GCL New Energy Holdings Limited
協鑫新能源控股有限公司

(Incorporated in Bermuda with limited liability) (Stock Code: 451)

Bringing
Green
Power
to Life

2021
INTERIM REPORT

About GCL New Energy

- Renowned privately-owned solar power company in the PRC, a subsidiary of GCL-Poly (3800.HK), a world's leading polysilicon producer and wafer supplier

- Successful realization of asset-light transformation, enables it to proactively develop other clean energy businesses by leveraging on existing solar power generation platform. On 28 July 2021, announced that it has established the hydrogen energy business unit (the "Hydrogen Energy Business Unit") to conduct research on the feasibility of tapping into the hydrogen energy ("Hydrogen Energy") industry through the combination of "blue and green hydrogen"

- Included in the MSCI China Small Cap Index on 27 May 2021, gaining recognition from international capital market

- Leading the development of intelligent solar power plant operation, was first in the country to be accredited the honourary title of "5A Solar Power Plants Operation and Maintenance Service Provider"

Forward-looking statements contained in this Interim Report relating to the forecast business plans, prospects, financial forecasting, and growth strategies of the Group. These forward-looking statements are based on current beliefs, expectations, assumptions and premises regarding the industry and market in which it operates, some of which are subjective or beyond our control. Underlying these forward-looking statements is a large number of risks and uncertainties and may not be realised in future. In light of the risks and uncertainties, the inclusion of forward-looking statements in this Interim Report should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such forward-looking statements.

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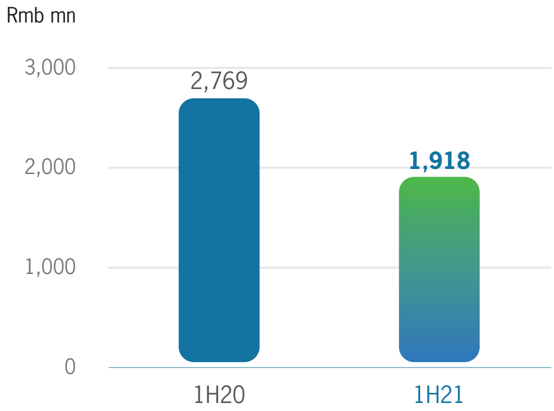
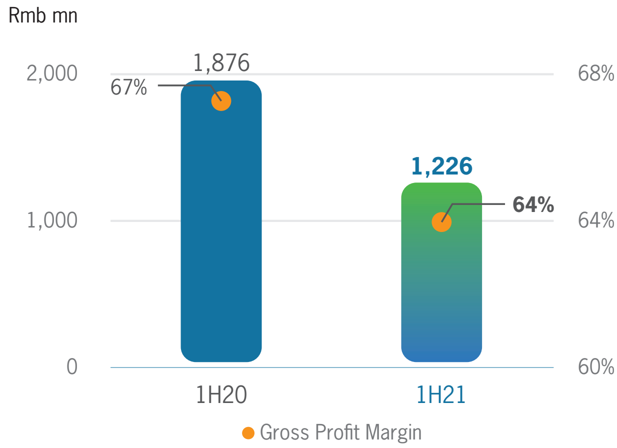
2021 Interim Performance Summary

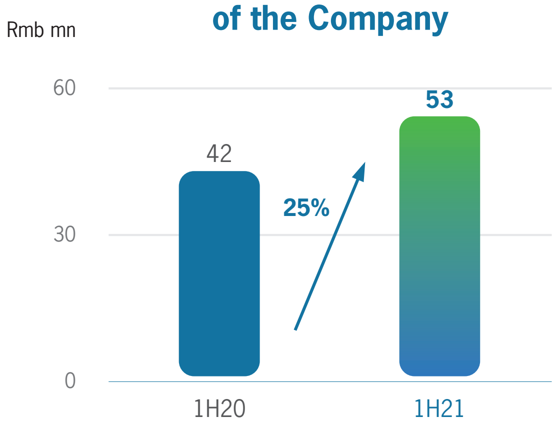
Revenue



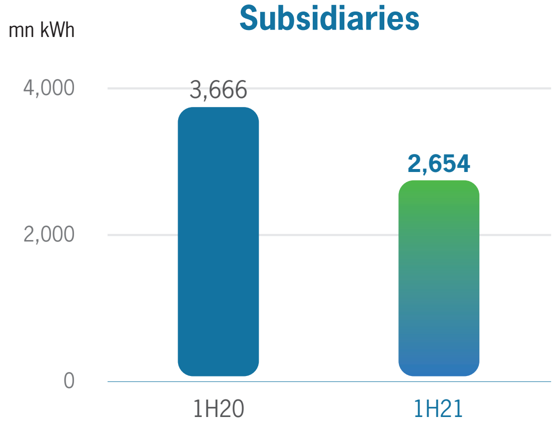
Gross Profit



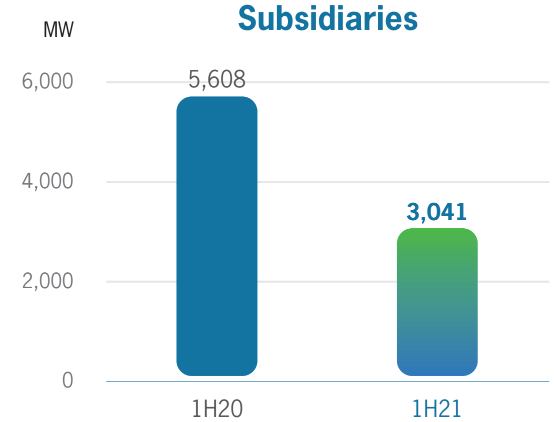
Profit Attributable to Owners of the Company



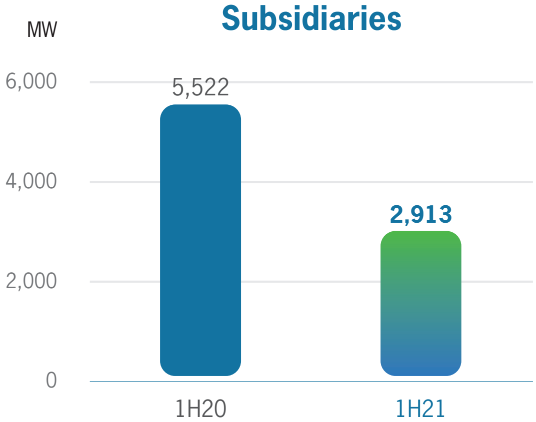
Electricity Sales of Subsidiaries



Installed Capacity of Subsidiaries



Grid-Connected Capacity of Subsidiaries



GCL New Energy continued to actively move towards the clear goal of lowering debt and sustaining a stable cash flow to fully promote the implementation of strategic asset-light transformation in the first half of 2021. For the six months ended 30 June 2021, the Group accelerated the asset-light transformation, and accomplished the target of disposing approximately 2GW of solar power plant assets for the year in advance. After deducting the disposed and transferred assets, the total installed capacity of the Group's subsidiary solar power plants was approximately 3,041MW, and the total attributable installed capacity of associate solar power plants was approximately 517MW. As of the date of this Interim Report, the total installed capacity of the subsidiary solar power plants which have been contracted for disposal that have yet to complete, was approximately 1,842MW, and the total installed capacity of the Group's subsidiary solar power plants upon completion of these asset disposal transactions will be approximately 1,199MW. The disposal of approximately 2GW of solar power plants is expected to generate a cash inflow of over RMB4.9 billion, thus to effectively reduce its debt by over RMB10.3 billion. After successful realisation of the asset-light transformation, together with the completion of debt restructuring and share placement, the gearing ratio of the Group has once again restored to a healthier level of about 71%. GCL New Energy is well positioned to seize the opportunities arising from the best growth era for renewable energy sector during the period of the 14th Five-Year Plan for the National Economic and Social Development (the "14th Five-Year Plan").

Successfully accomplished the asset-light transformation

GCL New Energy has been resolutely pursuing the strategic asset-light transformation since 2018. During the Period, in addition to the solar power plant disposals, the Group formed strong alliances by introducing strategic investors with state-owned enterprises directly owned by the State Council (the "Central Enterprises") and other state-owned enterprises (the "State-owned Enterprises") background, including State Power Investment Corporation Limited*(國家電力投資集團有限公司), Shanghai Electric Power Company Limited*(上海電力股份有限公司), China Three Gorges Corporation*(中國長江三峽集團有限公司), China Huaneng Group Co., Ltd*(中國華能集團有限公司), China Development Bank New Energy Science and Technology Co., Ltd.*(國開新能源科技有限公司), China Nuclear Energy Development Limited*(中核能源發展有限公司), Beijing United Rongbang New Energy Technology Co., Ltd.*(北京聯合榮邦新能源科技有限公司)to speed up cash inflow, lower financing costs and effectively reduce the size of debts. With a view to take the leap into the future of GCL New Energy new development, the Group will continue to focus on the asset-light transformation in the second half of the year, and explore opportunities for solar power plant asset disposal and cooperation with Central Enterprises and State-owned Enterprises strategic investors.

As the Group continued to provide operation and maintenance services for most of the disposed solar power plant projects, the Group was contracted to provide operation and maintenance services for additional 16 solar power plants with total installed capacity of approximately 719MW during the Period. As of 30 June 2021, the Group had entered into contract to provide operation and maintenance services for 56 solar power plants with total installed capacity of approximately 2,390MW to successfully accomplish market-oriented reform and asset-light transformation. In addition, the Group was committed to providing value-added services for the clients including equipment commission, equipment function testing, secondary system maintenance, external cable maintenance, electricity market transaction, asset evaluation and wind and solar power to hydrogen storage integrated energy services, so as to create value for the clients, achieve a win-win situation and promote mutual development.

