yao Junyu and Yao Yongpeng, being natural persons, hold 36.5% and 12.5% of the shares, respectively. The merger date is confirmed as 16 May 2022. The merger was accounted for as a business combination not under the common control.



VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

1. Business combination under different control (continued)

(2). Cost of combination and goodwill

Unit: Yuan Currency: RMB

	Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd.
Cost of combination	
- Cash	76,387,319.53
- Fair value of non-cash assets	
- Fair value of the issued or assumed debts	
- Fair value of the issued equity securities	
- Fair value of contingent consideration	
- Fair value on the date of acquisition for equity interests held prior to the date of acquisition	
- Others	
Total cost of combination	76,387,319.53
Add: Minority interests	9,495,509.20
Less: fair value of identifiable net assets acquired	47,477,545.99
Goodwill/cost of combination fell short from fair value of identifiable net assets acquired	38,405,282.74
	Xinjiang Yusheng New Energy Development Co., Ltd.
Cost of combination	
- Cash	16,289,400.00
- Fair value of non-cash assets	
- Fair value of the issued or assumed debts	
- Fair value of the issued equity securities	
- Fair value of contingent consideration	
- Fair value on the date of acquisition for equity interests held prior to the date of acquisition	
- Others	
Total cost of combination	16,289,400.00
Add: Minority interests	15,650,218.75
Less: fair value of identifiable net assets acquired	31,939,221.95
Goodwill/cost of combination fell short from fair value of identifiable net assets acquired	396.80

Explanation on determination of fair value of cost of combination, contingent consideration and its changes:

Nil

Major reason for a huge amount of goodwill:

In order to consolidate the share of the natural gas market in Shijiazhuang, effectively utilize the geographical advantage of Jiecheng and promote the interconnection of regional pipelines, and based on the Company's overall development strategy, the acquisition price of Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd. was higher than the share of the fair value of the net assets of the acquiree.

Other Explanation:

Nil



VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

1. Business combination under different control (continued)

(3). Identifiable assets and liabilities of the acquiree on the purchase date

Unit: Yuan Currency:RMB

	Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd.		Xinjiang Yusheng New Energy Development Co., Ltd.	
	Fair value at the acquisition date	Carrying value at the acquisition date	Fair value at the acquisition date	Carrying value at the acquisition date
Assets:	60,537,482.67	59,763,716.91	42,611,953.26	42,611,953.26
Cash	10,093,248.56	10,093,248.56	17,992,158.71	17,992,158.71
Receivables	1,777,463.85	1,777,463.85		
Inventories	1,135,486.99	1,135,486.99		
Fixed assets	44,410,000.50	43,636,234.74		
Intangible assets				
Prepayments	207,132.79	207,132.79	34,000.00	34,000.00
Other current assets	336,367.65	336,367.65	12,460,200.51	12,460,200.51
Construction in progress	2,577,782.33	2,577,782.33	12,125,594.04	12,125,594.04
Liabilities:	13,059,936.68	13,059,936.68	10,672,731.31	10,672,731.31
Borrowings				
Payables				
Deferred income tax liabilities				
Accounts payable	9,610,657.94	9,610,657.94	10,406,300.00	10,406,300.00
Contract liabilities	2,089,178.74	2,089,178.74		
Other payables	1,360,100.00	1,360,100.00	266,431.31	266,431.31
Net assets	47,477,545.99	46,703,780.23	31,939,221.95	31,939,221.95
Less: Minority interests	9,495,509.20		15,650,218.75	15,650,218.75
Plus: Goodwill generated by acquisition	38,405,282.74		396.80	396.80
Net assets acquired	76,387,319.53	46,703,780.23	16,289,400.00	16,289,400.00

Determination of the fair value of identifiable assets and liabilities:

The fair value of the acquiree was evaluated by adopting the asset-based approach.

Contingent liabilities of the merged party assumed in business combination:

Nil

Other explanations:

The Group intended to appoint an independent third party valuer to evaluate the identifiable assets and liabilities of Xinjiang Yusheng New Energy Development Co., Ltd. on the acquisition date. As at 30 June 2022, the valuation of Xinjiang Yusheng New Energy Development Co., Ltd. was still in progress. Upon completion of the valuation, the provisional value of the related assets and liabilities will be subject to further adjustment based on the valuation result.



VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

1. Business combination under different control (continued)

(4). Gains or losses from re-measurement of the fair value of equity held before the acquisition date

Whether there was transaction achieving business combination through several transactions that acquired control during the reporting period

Applicable Not Applicable

(5). The combination consideration or fair value of identifiable assets and liabilities of the acquiree on the acquisition date or at the end of the combination period which could not be reasonably determined

Applicable Not Applicable

(6). Other explanations:

The operating results and cash flows of Jiecheng Natural Gas from the date of acquisition to the end of the current period are presented as follows:

	For the period from 8 March 2022 to 30 June 2022
Operating revenue	11,197,734.55
Net profit	942,901.67
Net cash flows	-6,563,887.43

The operating results and cash flows of Xinjiang Yusheng from the date of acquisition to the end of the current period are presented as follows:

	For the period from 16 May 2022 to 30 June 2022
Operating revenue	-
Net loss	-1,101.78
Net cash flows	-16,171,488.55



VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Business combination under common control

Applicable Not Applicable

3. Counter purchase

Applicable Not Applicable

4. Disposal of subsidiaries

Whether there is a single disposal of investments in subsidiaries and loss of control

Unit: Yuan Currency: RMB



Name of subsidiary	Consideration for the disposal of the subsidiary	Percentage of equity interests disposed (%)	Method of the disposal of equity interests	Date of loss of control	Basis for the determination of the date of loss of control	Difference between the consideration for the disposal and the share of net assets of the subsidiary at the level of the relevant consolidated financial statements in which the disposed investments presented	Percentage of remaining equity interests on the date of loss of control (%)	Carrying amount of remaining equity interests on the date of loss of control	Fair value of remaining equity interests on the date of loss of control	Gain or loss on fair value remeasurement of remaining equity interests	Determination method and major assumptions of the fair value of remaining equity interests on the date of loss of control	Amount transferred into investment gain or loss from other comprehensive income relating to the equity investment in the former subsidiary
Yunnan Pishi	6,101,218.22	70.00	Withdrawal by capital reduction	8 June 2022	Recovery of investment amount in accordance with the resolution at the general meeting	1,930,531.62	0	0	0	0		0

VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

4. Disposal of subsidiaries (continued)

Other explanations:

On 30 March 2022, Yunnan Pushi convened a general meeting and, with the unanimous consent of all shareholders, the Company reduced its capital and withdrew from Yunnan Pushi. After the capital reduction, the Company withdrew from the general meeting and ceased to enjoy the rights of shareholders and assume the obligations of shareholders. The share of the Company after the capital reduction was confirmed by the shareholders other than the Company. On 8 June 2022, the Company recovered the investment amount in accordance with the resolution of the general meeting. Since then, the Company no longer had control over Yunnan Pushi and was accounted as a disposed subsidiary.

Yunnan Pushi:

	8 June 2022	31 December 2021
	Carrying amount	Carrying amount
Current assets	6,085,247.15	6,067,106.50
Non-current assets	3,030.14	3,030.14
Current liabilities	130,153.57	130,153.57
Non-current liabilities	–	–
Minority interests	1,787,437.12	–
Fair value of remaining equity interests	–	–
Gain or loss on disposal	1,930,531.62	–
Consideration for disposal	6,101,218.22	–



VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

5. Changes in the scope of consolidation due to other reasons

Explanation on the changes in the scope of consolidation due to other reasons (e.g. establishment of new subsidiaries and liquidation of subsidiaries, etc.) and the related conditions:

Establishment of new subsidiaries

For the six months ended 30 June 2022	Principal operating place	Registered place	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)	
					Direct	Indirect
Suntien Green Energy (Tianjin) Co., Ltd. (新天綠色能源(天津)有限公司)	PRC	Tianjin City	Wind power generation	1,000.00	100	–
Cangzhou Suntien Green Energy Co., Ltd. (滄州新天綠色能源有限公司)	PRC	Cangzhou City	Power generation business, power distribution business and power supply (distribution) business	5,000.00	100	–
Liquan Jisheng Green Energy Co., Ltd. (禮泉冀盛綠色能源有限公司)	PRC	Xianyang City	Wind power generation	1,000.00	100	–
Cangzhou Suntien Botou Energy Co., Ltd. (滄州新天渤投能源有限公司)	PRC	Cangzhou City	Power generation business and power distribution business	1,000.00	66	–

Note: The 4 new companies above were established in 2022 and the Group did not make any actual capital contribution as at 30 June 2022.

Deregistration of subsidiary

For the six months ended 30 June 2022	Principal operating place	Registered place	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)	
					Direct	Indirect
Rui'an City Xinyun New Energy Co., Ltd. (瑞安市新運新能源有限公司)	PRC	Rui'an City	Wind power generation	500	70	–

6. Others

Applicable Not Applicable



IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1). Composition of the Group

Subsidiary	Principal Operating place	Registered place	Registered capital (RMB'0000)	Business nature	Shareholding percentage (%)		Manner
					Direct	Indirect	
HECIC New Energy	PRC	Shijiazhuang City	509,730.00	Wind power generation, wind farm investment and service consulting	100	-	Merger under the same control
Hebei Natural Gas	PRC	Shijiazhuang City	190,000.00	Sale of natural gas and appliances, as well as connection and construction of natural gas pipelines	55	-	Merger under the same control
Suntien Green Energy (Fengning) Co., Ltd. (新天綠色能源(豐寧)有限公司)	PRC	Chengde City	18,869.57	Wind power generation,	92	-	Establishment by investment
Jianshui Suntien Wind Energy Co., Ltd. (建水新天風能有限公司)	PRC	Hongtong County	33,300.00	Wind power generation,	49	51	Establishment by investment
Heilongjiang Suntien Hadian New Energy Investment Co., Ltd. (黑龍江新天哈電新能源投資有限公司)	PRC	Harbin City	21,660.00	Wind power generation,	99.08	-	Establishment by investment
Suntien Hong Kong	Hong Kong, PRC	Tsim Sha Tsui, Kowloon, Hong Kong	USD8,290,7139	Project investment and investment management	100	-	Establishment by investment
Suntien Green Energy Investment (Beijing) Co., Ltd. (新天綠色能源投資(北京)有限公司)	PRC	Beijing City	6,000.00	Leasing and commercial service industry	100	-	Establishment by investment
Ruoqiang Suntien Green Energy Co., Ltd. (若羌新天綠色能源有限公司)	PRC	Ruoqiang County	14,810.00	Wind power generation,	100	-	Establishment by investment
Xingyang Suntien Wind Energy Co., Ltd. (滎陽新天風能有限公司)	PRC	Xingyang City	9,000.00	Wind power generation,	100	-	Establishment by investment
Weihui Suntien Green Energy Co., Ltd. (滎陽新天綠色能源有限公司)	PRC	Weihui City	8,400.00	Wind power generation	100	-	Establishment by investment
Junan Suntien Wind Energy Co., Ltd. (荊新天風能有限公司)	PRC	Junan County	10,300.00	Wind power generation	100	-	Establishment by investment
Shenzhen Suntien Green Energy Investment Co., Ltd. (深圳新天綠色能源投資有限公司) ("Suntien Shenzhen")	PRC	Shenzhen City	27,000.00	Project investment and investment management	100	-	Establishment by investment
Hebei Fengning CIC New Energy Co., Ltd. (河北豐寧建城新能源有限公司)	PRC	Fengning Manchu Autonomous County	86,783.00	Wind power generation	100	-	Establishment by investment
Suntien Liquefied Natural Gas Share Co., Ltd. (新天液化天然氣沙河有限公司)	PRC	Xingtai City	5,000.00	Sale of natural gas and appliances, as well as connection and construction of natural gas pipelines	-	100	Establishment by investment



IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Principal Operating place	Registered place	Registered capital (RMB'0000)	Business nature	Shareholding percentage (%)		Manner
					Direct	Indirect	
Suntien Hebei Solar Energy Development Co., Ltd. (新天河北太陽能開發有限公司)	PRC	Shijiazhuang City	10,000.00	Investment and sale of solar energy appliances and service consultancy	69	-	Establishment by investment
Guangxi Suntien Green Energy Co., Ltd. (廣西新天綠色能源有限公司)	PRC	Nanning City	8,450.00	Wind power generation	100	-	Establishment by investment
Tongdao Suntien Green Energy Co., Ltd. (通達新天綠色能源有限公司)	PRC	Tongdao Dong Autonomous County	15,887.00	Wind power and solar energy generation, relevant technical consultation	100	-	Establishment by investment
Chaoyang Suntien New Energy Co., Ltd. (朝陽新天新能源有限公司)	PRC	Chaoyang City	3,200.00	Solar energy generation	100	-	Establishment by investment
HECIC New-energy (Tangshan) Co., Ltd. (建投新能源(唐山)有限公司)	PRC	Tangshan City	8,600.00	Wind and solar power generation	100	-	Establishment by investment
Fuliang Zhongjing Suntien Green Energy Co., Ltd. (浮梁中景新天綠色能源有限公司)	PRC	Jingdezhen City	16,000.00	Wind power, water power and solar power generation, and relevant technical consultation	100	-	Establishment by investment
Suntien Green Energy Xuyi Co., Ltd. (新天綠色能源許怡有限公司)	PRC	Huainan City	23,400.00	Wind power and solar energy generation, relevant technical consultation	-	100	Establishment by investment
Suntien Hebei Electricity Sales Co., Ltd. (新天河北電力銷售有限公司)	PRC	Shijiazhuang City	21,000.00	Electricity sales and electric power transmission and distribution engineering construction and electric power technology consulting	100	-	Establishment by investment
Tangshan Suntien New Energy Co., Ltd. (唐山新天新能源有限公司)	PRC	Tangshan City	1,500.00	Electricity sales and electric power transmission and distribution engineering construction and electric power technology consulting	-	100	Establishment by investment
Fangchenggang Suntien Green Energy Co., Ltd. (防城港新天綠色能源有限公司)	PRC	Fangchenggang City	9,330.00	Wind power and solar energy generation, and relevant technical consultation	100	-	Establishment by investment
Fuping Jixin Suntien Green Energy Co., Ltd. (阜平冀新綠色能源有限公司)	PRC	Weinan City	16,560.00	Wind power and solar energy generation, and relevant technical consultation	100	-	Establishment by investment
HEGIC Zhengjiakou Wind Energy Co., Ltd. (河北建投涿州風能有限公司)	PRC	Kangbao County	69,275.00	Wind power generation	-	100	Establishment by investment
HEGIC Zhongxing Wind Energy Co., Ltd. (河北建投中興風能有限公司)	PRC	Haixing County	16,300.00	Wind power generation	-	70	Establishment by investment
HECIC Weizhou Wind Energy Co., Ltd. (河北建投蔚州風能有限公司)	PRC	Yu County	36,400.00	Wind power generation	-	55.92	Establishment by investment
Longyuan Chongji (Note 1)	PRC	Chongji District	9,500.00	Wind power generation	-	50	Establishment by investment
Lingjiu CIC Hengguan Wind Energy Co., Ltd. (靈丘建投恒冠風能有限公司)	PRC	Lingjiu County	33,850.00	Wind power generation	-	55	Establishment by investment



IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Principal Operating place	Registered place	Registered capital (RMB'0000)	Business nature	Shareholding percentage (%)		Manner
					Direct	Indirect	
HEGIC Yanshan (Guyuan) Wind Power Co., Ltd. (建投燕山(涪源)风能有限公司)	PRC	Guyuan County	83,977.55	Wind power generation	-	94.43	Establishment by investment
Zhangbei Huashi (Note 1)	PRC	Zhangbei County	8,000.00	Wind power generation	-	49	Establishment by investment
Hebei Suntien Kechuang New Energy Technology Co., Ltd. (河北新天科创新能源技术有限公司)	PRC	Xuanhua District	10,880.00	Provision of maintenance and consulting services for wind farms and other new energy	-	100	Establishment by investment
Chengde Yuyuan Wind Energy Co., Ltd. (承德乐源风能有限公司)	PRC	Chengde City	17,000.00	Wind power generation	-	60	Establishment by investment
Horqin Right Front Banner Suntien Wind Energy Co., Ltd. (科右前旗新天风能有限公司)	PRC	Horqin Right Front Banner	21,300.00	Wind power generation	-	100	Establishment by investment
Laiyuan Suntien Wind Energy Co., Ltd. (滦源新天风能有限公司)	PRC	Laiyuan County	20,460.00	Wind and solar power generation	-	100	Establishment by investment
Wei County Suntien Wind Energy Co., Ltd. (蔚县新天风能有限公司)	PRC	Yu County	71,400.00	Wind power generation	-	100	Establishment by investment
Wuchuan County Mengtian Wind Energy Co., Ltd. (武川蒙天风能有限公司)	PRC	Wuchuan County	15,000.00	Wind power generation	-	100	Establishment by investment
Shangyi Suntien Wind Energy Co., Ltd. (尚义新天风能有限公司)	PRC	Shangyi County	23,213.00	Wind power generation	-	100	Establishment by investment
Zhangbei Suntien Wind Energy Co., Ltd. (张北新天风能有限公司)	PRC	Zhangbei County	22,000.00	Wind power generation	-	51	Establishment by investment
Changli Suntien Wind Energy Co., Ltd. (昌黎新天风能有限公司)	PRC	Changli County	29,800.00	Wind power generation	-	75	Establishment by investment
Suntien Green Energy Weichang Co., Ltd. (新天绿色能源开发有限公司)	PRC	Weichang Marchu and Mongolian Autonomous County	73,600.00	Wind power generation	-	97.28	Establishment by investment
Chongli Suntien Wind Energy Co., Ltd. (崇礼新天风能有限公司)	PRC	Chongli County	35,000.00	Wind power generation	-	100	Establishment by investment
Luolong Liujin Photovoltaic Power Co., Ltd.* (鹿龙六晋光伏电力有限公司)	PRC	Qinhuangdao City	3,000.00	Investment and sale of solar equipment and service consulting	-	100	Establishment by investment
Zhangjiakou Fuchen Photovoltaic Power Co., Ltd. (张家口富辰光伏发电有限公司)	PRC	Zhangjiakou City	100.00	Photovoltaic power generation project development, design, construction and management services	-	100	Establishment by investment
Datong Yunzhou District Suntien Wind Energy Co., Ltd. (大同市云州区新天风能有限公司)	PRC	Yunzhou District	400.00	Wind power generation	-	100	Establishment by investment



IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Principal Operating place	Registered place	Registered capital (RMB'0000)	Business nature	Shareholding percentage (%)		Manner
					Direct	Indirect	
Chengde Yujing New Energy Co., Ltd. (承德樂景新能源有限公司)	PRC	Weichang Marchu and Mongolian Autonomous County	31,000.00	Wind power generation	-	60	Establishment by investment
Chengde Yufeng Wind Energy Co., Ltd. (承德樂風風能有限公司)	PRC	Weichang Marchu and Mongolian Autonomous County	8,300.00	Wind power generation	-	60	Establishment by investment
Gu County CIC Wind Energy Co., Ltd. (古縣建投風能有限公司)	PRC	Gu County	560.00	Wind power generation, power transmission and distribution	-	100	Establishment by investment
HECIC Offshore Wind Power Co., Ltd. (河北建投海上風電有限公司) ("Offshore Wind")	PRC	Leifeng County	111,111.00	Wind power generation	51.4	-	Establishment by investment
Taihai Sunfiteen Green Energy Co., Ltd. (秦萊新天綠色能源有限公司)	PRC	Taihai County	6,000.00	Wind power generation	-	100	Establishment by investment
Hejing Sunfiteen Green Energy Co., Ltd. (和靜新天綠色能源有限公司)	PRC	Hejing County	3,200.00	Wind and solar power generation	-	100	Establishment by investment
Baoding CIC Natural Gas Co., Ltd. (保定建投天然氣有限公司)	PRC	Baoding City	2,000.00	Natural gas project investment, development and construction, and sale of gas appliances	-	100	Establishment by investment
Li County CIC Natural Gas Co., Ltd. (盧縣建投天然氣有限公司)	PRC	Li County	1,000.00	Connection and construction of gas pipelines	-	60	Establishment by investment
Shijiazhuang CIC Natural Gas Co., Ltd. (石家莊建投天然氣有限公司)	PRC	Shijiazhuang City	5,710.00	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	100	Establishment by investment
Zhao County Anda Gas Co., Ltd. (趙縣安達燃氣有限公司)	PRC	Zhao County	500.00	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	100	Establishment by investment
Hebei Zhaoou Natural Gas Co., Ltd. (河北趙都天然氣有限公司)	PRC	Handan	2,000.00	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	52.5	Establishment by investment
Handan Langtuo Natural Gas Sale Co., Ltd. (邯鄲市朗拓天然氣銷售有限公司)	PRC	Handan	400.00	Sale of natural gas appliances	-	100	Establishment by investment
Chengde City CIC Natural Gas Co., Ltd. (承德市建投天然氣有限公司)	PRC	Chengde City	21,000.00	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	90	Establishment by investment
Ningjin County CIC Natural Gas Co., Ltd. (寧晉縣建投天然氣有限公司)	PRC	Ningjin County	3,000.00	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	51	Establishment by investment



IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Principal Operating place	Registered place	Registered capital (RMB'0000)	Business nature	Shareholding percentage (%)		Manner
					Direct	Indirect	
Shijiazhuang Huabo Nature Gas Co., Ltd. (石家庄华燃天然气有限公司)	PRC	Shijiazhuang City	4,500.00	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	55	Establishment by investment
Shijiazhuang Jiran Pipeline Engineering Co., Ltd. (石家庄冀燃管道工程有限公司)	PRC	Shijiazhuang City	6,375.00	Connection and construction of natural gas pipelines	-	60	Establishment by investment
Xingtai Jiran Natural Gas Co., Ltd. (邢台冀燃天然气有限公司)	PRC	Xingtai City	2,000.00	Sale of natural gas and gas appliances, connection and construction of natural gas pipelines and natural gas engineering technical consulting service	-	55	Establishment by investment
Suntien Green Energy Lianyungang Co., Ltd. (新天绿色能源连云港有限公司)	PRC	Lianyungang City	19,730.09	Wind power generation	75	25	Establishment by investment
HECIC Offshore Wind Power Sheyang Co., Ltd. (河北建投海上风电射阳有限公司)	PRC	Sheyang County	2,000.00	Wind power generation	-	60	Establishment by investment
Harbin Ruiheng New Energy Co., Ltd. (哈尔滨瑞恒新能源有限公司)	PRC	Shuangcheng City	24,250.00	Wind power generation	-	80	Establishment by investment
Qinghe County CIC Natural Gas Co., Ltd. (清河縣建投天然气有限公司)	PRC	Qinghe County	2,387.25	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	80	Establishment by investment
Julu County CIC Wind Energy Co., Ltd. (巨鹿縣建投風能有限公司)	PRC	Julu County	7,500.00	Wind power generation	-	100	Establishment by investment
Caofeidian Suntien Liquefied Natural Gas Co., Ltd. (曹妃甸新天液化天然气有限公司 (Caofeidian Company))	PRC	Cao Feidian	135,000.00	Construction of LNG receiving station and pipeline supply projects	51	-	Establishment by investment
Hebei Gas Co., Ltd. (河北燃氣有限公司)	PRC	Shijiazhuang City	10,000.00	Sale of natural gas and gas appliances; installation and maintenance of gas appliances; power supply and heat supply; energy-saving technology, new energy technology development, technical consulting, technology promotion services; municipal engineering design, construction; self-operating and proxy import and export of various commodities and technologies	55	-	Establishment by investment
Suntien Green Energy (Shanglin) Co., Ltd. (新天绿色能源上林有限公司)	PRC	Shanglin County	500.00	Investment in wind power, solar energy, natural gas, and new energy projects; the development of new energy projects and related technical consulting, technical services, and technology development	100	-	Establishment by investment



IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Principal Operating place	Registered place	Registered capital (RMB'0000)	Business nature	Shareholding percentage (%)		Manner
					Direct	Indirect	
Tibet Suntien Green Energy Co., Ltd. (西藏新天綠色能源有限公司)	PRC	Gongga County	1,000.00	Development, construction, operation, management of wind, solar, water and geothermal and other renewable energy projects, and sale of electricity produced thereby; new energy and clean energy technology development, technical services, and technical consulting	100	-	Establishment by investment
HECIC New-energy Supply Chain Management Co., Ltd.	PRC	Tangshan City	10,000.00	Supply chain management service and new energy technology promotion service	100	-	Establishment by investment
S&T International Natural Gas Trading Company Limited (新港國際天然氣貿易有限公司)	Hong Kong	Hong Kong Special Administrative Region	HKD10,000.00	LNG trading and related businesses	-	51	Establishment by investment
Suntien Green Energy (Tianjin) Co., Ltd. (新天綠色能源(天津)有限公司)	PRC	Tianjin City	1,000.00	Wind power generation	100	-	Establishment by investment
Cangzhou Suntien Green Energy Co., Ltd. (滄州新天綠色能源有限公司)	PRC	Cangzhou City	5,000.00	Power generation business, power distribution business and power supply (distribution) business	100	-	Establishment by investment
Liquan Jisheng Green Energy Co., Ltd. (禮泉集盛綠色能源有限公司)	PRC	Xianyang City	1,000.00	Wind power generation	100	-	Establishment by investment
Cangzhou Suntien Botou Energy Co., Ltd. (滄州新天渤投能源有限公司)	PRC	Cangzhou City	1,000.00	Power generation business and power distribution business	66	-	Establishment by investment
Huludao Gas	PRC	Huludao City	2,040.82	R&D design and consulting	51	-	Combination involving enterprises not under common control
Huludao Liaohu Gas Transport Co., Ltd. (葫蘆島遼河燃氣運輸有限公司)	PRC	Huludao City	1,000.00	Logistics, loading and unloading, transportation services	-	100	Combination involving enterprises not under common control
Raoyang Natural Gas	PRC	Raoyang County	1,000.00	Sales and natural gas and gas appliances	-	60	Combination involving enterprises not under common control
Linxi Xinmeng	PRC	Linxi County	4,000.00	Pipeline gas (natural gas), gas vehicle refueling station, gas vehicle refueling mother station operation; natural gas project management services, gas stove equipment sales, maintenance and services	-	60	Combination involving enterprises not under common control



IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Principal Operating place	Registered place	Registered capital (RMB'0000)	Business nature	Shareholding percentage (%)		Manner
					Direct	Indirect	
Anguo Huagang	PRC	Anguo City	2,000.00	Sale of natural gas to gas vehicles and appliances	-	51	Combination involving enterprises not under common control
Pingshan Huajtian	PRC	Pingshan County	615.00	Sale of natural gas to gas vehicles	-	100	Combination involving enterprises not under common control
Jinzhou Gas	PRC	Jinzhou City	1,815.99	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	100	Combination involving enterprises not under common control
Xinjiang Yusheng New Energy Development Co., Ltd. (新疆宇晟新能源開發有限公司)	PRC	Urumqi City	3,194.00	Technological development of wind, solar, water, geothermal and renewable energy projects; technological development of solar products	51	-	Combination involving enterprises not under common control
Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd. (石家莊捷誠天然氣貿易有限公司)	PRC	Shijiazhuang City	4,000.00	Sales of pipeline gas (compressed natural gas);	-	80	Combination involving enterprises not under common control
Xiypan Tianhui Dongshan Wind Power Generation Co., Ltd. (庫勒天匯萊山風力發電有限公司)	PRC	Xiypan City, Bayingolin	100.00	Wind power generation	-	100	Combination involving enterprises not under common control
Shenzhen Gas	PRC	Shenzhen City	1,175.81	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	100	Combination involving enterprises not under common control
Xinji Gas	PRC	Xinji City	1,500.00	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	100	Combination involving enterprises not under common control
Hengshui CIC	PRC	Hengshui City	2,000.00	Investment in the construction of urban pipeline natural gas, liquefied natural gas, and compressed natural gas engineering projects; pipeline gas sales	-	51	Combination involving enterprises not under common control
International Wind Farm Development V Limited (國際風電開發五有限公司)	Hong Kong	Hong Kong Special Administrative Region	HKD100,000	Wind farm investment, construction and operation	-	100	Combination involving enterprises not under common control
Tai'an Sangjin Wind Power Generation Co., Ltd. (台安桑林風力發電有限公司)	PRC	Tai'an County	12,644.00	Wind power generation	-	100	Combination involving enterprises not under common control



IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Principal Operating place	Registered place	Registered capital (RMB'0000)	Business nature	Shareholding percentage (%)		Manner
					Direct	Indirect	
Hebei Jiannong Photovoltaic	PRC	Xingtai City	5,000.00	Photovoltaic power generation	90	-	Combination involving enterprises under common control
Tianhongxiang	PRC	Xingtai City	1,000.00	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	-	67	Combination involving enterprises under common control

Explanation of the difference between the proportion of shareholding in subsidiaries and the percentage of voting rights:

Nili

Judgement base of having 50% voting right but controlling the invested unit as well as having more than 50% voting right but not controlling the invested unit:

HECIC New Energy, a subsidiary of the Company, controls Zhangbei Huashi and Longyuan Chongli by entering into a concert party agreement with other shareholders of Zhangbei Huashi and Longyuan Chongli to make decisions on significant operating matters. For details, please refer to Note V. 42.