Driving towards the dual-carbon goals, the number of new solar power plants established domestically is expected to surge during the 14th Five-Year Plan period, promoting the higher demand for operation and maintenance services for solar power plants. Leveraging on its extensive experiences in operation and maintenance of solar power plants, scale advantage and huge data accumulation, the Group has extended its operation and maintenance business across the country and established a leading brand name. In February 2021, the Group was invited by the China Electricity Council to lead the development and officially publish the TCEC 417-2020 Administrative Regulation on Operation and Maintenance Services for Solar Power Plants(《TCEC 417-2020光伏電站運行維護服務管理規範》), which outlined the guidance of solar power plants intelligent operation development, and was first in the country to be accredited the honourary title of "5A Solar Power Plants Operation and Maintenance Service Provider".

* *English names for identification purpose only*

During the Period, the Group also made a significant breakthrough in debt restructuring. The Group's proposed restructuring plan of Bermuda Scheme (i.e. the scheme of arrangement under Part VII of the Bermuda Companies Act 1981) was officially being put into effect on 16 June 2021 under the high percentage of support from the bondholders of US$500 million 7.1% senior notes due 2021 (the "Existing Notes"). Following the success of the debt restructuring, the Group obtained a debt extension of up to three years for the Existing Notes, as well as deferred payment of part of the cash interests, which allowed the Group the autonomy and flexibility to make debt prepayment without extra costs. Meanwhile, in February 2021, the Group completed a top-up placing of 2 billion shares at HK$0.455 per share to various professional, institutional and other investors, with net proceeds of approximately HK$895 million. The success of debt restructuring and top-up placing reflected the support of bond investors and equity investors to the Group and their confidence in the Group's future development. The success of GCL New Energy asset-light transformation, coupled with the significant improvement in its liquidity, overall debt issue and financing pressure, the Group will ride on its more solid operation platform to proactively seek for opportunities to develop other clean energy businesses.

Exploring the development of Hydrogen Energy business

GCL New Energy believes that only with the persistence of innovation, reform and establishment of a dynamic growth model, it can break through the development bottleneck and seize the great development opportunities brought by the domestic energy transformation during the 14th Five-Year Plan period. On 28 July 2021, the Group announced that it has established the Hydrogen Energy business unit to proactively conduct the research on the development of Hydrogen Energy and related businesses by leveraging on its existing solar power generation platform and advantages in strong scientific research capabilities, intensive technologies and extensive experience.

Since the adoption of the Paris Agreement in 2015, major economies around the world have been actively promoting energy policies to reduce carbon emissions, and the PRC has also resolutely adopted effective energy policies, striving to accomplish the "carbon peak" and "carbon neutrality" goals by 2030 and 2060 respectively. In 2019, Hydrogen Energy was included into the Government Work Report of the State Council of China for the first time, and was included into the energy system management for the first time in the Energy Law (draft for comments) released in 2020. Hydrogen Energy was also among the six sectors featured in the "Foresight Planning for the Future of Industry" in the Outline of the 14th Five-Year Plan, and together with other cutting-edge technologies such as brain-inspired artificial intelligence, quantum information, genetic technology, future networks and deep-sea and aerospace development, was recognized as "organizing and implementing future industry incubation and acceleration plans as well as planning the layout of a number of future industries", making it one of the crucial strategic directions of domestic energy transformation in the PRC.

However, Hydrogen Energy has to be extracted from other compounds by a chemical process as no natural hydrogen deposit occurs on Earth. Hydrogen Energy is generally categorised into grey hydrogen, blue hydrogen and green hydrogen by the Hydrogen Energy industry according to various extraction method and carbon dioxide emission level. Grey hydrogen is produced through the combustion of fossil fuels, which generated the highest level of carbon dioxide emissions. Blue hydrogen is created from fossil sources with a low emission production method where carbon capture, utilize and store (CCUS) technology is used, laying out the transition pathways for the development of Hydrogen Energy. Green hydrogen is produced using renewable energy, which realizes green production and utilisation throughout the entire production processes. According to the White Paper on the PRC's Hydrogen Energy and Fuel Cell Industry ("White Paper 2020") issued by the China Hydrogen Energy Alliance, the PRC is the largest producer of Hydrogen Energy. However, as the main source of production is grey hydrogen, the Hydrogen Energy supply structure needs to gradually transit to clean hydrogen produced by renewable energy, in order to achieve high-quality, emission-free and zero-pollution energy for sustainable development.

Using water electrolysis process powered by renewable energy sources such as solar power to produce green hydrogen realizes green and clean life cycle of Hydrogen Energy and expands the use of renewable energy. With the cost of solar power generation drops substantially and the production scale expands, it is expected that green hydrogen will likely become an important supply of Hydrogen Energy. While high production costs is currently the major issue preventing the widespread use of Hydrogen Energy generated from renewable energy, the advantages of being an abundant resource, low in production cost and mature technologies, enabling blue hydrogen mainly generated from natural gas to play an important role as a "transitional clean energy" in the implementation of the "30•60" strategy. According to the International Energy Agency (IEA), natural gas accounts for over 70% of the global hydrogen production.

Even though the global and domestic Hydrogen Energy industries are currently in the early stage of critical technology development in the entire industrial chain and the exploration of business models, support from favourable government policies is setting the stage for the Hydrogen Energy industry to gradually enter the "scale operation – cost reduction – market expansion" sales-price cycle. According to the forecast by China Hydrogen Energy Alliance, domestic annual demand for hydrogen will account for approximately 5% and 20% of the end-user energy consumption by 2030 and 2060, respectively. Hydrogen Energy is growing as an important supporting energy for large-scale and deep carbon reduction in electricity, transportation, industry, construction and other sectors in the future, the development of Hydrogen Energy is embracing an unprecedented strategic opportunity.

Through its wealth of experiences in the renewable energy sector, GCL New Energy aims to seize the enormous demand for Hydrogen Energy to be released globally and domestically by conducting research on the feasibility of tapping into the Hydrogen Energy industry through the combination of "blue and green hydrogen" to create complementary effects, striving to capture the crucial strategic opportunity to invest in Hydrogen Energy sector in the coming ten years. The Group will prudently research on leveraging its existing solar power generation platform to produce greenhouse gas-free Hydrogen Energy by water electrolysis process. Meanwhile, taking into account of its future diversified layout in Hydrogen Energy, the Company has entered into a non-legally binding memorandum of understanding with POLY-GCL Petroleum Group Limited*（保利協鑫天然氣集團有限公司）, a connected person of the Company, to capitalize on its abundant overseas natural gas resources, which are ready for commercial development, processing into liquid ammonia and subsequently shipping to the PRC to produce hydrogen. The acquisition of abundant natural gas resources at a low price will become an unique and tremendous advantage for GCL New Energy in the development of blue hydrogen, allowing the Group to vastly expand production capacity, meet the huge market demand and develop GCL New Energy into a major international supplier and integrated service provider of "blue and green" Hydrogen Energy.

In addition, with an aim to serving the Hydrogen Energy industry in depth and opening up the entire industrial chain of Hydrogen Energy, the Group entered into a strategic cooperation agreement with JIC Capital Management (Tianjin) Limited*（中建投資本管理（天津）有限公司）in relation to the cooperation for the establishment of a Hydrogen Energy industrial investment fund with a total fund size of approximately RMB10 billion for investing in the Hydrogen Energy business of the Company, and entered into a strategic cooperation memorandum with CCB International Asset Management Limited*（建銀國際資產管理有限公司）in relation to the cooperation for the establishment of a new energy industrial investment fund with a total fund size of not more than USD800 million for investing in the new energy related business and investment projects related to the achievement of carbon emission reduction and carbon neutrality.

Outlook

Currently, GCL New Energy has entered the final stage of its strategic asset-light transformation development. Together with the improvement in cash flow and overall debt issues, the Group will proactively push forward the development of Hydrogen Energy business by persistently promoting innovation, proactively embracing changes and relying on the visionary planning of the management, with an aim to creating a sustainable "asset-light and highly profitable" clean energy enterprise and taking the role as a practitioner and promoter in "bringing green power to life". The Group will seize the significant development opportunities arising from the domestic energy transformation to generate greater returns for the society and the Shareholders of the Company.

* *English names for identification purpose only*

Management Discussion and Analysis

Overview

For the six months ended 30 June 2021, profit attributable to owners of the Company for the period has increased by 25%, from RMB42 million in the same period of last year to RMB53 million in the Reporting Period. The increase in profit for the Reporting Period was mainly attributable to the combined effect of the following:

1. the grid connected capacity of subsidiaries was decreased from 5.5GW as at 30 June 2020 to 2.9GW as at 30 June 2021, representing a decrease of 47% in business scale. Our sales volume of electricity and the revenue from electricity generation of the Group were decreased proportionally by 28% and 31%, respectively. The drop in our business scale led to a decrease in gross profit by RMB650 million, from RMB1,876 million in the same period of last year to RMB1,226 million in the current period;

2. the decrease in other income of RMB94 million, mainly due to the decrease in interest arising from contracts containing significant financing component of RMB108 million;

3. the increase in administrative expenses by 39%, from RMB189 million to RMB263 million, mainly due to an increase in professional fees related to projects disposal;

4. the exchange gain of RMB23 million during the six months ended 30 June 2021, as compared to the exchange loss of RMB76 million for the six months ended 30 June 2020. The exchange gain is mainly caused by the depreciation of USD denominated indebtedness against RMB;

5. the gain on disposal of subsidiaries of RMB248 million for the six months ended 30 June 2021, as compared to a loss on disposal of subsidiaries of RMB88 million for the six months ended 30 June 2020;

6. the loss on measurement of assets classified as held for sale to fair value less cost to sell of approximately RMB235 million (2020: RMB153 million); and

7. the decrease in finance costs of RMB364 million, mainly due to the decrease in business scale.