Basis of controlling significant structuring subject in the combination range:

Nili

Basis of determining whether the Company is a contracting-out party or client:

Nili

Other explanations:

Nili



IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(2). Significant non-wholly-owned subsidiaries

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding ratio of minority shareholders (%)	Profit and loss attributable to minority shareholders in the current period	Dividends declared to be distributed to minority shareholders in the current period	Balance of minority shareholders' equity at the end of the period
Hebei Natural Gas Company Limited	45.00	270,972,344.90	—	1,942,094,524.23
Hebei Construction Investment Offshore Wind Power Co. ("Offshore Wind Power")	48.90	65,075,961.67	80,507,098.38	547,891,155.26
Caofeidian Company	49.00	—	—	723,834,555.29

Explanation that the shareholding ratio of minority shareholders of subsidiaries is different from the voting right ratio:

Applicable Not Applicable

Other explanations:

Applicable Not Applicable



IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(4). Significant restrictions for using the Company's assets and settling the Company's liabilities:

Applicable Not Applicable

(5). Financial support or other support provided to structuring subject in the range of combined financial statements:

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

2. Transactions for which the share of owners' equity in subsidiary changes while control over the subsidiary remaining unchanged

(1). Explanation of change in the share of owners' equity in subsidiary

In October 2021, Suntien Green Energy (Hong Kong) Corporation Limited, a subsidiary of the Company, acquired part of its minority interests in International Wind Farm Development V Limited ("V Limited") (representing 10% of V Limited's shares) without affecting the Group's control over V Limited. The consideration paid for the acquisition of the equity interest was RMB214,649.31. The transaction resulted in a decrease of RMB200,529.07 in minority interests and a decrease of RMB14,120.24 in capital reserves in the consolidated financial statements.

In November 2021, the Company acquired all of its minority interests in Suntien Liquefied Natural Gas Shahe Co., Ltd. ("Suntien Liquefied Natural Gas Shahe") (representing 30% of the shares of Suntien Liquefied Natural Gas Shahe) without affecting its control over Suntien Liquefied Natural Gas Shahe. The consideration paid for the acquisition of the equity interest was RMB0. The transaction resulted in an increase in minority interest of RMB15,962,968.18 and a decrease in capital surplus of RMB15,962,968.18 in the consolidated financial statements.

In 2021, the above total increase in minority interests of RMB15,762,439.11 and decrease in capital reserve of RMB15,977,088.42.

(2). The influence of the transaction on minority equity and owners' equity attributable to the parent company

Applicable Not Applicable

Other explanations:

Applicable Not Applicable



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates

(1). Significant joint ventures or associates

Unit: RMB'0,000 Currency: RMB

Joint ventures or associates	Principal operating place	Registered place	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Accounting method for investment in joint ventures or associates
					Direct	Indirect	
Hebei Suntien Guohua Gas Co., Ltd. (河北新天國化燃氣有限公司)	Handan City	Handan City	Natural gas pipeline construction	12,000.00	50	-	Equity method
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司)	Chengde City	Chengde City	Solar, wind power generation	26,227.50	49	-	Equity method
Chongli CIC Huashi Wind Energy Co., Ltd. (崇禮建投華實風能有限公司)	Chongli County	Chongli County	Construction, own, operate and manage wind farms	17,860.00	51	-	Equity method
Zhangbei CIC Huashi Wind Energy Co., Ltd. (張北建投華實風能有限公司)	Zhangbei County	Zhangbei County	Construction, operation and management of wind farms	90,000.00	51	-	Equity method
Chengde Shuangliu an District CIC LNG Co., Ltd. (承德市雙橋區建設液化天然氣有限公司)	Chengde City	Chengde City	Natural gas pipeline construction	800.00	-	41	Equity method
Jingtang LNG	Tangshan City	Tangshan City	Natural gas storage and production	315,000.00	-	20	Equity method
Hebei Weichang (Note 1)	Chengde City	Chengde City	Wind power	20,930.00	-	50	Equity method
Chengde Wind Power	Chengde City	Chengde City	Wind power	44,617.00	-	45	Equity method
Jinjianjia	Cangzhou City	Cangzhou City	Storage and gasification of clean energy	9,000.00	30	-	Equity method
Fengning Pumped Storage	Chengde City	Chengde City	Pumped storage	320,000.00	20	-	Equity method
Huihai Financial Leasing Co., Ltd. ("Huihai Leasing")	Shenzhen City	Shenzhen City	Lease, purchase, maintenance of leased property	65,000.00	-	30	Equity method
PipeChina Group North China Natural Gas Pipeline Co., Ltd. (國家管網集團北天然氣管運有限公司)	Tianjin City	Tianjin City	Natural gas pipeline construction, operation and transportation	231,721.00	-	34	Equity method
Hengshui Honghua Gas Co., Ltd. (衡水鴻華燃氣有限公司)	Hengshui City	Hengshui City	Investment, construction and development of natural gas pipelines and gas transmission and distribution stations, natural gas operation and transportation	4,000.00	-	30	Equity method

Explanation on the shareholding percentage in joint ventures or associates being different from the voting power percentage therein:

Our subsidiary, CIC New Energy, signed a concerted action agreement with China Longyuan Power Group Corporation Limited (龍源電力集團股份有限公司) (another shareholder of Hebei Weichang, holding 50% shares of Hebei Weichang), under which, China Longyuan Power Group Corporation Limited would decide on important operational affairs of Hebei Weichang, and have control over Hebei Weichang. CIC New Energy appointed 3 directors, which had significant influence on Hebei Weichang.

The basis of holding less than 20% voting powers but with significant influence, or the basis of holding 20% or more voting powers but with insignificant influence:

Nil



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(2). Main financial information of significant joint ventures

Unit: Yuan Currency: RMB

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Hebei Suntien Guohua Gas Co., Ltd.	Chengde Dayuann New Energy Co., Ltd.	Hebei Suntien Guohua Gas Co., Ltd.	Chengde Dayuan New Energy Co., Ltd.
Current assets	36,411,117.77	304,644,058.23	35,805,825.75	150,471,530.64
Including: cash and cash equivalent	12,594,783.72	169,689,493.57	1,402,753.58	1,402,753.58
Non-current assets	409,134,323.09	878,922,442.30	402,602,857.09	812,359,662.42
Total assets	445,545,440.86	1,183,566,500.53	438,408,682.84	962,831,193.06
Current liabilities	86,418,418.00	182,770,728.54	79,254,529.09	72,590,987.04
Non-current liabilities	263,000,000.00	749,822,563.71	273,000,000.00	651,873,175.38
Total liabilities	349,418,418.00	932,593,292.25	352,254,529.09	724,464,162.42
Minority equity	-	-	-	-
Shareholders' equity attributable to the parent company	96,127,022.86	250,973,208.28	86,154,153.75	238,367,030.64
Net asset calculated by proportion of shareholding	50%	49%	50%	49%
Adjusting items				
- Goodwill				
- Unrealised profit of internal transaction				
- Others				
Book value of equity investment in joint ventures	48,063,511.43	122,976,872.06	43,077,076.88	116,799,845.01
Fair value of equity investments in joint ventures with public offer				
Operating revenues	231,669,531.60	34,687,773.70	299,737,521.27	71,138,840.33
Financial cost	6,885,305.01	6,393,964.36	14,814,944.63	13,396,779.81
Income tax expense	-	-	-	-
Net profit	7,862,073.17	21,030,252.90	4,522,177.18	43,162,348.86
Net profit of discontinuing operations				
Other comprehensive income	-	-	-	-
Total comprehensive income	7,862,073.17	21,030,252.90	4,522,177.18	43,162,348.86
Dividends received from joint ventures in the current year		18,827,796.87		12,902,451.51



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(2). Main financial information of significant joint ventures (continued)

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Chongli CIC Huashi Wind Energy Co., Ltd.	Zhangbei CIC Huashi Wind Energy Co., Ltd.	Chongli CIC Huashi Wind Energy Co., Ltd.	Zhangbei CIC Huashi Wind Energy Co., Ltd.
Current assets	107,689,098.45	78,098,183.74	103,615,532.92	81,458,181.31
Including: cash and cash equivalent	6,241,501.87	7,797,902.53	11,499,908.62	13,203,755.24
Non-current assets	385,786,056.58	226,347,307.58	405,892,205.73	236,371,285.97
Total assets	493,475,155.03	304,445,491.32	509,507,738.65	317,829,467.28
Current liabilities	90,719,208.37	71,276,682.73	84,554,795.38	83,265,943.05
Non-current liabilities	189,000,000.00	82,130,000.00	215,000,000.00	91,590,000.00
Total liabilities	279,719,208.37	153,406,682.73	299,554,795.38	174,855,943.05
Minority equity	-	-	-	-
Shareholders' equity attributable to the parent company	213,755,946.66	151,038,808.59	209,952,943.27	142,973,524.23
Net assets calculated by proportion of shareholding	51%	51%	51%	51%
Adjusting items	-	-	-	-
- Goodwill				
- Unrealised profit of internal transaction				
- Others				
Book value of equity investment in joint ventures	109,015,532.80	77,029,792.38	107,076,001.07	72,916,497.36
Fair value of equity investments in joint ventures with public offer				
Operating revenues	36,426,685.47	24,775,896.34	83,645,410.23	61,610,396.00
Financial cost	5,223,110.86	2,180,081.07	11,540,564.78	4,977,601.48
Income tax expense	1,292,205.05	2,737,033.07	4,032,161.06	7,146,297.03
Net profit	3,803,003.37	8,065,284.35	863,312.47	6,779,694.98
Net profit of discontinuing operations				
Other comprehensive income	-	-	-	-
Total comprehensive income	3,803,003.37	8,065,284.35	863,312.47	6,779,694.98
Dividends received from joint ventures in the current year				



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(2). Main financial information of significant joint ventures (continued)

Other explanations

Hebei Suntien Guohua Gas Co., Ltd., an important joint venture of the Group, acts as the Group's natural gas distributor and is accounted for using the equity method. Such investment is strategic to the Group's business activities.

Chengde Dayuan Energy Co., Ltd., an important joint venture of the Group engaged in the solar and wind power business as a strategic partner of the Group, is accounted for using the equity method. Such investment is strategic to the Group's business activities.

Chongli CIC, an important joint venture of the Group engaged in the construction, owning, operating and running wind farms as a strategic partner of the Group, is accounted for using the equity method. Such investment is strategic to the Group's business activities.

Zhangbei CIC, an important joint venture of the Group engaged in the construction, owning, operating and running wind farms as a strategic partner of the Group, is accounted for using the equity method. Such investment is strategic to the Group's business activities.



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(3). Main financial information for significant associates

Unit: Yuan Currency: RMB

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	PetroChina Jintang LNG Co., Ltd.	Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd.	PetroChina Jintang LNG Co., Ltd.	Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd.
Current assets	30,282,158.09	176,033,204.35	71,550,784.17	157,992,375.81
Non-current assets	5,603,944,044.27	426,111,482.95	6,096,960,719.24	448,556,688.99
Total assets	5,634,226,202.36	602,144,687.30	6,168,511,503.41	606,549,064.80
Current liabilities	215,013,402.35	277,493,085.65	343,452,734.08	294,293,733.10
Non-current liabilities	-	50,000,000.00	-	50,000,000.00
Total liabilities	215,013,402.35	327,493,085.65	343,452,734.08	344,293,733.10
Minority equity				
Shareholders' equity attributable to the parent company	5,419,212,800.01	274,651,601.65	5,825,058,769.33	262,255,331.70
Net assets calculated by proportion of shareholding	20%	50%	20%	50%
Adjusting items				
- Goodwill				
- Unrealised profit of internal transaction				
- Others				
Book value of equity investment in associates	1,083,842,560.00	137,325,800.83	1,165,011,753.87	131,127,665.85
Fair value of equity investments in associates with public offer				
Operating revenues	906,990,366.99	53,135,557.61	2,077,524,482.42	113,042,869.41
Net profit	390,437,298.60	12,396,269.95	1,090,469,646.95	7,453,973.14
Net profits of discontinuing operation				
Other comprehensive income				
Total comprehensive income	390,437,298.60	12,396,269.95	1,090,469,646.95	7,453,973.14
Dividends received from associates in the current year	160,000,000.00	-	120,000,000.00	18,222,029.26



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(3). Main financial information for significant associates (continued)

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.	Hebei Fengning Pumped Storage Co., Ltd.	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.	Hebei Fengning Pumped Storage Co., Ltd.
Current assets	167,829,628.36	343,118,871.91	171,029,439.30	204,002,523.39
Non-current assets	509,741,506.40	13,209,712,616.21	535,991,222.18	12,946,583,905.95
Total assets	677,571,134.76	13,552,831,488.12	707,020,661.48	13,150,586,429.34
Current liabilities	22,632,575.59	420,951,973.96	134,983,904.90	672,268,669.69
Non-current liabilities	50,000,000.00	10,575,000,000.00	–	9,915,000,000.00
Total liabilities	72,632,575.59	10,995,951,973.96	134,983,904.90	10,587,268,669.69
Minority interests				
Equity attributable to shareholders of the parent company	604,938,559.17	2,556,879,514.16	572,036,756.58	2,563,317,759.65
Net assets calculated by proportion of shareholding	45%	20%	45%	20%
Adjusting items				
– Goodwill				
– Internal transaction unrealised profit				
– Others				
Book value of equity investment in associates	272,222,351.63	511,375,902.83	257,416,540.46	512,663,551.93
Fair value of equity investments in associates with public offer				
Operating revenue	77,959,922.11	53,362,843.54	157,447,376.71	–
Net profit	32,901,802.57	-6,438,245.49	57,214,707.58	–
Net profit of discontinuing operation				
Other comprehensive income				
Total comprehensive income	32,901,802.57	-6,438,245.49	57,214,707.58	–
Dividends received from associates in the current year			24,960,437.72	



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(3). Main financial information for significant associates (continued)

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Huihai Financial Leasing Co., Ltd.	PipeChina Group North China Natural Gas Pipeline Co., Ltd.	Huihai Financial Leasing Co., Ltd.	PipeChina Group North China Natural Gas Pipeline Co., Ltd.
Current assets	822,310,080.12	89,514,155.05	788,155,602.95	404,871,226.35
Non-current assets	793,862,986.06	5,543,620,485.41	894,062,484.64	4,557,795,584.82
Total assets	1,616,173,066.18	5,633,134,640.46	1,682,218,087.59	4,962,666,811.17
Current liabilities	707,936,132.55	1,020,612,968.47	643,108,398.86	677,716,223.36
Non-current liabilities	201,816,983.43	3,350,801,228.75	354,573,753.66	3,097,077,874.19
Total liabilities	909,753,115.98	4,371,414,197.22	997,682,152.52	3,774,794,097.55
Minority interests				
Equity attributable to shareholders of the parent company	706,419,950.20	1,261,720,443.24	684,535,935.07	1,187,872,713.62
Net assets calculated by proportion of shareholding	30%	34%	30%	34%
Adjusting items	-	-	-	18,131,078.00
- Goodwill				
- Internal transaction unrealised profit				
- Others				
Book value of equity investment in associates	211,925,985.06	428,984,950.70	205,360,780.52	422,007,800.63
Fair value of equity investments in associates with public offer				
Operating revenue	40,808,581.33	22,470,270.34	89,434,014.84	63,423,157.87
Net profit	21,884,015.07	20,288,862.94	31,906,253.90	-7,645,728.71
Net profit of discontinuing operation				
Other comprehensive income				
Total comprehensive income	21,884,015.07	20,288,862.94	31,906,253.90	-7,645,728.71
Dividends received from associates in the current year			7,809,875.57	



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(3). Main financial information for significant associates (continued)

Other explanations

The Group's significant associate PetroChina Jingtang LNG Co., Ltd., a strategic partner of the Group which engages in natural gas storage and production business, is accounted for using the equity method. Such investment is strategic to the Group's business activities.

The Group's significant associate Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd., a strategic partner of the Group which engages in wind power generation business, is accounted for using the equity method. Such investment is strategic to the Group's business activities.

The Group's significant associate Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd., a strategic partner of the Group which engages in wind power generation business, is accounted for using the equity method. Such investment is strategic to the Group's business activities.

The Group's significant associate Hebei Fengning Pumped Storage Co., Ltd., a strategic partner of the Group which engages in pumped storage business, is accounted for using the equity method. Such investment is strategic to the Group's business activities.

The Group's significant associate Huihai Financial Leasing Co., Ltd., a strategic partner of the Group which engages in business such as leasing, purchasing and maintaining lease assets, is accounted for using the equity method. Such investment is strategic to the Group's business activities.

The Group's significant associate PipeChina Group North China Natural Gas Pipeline Co., Ltd., a strategic partner of the Group which engages in business such as natural gas pipelines construction, operation and transportation, is accounted for using the equity method. Such investment is strategic to the Group's business activities.



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(4). Summary on financial information for insignificant joint ventures and associates

Unit: Yuan Currency: RMB

	Balance at the end of the period/ Amount for the current period	Balance at the beginning of the period/Amount for the previous period
Joint ventures:		
Total of investment book value		
Total amount calculated by the following proportion of shareholding		
– Net profit		
– Other comprehensive income		
– Total comprehensive income		
Associates:		
Total of investment book value	24,292,147.25	24,630,630.65
Total amount calculated by the following proportion of shareholding		
– Net profit	-338,483.40	-62,772.24
– Other comprehensive income		
– Total comprehensive income	-338,483.40	-62,772.24

Other explanations

Nil

(5). Explanation on the significant restrictions for joint ventures or associates to transfer funds to the Company

Applicable Not Applicable



IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(6). Excess loss generated in joint ventures or associates

Applicable Not Applicable

(7). Unrecognized commitments related to investment in joint ventures

Applicable Not Applicable

(8). Contingent liabilities related to investment in joint ventures or associates

Applicable Not Applicable

4. Significant joint operation

Applicable Not Applicable

5. Equity of structuring subject out of the range of the combined financial statements

Information for structuring subject out of the range of the combined financial statements:

Applicable Not Applicable

6. Others

Applicable Not Applicable



X. RISKS RELATED TO FINANCIAL INSTRUMENTS

1. Classification of financial instruments

The carrying amount of each class of financial instruments at the balance sheet date are as follows:

For the six months ended 30 June 2022

Financial Assets	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through other comprehensive income	Total
Cash	-	4,658,724,748.78	-	4,658,724,748.78
Financial assets held for trading	1,349,000,000.00	-	-	1,349,000,000.00
Receivable financing	-	-	654,608,841.55	654,608,841.55
Accounts receivable	-	7,783,019,125.72	-	7,783,019,125.72
Other receivables	-	142,541,434.83	-	142,541,434.83
Long-term receivables	-	1,163,662.27	-	1,163,662.27
Investment in other equity instruments	-	-	218,605,700.00	218,605,700.00
				Financial liabilities measured at amortised cost
Financial Liabilities				
Short-term borrowings				1,277,590,696.24
Accounts payable				396,204,405.80
Bills payable				42,464,844.58
Other payables				7,074,259,203.59
Other current liabilities				1,219,086,621.02
Non-current liabilities due within one year				5,471,646,319.67
Long-term payables				28,208,171,744.09
Debentures payable				1,000,000,000.00
Long-term payables				206,126,428.37
Accrued liabilities				77,531,149.68
Lease liabilities				688,415,703.98
Total				45,661,497,117.02



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)
1. Classification of financial instruments (continued)

31 December 2021

Financial Assets	Measured at amortised cost	Measured at fair value through other comprehensive income	Total
Cash	7,648,396,983.55	–	7,648,396,983.55
Receivable financing	–	494,976,373.69	494,976,373.69
Accounts receivable	6,657,415,202.23	–	6,657,415,202.23
Other receivables	135,599,831.17	–	135,599,831.17
Long-term receivables	41,133,817.83	–	41,133,817.83
Investment in other equity instruments	–	218,605,700.00	218,605,700.00

Financial Liabilities	Financial liabilities measured at amortised cost
Short-term borrowings	1,978,114,966.89
Accounts payable	458,031,776.88
Bills payable	14,738,449.62
Other payables	7,016,558,174.65
Other current liabilities	704,107,945.21
Non-current liabilities due within one year	4,211,344,922.30
Long-term payables	28,705,566,379.15
Debentures payable	1,000,000,000.00
Long-term payables	361,236,137.17
Accrued liabilities	77,531,149.68
Lease liabilities	784,769,810.01
Total	45,311,999,711.56



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 30 June 2022, the carrying amount of bank acceptance bills that the Group has endorsed or discounted to suppliers for settlement of accounts payable was RMB51,316,000.00 (31 December 2021: RMB66,595,054.65). The Group considered that substantially all of the risks and rewards, including related default risks, have been retained by the Group. Therefore, it continued to recognise the bills and the associated settled accounts payable in full. Subsequent to the endorsement, the Group no longer retains the right of use, including the right to sell, transfer or pledge to other third parties. As at 30 June 2022, the aggregate carrying amount of the accounts payable settled by the Group was RMB51,316,000.00 (31 December 2021: RMB66,595,054.65).

3. Financial instrument risks

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (including exchange rate risk and interest rate risk). The Group's principal financial instruments comprise monetary funds, financial assets held for trading, equity instrument investments, loans, notes receivable, accounts receivable, accounts receivable financing, other accounts receivable, notes payable, accounts payable, bonds payable, other payables, long-term payables, lease liabilities, etc. In this regard, risks arising from financial instruments and the Group's risk management policies which aim at mitigating these risks are outlined below.

The board of directors is responsible for planning and establishing the Group's risk management framework, developing the Group's risk management policies and related guidelines and overseeing the implementation of risk management measures. The Group has developed risk management policies to identify and analyse the risks faced by the Group. These risk management policies define specific risks which cover many aspects such as market risk, credit risk and liquidity risk management. The Group evaluates the market environment and changes in the Group's operations to determine whether or not to update the risk management policies and systems on a regular basis. The risk management of the Group is carried out by the Audit Committee in accordance with the policy approved by the Board. The Audit Committee adopted the Work closely with other business units to identify, evaluate and evade risks. The Group's internal audit department controls the risk management system and procedures for periodic review, and the audit results are reported to the group's audit committee.

The Group uses appropriate diversification and portfolio to diversify the risk of financial instruments and reduce the risk of focusing on any single industry, specific region or specific counterparty by developing appropriate risk management policies.



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, balances of trade receivables are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not settled in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group.

Since the Group trades with creditworthy and high credit rating banks, the related credit risk of monetary funds and bank acceptance notes receivable is rather low.

The credit risk of other financial assets, which comprise accounts receivable, other receivables, long-term receivables and other equity instrument investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The Group is also exposed to credit risk as a result of the provision of financial guarantees, as disclosed in Note XIV. 2.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed according to customers, geographic areas and industries. The major customers of the Group are companies with reliable and good reputation; therefore, the Group believes that these customers do not have significant credit risks. As at 30 June 2022 and 31 December 2021, the Group had certain concentrations of credit risk as 52.61% and 55.84%, 80.27% and 83.80% of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. The Group is committed to expanding its customer base by continuously expanding its business network in other cities in China, attracting new customers, and diversifying the customer base, and it is expected to reduce its dependence on existing customers in the future.

Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group, and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Criteria for judging significant increases in credit risk (continued)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative and qualitative criteria have been met;

- (1) Quantitative criteria are mainly the situation that the increase in probability of default for remaining lifetime at the reporting date is considered to be significant comparing with the one at initial recognition;
- (2) Qualitative criteria are the significant adverse change in the debtor's operation or financial status, the watch-list, etc.

Definition of credit-impaired financial assets

The standard adopted by the Group to determine whether a credit impairment occurs is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Group assesses whether the credit impairment of a debtor occurred, the following factors are mainly considered:

- (1) Significant financial difficulty of the issuer or debtor;
- (2) Debtors are in breach of contract, such as defaulting on interest or becoming overdue on interest or principal payments are overdue;
- (3) The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- (4) It is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;
- (6) The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Credit impairment of financial assets may be a combination effect of various events and may not necessarily be the result of a single identifiable event.



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)
Credit risk (continued)
Credit risk exposure

As at 30 June 2022 and 31 December 2021, the credit risk exposure of accounts receivable, receivables financing, other receivables and long-term receivables based on the internal credit risk assessment is as follows:

For the six months ended 30 June 2022

	Book balance (unsecured)	
	Expected credit losses over the next 12 months	Expected credit losses over the next 12 months
Accounts receivable	–	7,783,019,125.72
Financial assets held for trading	1,349,000,000.00	–
Receivable financing	–	654,608,841.55
Other receivables	142,541,434.83	–
Long-term receivables	–	1,163,662.27
	1,491,541,434.83	8,438,791,629.54

2021

	Book balance (unsecured)	
	Expected credit losses over the next 12 months	Lifetime expected credit losses
Accounts receivable	–	6,657,415,202.23
Receivable financing	–	494,976,373.69
Other receivables	135,599,831.17	–
Long-term receivables	–	41,133,817.83
	135,599,831.17	7,193,525,393.75



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

Liquidity risk

The Group's net current liabilities amounted to approximately RMB2,184,933,896.82 as at 30 June 2022, and its net cash inflows from operating activities amounted to approximately RMB2,089,768,200.22. Its net cash outflows used in financing activities and investing activities were approximately RMB1,379,191,625.25 and RMB3,716,766,991.84, respectively, and its net cash inflow caused by exchange rate changes amounted to RMB328,126.24 for the year then ended. The Group recorded an increase in cash and cash equivalents of approximately RMB3,005,862,290.63 as of 30 June 2022.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due. With regard to its future capital commitments and other financing requirements, the Group had already obtained banking facilities from several PRC banks of the amount up to RMB101,592,330,659.57 and RMB73,497,009,329.82, respectively, as at 30 June 2022 and 31 December 2021, of which approximately RMB31,510,830,678.82 and RMB27,155,024,951.92 has been utilised respectively as at 30 June 2022 and 31 December 2021.