Business Review

Capacity and Electricity Generation

During the Period, the Group's asset-light transformation pace was accelerated. As at 30 June 2021, the total installed capacity of the Group's subsidiary power plants was approximately 3,041MW (31 December 2020: 4,964MW), and the total attributable installed capacity of associates was approximately 517MW (31 December 2020: 500MW). Details of capacity, electricity sales volume and revenue for the six months ended 30 June 2021 are set out below.

Subsidiaries by provinces	Tariff Zones	Number of solar power plant	Aggregate Installed Capacity(1) (MW)	Grid-connected Capacity(1) (MW)	Electricity Sales Volume (million kWh)	Average Tariff (Net of Tax) (RMB/kWh)	Revenue (RMB million)
Inner Mongolia	1	4	189	189	226	0.72	163
Qinghai	1	–	–	–	38	0.84	32
Ningxia	1	2	60	60	48	0.63	30
		6	**249**	**249**	**312**	**0.72**	**225**
Shaanxi	2	15	931	931	732	0.69	503
Yunnan	2	8	282	279	203	0.64	129
Qinghai	2	4	98	98	102	0.64	66
Jilin	2	4	51	51	40	0.74	30
Sichuan	2	1	50	50	51	0.88	45
Liaoning	2	3	60	47	31	0.69	21
Gansu	2	1	20	20	24	0.72	17
Xinjiang	2	–	–	–	16	0.80	13
		36	**1,492**	**1,476**	**1,199**	**0.69**	**824**
Jiangsu	3	34	425	410	239	0.84	201
Shandong	3	5	161	149	102	0.82	84
Henan	3	6	157	157	280	0.73	205
Guangdong	3	9	169	96	89	0.72	64
Hunan	3	5	102	101	40	0.83	33
Fujian	3	3	56	56	27	0.82	22
Guizhou	3	5	30	30	84	0.79	66
Others	3	11	66	55	188	0.78	148
		78	**1,166**	**1,054**	**1,049**	**0.78**	**823**
Subtotal		**120**	**2,907**	**2,779**	**2,560**	**0.73**	**1,872**
US		2	134	134	94	0.41	38
Total of Subsidiaries		**122**	**3,041**	**2,913**	**2,654**	**0.72**	**1,910**

	Revenue (RMB million)
Representing:	
Electricity sales	777
Tariff adjustment – government subsidies received and receivable	1,133
Total revenue of subsidiaries for electricity sales	1,910
Less: effect of discounting tariff adjustment to present value(2)	(18)
Total revenue of solar power plants, after discounting	1,892
Management service income	26
Total revenue of the Group	1,918

(1) Aggregate installed capacity represents the maximum capacity that was approved by the local government authorities while grid-connected capacity represents that the actual capacity connected to the State Grid.

(2) Certain portion of the tariff adjustments (government subsidies) is discounted.

Most of the solar power plants of the Group are located in China and almost all of the revenue is contributed by the subsidiaries of State Grid. The State Grid is a State-owned enterprise in China, which possesses low default risk. Therefore, the Directors considered that the credit risk of trade receivables was minimal.

Financial Review

Revenue and Gross Profit

For the six months ended 30 June 2021, the Group's revenue was mainly derived from (i) solar power electricity generation; and (ii) service fee income from the provision of the solar power plants operation and management services. The table below sets forth an analysis of the Group's revenue:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue		
– Sales of electricity and tariff adjustments	**1,891,721**	2,731,140
– Operation and management services for solar power plants	**26,232**	37,556
	1,917,953	2,768,696

The decrease in revenue was mainly attributable to the disposal of solar power plants during 2020 and 2021. The grid connected capacity was decreased from 5.5GW as at 30 June 2020 to 2.9GW as at 30 June 2021. The average tariff (net of tax) for the PRC was approximately RMB0.73/kWh (2020: RMB0.76/kWh).

During the six months ended 30 June 2021, the Group provided operation and maintenance services for some of the disposed solar power plant projects and generate management service income. As at 30 June 2021, the Group had entered into contract to provide operation and maintenance services for solar power plants with total installed capacity of approximately 2,390MW.

The Group's gross margin for the six months ended 30 June 2021 was 63.9%, as compared to 67.8% for the six months ended 30 June 2020. The cost of sales mainly consisted of depreciation, which accounted for 78.8% (2020: 82.8%) of the cost of sales, with the remaining costs being operation and maintenance costs of solar power plants.

Other Income

During the six months ended 30 June 2021, other income mainly included imputed interest on discounting effect on tariff adjustment receivables (i.e. interest arising from contracts containing significant financing component) of RMB53 million (2020: RMB161 million), consultancy fee income of RMB25 million (2020: RMB6 million) and bank interest income of RMB9 million (2020: RMB14 million).

Administrative Expenses

The administrative expenses mainly included staff costs, rental expenses and legal and professional fees. Administrative expenses increased by 39% to RMB263 million (2020: RMB189 million) for the six months ended 30 June 2021. The increase in administrative expenses was mainly due to an increase in professional fees related to projects disposal.

Other gains and losses, net

During the six months ended 30 June 2021, the net gain amounted to RMB35 million (2020: net loss of RMB352 million). The net loss for 2021 was mainly due to loss on measurement of assets classified as held to sale to fair value less cost to sell of RMB235 million (2020: RMB153 million). The gain on disposal of solar power plant projects of RMB248 million (2020: loss on disposal of RMB88 million), and exchange gain of RMB23 million (2020: exchange losses of RMB76 million), mainly arising from the depreciation of USD denominated indebtedness against the reporting currency in RMB.

Share of profits of associates

Share of profits of associates amounted to RMB65 million (2020: RMB63 million), mainly representing the share of profits from several partly held solar power plants. The Group disposed of majority of the equity interest of these solar power plants in 2020 and 2021.

Finance Costs

	For the six months ended	
	30 June 2021 RMB million	30 June 2020 RMB million
Total borrowing costs	**948**	1,325
Less: Interest expenses capitalized	**–**	(13)
	948	1,312

Total borrowing costs decreased by 28% as compared with same period of last year. The decrease was mainly due to the decrease in average borrowing balance as a result of the disposal of solar power plants. The interest-bearing debts has been decreased from RMB36,485 million as at 30 June 2020 to RMB18,101 million as at 30 June 2021. However, the effect of the drop in average borrowing balance was partly offset by the increase in the average borrowing rate from approximately 7.2% in 2020 to approximately 7.4% in 2021.

Income Tax Expenses

Income tax expenses for the six months ended 30 June 2021 was RMB42 million (2020: RMB94 million). There is a decrease in income tax expenses because of the disposal of solar power plants during 2020 and 2021. Most of our solar power plants are exempted from the PRC income tax for three years starting from the first year when the solar power plants operate and generate taxable income, followed by a 50% reduction for the next three years.

Profit attributable to other non-controlling interests

Profit attributable to other non-controlling interests amounted to RMB26 million for the six months ended 30 June 2021 (2020: RMB67 million).

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (2020: Nil).

Property, Plant and Equipment

Property, plant and equipment was RMB11,241 million and RMB25,363 million as at 30 June 2021 and 31 December 2020, respectively. The decrease was mainly due to the disposal of solar power plants in 2020 and 2021.

Deposits, Prepayment and Other Non-current Assets

As at 30 June 2021, non-current portion for deposits, prepayments and other non-current assets was RMB426 million (31 December 2020: RMB1,061 million), which mainly included refundable value-added tax of approximately RMB416 million (31 December 2020: RMB981 million).

Contract assets

Contract assets primarily relate to the portion of tariff adjustments for electricity sold to local state grid companies in the PRC in which the relevant on-grid solar power plants are still pending for registration to the project list of subsidy for renewable energy power plants ("Subsidy List"). Any amount previously recognized as contract assets is reclassified to trade receivables at the point at which it is registered in the Subsidy Catalogue.

Contract assets decreased from RMB1,228 million as at 31 December 2020 to RMB442 million as at 30 June 2021, because numerous solar power plants were disposed and some solar power plants entered into the project list of subsidy for renewable energy power plants in 2021 (the "2021 Subsidy List") (also known as the 9th batch of Subsidy Catalogue) and transferred to trade receivables.

Trade and Other Receivables

As at 30 June 2021, trade and other receivables of RMB6,935 million (31 December 2020: RMB8,962 million) mainly included trade and bills receivables of RMB3,132 million (31 December 2020: RMB7,231 million), refundable value-added tax of RMB176 million (31 December 2020: RMB498 million) and consideration receivables from disposal of subsidiaries of RMB2,206 million (31 December 2020: RMB372 million).

Breakdown of tariff adjustment (i.e. government subsidies) receivables and contract assets are summarized as follows:

Tariff receivables and contract assets	**Batch of subsidies**	**Installed Capacity as at 30 June 2021 (MW)**	**30 June 2021 RMB million**	31 December 2020 RMB million
Tariff receivables				
– Current	Poverty alleviation project	**57**	**78**	4
– Current	7th batch or before	**393**	**561**	1,350
– Current	Subsidy list in 2020	**1,639**	**2,232**	5,458
– Current	Subsidy list in 2021	**294**	**106**	–
Sub-total		**2,383**	**2,977**	6,812
Contract assets				
– Non-current	Registering/To be registered	**524**	**442**	1,228
Total		**2,907**	**3,419**	8,040

Other Payables and Deferred Income

Other payables and deferred income decreased from RMB4,688 million as at 31 December 2020 to RMB2,399 million as at 30 June 2021. Other payables and deferred income mainly consisted of payables for purchase of plant and machinery and construction cost of RMB735 million (31 December 2020: RMB3,299 million) and advance payments received for disposal of subsidiaries of RMB984 million (31 December 2020: Nil).

Liquidity and Financial Resources

The Group adopts a prudent treasury management policy to maintain sufficient working capital to cope with daily operations. The funding for all its operations has been centrally reviewed and monitored at the Group level. The indebtedness of the Group mainly comprises bank and other borrowings, senior notes payable, lease liabilities and loans from related companies.

As at 30 June 2021, bank balances and cash of the Group were approximately RMB809 million (31 December 2020: RMB1,191 million), including bank balances and cash of RMB191 million, for projects classified as held for sale (31 December 2020: RMB48 million). For the six months ended 30 June 2021, the Group's primary source of funding included cash generated from its operating activities and proceeds from disposal of power plants.

Indebtedness and gearing ratio

Solar energy business is a capital intensive industry. The business requires substantial capital investments for developing and constructing solar power plants. Thus, the average gearing ratio for the solar energy industry is relatively high.

The Group was in net current assets position of approximately RMB2,926 million as at 30 June 2021 (net current liabilities position as at 31 December 2020: RMB9,230 million). The Group has taken several measures to generate sufficient cash inflow to the Group, which is set out in note 1B to the consolidated financial statements.

As at 30 June 2021, the Group's total borrowings comprising bank and other borrowings and senior notes, loans from related companies and lease liabilities amounted to approximately RMB18,101 million (31 December 2020: RMB30,930 million). The amounts included bank and other borrowings and lease liabilities classified as liabilities directly associated with assets classified as held for sales of RMB4,554 million (31 December 2020: RMB1,768 million). For the remaining balance of approximately RMB13,547 million (31 December 2020: RMB29,162 million), RMB5,801 million (31 December 2020: RMB16,531 million) will be due in the coming twelve months from the end of the Reporting Period, including bank and other borrowings of approximately RMB1,328 million, which shall be due after twelve months from the end of the Reporting Period in accordance with the scheduled repayment dates as set out in the respective loan agreements but are reclassified to current liabilities as a result of the triggering of the cross default clauses in several banks of the Group given the Group's involvement in several litigation cases in the PRC either as a defendant or a guarantor and the failure of repayment of certain of the Group's bank and other borrowings. Subsequent to the end of the reporting period, the Group has partly repaid the loan and obtained a grace period to extend the repayment deadline. Accordingly, these bank and other borrowings became repayable on demand as at 30 June 2021.

The financial resources available to the Group as at 30 June 2021 and up to the date of approval of these consolidated financial statements for issuance may not be sufficient to satisfy the above capital expenditure requirements together with the repayment of borrowings. The Group is undergoing the process of negotiations with respective borrowers for extension or renewal of the defaulted bank and other borrowings and as of the date of these consolidated financial statements, the Group has not received any request from any borrowers to accelerate the repayments of bank and other borrowings. The Group is actively pursuing additional financing including, but not limited to, equity financing from issuance of new shares, extension of payment date for bank and other borrowings that are due for maturity and divesting certain of its existing power plant projects in exchange for cash proceeds.

The Directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 30 June 2021. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations, including those committed capital expenditures, that will be due in the coming twelve months from 30 June 2021, and the on-going covenants compliance.

The Group monitors capital based on two gearing ratios. The first ratio is calculated as net debts divided by total equity and the second ratio is calculated as total liabilities divided by total assets. The gearing ratio as at 30 June 2021 and 31 December 2020 were calculated as follows:

	30 June 2021 RMB million	31 December 2020 RMB million
Non-current indebtedness		
Loans from related companies	**54**	120
Bank and other borrowings	**4,496**	11,612
Senior notes	**2,646**	–
Lease liabilities	**550**	899
	7,746	12,631
Current indebtedness		
Loans from related companies	**17**	789
Bank and other borrowings	**5,254**	12,392
Senior notes	**467**	3,261
Lease liabilities	**63**	89
	5,801	16,531
Indebtedness for solar power plants projects classified as held for sale		
Loan from a related company – due within one year	**–**	3
Bank and other borrowings – due within one year	**586**	330
Bank and other borrowings – due after one year	**3,819**	1,383
Lease liabilities	**149**	52
	4,554	1,768
Total indebtedness	**18,101**	30,930
Less: Cash and cash equivalents		
– continuing operations	**(618)**	(1,143)
– projects classified as held for sale	**(191)**	(48)
Pledged bank and other deposits		
– continuing operations	**(559)**	(744)
– projects classified as held for sale	**(180)**	(44)
Net debts	**16,553**	28,951
Total equity	**9,271**	8,537
Net debts to total equity	**179%**	339%
Total liabilities	**22,817**	36,499
Total assets	**32,088**	45,036
Total liabilities to total assets	**71.1%**	81.0%

The Group's indebtedness was denominated in the following currencies:

	30 June 2021 RMB million	31 December 2020 RMB million
Renminbi ("RMB")	**13,548**	26,054
Hong Kong dollars ("HK$")	**183**	181
United States dollars ("US$")	**4,370**	4,695
	18,101	30,930

Fund raising activities

In February 2021, the Group completed a top-up placing and subscriptions of 2 billion shares at HK$0.455 per share, raising a net proceeds of approximately HK$895 million (equivalent to RMB747 million) after deducting placing commission and related expenses. The net proceeds have been used for repayment of borrowings.

The Company has no other fund raising activities during the six months ended 30 June 2021.

Pledge of Assets

As at 30 June 2021, the following assets were pledged for bank and other facilities granted to the Group:

– property, plant and equipment of RMB11,182 million (31 December 2020: RMB14,938 million);

– bank and other deposits (including deposits for projects classified as held for sale and deposits placed at a related company) of RMB739 million (31 December 2020: RMB788 million);

– rights to collect the sales of electricity for certain subsidiaries. As at 30 June 2021, the trade receivables and contract assets of those subsidiaries amounted to RMB5,128 million (31 December 2020: RMB7,823 million); and

– no right-of-use assets was pledged (31 December 2020: RMB12 million).

Besides, lease liabilities of RMB613 million (31 December 2020: RMB988 million) are recognized in respect of right-of-use assets amounting to RMB649 million (31 December 2020: RMB1,258 million) as at 30 June 2021.

Financial Guarantees provided to Related Companies and Third Parties

As at 30 June 2021, the Group provided guarantees to its associates for certain of their bank and other borrowings in proportional to the Group's interest in those associates with a maximum amount of RMB2,339 million (31 December 2020: RMB3,050 million). Besides, the Group also provided financial guarantees to certain disposed subsidiaries during transitional period for their bank and other borrowings amounting to RMB2,932 million (31 December 2020: RMB1,385 million).

Capital and Other Commitments

As at 30 June 2021, the Group's capital commitments in respect of construction commitments related to solar power plants contracted for but not provided amounted to approximately RMB98 million (31 December 2020: RMB135 million).

Material disposals

During the six months ended 30 June 2021, the Group has entered into various share transfer agreements with different third parties to dispose equity interests in companies which hold various solar power plants. Material disposals are summarised as below:

Agreements signed in 2021	Name of buyers	Percentage of disposed equity interest	Capacity of solar power plants (MW)	Consideration (RMB million)	Disposal status as at 30 June 2021
March – April	Three Gorges Asset Management Co., Ltd* (三峽資產管理有限公司)	50%-100%	832	1,687	To be completed
April	State Power Investment Corporation Guizhou Jinyuan Weining Energy Co., Ltd.* (國家電投集團貴州金元威寧能源股份有限公司) and Guangdong Jinyuan New Energy Co., Ltd.* (廣東金元新能源有限公司)	88%-100%	310	457	To be completed
May	State Power Investment Corporation Chongqing Electric Power Co., Ltd.* (國家電投集團重慶電力有限公司)	100%	86	193	Completed
June	Chongqing Lvxin Energy Development Co., Ltd.* (重慶綠欣能源發展有限公司)	51%-100%	149	275	Completed
May – July	Guizhou West Power Construction Co., Ltd.* (貴州西能電力建設有限公司)	80%-100%	392	344	To be completed
July	Yixing Hechuang New Energy Co., Ltd.* (宜興和創新能源有限公司)	100%	301	481	To be completed
August	Ningxia Hanguang New Energy Co., Ltd.* (寧夏含光新能源有限公司)	100%	271	301	To be completed
	Others		203	320	
		Total	**2,544**	**4,058**	

Note: For details, please refer to the respective announcements published by the Company.

* *English name for identification purpose only*

Events After the Reporting Period

Save as disclosed elsewhere in the Interim Financial Information, the following significant events took place after the end of the reporting period.

(a) On 5 July 2021, the Group entered into an agreement with Guizhou West Power Construction Co., Ltd.*（貴州西能電力建設有限公司）to sell its equity interests in Eshan GCL Solar Power Generation Company Limited*（峨山永鑫光伏發電有限公司）at consideration a of RMB43,100,000 and repayment of corresponding interest in shareholder's loan as at the date of disposal.

(b) On 6 July 2021, the Group entered into an agreement with Sumin Ruineng Wuxi Equity Investment Partnership (Limited Partnership)*（蘇民睿能無錫股權投資合夥企業(有限合夥)）to acquire approximately 5.835% equity interest in Suzhou GCL New Energy at a consideration of RMB1,219,000,000.

(c) Deloitte Touche Tohmatsu ("Deloitte") has resigned as auditor of the Company with effect from 14 July 2021. The Board has passed the resolution in relation to the appointment of Crowe (HK) CPA Limited ("Crowe") as the new auditor of the Company with effect from 15 July 2021 to fill the casual vacancy following the resignation of Deloitte and to hold office until the conclusion of the next annual general meeting of the Company.

(d) On 21 July 2021, the Group entered in a series of sixteen share transfer agreements with Yixing Hechuang New Energy Co., Ltd.*（宜興和創新能源有限公司）to sell its equity interests in those sixteen subsidiaries at consideration in aggregate of RMB481,313,800 and repayment of corresponding interest in shareholder's loan as at the date of disposal.