In addition, the Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligations are not exposed to excessive repayment risk in any one year.

After taking into account the above, the Directors are of the opinion that the Group is able to meet its debt obligations as they fall due in the normal course of business and to continue as a going concern.



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The following table summarises the maturity analysis of financial liabilities based on undiscounted contractual cash flows:

For the six months ended	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
30 June 2022					
Short-term borrowings	1,293,281,557.63	-	-	-	1,293,281,557.63
Bills payable	42,464,844.58	-	-	-	42,464,844.58
Accounts payable	396,204,405.80	-	-	-	396,204,405.80
Other payables	7,074,259,203.59	-	-	-	7,074,259,203.59
Other current liabilities	1,219,086,621.02	-	-	-	1,219,086,621.02
Non-current liabilities due within one year	5,526,637,750.12	-	-	-	5,526,637,750.12
Long-term borrowings	-	2,831,962,082.98	7,243,911,972.93	31,924,453,219.66	42,000,327,275.57
Debentures payable	-	38,600,000.00	1,033,775,000.00	-	1,072,375,000.00
Lease liabilities	-	144,749,003.00	289,052,945.00	410,463,115.00	844,265,063.00
Long-term payables	-	58,849,594.47	147,722,905.92	8,822,071.78	215,394,572.17
Total:	15,551,934,382.74	3,074,160,680.45	8,714,462,823.85	32,343,738,406.44	59,684,296,293.48
2021					
Short-term borrowings	1,996,776,657.90	-	-	-	1,996,776,657.90
Bills payable	14,738,449.62	-	-	-	14,738,449.62
Accounts payable	458,031,776.88	-	-	-	458,031,776.88
Other payables	7,016,558,174.65	-	-	-	7,016,558,174.65
Other current liabilities	704,107,945.21	-	-	-	704,107,945.21
Non-current liabilities due within one year	4,260,090,006.13	-	-	-	4,260,090,006.13
Long-term borrowings	-	3,590,271,903.90	6,382,904,168.77	33,236,051,007.07	43,209,227,079.74
Debentures payable	-	38,600,000.00	1,053,075,000.00	-	1,091,675,000.00
Lease liabilities	-	166,107,115.45	352,013,648.49	501,150,098.13	1,019,270,862.07
Long-term payables	-	172,261,750.89	195,858,296.14	12,017,347.20	380,137,394.23
	14,450,303,010.39	3,967,240,770.24	7,983,851,113.40	33,749,218,452.40	60,150,613,346.43



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

Market risk

Interest rate risk

The risk of changes in market interest rates faced by the Group is mainly related to the Group's long-term loans with floating interest rates.

The Group manages interest rate risk primarily through regular review and supervision and maintenance of an appropriate fixed and floating interest rate portfolio. Loans and monetary funds are measured at amortized cost, but not at regular revaluation. The interest income and expenditure of floating interest rate are included in the current profit or loss when incurred.

As at 30 June 2022 and 31 December 2021, the loans of RMB31,655,569,423.54 and RMB31,213,605,352.86 of the Group were floating interest rate loans.

The table below is a sensitivity analysis of interest rate risk, which reflects the impact on net profit or loss (through the impact on floating-rate borrowings) and other comprehensive income after tax, when there are reasonable and potential changes in interest rates, under the presumption that all other variables remain unchanged.

For the six months ended 30 June 2022

	Increase/ (decrease) in basis point	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
Renminbi	100	316,555,694.24	316,555,694.24

2021

	Increase/(decrease) in basis point	Increase/(decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
Renminbi	100	312,136,053.53	312,136,053.53

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on Imports of Liquefied Natural Gas (LNG) to overseas suppliers, loans to banks and certain expenses settled in foreign currencies. The Directors do not anticipate any significant impact resulting from the changes in foreign exchange rates because the majority of the Group's business is transacted in RMB, which is the Group's functional currency. RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Foreign currency risk (continued)

The following table indicates the appropriate change in the Group's profit before tax in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure.

For the six months ended 30 June 2022

	Increase/ (decrease) in exchange rates (%)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
Depreciation of RMB against HKD	5	1,181,684.24	1,181,684.24
Appreciation of RMB against HKD	-5	-1,181,684.24	-1,181,684.24

2021

	Increase/(decrease) in exchange rates (%)	Increase/(decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
Depreciation of RMB against USD	5	15,977,441.95	15,977,441.95
Appreciation of RMB against USD	-5	-15,977,441.95	-15,977,441.95

	Increase/(decrease) in exchange rates (%)	Increase/(decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
Depreciation of RMB against HKD	5	1,104,496.66	1,104,496.66
Appreciation of RMB against HKD	-5	-1,104,496.66	-1,104,496.66



X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

4. Capital management

The primary objective of the Group's capital management is to ensure the group's ability to continue operations and to maintain healthy capital ratios to support business development and maximize shareholder value.

The Group manages and adjusts its capital structure in accordance with changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, or issue new shares. During the six months ended 30 June 2022 and in 2021, there was no change in capital management objectives, policies or procedures.

The Group manages its capital with the gearing ratio, which refers to net liabilities divided by the sum of capital and net liabilities. Net liabilities include all borrowings, accounts payable and other payables (net of cash), and capital is the equity attributable to shareholders. The gearing ratio of the Group as at the balance sheet date is as follows:

	30 June 2022	31 December 2021
Short-term borrowings	1,277,590,696.24	1,978,114,966.89
Bills payable	42,464,844.58	14,738,449.62
Accounts payable	396,204,405.80	458,031,776.88
Contract liabilities	1,221,221,219.06	1,654,191,386.15
Advances from customers	778,761,061.94	778,761,061.94
Employee benefits payable	62,439,468.04	79,033,920.95
Taxes payable	159,108,643.31	159,169,763.37
Other payables	7,093,405,675.81	7,016,558,174.65
Non-current liabilities due within one year	5,471,646,319.67	4,211,344,922.30
Other current liabilities	1,219,086,621.02	704,107,945.21
Long-term borrowings	28,208,171,744.09	28,705,566,379.15
Lease liabilities	688,415,703.98	784,769,810.01
Debentures payable	1,000,000,000.00	1,000,000,000.00
Less: Cash	4,658,724,748.78	7,648,396,983.55
Net liabilities	42,959,791,654.76	39,895,991,573.57
Shareholders' equity	24,181,995,479.10	23,923,560,526.47
Capital and net liabilities	67,141,787,133.86	63,819,552,100.04
Leverage ratio	63.98%	62.51%



XI. DISCLOSURE OF FAIR VALUE

1. Ending fair value of assets and liabilities measured at fair value

Unit: Yuan Currency: RMB

Items	Fair value at the end of the period			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Recurring fair value measurement				
(I) Trading financial assets	1,349,000,000.00			1,349,000,000.00
1. Financial assets at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(3) Derivative financial assets	1,349,000,000.00			1,349,000,000.00
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(II) Other debt investments				
(III) Investment in other equity instruments				
(IV) Investment property				
1. Leased land use rights				
2. Leased buildings				
3. Land use rights held for transfer after appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Bearer biological assets				
(VI) Receivables financing			654,608,841.55	654,608,841.55
(VII) Other investments in equity instruments		218,605,700.00		218,605,700.00
Total assets measured at fair value on a recurring basis		1,567,605,700.00	654,608,841.55	2,222,214,541.55



XI. DISCLOSURE OF FAIR VALUE (continued)

1. Ending fair value of assets and liabilities measured at fair value (continued)

Items	Fair value at the end of the period			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
(VIII) Trading financial liabilities				
1. Financial liabilities at fair value through profit or loss				
Including: Issued trading bonds				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value through profit or loss				
(IX) Long-term loans		28,215,761,348.18		28,215,761,348.18
(X) Debentures payable		979,429,439.49		979,429,439.49
(XI) Long-term payable		206,126,428.37		206,126,428.37
(XII) Lease liabilities		688,415,703.98		688,415,703.98
Total liabilities measured at fair value on a recurring basis		30,089,732,920.02		30,089,732,920.02
II. Non-recurring fair value measurement				
(I) Assets held for sale				
Total assets measured at fair value on a non-recurring basis				
Total liabilities measured at fair value on a non-recurring basis				



XI. DISCLOSURE OF FAIR VALUE (continued)

2. Basis for determination of the market value of level 1 fair value measuring items measured on recurring and non-recurring basis

Applicable Not Applicable

3. Qualitative and quantitative information of valuation techniques and important parameters used in level 2 fair value measuring items measured on recurring and non-recurring basis

Applicable Not Applicable

4. Qualitative and quantitative information of valuation techniques and important parameters used in sustained and non-sustained level 3 fair value measuring items

Applicable Not Applicable

5. Adjustment information and unobservable parameter sensitivity analysis of the book value at the beginning and the end of the period for sustained level 3 fair value measuring items

Applicable Not Applicable

6. Conversion reasons and policies to determine the conversion time for the sustained fair value measuring items to which a conversion between hierarchies occurs in the period

Applicable Not Applicable

7. Changes in valuation techniques in the period and reasons therefor

Applicable Not Applicable

8. Fair value of the financial assets and financial liabilities not measured at fair value

Applicable Not Applicable



XI. DISCLOSURE OF FAIR VALUE (continued)

9. Others

Fair value of financial instruments

The following is the comparison on the book value and fair value of various types of financial instruments other than financial instruments with small differences between book value and fair value:

	Book value		Fair value	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Long-term borrowings	28,208,171,744.09	28,705,566,379.15	28,215,761,348.18	28,567,941,866.77
Debentures payable	1,000,000,000.00	1,000,000,000.00	979,429,439.49	987,575,344.68
	29,208,171,744.09	29,705,566,379.15	29,195,190,787.67	29,555,517,211.45

Management has assessed cash, accounts receivable, accounts receivable financing, other accounts receivable, short-term borrowings, bills payable, accounts payable, other payables, non-current liabilities due within one year, etc., and considers that their fair values approximate to their carrying amounts due to the short-term maturities of these instruments.

The Group's finance team is led by the finance manager, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The financial manager reports directly to the Chief Accountant. On each balance sheet date, the finance team analyses movements in the fair value of financial instruments and determines the major inputs applicable to the valuation. The valuation must be reviewed and approved by the December Chief Accountant.

The fair value of financial assets and financial liabilities is determined based on the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value.

For the fair value of investment in unlisted equity instruments, the Group uses a discounted valuation model to estimate the fair value, using assumptions that are not directly supported by observable market prices or interest rates. The Group believes that the fair value and its changes estimated by assessment techniques are reasonable and are also the most appropriate value on the balance sheet date. The difference between the fair value and the book value after assessment is not significant.

The fair value of long-term borrowings and debentures payable is determined by the discounted future cash flow method, and the market rate of return of other financial instruments with similar contractual terms, credit risks and remaining maturities is used as the discount rate. As at 30 June 2022 and 31 December 2021, the risk of own non-performance against short and long-term borrowings etc. is assessed as insignificant.



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the Company's parent company

Unit: RMB'0,000 Currency: RMB

Parent	Registered place	Business nature	Registered capital	Parent's shareholding percentage in this entity (%)	Parent's voting power percentage in this entity (%)
Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司)	Hebei Province	Investment and construction of basic industries, infrastructure and provincial pillar industries such as energy, transportation, water affairs, tourism and commercial properties	1,500,000.00	49.17	49.17

Parent introduction

The parent and ultimate parent of the Company is a Chinese state-owned enterprise – Hebei Construction & Investment Group Co., Ltd..

The ultimate controlling party of the Company is Hebei Construction & Investment Group Co., Ltd..

Other explanations:

Nil

2. Information on the Company's subsidiaries

The Company's subsidiaries are detailed in the notes.

For details of subsidiaries of the Company, please refer to note IX 1.

3. Information on the Company's joint ventures and associated enterprises

The Company's major joint ventures or associated enterprises are detailed in the notes.

For details of joint ventures and associates, please refer to Note IX.3.

Information on other joint ventures or associated enterprises, which have made a related party transaction with the Company in the period, or previously with balances being formed, are as follows

Applicable Not Applicable



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on other related parties

Name of other related party	Relationship between the other related party with the Company
HECIC Group Finance Company Limited	Company controlled by the parent company
HCIG Guo Rong Energy Service Co., Ltd.	Company controlled by the parent company
Hebei Construction & Investment Rongtan Asset Management Co., Ltd.	Company controlled by the parent company
Hong Kong & China Gas (Hebei) Limited	Investors who exercise significant influence over subsidiaries
HECIC Mingjia Property Management Service Co., Ltd.	Company controlled by the parent company
Hebei Construction & Investment Smart Financial Services Co., Ltd.	Company controlled by the parent company
Yan Zhao Property Insurance Co., Ltd.	Companies in which the Company's non-executive directors serve as directors
Tangshan Haohua Trading Co., Ltd. [#] ("Tongshan Haohua")	Wholly-owned subsidiary of a minority shareholder of a significant subsidiary of the Group

Other explanations:

[#] Recognised as a connected person under Chapter 14A of the Hong Kong Listing Rules

5. Information on related party transactions

(1). Related party transactions on purchase or sale of goods and provision or acceptance of services

Table on purchase of goods/acceptance of services

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the period	Amount for last period
Hebei Suntien Guohua Gas Co., Ltd.	Receipt of labour/services	–	9,735,512.72
Yan Zhao Property Insurance Co., Ltd.	Receipt of labour/services	9,430,852.03	3,590,059.08
HECIC Mingjia Property Management Service Co., Ltd.	Receipt of labour/services	840,691.53	864,714.83
Hebei Construction & Investment Smart Financial Services Co., Ltd.	Receipt of labour/services	4,770,052.97	–



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(1). Related party transactions on purchase or sale of goods and provision or acceptance of services (continued)

Table on sale of goods/provision of services

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the period	Amount for last period
Hebei Suntien Guohua Gas Co., Ltd.	Provision of labour/ services	687,015.35	144,970.00

Explanations on related party transactions on purchase or sale of goods and provision or acceptance of services

The prices of selling products to related parties, providing services to related parties, purchasing raw materials from related parties and receiving services from related parties by the Group are determined based on ordinary commercial terms. Considerations for leases and asset transfer with related parties are determined based on the fair value of assets. Interest rates of accepting deposits and providing loans are determined by both parties through negotiation with reference to the bank deposit and loan interest rates for the same period.