(e) The Company is pleased to announce that it has established the hydrogen energy business unit to actively conduct the research and development of hydrogen energy ("Hydrogen Energy") and related businesses. Please refer to the announcement of the Company dated 28 July 2021 for more details.

(f) On 30 August 2021, the Group entered into share transfer agreements with Ningxia Hanguang New Energy Co., Ltd.*（寧夏含光新能源有限公司）, to sell its equity interests in certain subsidiaries at consideration in aggregate of RMB301,037,700 and repayment of corresponding interest in shareholder's loan as at the date of disposal.

* *English name for identification purpose only*

Risk Factors and Risk Management

The Group's business and financial results of operations are subject to various business risks and uncertainties. The factors set out below are those that the management believes could affect the Group's financial results of operations differing materially from expected or historical results. However, there can be other risks which are immaterial now but could turn out to be material in the future.

1. Policy risk

Policies made by the government have a pivotal role in the solar power industry. Any alternation in the preferential tax policies, on-grid tariff subsidies, generation dispatch priority, incentives, issuance of green electricity certificates, laws and regulations would cause substantial impact on the solar power industry. Although the PRC government has been supportive in aiding the growth of the renewable industry by carrying out a series of favorable measures, it is possible that these measures will be modified abruptly. In order to minimize risks, the Company will follow rules set out by the government strictly, and will pay close attention to policy makers in order to foresee any disadvantageous movements.

2. Grid curtailment risk

With the growth in power generating capacity outpaced electricity consumption growth, it has led to utilization decline for power generating capacity across the country since 2014. Although solar power has a higher dispatch priority over conventional power generation in China, given electricity generated from areas with rich solar energy resources cannot be fully consumed in the provinces, and the excess electricity cannot be transmitted to other regions with higher power demand given limited power transmission capacity, grid curtailment has become an issue with high degree of concern for solar power. In this regard, the Company mainly focuses on developing solar power plant projects in regions with well-developed inter-province power transmission network or with strong domestic power demand such as zone 2 and 3, as well as actively participating in electricity transactions trade, hence, minimizing grid curtailment risk.

3. Risk associated with tariff

Power tariff is one of the key earning drivers for the Company. Any adjustment in tariff might have an impact on the profitability of new solar power projects. Given the National Development and Reform Commission targets to accelerate the technology development for solar energy industry in order to bring down development costs, solar power tariff may be lowered to the level of coal-fired power by near future and government subsidy for solar energy industry will finally be faded out. To minimise this risk, the Company will continue to increase the pace of technology development and implement cost control measures in order to lower development cost for new projects.

4. Risk related to high gearing ratio

Solar power generating business is a capital intensive industry, which highly relies on external financing to fund the construction of solar power plants while the recovery of capital investment takes a long period of time. To cope with the gearing risk, the Company will pay close attention to the market dynamics, and to avoid any unfavorable changes to the Company. Additionally, the Company is constantly seeking alternative financing tools and pursing asset-light model to optimize our finance structure and lower its gearing ratio.

5. Risk related to interest rate

Interest risk may result from fluctuations in bank loan rates. Given our Company highly relies on external financing in order to obtain capital for new solar power project development, any interest rate changes will have an impact on the Company's capital expenditure and finance expenses, which in turn affect our operating results. Transformation into asset-light model is an effective way to reduce debts and interest rate exposure.

6. Foreign currency risk

As most of our solar power plants are located in the PRC, substantial of our revenues, capital expenditures, assets and liabilities are denominated in RMB. Apart from using RMB denominated loans to finance project development in the PRC, the Company also uses foreign currencies such as US dollars to inject into projects in the form of equity. As the Company has not purchased any foreign currency derivatives or related hedging instruments to hedge for foreign currencies loans, any changes in the exchange rate of foreign currency to RMB will have an impact on the Company's operating results.

7. Risk related to disputes with joint venture partners

Our joint ventures may involve us into risks associated with the possibility that our joint venture partners having financial difficulties or having disputes with us as to the scope of their responsibilities and obligations. We may encounter problems with respect to our joint venture partners which may have an adverse effect on our business operations, profitability and prospects.

Employee and Remuneration Policies

We consider our employees to be our most important resource. As at 30 June 2021, the Group had approximately 958 employees (31 December 2020: 1,122 employees) in the PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include discretionary bonuses, with share options granted to eligible employees. Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and share option expenses) for the six months ended 30 June 2021 was approximately RMB148 million (30 June 2020: RMB139 million).

Our Directors

The Board consists of ten members of which four are independent non-executive Directors, bringing in a sufficient independent voice and enhancing independent judgment. The other members are three executive Directors and three non-executive Directors. In addition, three of the Board members are female Directors, improving the gender diversity in the boardroom.

As at 30 June 2021 and up to the date of this report, the composition of the Board is set out below:

Executive Directors	Non-executive Directors	Independent Non-executive Directors
Mr. ZHU Yufeng	Ms. SUN Wei	Mr. XU Songda
(Chairman and President)	Mr. YEUNG Man Chung, Charles	Mr. LEE Conway Kong Wai
Mr. LIU Genyu *(Vice Chairman)*	Mr. FANG Jiancai	Mr. WANG Yanguo
Ms. HU Xiaoyan		Dr. CHEN Ying

Changes in Directors' Information

1. Mr. He Deyong resigned as a non-executive Director with effect from 1 March 2021.

2. Mr. Fang Jiancai was appointed as a non-executive Director with effect from 1 March 2021.

3. Mr. Wang Bohua retired from office as an independent non-executive Director with effect from the conclusion of the annual general meeting of the Company held on 21 May 2021.

4. Dr. Chen Ying took up the role of a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from the conclusion of the annual general meeting of the Company held on 21 May 2021.

5. Mr. Wang Yanguo resigned as a director of Ninestar Corporation (a company listed on the Shenzhen Stock Exchange) with effect from 12 August 2021.

Save as disclosed above, the Company is not aware of any other change in Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2020 Annual Report.

Audit Committee

The Audit Committee has reviewed, with the management of the Group, the accounting principles and practices adopted by the Group, its internal control and financial reporting matters including a review of the Company's interim report and interim results for the Reporting Period. The Audit Committee also recommended to the Board on the change of external auditor, and to approve the remuneration and terms of engagement of the new external auditor in July 2021.

Following the resignation of Deloitte Touche Tohmatsu as the auditor of the Company with effect from 14 July 2021, Crowe (HK) CPA Limited was appointed as the auditor of the Company with effect from 15 July 2021 to fill the casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company. For details, please refer to the announcement of the Company on 15 July 2021.

The Company's external auditor, Crowe (HK) CPA Limited, has conducted a review of the interim financial information of the Group for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

There is no disagreement raised by the Company's external auditor or the Audit Committee with the accounting treatment adopted by the Company.

Interests in Company's Securities and Share Option Scheme

Interests of Directors and Chief Executive

As at 30 June 2021, so far as is known to the Directors, the interests of the Directors and chief executive 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) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(A) The Company – Long Position

	Number of Shares				
Directors	**Beneficiary of a Trust**	**Personal interests**	**Number of underlying Shares** *(Note 1)*	**Total**	**Approximate percentage of issued Shares** *(Note 2)*
Mr. ZHU Yufeng	–	–	3,523,100	3,523,100	0.02%
	1,905,978,301 *(Note 3)*	–	–	1,905,978,301	9.04%
Ms. HU Xiaoyan	–	–	19,125,400	19,125,400	0.09%
Ms. SUN Wei	–	–	27,178,200	27,178,200	0.13%
Mr. YEUNG Man Chung, Charles	–	–	15,099,000	15,099,000	0.07%
Mr. XU Songda	–	–	2,617,160	2,617,160	0.01%
Mr. LEE Conway Kong Wai	–	–	2,617,160	2,617,160	0.01%
Mr. WANG Yanguo	–	–	1,006,600	1,006,600	0.01%
Dr. CHEN Ying	–	–	1,006,600	1,006,600	0.01%

Notes:

1. Adjustments have been made to the number of underlying Shares as a result of the rights issue with effect from 2 February 2016. For further details, please refer to the Company's announcement dated 2 February 2016.

2. The percentage is calculated based on 21,073,715,441 Shares in issue as at 30 June 2021.

3. Those Shares were beneficially owned by Dongsheng Photovoltaic Technology (Hong Kong) Limited. For further information of the shareholding structure of Dongsheng Photovoltaic Technology (Hong Kong) Limited, please refer to note 3 under the sub-section headed "Interests of Substantial Shareholders" in this "Corporate Governance" section.

(B) Associated Corporations

GCL-Poly

		Number of ordinary shares in GCL-Poly				
Directors	**Long position/ short position**	**Beneficiary of a trust**	**Personal interests**	**Number of underlying Shares**	**Total**	**Approximate percentage of issued shares** *(Note 1)*
Mr. ZHU Yufeng	Long position	6,370,388,156 *(Note 2)*	–	1,510,755 *(Note 3)*	6,371,898,911	25.42%
	Short position	240,000,000 *(Note 4)*	–	–	–	0.96%
Ms. SUN Wei	Long position	–	5,723,000	1,712,189 *(Note 3)*	7,435,189	0.03%
Mr. YEUNG Man Chung, Charles	Long position	–	–	1,700,000 *(Note 3)*	1,700,000	0.01%

Notes:

1. The percentage was calculated based on 25,062,422,448 shares of GCL-Poly in issue as at 30 June 2021.

2. Mr. Zhu Yufeng is beneficially interested in a trust as to 6,370,388,156 shares in GCL-Poly. An aggregate of 6,370,388,156 shares in GCL-Poly are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee for Mr. Zhu Gongshan (an executive director and the chairman of GCL-Poly) and his family (including Mr. Zhu Yufeng, a director of GCL-Poly and the Company respectively, and the son of Mr. Zhu Gongshan) as beneficiaries.