(2). Related entrusted management/contracting and entrusting management/outsourcing business

Table on the entrusted management/contracting business of the Company:

Applicable Not Applicable

Explanations on related entrusting/contracting business

Applicable Not Applicable

Table on the entrusting management/outsourcing business of the Company:

Applicable Not Applicable

Explanations on related management/outsourcing business

Applicable Not Applicable



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(3). Leases with related parties

The Company acts as a lessor:

Unit: Yuan Currency: RMB

Name of lessee	Type of leased assets	Rental income recognised in the period	Rental income recognised in last period
Hebei Construction & Investment Rongtan Asset Management Co., Ltd	Houses	10,491.42	10,491.42

The Company acts as a lessee:

Unit: Yuan Currency: RMB

Name of lessor	Type of leased assets	Rental expense for short-term leases and leases of low-value assets under the simplified approach (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expenses on lease liabilities assumed		Increase in right-of-use assets	
		Amount for the period	Amount for last period	Amount for the period	Amount for last period	Amount for the period	Amount for last period	Amount for the period	Amount for last period	Amount for the period	Amount for last period
Hebei Construction & Investment Group Co., Ltd.	Housing Lease					3,464,711.40	4,991,031.35	124,888.53	189,404.06	9,500,210.01	
Huihai Financial Leasing Co., Ltd.	Finance lease					225,326,840.74	414,977,670.64	16,585,713.81	53,863,925.97		

Explanations on leases with related parties



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(3). Leases with related parties (continued)

The Company acts as a lessee: (continued)

a Operating leases

For the six months ended 30 June 2022 and the six months ended 30 June 2021, the Group entered into property tenancy contracts with HECIC for office use. The monthly rent was RMB577,451.90 and RMB454,533.78 respectively for a term from 1 – 3 years. For the six months ended 30 June 2022 and the six months ended 30 June 2021, the Group paid aggregate rents of RMB3,464,711.40 and RMB4,991,031.35 respectively.

The price at which the Group rented property from the related party was determined by the parties through negotiation with reference to the market rate.

b Finance leases

Sale-leaseback transactions:

For the six months ended 30 June 2022, the Group repaid a principal amount of RMB144,200,000.00 and paid interest expenses of RMB2,950,880.66. For the six months ended 30 June 2021, the Group repaid a principal amount of RMB81,774,144.00 and paid interest expenses of RMB835,633.33. Huihai Leasing lent a principal of RMB23,000,000.00 to the Group.

Direct leasing transactions:

For the six months ended 30 June 2022, the Group repaid a principal amount of RMB81,126,840.74 and paid interest expenses of RMB13,634,833.15. For the six months ended 30 June 2021, the Group repaid a principal amount of RMB29,891,811.67 and paid interest expenses of RMB15,587,831.59.

(4). Related party guarantees

The Company acts as a guarantor

Unit: Yuan Currency: RMB

Name of guaranteed party	Guaranteed amount	Start date	Due date	Whether the guarantee has been fulfilled
Hebei Suntien Guohua Gas Co., Ltd. (Note 1)	140,000,000.00	27 September 2021	27 June 2030	No



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(4). Related party guarantees (continued)

The Company acts as the guaranteed party

Unit: Yuan Currency: RMB

Name of guarantor	Guaranteed amount	Start date	Due date	Whether the guarantee has been fulfilled
Hebei Construction & Investment Group Co., Ltd. (Note 2)	910,000,000.00	5 March 2019	Two years after the bond maturity date	No
Hebei Construction & Investment Group Co., Ltd. (Note 3)	590,000,000.00	13 March 2018	Two years after the bond maturity date	No
Hebei Construction & Investment Group Co., Ltd. (Note 4)	300,000,000.00	26 December 2019	26 June 2023	No
HECIC Group Finance Company Limited (Note 5)	30,000,000.00	8 March 2019	7 March 2025	No
HECIC Group Finance Company Limited (Note 6)	20,000,000.00	1 March 2021	28 February 2022	Yes
HECIC Group Finance Company Limited (Note 7)	55,796,000.00	8 December 2021	31 December 2022	No

Explanations on related party guarantees

Note 1: In September 2021, the Company provided a guarantee of RMB140 million for the fixed asset borrowing of Suntien Guohua from SinoPec Finance Co., Ltd., for a guarantee period of 3 years from the effective date of the contract to the expiry of the term of performance of the obligations under the contract. The borrowing contract will expire on 27 June 2030. As at 30 June 2022, the above guarantee deposit was fully used.

Note 2: HECIC provided guarantees for the renewable green corporate bonds in the amount of RMB910 million issued by the Company in March 2019, for a guarantee period of the entire term of bonds plus 2 years from their expiry. For details, please refer to Note VII. 54. The guarantee fee was RMB145,187.31 and RMB1,054,465.75 in the six months ended 30 June 2022 and the six months ended 30 June 2021 respectively.

Note 3: HECIC provided guarantees for the renewable green corporate bonds in the amount of RMB590 million issued by the Company in March 2018, for a guarantee period of the entire term of bonds plus 2 years from their expiry. It was repaid as at 31 December 2021. For details, see Note VII. 54.

Note 4: HECIC provided guarantees for the Pingan-HECIC New-energy No.1 Renewable Energy Tariff Surcharge Green Assets Support Scheme in the amount of RMB285 million issued by the Company in December 2019, for a guarantee period from 26 December 2019 to 26 June 2023. The guarantee fee was RMB900,000.00 and RMB900,000.00 in the six months ended 30 June 2022 and the six months ended 30 June 2021 respectively. For details, see Note VII. 46.

Note 5: HECIC Finance (建投財務公司) provided guarantees for the long-term borrowing contract signed in March 2019 in the amount of RMB30,000,000.00 between the Group and the China Construction Bank Co., Ltd. Chengde Housing & Construction Sub-branch (中國建設銀行股份有限公司承德住房城建支行), for a guarantee period of the entire term of borrowing contract plus 3 years from its expiry. For details, please refer to Note VII. 45. The guarantee fee was RMB27,083.33 and RMB150,000.00 in the six months ended 30 June 2022 and the six months ended 30 June 2021 respectively.

Note 6: HECIC Finance provided guarantees for electricity and deviation assessment fees to State Grid Hebei Electric Power Co., Ltd. in the amount of RMB20,000,000.00, for a guarantee period from 1 March 2021 to 28 February 2022. The guarantee fee was RMB150,000.00 in the six months ended 30 June 2021.

Note 7: HECIC Finance provided guarantees for liquefied natural gas receiving terminal charges to PipeChina Group Tianjin Liquefied Natural Gas Co., Ltd. in the amount of RMB55,796,000.00, for a guarantee period from 8 December 2021 to 31 December 2022. The guarantee fee was RMB418,470.00 in 2021.



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(5). Capital lending between related parties

Unit: Yuan Currency: RMB

Related party	Amount of lending/ borrowing	Start date	Due date	Description
Borrowing				
HECIC Group Finance Company Limited	1,197,321,971.69	25 January 2022 to 30 June 2022	21 September 2022 to 23 July 2048	

Related party	Amount of lending/ borrowing	Start date	Due date	Description
Lending				
Nil				

For the six months ended 30 June 2022, the Group obtained a loan of RMB1,197,321,971.69 from HECIC Finance with an interest rate of 2.90%-4.20% per annum (the six months ended 30 June 2021: RMB1,744,270,000.00, interest rate of 3.30%-4.38% per annum).

For the six months ended 30 June 2022, the Group obtained a loan of RMB38,976,458.34 from HECIC Finance by discounted bills (for the six months ended 30 June 2021, the Group did not obtain a loan from HECIC Finance by discounted bills).

For the six months ended 30 June 2022, the balance of bills payable issued by the Group with HECIC Finance amounted to RMB49,323,473.38 (2021: RMB54,738,449.62), in respect of which the Group paid a transaction handling fee of RMB23,172.35.

(6). Asset transfer and debt restructuring of related parties

Applicable Not Applicable



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(7). Emolument of key management

Unit: yuan Currency: RMB

Items	Amount for the period	Amount for last period
Emolument of key management	3,543,052.11	20,956,928.25
Of which:		
Fees	145,792.50	291,121.25
Salaries, allowances and benefits in kind	3,186,308.97	12,412,122.52
Performance-related bonuses	–	7,833,079.20
Contribution to pension plans	210,950.64	420,605.28

Note: The amount of emolument of key management for the last period was the entire amount for the last year.

(8). Other related party transactions

a. Payment of guarantee fees to related parties

Items	Amount for the period	Amount for last period
Guarantee fee of Hebei Construction & Investment Group Co., Ltd.	1,045,187.31	1,903,522.35
Guarantee fee of HECIC Group Finance Co., Ltd.	252,707.22	150,000.00
Total	1,297,894.53	2,053,522.35

b. Provision and use of credit by related parties

As at 30 June 2022 and 30 June 2021, HECIC Finance granted to the Group credit facilities of RMB3.120 billion and RMB5.046 billion, respectively. The Group used RMB2.597 billion and RMB2.183 billion, respectively, and the remaining facilities were RMB0.523 billion and RMB2.863 billion, respectively.



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(8). Other related party transactions (continued)

c. Trademark license

On 19 September 2010, the Company entered into the Trademark License Agreement with HECIC, pursuant to which HECIC has granted the Company a license to use two figurative marks registered by HECIC in HKSAR for a term of ten years with retrospective effect from 9 February 2010 at an annual license fee of RMB1. Prior to one month before the expiry of the agreement, the agreement was renewed automatically for three years upon serving of a notice in writing by the Company to HECIC. The above principle shall apply to future renewal.

On 4 March 2019, the Company entered into the Trademark License Agreement with HECIC, pursuant to which HECIC has granted the Company a license to use 6 of the 12 domestic trademarks in relation to the Company's principal business at nil consideration, and it was agreed for the exclusive use within the scope of the Company's principal business.

During the Reporting Period, the Company had four valid registered trademarks in total.

6. Accounts receivable from and accounts payable to related parties

(1). Accounts receivable

Unit: Yuan Currency: RMB

Items	Related party	Closing balance		Opening balance	
		Book value	Book balance	Book book balance	Book value
Prepayments	Yan Zhao Property Insurance Co., Ltd.	38,988.03		38,988.03	
Other receivables	Huihai Financial Leasing Co., Ltd.	-	-	1,800,000.00	540,000.00
Other receivables	Hebei Construction & Investment Group Co., Ltd.	874,500.35	686,628.85	874,500.35	686,628.85
Other receivables	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.	101,417.82	2,173.24	14,488.26	724.41
Dividend receivables	Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd.	25,577,001.61	-	25,577,001.61	
Dividend receivables	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.	-		24,960,437.72	
Dividend receivables	Chengde Dayuan New Energy Co., Ltd.	31,730,248.38		12,902,451.51	
Dividend receivables	Zhangbei CIC Huashi Wind Energy Co., Ltd.	24,157,561.12		27,727,561.12	
Dividend receivables	Chongli CIC Huashi Wind Energy Co., Ltd.	2,578,509.22		3,598,509.22	



XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Accounts receivable from and accounts payable to related parties (continued)

(2). Accounts payable

Unit: Yuan Currency: RMB

Items	Related party	Closing carrying balance	Opening carrying balance
Accounts payable	Yan Zhao Property Insurance Co., Ltd.	5,135,658.22	1,634,501.94
Accounts payable	Hebei Construction & Investment Smart Financial Services Co., Ltd.	1,676,689.81	3,137,856.62
Advances from customers	Tangshan Haohua Trading Co., Ltd.	778,761,061.94	778,761,061.94
Contract liabilities	Hebei Suntien Guohua Gas Co., Ltd.	1,016,895.15	147,768.91
Contract liabilities	Hebei Construction & Investment Rongtan Asset Management Co., Ltd.	–	5,245.71
Contract liabilities	Tangshan Haohua Trading Co., Ltd.	389,380,530.96	389,380,530.96
Other payables	Hebei Construction & Investment Rongtan Asset Management Co., Ltd.	1,836.00	284,679.26
Dividend payable	Hebei Construction & Investment Group Co., Ltd.	353,913,974.64	1,986,031.94
Long-term payable	Huihai Financial Leasing Co., Ltd.	30,937,500.00	168,400,000.00
Long-term payable due within one year	Huihai Financial Leasing Co., Ltd.	2,558,050.00	11,078,226.65
Lease liabilities	Huihai Financial Leasing Co., Ltd.	492,547,430.21	549,320,587.95
Lease liabilities	Hebei Construction & Investment Group Co., Ltd.	5,818,790.98	
Lease liabilities due within one year	Huihai Financial Leasing Co., Ltd.	63,892,879.05	69,239,436.42
Lease liabilities due within one year	Hebei Construction & Investment Group Co., Ltd.	3,059,043.70	0.00

7. Commitments of related parties

Applicable Not Applicable

8. Others

Capital increase and equity transfer by related parties

On 5 March 2021, the Company entered into the Subscription Agreement of A Shares under the Non-public Issuance with HECIC, pursuant to which HECIC agreed to conditionally subscribe for the A Shares under the Issuance. In December 2021, HECIC subscribed for 182,685,253.00 A Shares in the Company with an actual payment of RMB2,489,999,998.39. In August 2021, the Company entered into the Capital Increase Agreement with HECIC to increase the registered capital of Caofeidian Company by RMB799 million. Upon the completion of the capital increase, the registered capital of Caofeidian Company would be increased to RMB2,149 million, and the shareholdings of the Company and HECIC would remain unchanged. In 2021, HECIC injected capital of RMB352,800,000.00 in Caofeidian Company.



XIII. SHARE-BASED PAYMENT**1. General information of share-based payment**

Applicable Not Applicable

2. Equity-settled share-based payment

Applicable Not Applicable

3. Cash-settled share-based payment

Applicable Not Applicable

4. Modifications and termination of share-based payment

Applicable Not Applicable

5. Others

Applicable Not Applicable

XIV COMMITMENTS AND CONTINGENCIES**1. Significant commitments**

Significant external commitments, nature, and amount as at the balance sheet date:

	30 June 2022	31 December 2021
Capital commitment	14,130,904,405.80	14,154,442,051.64
Investment commitment	600,886,431.40	600,886,431.40
Total	14,731,790,837.20	14,755,328,483.04

2. Contingencies**(1). Significant contingencies as at the balance sheet date**

	30 June 2022	31 December 2021	
Contingent liabilities arising from providing external guarantees	137,000,000.00	140,000,000.00	Note 1
Contingent liabilities arising from pending litigation or arbitration	35,332,986.24	24,279,903.53	Note 2
Total	172,332,986.24	164,279,903.53	

Note 1: During September 2021, the Group provided guarantees of RMB140,000,000.00 for a credit line applied by Suntien Guohua, a joint venture. As at 30 June 2022, Suntien Guohua has repaid the loan amount of RMB3,000,000.00. The above amount represents the maximum losses the Group would incur in case of default by the guaranteed party. The above guaranteed party has normal operation with sound asset conditions, therefore no significant default risk is expected and the Group did not recognise any expected liabilities in relation to the financial guarantee.

Note 2: As at 30 June 2022 and 31 December 2021, the amounts in relation to the pending arbitration involved by the Group with its suppliers and labours amounted to RMB35,332,986.24 and RMB24,279,903.53 respectively. The cases are still in progress. No provision has been made for these outstanding disputes, lawsuits and claims for which the final outcome cannot be reasonably estimated at this time or which, in the opinion of the Company's management, will not have a material adverse effect on the Group's results of operations or financial position.



XIV COMMITMENTS AND CONTINGENCIES (continued)

2. Contingencies (continued)

(2). Please explain if no significant contingencies is required to be disclosed by the Company.

Applicable Not Applicable

3. Others

Applicable Not Applicable

XV. POST-BALANCE SHEET DATE EVENT

1. Significant non-adjustment events

Applicable Not Applicable

2. Profit distribution

Applicable Not Applicable

3. Sales return

Applicable Not Applicable

4. Explanation on other Post-Balance Sheet Date Event

Applicable Not Applicable

XVI. OTHER SIGNIFICANT EVENTS

1. Correction of previous accounting errors

(1). Retrospective restatement

Applicable Not Applicable

(2). Prospective application method

Applicable Not Applicable

2. Debt restructuring

Applicable Not Applicable



XVI. OTHER SIGNIFICANT EVENTS (continued)

3. Asset replacement

(1). Exchange of non-monetary assets

Applicable Not Applicable

(2). Other asset replacement

Applicable Not Applicable

4. Annuity plan

Full-time employees of the Group are covered by various government-sponsored pension plans. These government agencies are responsible for the pension liability to these employees upon retirement. The Group contributes on a monthly basis to these pension plans. The contribution rate of basic pension insurance is 16%-20% of total wages, the contribution rate of unemployment insurance is 0.5%-0.7% of total wages, and the contribution rate of enterprise annuity is 8% of total wages. The pension insurance is capped at three times the average social wage in the social security area, and there is no upper limit on the contribution rate for unemployment insurance and enterprise annuity. All contributions made under the government-sponsored pension plans described above are fully attributable to employees at the time of the payment and the Group is unable to forfeit any amounts contributed by it to such plans. Contributions made by the Company under the annuity fund plan that is forfeited in respect of those employees who resign from their positions prior to the full vesting of the contributions will be recorded in the public account of the annuity fund and shall not be used to offset any contributions to be made by the Company in the future. All funds in the public account will be attributed to the employees whose accounts are in normal status after the approval procedures are completed as required. Under these plans, the Group has no obligation for retirement benefit beyond the contributions made.

5. Termination of business

Applicable Not Applicable

6. Segment information

(1). Determination criteria and accounting policies of the reporting segments

For the purpose of management, the Group divided 3 business divisions by product and service:

Natural Gas Division, mainly to sell natural gas and gas appliances, construct and connect natural gas pipelines;

Wind/Solar Power Division, mainly to develop, manage and operate wind farm, solar power plants and sell electricity to external grids;

Other Division, mainly to manage corporate affairs, property leasing business etc.

For the purposes of resource allocation and performance assessment, management separately administers the business divisions, and evaluates the divisional results based on the reported after-tax profits of business divisions.

Internal transfer prices shall be determined by reference to the prices of sales or services to third parties.



XVI. OTHER SIGNIFICANT EVENTS (continued)

6. Segment information (continued)

(2). Financial information of the reporting segments

Unit: Yuan Currency: RMB

Items	Natural gas	Wind and photovoltaic generation	Others	Intersegment elimination	Total
Operating revenue	6,821,526,743.91	3,400,359,470.35	3,423,671.17		10,225,309,885.43
Operating costs	6,024,158,980.17	1,160,341,647.08	915,398.47		7,185,416,025.72
Total assets	20,994,593,847.62	45,250,791,078.79	6,009,792,427.16		72,255,177,353.57
Total liabilities	15,121,071,959.02	27,201,499,010.19	5,750,610,905.26		48,073,181,874.47
Investment income from joint ventures and associates	88,578,226.31	36,073,947.71	6,565,204.51		131,217,378.53
Credit impairment losses	2,541,081.82	10,732,312.06	678,242.38		13,951,636.26
Asset impairment losses					
Depreciation and amortisation expense	112,068,063.04	1,122,702,705.96	3,154,597.09		1,237,925,366.09
Total profit/(loss)	757,793,586.19	1,621,481,518.39	-16,606,506.43		2,362,668,598.15
Income tax expenses	165,274,944.93	173,033,406.66	1,049.58		338,309,401.17
Non-cash expenses other than depreciation and amortisation expenses	2,541,081.82	10,732,312.06	678,242.38		13,951,636.26
Capital expenditure	1,519,888,847.86	986,812,491.79	1,339,602.64		2,508,040,942.29

(3). Please explain if the Company has no reporting segments or is unable to disclose the total assets and total liabilities of each reporting segment

Applicable Not Applicable



XVI. OTHER SIGNIFICANT EVENTS (continued)

6. Segment information (continued)

(4). Other explanations

Note: Capital expenditures included the increase in investment property, fixed assets, construction in progress, right-of-use assets, intangible assets, development costs and long-term deferred expenses for the current year.

More than 90% of the Group's revenue was derived from Northern China, which is managed in a unified and centralized manner by the management. Therefore, the Group had only one regional segment.

Geographical information

Revenue from external customers

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Mainland China	10,225,309,885.43	8,545,067,129.57

Revenue from external customers was attributable to the regions where the customers were located, and all customers were located in Mainland China.

Total non-current assets

	30 June 2022	31 December 2021
Mainland China (excluding Hong Kong, Macao and Taiwan regions)	51,595,607,579.29	52,520,464,442.81
Hong Kong, Macao and Taiwan regions	1,680,644,261.09	87,049,934.82
Total	53,276,251,840.38	52,607,514,377.63

The non-current assets were attributable to the regions where such assets were located, and excluded financial assets, long-term equity investment and deferred tax assets.

Information about major customers

Operating revenue of RMB2,192,263,186.54 (for the six months ended 30 June 2021: RMB2,175,657,675.27) was the revenue generated from a single customer (including all entities known to be under the control of the customer) under the operating segments.



XVI. OTHER SIGNIFICANT EVENTS (continued)

7. Other significant transactions and events affecting investors' decision-making

Applicable Not Applicable

8. Others

Leases

(1) As lessor

The Group leases out certain of its houses and buildings for a lease term of 2-4 years, which constitute operating leases. For the six months ended 30 June 2022, the income generated from the leased houses and buildings amounted to RMB1,364,242.15 (2021: RMB1,535,563.19). Leased houses and buildings are presented under investment properties. For details, please refer to Note VII. 20.

Operating leases

Gains or losses related to operating leases are presented as follows:

	For the six months ended 30 June 2022	2021
Rental income	1,364,242.15	1,535,563.19

Pursuant to the lease contracts entered into with the lessees, the minimum lease receivables under noncancellable leases are as follows:

	30 June 2022	30 June 2021
Within 1 year (inclusive)	2,059,920.00	709,920.00
1 to 2 years (inclusive)	1,209,920.00	709,920.00
2 to 3 years (inclusive)	1,209,920.00	709,920.00
3 to 4 years (inclusive)	500,000.00	354,960.00
Total	4,979,760.00	2,484,720.00



XVI. OTHER SIGNIFICANT EVENTS (continued)
8. Others (continued)
(2) As lessee

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Interest expense on lease liabilities	17,093,963.55	17,082,974.26
Expenses on short-term leases and leases of low-value assets included in profit or loss accounted for under the simplified approach	6,280,866.91	7,318,021.64
Total cash outflows relating to leases	132,200,619.85	74,224,719.34
Relevant profit or loss arisen from leaseback transactions	5,185,410.32	–
Cash inflows from leaseback transactions	–	–
Cash outflows from leaseback transactions	168,715,152.82	–

The Group leases several parcels of land, wind turbines and related equipment, buildings and transportation equipment. Right-of-use assets are depreciated on a straight-line basis.

The lease assets leased by the Group include the houses and buildings, machinery and equipment, transportation equipment and other equipment used during the course of operation. The houses and buildings and machinery and equipment are usually leased for a term of 2-20 years, while the transportation equipment and other equipment are usually leased for a term of 2-5 years. Lease contracts usually stipulate that the Group cannot sublease the lease assets, and some lease contracts require the Group to maintain a certain level of financial indicators. A few lease contracts contain terms for renewal options, termination options, and variable rentals.

Other leasing information

For details of right-to-use assets, please refer to Note VII. 25; For details of simplified treatment of short-term leases and leases of low-value assets, please refer to Note V. 34; For details of lease liabilities, please refer to Note VII. 30 and Note X. 1.

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
1. Accounts receivable
(1). Disclosure by aging

Applicable Not Applicable

(2). Classified disclosure by the method of provision for bad debts

Applicable Not Applicable



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

1. Accounts receivable (continued)

(3). Conditions on bad debts provision

Applicable Not Applicable

Of which, significant amounts of provision for bad debt recovered or reversed for the period:

Applicable Not Applicable

(4). Accounts receivable actually written off during the period

Applicable Not Applicable

(5). Accounts receivable with the top five closing balances collected as per the borrowers

Applicable Not Applicable

(6). Accounts receivable that were derecognized due to the transfer of financial assets

Applicable Not Applicable

(7). Amount of assets or liabilities for which accounts receivable are transferred but involvement continues

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

2. Other receivables

Item presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividend receivable	1,348,763,670.26	585,067,066.45
Other receivables	591,031,818.49	765,515,977.23
Total	1,939,795,488.75	1,350,583,043.68

Other explanations:

Applicable Not Applicable



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)
2. Other receivables (continued)
Interest receivable

(1). *Classification of interest receivable*

Applicable Not Applicable

(2). *Significant overdue interest*

Applicable Not Applicable

(3). *Bad debt provision*

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

Dividends receivable

(4). *Dividends receivable*

Unit: Yuan Currency: RMB

Projects (or Invested unit)	Closing balance	Opening balance
Hebei Fengning CIC New Energy Co., Ltd.	600,149,960.84	322,201,337.98
HECIC New Energy Co., Ltd.	312,879,165.87	
Suntien Green Energy (Fengning) Co., Ltd.	216,286,779.56	132,555,710.30
HECIC Offshore Wind Power Co., Ltd.	84,129,094.63	
Chengde Dayuan New Energy Co., Ltd.	31,730,248.38	12,902,451.51
Heilongjiang Suntien Hadian New Energy Investment Co., Ltd.	26,659,533.61	19,713,861.48
Ruoqiang Suntien Green Energy Co., Ltd.	20,000,000.00	16,309,556.50
Fangchenggang Suntien Green Energy Co., Ltd.	12,641,081.50	
Shenzhen Suntien Green Energy Investment Co., Ltd.	12,087,676.15	
Chaoyang Suntien New Energy Co., Ltd.	11,835,002.34	9,610,368.77
Jianshui Suntien Wind Energy Co., Ltd.	10,456,779.00	35,932,920.09
Junan Suntien Wind Energy Co., Ltd.	9,908,348.38	4,889,117.35
Guangxi Suntien Green Energy Co., Ltd.		19,456,774.16
Suntien Green Energy Xuyi Co., Ltd.		11,494,968.31
Total	1,348,763,670.26	585,067,066.45



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Dividends receivable (continued)

(5). Significant dividends receivable aging over 1 year

Applicable Not Applicable

(6). Bad debt provision

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

Other receivables

(7). Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing carrying balance
Within 1 year	
Including: sub-items within 1 year	
Within 6 months	62,270,400.26
6 months to 1 year	40,082,981.99
Subtotal within 1 year	102,353,382.25
1 to 2 years	28,071,814.91
2 to 3 years	213,178,056.16
Over 3 years	248,599,750.16
Total	592,203,003.48

(8). Classified by the nature

Unit: Yuan Currency: RMB

Nature	Closing carrying balance	Opening carrying balance
Deposits	589,837,468.09	764,232,048.93
Advances	1,602,246.84	1,384,172.12
Reserves	702,682.12	
Others	60,606.43	580,647.37
Total	592,203,003.48	766,196,868.42