3. These are share options granted by GCL-Poly to the eligible persons, pursuant to the share option scheme of GCL-Poly, adopted by the shareholders of GCL-Poly on 22 October 2007. Such granted share options can be exercised by the eligible persons at various intervals during the period from 15 March 2016 to 28 March 2026 at an exercise price of HK$1.160 or HK$1.324 per share.

4. The short position was held as a result of an equity derivative agreement entered by Happy Genius Holdings Limited.

Save as disclosed above, as at 30 June 2021, the Company is not aware of any of the Directors or chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save for the Company's share option scheme as mentioned under the subsection headed "Share Option Scheme" in this "Corporate Governance" section, at no time during the Reporting Period was the Company, its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangement to enable the Directors or chief executive of the Company to acquire benefits by means of acquisition of Shares in, or debentures of the Company or any other body corporate.

Interests of Substantial Shareholders

As at 30 June 2021, so far as is known to the Directors, the following persons (other than the Directors and chief executive of the Company as disclosed above) had interests in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the Part XV of the SFO:

Long Position in the Shares

Name	Nature of interest	Number of Shares	Approximate percentage in issued Shares *(Note 1)*
Elite Time Global Limited *(Note 2)*	Beneficial owner	10,376,602,000	49.24%
GCL-Poly *(Note 2)*	Interest in controlled corporation	10,376,602,000	49.24%
Asia Pacific Energy Fund Limited *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%
Asia Pacific Energy Holdings Limited *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%
Credit Suisse Trust Limited *(Note 3)*	Trustee	1,905,978,301	9.04%
Dongsheng Photovoltaic Technology (Hong Kong) Limited *(Note 3)*	Beneficial owner	1,905,978,301	9.04%
Golden Concord Group Limited *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%
Golden Concord Group Management Limited *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%
Zhu Gongshan *(Note 3)*	Founder of trust	1,905,978,301	9.04%
營口其印投資管理有限公司 *(Note 3)*	Interest in parties acting in concert pursuant to an agreement under Section 317 of SFO	1,905,978,301	9.04%
協鑫新能科技(深圳)有限公司 *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%
協鑫集團有限公司 *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%
GCL System Integration Technology Co., Ltd. *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%
句容協鑫集成科技有限公司 *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%
江蘇協鑫建設管理有限公司 *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%
協鑫(遼寧)實業有限公司 *(Note 3)*	Interest in controlled corporation	1,905,978,301	9.04%

Notes:

1. The percentage was calculated based on 21,073,715,441 Shares in issue as at 30 June 2021.

2. Elite Time Global Limited is wholly-owned by GCL-Poly. According to the disclosure of interest filings, the decrease in the recorded interest of Elite Time Global Limited (from 53.34% to 49.24%) is because it believes that 865,100,000 Shares previously pledged by it to a third party are more likely than not no longer held by or on behalf of Elite Time Global Limited. Please refer to GCL-Poly's announcements dated 21 May 2021 and 28 May 2021 for background details.

3. Dongsheng Photovoltaic Technology (Hong Kong) Limited is wholly-owned by 句容協鑫集成科技有限公司, which is in turn wholly-owned by GCL System Integration. 江蘇協鑫建設管理有限公司, 協鑫集團有限公司 and 營口其印投資管理有限公司 are controlling shareholders of GCL System Integration. 營口其印投資管理有限公司 is a party acting in concert with 協鑫集團有限公司. 協鑫集團有限公司 is 48.86% owned by 協鑫(遼寧)實業有限公司 and 51.14% owned by 江蘇協鑫建設管理有限公司. 協鑫(遼寧)實業有限公司 is wholly-owned by Mr. Zhu Gongshan (an executive director and the chairman of GCL-Poly and Mr. Zhu Yufeng's father). 江蘇協鑫建設管理有限公司is wholly-owned by 協鑫新能科技(深圳)有限公司. 協鑫新能科技(深圳)有限公司 is wholly-owned by Golden Concord Group Management Limited which is in turn wholly-owned by Golden Concord Group Limited. Golden Concord Group Limited is in turn wholly-owned by Asia Pacific Energy Holdings Limited which is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Gongshan as beneficiaries.

Save as disclosed above, as at 30 June 2021, no other person (other than the Directors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Share Option Scheme

The Company adopted the Share Option Scheme on 15 October 2014. The purpose of the Share Option Scheme is to enable the Company to grant options to personnel as incentives or rewards for their contribution or potential contribution to the Group. The Share Option Scheme shall be valid and effective for a period of 10 years from 15 October 2014, after which no further share options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting share options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Further details of the Share Option Scheme are set out in the Company's 2020 Annual Report. At the annual general meeting of the Company held on 21 May 2021, the Shareholders approved the refreshment of the scheme mandate limit of the Share Option Scheme to 2,107,371,544 Shares, representing 10% of the number of Shares in issue on 21 May 2021.

Share options were first granted on 23 October 2014 to subscribe for 536,840,000 Shares. On 24 July 2015, share options were second granted to subscribe for 473,460,000 Shares. Share options were third granted on 26 February 2021 to subscribe for 381,318,750 Shares (of which 370,516,250 share options have been accepted by the grantees). A total of 575,680,608 share options were outstanding under the Share Option Scheme as at 30 June 2021. Particulars of the Share Option Scheme are set out in note 26 to the Unaudited Condensed Interim Consolidated Financial Statements.

Details of the share options movements under the Share Option Scheme during the Reporting Period are as follows:

Name or category of participants	Date of grant	Exercise period	Exercise price	Adjusted Exercise Price	Number of share options				
					As at 1.1.2021	Granted during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	As at 30.6.2021
		(Notes 1 to 3)	HK$	HK$ *(Note 4)*					
Directors:									
Mr. ZHU Yufeng	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	3,523,100	–	–	–	3,523,100
Ms. HU Xiaoyan	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	16,105,600	–	–	–	16,105,600
	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	3,019,800	–	–	–	3,019,800
Ms. SUN Wei	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	24,158,400	–	–	–	24,158,400
	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	3,019,800	–	–	–	3,019,800
Mr. YEUNG Man Chung, Charles	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	12,079,200	–	–	–	12,079,200
	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	3,019,800	–	–	–	3,019,800
Mr. WANG Bohua *(Note 5)*	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	2,013,200	–	(2,013,200)	–	–
	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	603,960	–	(603,960)	–	–
Mr. XU Songda	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	2,013,200	–	–	–	2,013,200
	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	603,960	–	–	–	603,960
Mr. LEE Conway Kong Wai	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	2,013,200	–	–	–	2,013,200
	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	603,960	–	–	–	603,960
Mr. WANG Yanguo	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	1,006,600	–	–	–	1,006,600
Dr. CHEN Ying	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	1,006,600	–	–	–	1,006,600
Sub-total					74,790,380	–	(2,617,160)	–	72,173,220
Mr. SHA Hongqiu *(Note 6)*	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	8,052,800	–	–	–	8,052,800
Employees of the Group (in aggregate)	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	62,610,520	–	–	(36,036,280)	26,574,240
	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	93,372,216	–	(11,273,920)	(35,965,818)	46,132,478
	26.02.2021	26.02.2021 to 25.02.2031	0.384	–	–	370,516,250	(6,352,500)	–	364,163,750
Employees of the Affiliate Companies (in aggregate) *(Note 7)*	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	132,186,712	–	(4,026,400)	(102,391,352)	25,768,960
	24.07.2015	24.07.2015 to 23.07.2025	0.61	0.606	71,418,270	–	–	(38,603,110)	32,815,160
Total					442,430,898	370,516,250	(24,269,980)	(212,996,560)	575,680,608

Notes:

1. None of the share options have been exercised and the exercise period of the share options granted on 23 October 2014 is ten years from the grant date to 22 October 2024. The vesting schedule of such share options is as follow:

Vesting period	Accumulative Share Options Vested
24 November 2014 to 22 October 2015	20%
23 October 2015 to 22 October 2016	40%
23 October 2016 to 22 October 2017	60%
23 October 2017 to 22 October 2018	80%
On 23 October 2018	100%

All of the share options granted on 23 October 2014 have vested as at 30 June 2021.

2. The share options granted on 24 July 2015 are exercisable during the period indicated upon fulfillment of the conditions indicated as follows:

Condition	Exercise period
Fulfillment of the performance targets from 24 July 2015 to 23 July 2016	24 July 2015 to 23 July 2025
Fulfillment of the performance targets from 24 July 2016 to 23 July 2017	24 July 2016 to 23 July 2025
Fulfillment of the performance targets from 24 July 2017 to 23 July 2018	24 July 2017 to 23 July 2025
Fulfillment of the performance targets from 24 July 2018 to 23 July 2019	24 July 2018 to 23 July 2025
Performance targets from 24 July 2019 onwards are achieved	24 July 2019 to 23 July 2025

If the performance targets from 24 July 2015 to 23 July 2025 are not achieved, all of the share options shall not become exercisable as scheduled. Further, none of the share options have vested as at 30 June 2021 since all of the performance target conditions mentioned hereinabove were not achieved.

3. Subject to vesting and other conditions, the exercise period of the share options granted on 26 February 2021 is ten years from the grant date to 25 February 2031. The vesting schedule of such share options is as follow:

Vesting Date	Accumulative Share Options Vested
26 February 2022	25%
26 February 2023	50%
26 February 2024	75%
26 February 2025	100%

4. Pursuant to the terms of the Share Option Scheme, adjustments are required to be made to the exercise price and the number of Shares that can be subscribed for under the outstanding share options as a result of the rights issue of the Company with effect from 2 February 2016. The exercise prices per Share were adjusted to HK$1.1798 and HK$0.606 for the grant of share options on 23 October 2014 and 24 July 2015 respectively. For further details, please refer to the Company's announcement dated 2 February 2016.