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Other receivables (continued)

(9). *Bad debt provision*

Unit: Yuan Currency: RMB

Provisions for bad debts	The first stage	The second stage	The third stage	Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses (no credit impairment occurred)	Lifetime expected credit losses (credit impairment occurred)	
Balance at 1 January 2022	580,891.19	100,000.00		680,891.19
The balance at 1 January 2022 in the current period				
- Transfer into the second stage	-57,808.75	57,808.75		0.00
- Transfer into the third stage				
- Reversal to the second stage				
- Reversal to the first stage				
Provisions during the period	434,469.90	57,808.74		492,278.64
Reversal during the period	-1,984.84			-1,984.84
Transferral during the period				
Write-off during the period				
Other changes				
Balance at 30 June 2022	955,567.50	215,617.49		1,171,184.99

Explanation for the significant changes in the book balance of other receivables for which the loss provisions have changed during the period:

Applicable Not Applicable

Basis for the provisions for bad debts in this period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not Applicable



XVII.EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Other receivables (continued)

(10). Conditions on bad debt provision

Unit: Yuan Currency: RMB

Category	Opening balance	Provisions	Change for the Period		Other changes	Closing balance
			Recovered or reversed	Write-off or cancellation		
Other payables	680,891.19	492,278.64	1,984.84			1,171,184.99
Total	680,891.19	492,278.64	1,984.84			1,171,184.99

Among them, significant amounts of provisions for bad debts during the period have been reversed or recovered:

Applicable Not Applicable

(11). Other receivables actually written off for the period

Applicable Not Applicable

Explanation on other receivables written off:

Applicable Not Applicable



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)
2. Other receivables (continued)
Other receivables (continued)

(12). Other receivables from the top five debtors by closing balance

Unit: Yuan Currency: RMB

Name of entity	Nature of the amount	Closing balance	Age	Percentage in the closing balance of other receivables (%)	Closing balance of provisions for bad debts
HECIC New Energy Co., Ltd.	Intercompany	176,214,777.90	Within 6 months and over 2 years	29.76	
Ruoqiang Suntien Green Energy Co., Ltd.	Intercompany	74,885,400.00	6 months to 1 year and 2 to 3 years	12.65	
Chaoyang Suntien New Energy Co., Ltd.	Intercompany	64,141,000.00	Within 6 months, 1 year to 2 years and over 3 years	10.83	
Zhangbei Huashi CIC Wind Energy Co., Ltd.	Intercompany	45,000,000.00	Over 2 years	7.60	
HECIC Zhongxing Wind Energy Co., Ltd.	Intercompany	40,000,000.00	Over 2 years	6.75	
Total	/	400,241,177.90	/	67.59	

(13). Accounts receivable related to government subsidy

Applicable Not Applicable

(14). Other receivables that were derecognised due to the transfer of financial assets

Applicable Not Applicable

(15). Amount of assets and liabilities arising from transfer of and continued involvement in trade receivables

Applicable Not Applicable

Other explanations:

Applicable Not Applicable



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Carrying balance	Impairment provisions	Book value	Carrying balance	Impairment provisions	Book value
Investments in subsidiaries	11,406,074,910.73	20,000,000.00	11,386,074,910.73	11,289,813,390.73	60,988,169.86	11,228,825,220.87
Investments in associates and joint ventures	692,916,286.32		692,916,286.32	683,040,473.82		683,040,473.82
Total	12,098,991,197.05	20,000,000.00	12,078,991,197.05	11,972,853,864.55	60,988,169.86	11,911,865,694.69

(1). Investments in subsidiaries

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Impairment provisions during the period	Closing balance of impairment provisions
HECIC New Energy	5,040,262,260.98	-	-	5,040,262,260.98	-	
Hebei Natural Gas	1,268,486,574.46	-	-	1,268,486,574.46	-	
Suntien Green Energy (Fengning) Co., Ltd.	173,600,000.00	-	-	173,600,000.00	-	
Jianshui Suntien Wind Energy Co., Ltd.	163,170,000.00	-	-	163,170,000.00	-	
Heilongjiang Suntien Hadian New Energy Investment Co., Ltd.	205,800,000.00	20,800,000.00	-	226,600,000.00	-	
Suntien Green Energy Investment (Beijing) Co., Ltd.	60,000,000.00	-	-	60,000,000.00	-	
Suntien Hong Kong	509,203,023.00	-	-	509,203,023.00	-	
Ruoqiang Suntien Green Energy Co., Ltd.	148,100,000.00	-	-	148,100,000.00	-	
Xinyang Suntien Wind Energy Co., Ltd.	90,000,000.00	-	-	90,000,000.00	-	
Junan Suntien Wind Energy Co., Ltd.	103,000,000.00	-	-	103,000,000.00	-	
Suntien Shenzhen	194,500,000.00	-	-	194,500,000.00	-	
Suntien Liquefied Natural Gas Shahe Co., Ltd.	35,000,000.00	-	-35,000,000.00	-	-	
Suntien Hebei Solar Energy Development Co., Ltd.	33,060,900.00	-	-	33,060,900.00	-	
Huludao Gas	35,000,000.00	-	-	35,000,000.00	-2,174,706.49	-20,000,000.00



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment (continued)

(1). Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Impairment provisions during the period	Closing balance of impairment provisions
Hebei Fengning CIC New Energy Co., Ltd.	867,830,000.00	67,000,000.00	-	934,830,000.00	-	
Guangxi Suntien Green Energy Co., Ltd.	84,500,000.00	-	-	84,500,000.00	-	
Yunnan Pushi	11,377,880.00	-	-11,377,880.00	-	-	
Weihui Suntien Green Energy Co., Ltd.	84,000,000.00	-	-	84,000,000.00	-	
Tongdao Suntien Green Energy Co., Ltd.	113,870,000.00	25,000,000.00	-	138,870,000.00	-	
Chaoyang Suntien New Energy Co., Ltd.	32,000,000.00	-	-	32,000,000.00	-	
Offshore Wind Power	491,900,000.00	-	-	491,900,000.00	-	
HECIC New-energy (Tangshan) Co., Ltd.	86,000,000.00	-	-	86,000,000.00	-	
Fuliang Zhongling Suntien Green Energy Co., Ltd.	160,000,000.00	-	-	160,000,000.00	-	
Suntien Green Energy Xuyi Co., Ltd.	-	-	-	-	-	
Suntien Hebei Power Sale Co., Ltd.	38,000,000.00	-	-	38,000,000.00	-	
Fangchenggang Suntien Green Energy Co., Ltd.	93,300,000.00	-	-	93,300,000.00	-	
Fuping Jixin Suntien Green Energy Co., Ltd.	160,000,000.00	5,800,000.00	-	165,800,000.00	-	
Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	790,531,100.00	25,500,000.00	-	816,031,100.00	-	
Suntien Green Energy Lianyungang Co., Ltd.	138,000,000.00	-	-	138,000,000.00	-	
Rui'an City Xinyun New Energy Co., Ltd.	1,750,000.00	-	-1,750,000.00	-	-	
Hebei Gas Co., Ltd.	49,500,000.00	-	-	49,500,000.00	-	
Suntien Green Energy (Shanglin) Co., Ltd.	3,293,900.00	4,000,000.00	-	7,293,900.00	-	
Jianrong Photovoltaic Technology Company	22,777,752.29	-	-	22,777,752.29	-	
HECIC New-energy Supply Chain Management Co., Ltd.	2,000,000.00	-	-	2,000,000.00	-	
Xinjiang Yusheng New Energy Development Co., Ltd.	-	16,289,400.00	-	16,289,400.00	-	
Total	11,289,813,390.73	164,389,400.00	-48,127,880.00	11,406,074,910.73	-2,174,706.49	-20,000,000.00



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment (continued)

(2). Investments in associates and joint ventures

Unit: Yuan Currency: RMB

Investee	Opening balance	Additional investments	Decrease in investments	Gain or loss of investment recognized using equity approach	Changes in the period			Closing balance
					Adjustments to other comprehensive income	Declaration of cash dividend or profit	Closing balance of impairment provision	
I. Joint ventures								
Suntien Guohua	43,077,076.88	-		3,931,036.59	1,055,397.96	-		48,063,511.43
Chengdedayuan	116,799,845.01	14,700,000.00		10,304,823.92	-	-18,827,796.87		122,976,872.06
Sub-total	159,876,921.89	14,700,000.00		14,235,860.51	1,055,397.96	-18,827,796.87		171,040,383.49
II. Associates								
Fengning Pumped Storage	512,663,551.93					-1,287,649.10		511,375,902.83
Jinjianjia	10,500,000.00							10,500,000.00
Sub-total	523,163,551.93					-1,287,649.10		521,875,902.83
Total	683,040,473.82	14,700,000.00		14,235,860.51	1,055,397.96	-20,115,445.97		692,916,286.32

Other explanations:

Other non-current assets:

	30 June 2022	31 December 2021
Capital lending/borrowing	3,339,670,600.00	2,827,369,600.00

4. Operating revenue and operating costs

(1). Operating revenue and operating costs

Applicable Not Applicable

(2). Incomes generated from contracts

Applicable Not Applicable



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

4. Operating revenue and operating costs (continued)

(3). Explanation for performance of obligations under contracts

Applicable Not Applicable

(4). Explanation for allocation to residual performance of obligations under contracts

Applicable Not Applicable

Other explanations:

Nil

5. Investment income

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Income from long-term equity investments under the cost method	1,547,512,662.61	1,405,025,733.89
Income from long-term equity investments under the equity method	12,948,211.41	15,873,894.93
Investment gain from disposal of long-term equity investments		
Investment income received during the period of ownership from financial assets held-for-trading		
Dividend income received during the period of ownership from other equity instruments	14,744,642.19	11,943,006.92
Interest income received during the period of ownership from debt investments		
Interest income received during the period of ownership from other debt investments		
Investment gain from disposal of financial assets held-for-trading		
Investment gain from disposal of other equity instruments		
Investment gain from disposal of debt investments		
Investment gain from disposal of other debt investments		
Gain on debt restructuring		
Total	1,575,205,516.21	1,432,842,635.74

Other explanations:

Nil



XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

6. Others

Related party relationships and transactions

(1) Parent company

	Registered place	Business nature	Registered capital (RMB'0,000)	Percentage of shareholding in the Group (%)	Percentage of voting rights over the Group (%)
HECIC	Hebei province	Investment in and development of projects in the foundation, infrastructures and provincial pillar industries, such as energy, transportation, water supply, tourism and commercial real estates	1,500,000	49.17	49.17

(2) Subsidiaries

For details of subsidiaries, please refer to Note IX. 1.

(3) Joint ventures and associates

For details of joint ventures and associates, please refer to Note IX. 3.



XVIII. SUPPLEMENTARY INFORMATION

1. Non-recurring profit and loss statement of the period

Unit: Yuan Currency: RMB

Items	Amount	Description
Profit or loss from disposal of non-current assets	638,566.74	
Tax refunds or relief of tax subject to ultra vires or without official approval		
Government subsidies recognized in profit or loss of the period (except for government subsidies which are closely related to the Company's operations, and granted in a fixed amount or quantity in conformity with the common standards of the State)	11,574,868.44	
Fund possession cost levied on non-financial enterprises and included in the current profit or loss		
Income arising from the fair value of net identifiable assets of the investee that the enterprise should enjoy when the cost of investment it acquired from the subsidiary, affiliated enterprise and joint venture was less than the investment it obtained		
Profit or loss from exchange of non-monetary assets exchange		
Profit or loss on the assets by entrusting others to invest or manage		
Provisions for asset impairment accrued due to force majeure (e.g. natural disasters)		
Profit or loss from debt restructuring		
Enterprise restructuring charges, such as the staffing expenditure and integrating expenses		
Profit or loss of the part exceeding the fair value arising from the transaction with the bargain price losing fair		
Net profit or loss of subsidiaries under common control from period – begin till combination date		
Profits and losses from contingencies unrelated to normal operations		
In addition to the effective hedging business related to the normal business of the Company, profit and loss from changes in fair value arising from financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment gains from disposal of transactional financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debts		
Reversal of depreciation reserves of receivables and contractual assets under independent impairment testing		
Profit or loss from externally entrusted loans		
Profit or loss arising from changes in the fair value of investment property by using the fair value model for subsequent measurement		
Influence on current profit or loss for one-time adjustment of the current profit and loss as required by the relevant taxation or accounting laws and regulations		
Trustee fee income achieved from the entrusted operation		
Non-operating revenue and expense other than the above-mentioned	-299,932.31	
Other profit/loss items conforming to definition of the non-recurring profit and loss		
Less: Affected amount of income tax	2,515,000.49	
Affected amount of minority interest (after taxation)	1,754,248.36	
Total	7,644,254.02	



XVIII. SUPPLEMENTARY INFORMATION (continued)

1. Non-recurring profit and loss statement of the period (continued)

Explain why the Company defined the non-recurring profits and losses defined by the Company under the definition of “Explanatory Announcement No.1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Profits and Losses”, and the non-recurring profits and losses listed in the “Explanatory Announcement No.1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Profits and Losses” to be recurring profits and losses:

Unit: Yuan Currency: RMB

Item	Amount involved	Reasons
VAT refund	96,462,516.98	

2. Net return rate of assets and earnings per share

Profit generated during the reporting period	Weighted average net return rate of assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	8.47	0.38	0.38
Net profit attributable to ordinary shareholders of the Company, net of non-recurring profit or loss	8.43	0.38	0.38

The Group has no dilutive potential ordinary shares.

3. Differences in accounting data under domestic and foreign accounting standards

Applicable Not Applicable

4. Others

Applicable Not Applicable

Chairman: **Cao Xin**

Approved Date of Submission: 25 August 2022

Revision information

Applicable Not Applicable





新天绿色能源股份有限公司
China Suntien Green Energy Corporation Limited*