5. Mr. Wang Bohua retired from office as an independent non-executive Director with effect from the conclusion of the annual general meeting of the Company held on 21 May 2021.

6. While Mr. Sha Hongqiu retired from office as a non-executive Director with effect from the conclusion of the annual general meeting of the Company held on 17 June 2020, his share options remain exercisable under the Share Option Scheme.

7. These are ex-employees of the Group who were subsequently transferred to the Affiliate Companies and their share options remain exercisable under the Share Option Scheme.

Corporate Governance and Other Information

Corporate Governance Practices

The Company is committed to promoting high standards of corporate governance through its continuous effort in enhancing its corporate governance practices and process. The Board believes that sound and reasonable corporate governance practices are essential for sustainable development and growth, and safeguarding the interests and assets of the Group and enhancement of Shareholders' value.

Compliance With Corporate Governance Code

Throughout the Reporting Period, the Company complied with the code provisions set out in the CG Code, except for code provision A.2.1:

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. As Mr. Zhu Yufeng, being the Chairman of the Board, has taken up the role of the President of the Company since 7 December 2020, such practice deviates from the code provision. The Board believes that vesting the roles of both the Chairman and the President in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which is comprised of three executive Directors, three non-executive Directors and four independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient supervision to protect the interests of the Company and the Shareholders.

Compliance with Model Code

The Board adopted the Model Code with terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules as its own model code of conduct regarding Directors' securities transactions. Having made specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Reporting Period.

Directors' Interests in Competing Business

Each of the companies in the Golden Concord Group (a general reference to the companies in which Mr. Zhu Yufeng and his family have a direct or indirect interest) operates within its own legal, corporate and financial framework. As at 30 June 2021, the Golden Concord Group might have had or developed interests in business similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

The Directors are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and the Directors would comply with the relevant requirements of the Bye-laws and the Listing Rules whenever a Director has any conflict of interest in the transaction(s) with the Company. Therefore, the Directors believe that the Company is capable of carrying out its business independently of, and at arm's length from the Golden Concord Group.

Mr. Liu Genyu, an executive Director and Vice Chairman of the Company, is also the vice chairman of the board of directors and an executive director of China Nuclear Energy Technology Corporation Limited (a company listed on the Main Board of the Stock Exchange, stock code: 611) ("China Nuclear Energy Technology"). The Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants. China Nuclear Energy Technology, through its subsidiaries, is principally engaged in new energy operations, including but not limited to, (a) provision of engineering, procurement and construction and consulting and general construction services relating to construction of photovoltaic power plants and other general construction and engineering services; (b) power generation operations; (c) financing operations; (d) the manufacturing and trading of solar power related products; and (e) inspection, maintenance, repair, construction, installation and provision of expertise in such works for nuclear power plants via its associated companies.

As such, the businesses of the Group and that of China Nuclear Energy Technology may be in competition and Mr. Liu Genyu may be deemed to have interests in competing businesses of the Group pursuant to Rule 8.10(2) of the Listing Rules. However, as at 30 June 2021, as (i) Mr. Liu Genyu merely serves as executive directors of the Company and China Nuclear Energy Technology but is not interested in any equity interests of the Company and is not interested in 5% or above of equity interests in China Nuclear Energy Technology; and (ii) the Company and China Nuclear Energy Technology have separate and independent management teams. The Company and the Board are of the view that Mr. Liu Genyu's overlapping directorships in the Company and China Nuclear Energy Technology do not affect the Company's operation and independence and does not present any direct conflict of interests.

Risk Management and Internal Control

The Company has in practice complied with the requirements under the CG Code relating to risk management and internal control during the Reporting Period. Details of the Group's risk management and internal control systems (the "Systems"), as well as risk management procedures were set out in the Corporate Governance Report of the Company's 2020 Annual Report.

During the Reporting Period, the Group has conducted ongoing reviews to identify deficiencies in operations and opportunities. All major findings were communicated to senior management of the respective business units to enforce the remediation.

During the Reporting Period, the Internal Control Function of the Group reviewed the effectiveness of the Systems. Based on the ongoing efforts devoted by the Group, there is neither material irregularities nor areas of material concerns that would have significant adverse impact on the Company's financial positions or results of operations. Management should pay attention to and monitor the important risk indicators, including the gearing ratio and the repayment ability of the Group.

Purchase, Sale Or Redemption Of Listed Securities

During the Reporting Period, the Company completed a top-up placing and subscription of an aggregate of 2,000,000,000 Shares (representing approximately 9.49% of the Company's issued share capital as enlarged by the transaction upon completion) at HK$0.455 per Share to various professional, institutional or other investors, with net proceeds of approximately HK$895 million. The net proceeds have been used for repayment of existing borrowings and for general corporate purposes. Further details can be referred to the Company's announcement dated 19 February 2021.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange during the Reporting Period.

Environmental, Social and Governance Reporting

GCL New Energy has issued annual Environmental, Social and Governance Report since 2015, to report on the performance of the Group in environmental, social and governance issues annually. The Company's Environmental, Social and Governance Report 2020 has been included in the Company's 2020 Annual Report, which is published on the websites of the Stock Exchange and the Company.

Loan Agreement with Covenants Relating to Specific Performance of the Controlling Shareholder

The Company entered into a loan agreement containing covenants relating to specific performance of the controlling shareholder of the Company which was subject to announcement requirement under Rule 13.18 of the Listing Rules and disclosure requirement in this Interim Report under Rule 13.21 of the Listing Rules, the details of which is summarized below.

On 22 August 2019, the Company, as borrower entered into a facility agreement (the "CDB Facility Agreement") with China Development Bank Hong Kong Branch, as lender for a term loan facility in the aggregate amount of US$130 million (the "CDB Facility"). The final repayment date of the borrowing under the CDB Facility Agreement is the date falling 24 months after the date of the first utilisation of the CDB Facility.

Pursuant to the CDB Facility Agreement, GCL-Poly, the controlling shareholder of the Company, shall cease to have control over the Company if it no longer (i) has the power to (a) cast, or control the casting of, more than 30% of the maximum number of votes that might be cast at a general meeting of the Company; (b) appoint or remove all, or the majority, of the Directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the Directors or other equivalent officers of the Company are obliged to comply; or (ii) holds beneficially of more than 30% of the issued share capital of the Company ("Change of Control").

In the event of such Change of Control or failure by GCL-Poly, as guarantor of the Company in relation to the CDB Facility, to comply with certain financial conditions during the term of the CDB Facility, the lender may cancel the CDB Facility and declare all outstanding amount attached to it, together with accrued interest, and all other amounts accrued under the CDB Facility Agreement and other ancillary finance documents immediately due and payable. As at the date of this Report, GCL-Poly is a controlling shareholder of the Company. Further details can be referred to the Company's announcement dated 22 August 2019.

Events after the Reporting Period

Details of the events after the Reporting Period of the Group are set out in note 33 to the Unaudited Condensed Interim Consolidated Financial Statements.

Communication with Shareholders

GCL New Energy recognises the importance of maintaining on-going communication between the Board and the Shareholders. The Company proactively promotes investor relations and communications with the Shareholders is always given high priority. The aims of the Company are to improve its transparency, gain more understanding and confidence in relation to the Group's business developments and acquire more market recognition and support from the Shareholders. A Shareholders' Communication Policy was adopted by the Board which is available on the Company's website and is regularly reviewed to ensure its effectiveness.

To ensure all the Shareholders have equal and timely access to important information of the Company, we make extensive use of several communication channels, including publication of annual and interim financial reports, announcements, circulars, listing documents, notice of meetings, proxy forms together with other filings as prescribed under the Listing Rules and key news and developments of the Group to our corporate website at **www.gclnewenergy.com**. The "Investor Relations" section offers a level of information disclosure in easily and readily accessible form and provides timely updates to the Shareholders. Corporate Communications will be provided to Shareholders in either or both English and Chinese version(s) to facilitate Shareholders' understanding. Shareholders have the right to choose the language (either or both English and/or Chinese) and means of receipt of the Corporate Communications in hard copy or through electronic means.

In addition to accessing information on the corporate website, enquiries or requests of information, to the extent it is publicly available, from the Shareholders and other report users are welcome by email, telephone or in writing to our Company Secretary at:

Board Secretarial and Investor Relations Department

Telephone:	+852 2606 9200
Facsimile:	+852 2462 7713
Email:	gneir@gclnewenergy.com
Address:	Unit 1707A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

Any shareholding matters, such as transfer of Shares, change of name or address, and loss of Share certificates should be addressed in writing to the Hong Kong branch share registrar and transfer office of the Company at:

Tricor Abacus Limited

Address:	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Telephone:	(852) 2980–1333
Facsimile:	(852) 2810–8185

Report on Review of Unaudited Condensed Interim Consolidated Financial Statements

國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE BOARD OF DIRECTORS OF GCL NEW ENERGY HOLDINGS LIMITED
協鑫新能源控股有限公司
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the unaudited condensed interim consolidated financial statements of GCL New Energy Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 76, which comprise the unaudited condensed consolidated statement of financial position as of 30 June 2021 and the related unaudited condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these unaudited condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these unaudited interim condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these unaudited condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Material Uncertainty Related to Going Concern

We draw attention to note 1B to the unaudited consolidated interim financial statements, which indicates that (i) the Group has entered into agreements which will involve capital commitments of approximately RMB98 million to construct solar power plants and financial guarantee provided to the associates and third parties for their bank and other borrowings; (ii) the Group's involvement in several litigation cases either as a defendant or a guarantor relating to claims by relevant claimants exceeded the limit of litigation amounts stipulated in the financial covenants of certain bank borrowings; and (iii) as at 30 June 2021, the Group had an outstanding bank borrowing of US$100 million (approximately RMB646 million) of which US$48 million (approximately RMB310 million) (the "First Loan Repayment") and US$52 million (approximately RMB336 million) (the "Second Loan Repayment") were repayable on 23 June 2021 and 20 August 2021 respectively. The Group failed to repay of the First Loan Repayment on 23 June 2021 and the Second Loan Repayment on 20 August 2021. Subsequent to the end of the reporting period, the Group has fully repaid the First Loan Repayment and has obtained written consent from the bank (i) to grant a grace period to extend the repayment of the Second Loan Repayment up to 30 September 2021; and (ii) not to take any legal action against the Group in respect of its failure to repay the bank borrowing upon maturity date.

The Group is undertaking a number of financing plans and other measures as described in note 1B to the unaudited condensed interim consolidated financial statements in order to ensure it is able to meet its financial commitments in the next twelve months. The directors of the Company are of the opinion that based on the assumptions that if these financing plans and other measures can be successfully executed, the Group will have sufficient working capital to finance its operations and to pay its financial obligations as and when they fall due in the foreseeable future. However, the likelihood of successful implementation of these financing plans and other measures, including the Group's ongoing compliance with their borrowing covenants, and along with other matters as set forth in note 1B to the unaudited condensed interim consolidated financial statements, indicate that a material uncertainty exists that may cast a significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 30 August 2021

Chan Wai Dune, Charles
Practising Certificate Number P00712

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

		Six months ended 30 June	
	NOTES	**2021** **RMB'000** **(Unaudited)**	2020 RMB'000 (Unaudited)
Revenue	3	**1,917,953**	2,768,696
Cost of sales		**(692,202)**	(892,331)
Gross profit		**1,225,751**	1,876,365
Other income	4	**104,304**	198,447
Administrative expenses			
– share-based payment expenses	26	**(8,084)**	–
– other administrative expenses		**(254,658)**	(188,585)
Other gains and losses, net	5	**35,480**	(351,652)
Share of profits of associates		**65,158**	62,718
Share of losses of joint ventures		**(287)**	(327)
Finance costs	6	**(947,844)**	(1,311,611)
Profit before tax		**219,820**	285,355
Income tax expense	7	**(41,885)**	(94,447)
Profit for the period	8	**177,935**	190,908
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**27,150**	9,406
Total comprehensive income for the period		**205,085**	200,314
Profit for the period attributable to:			
Owners of the Company		**52,826**	42,304
Non-controlling interests			
– Owners of perpetual notes		**99,550**	81,900
– Other non-controlling interests		**25,559**	66,704
		177,935	190,908
Total comprehensive income for the period attributable to:			
Owners of the Company		**79,976**	51,710
Non-controlling interests			
– Owners of perpetual notes		**99,550**	81,900
– Other non-controlling interests		**25,559**	66,704
		205,085	200,314
		RMB cents **(Unaudited)**	RMB cents (Unaudited)
Earnings per share			
– Basic and diluted	11	**0.26**	0.22

Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2021

	NOTES	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	**11,240,992**	25,363,172
Right-of-use assets	12	**649,136**	1,257,603
Interests in associates	13	**1,291,232**	1,205,898
Interests in joint ventures	14	**2,848**	3,135
Amounts due from related companies	15	**40,529**	40,529
Deposits, prepayment and other non-current assets	16	**426,254**	1,061,080
Contract assets	17B	**441,795**	1,227,979
Pledged bank and other deposits		**295,287**	493,455
Deferred tax assets		**77,338**	142,212
		14,465,411	30,795,063
CURRENT ASSETS			
Trade and other receivables	17A	**6,935,430**	8,961,551
Other loan receivables	18	**–**	–
Amounts due from related companies	15	**321,676**	357,296
Tax recoverable		**1,583**	2,777
Pledged bank and other deposits		**263,759**	250,551
Bank balances and cash		**618,029**	1,143,481
		8,140,477	10,715,656
Assets classified as held for sale	10	**9,481,621**	3,525,749
		17,622,098	14,241,405
CURRENT LIABILITIES			
Other payables and deferred income	20	**2,398,542**	4,688,437
Amounts due to related companies	15	**115,527**	312,194
Tax payable		**10,624**	19,951
Loans from related companies	21	**16,811**	788,668
Bank and other borrowings	22	**5,254,273**	12,392,695
Senior notes	24	**466,998**	3,261,099
Lease liabilities		**63,304**	88,927
		8,326,079	21,551,971
Liabilities directly associated with assets classified as held for sale	10	**6,370,174**	1,919,568
		14,696,253	23,471,539
NET CURRENT ASSETS/(LIABILITIES)		**2,925,845**	(9,230,134)
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,391,256**	21,564,929

Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2021

	NOTES	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Loans from related companies	21	**54,071**	119,840
Bank and other borrowings	22	**4,496,167**	11,611,827
Senior notes	24	**2,646,322**	–
Lease liabilities		**549,706**	898,759
Deferred income	20	**338,962**	349,062
Deferred tax liabilities		**35,237**	48,560
		8,120,465	13,028,048
NET ASSETS		**9,270,791**	8,536,881
CAPITAL AND RESERVES			
Share capital	23	**73,629**	66,674
Reserves		**5,802,284**	4,969,191
Equity attributable to owners of the Company		**5,875,913**	5,035,865
Equity attributable to non-controlling interests			
– owners of perpetual notes		**2,429,486**	2,329,936
– other non-controlling interests		**965,392**	1,171,080
TOTAL EQUITY		**9,270,791**	8,536,881

The unaudited condensed interim consolidated financial statements on pages 32 to 76 were approved and authorised for issue by the Board of Directors on 30 August 2021 and are signed on its behalf by:

Zhu Yufeng
DIRECTOR

Hu Xiaoyan
DIRECTOR

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the Company									Non-controlling interests		
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Legal reserves RMB'000 (Note)	Translation reserve RMB'000	Special reserve RMB'000	Share options reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Perpetual notes RMB'000	Other non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2020 (Audited)	66,674	4,265,230	15,918	1,619,257	(42,632)	491,218	200,354	(169,433)	6,446,586	2,163,114	1,359,943	9,969,643
Profit for the period	–	–	–	–	–	–	–	42,304	42,304	81,900	66,704	190,908
Other comprehensive expense for the period	–	–	–	–	9,406	–	–	–	9,406	–	–	9,406
Total comprehensive income for the period	–	–	–	–	9,406	–	–	42,304	51,710	81,900	66,704	200,314
Forfeitures of share options (note 26)	–	–	–	–	–	–	(15,708)	15,708	–	–	–	–
Disposal of subsidiaries	–	–	–	(8,723)	–	–	–	8,723	–	–	–	–
At 30 June 2020 (Unaudited)	66,674	4,265,230	15,918	1,610,534	(33,226)	491,218	184,646	(102,698)	6,498,296	2,245,014	1,426,647	10,169,957
At 1 January 2021 (Audited)	**66,674**	**4,265,230**	**15,918**	**1,953,179**	**(84,999)**	**491,218**	**178,045**	**(1,849,400)**	**5,035,865**	**2,329,936**	**1,171,080**	**8,536,881**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**52,826**	**52,826**	**99,550**	**25,559**	**177,935**
Other comprehensive income for the period	**–**	**–**	**–**	**–**	**27,150**	**–**	**–**	**–**	**27,150**	**–**	**–**	**27,150**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**27,150**	**–**	**–**	**52,826**	**79,976**	**99,550**	**25,559**	**205,085**
Issue of shares through placement (note 23)	**6,955**	**752,531**	**–**	**–**	**–**	**–**	**–**	**–**	**759,486**	**–**	**–**	**759,486**
Qualified expenses recognised in equity (note 23)	**–**	**(12,404)**	**–**	**–**	**–**	**–**	**–**	**–**	**(12,404)**	**–**	**–**	**(12,404)**
Transfer to legal reserves	**–**	**–**	**–**	**713**	**–**	**–**	**–**	**(713)**	**–**	**–**	**–**	**–**
Recognition of equity settled share-based payments (note 26)	**–**	**–**	**–**	**–**	**–**	**–**	**8,084**	**–**	**8,084**	**–**	**–**	**8,084**
Forfeitures of share options (note 26)	**–**	**–**	**–**	**–**	**–**	**–**	**(94,542)**	**94,542**	**–**	**–**	**–**	**–**
Acquisition of additional interest in subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(101,040)**	**(101,040)**
Acquisition of addition interest in a subsidiary through deemed consideration received	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(19,979)**	**(19,979)**
Disposal of subsidiaries	**–**	**–**	**–**	**4,906**	**–**	**–**	**–**	**–**	**4,906**	**–**	**(105,361)**	**(100,455)**
Dividends paid to non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,867)**	**(4,867)**
At 30 June 2021 (Unaudited)	**73,629**	**5,005,357**	**15,918**	**1,958,798**	**(57,849)**	**491,218**	**91,587**	**(1,702,745)**	**5,875,913**	**2,429,486**	**965,392**	**9,270,791**

Note: Legal reserves represent the amounts set aside from the retained earnings by certain subsidiaries established in the People's Republic of China (the "PRC") and is not distributable as dividend. In accordance with the relevant regulations and their articles of association, the Company's subsidiaries established in the PRC are required to allocate at least 10% of their after-tax profit according to the PRC accounting standards and regulations to legal reserves until such reserves have reached 50% of registered capital. These reserves can only be used for specific purposes and are not distributable or transferable to the loans, advances, cash dividends.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	NOTES	Six months ended 30 June **2021** **RMB'000** **(Unaudited)**	 2020 RMB'000 (Unaudited)
NET CASH FROM OPERATING ACTIVITIES		**1,464,644**	1,084,936
INVESTING ACTIVITIES			
Interest received		**11,199**	15,150
Payments for construction and purchase of property, plant and equipment		**(3,591)**	(742,975)
Proceeds from disposal of property, plant and equipment		**–**	47,318
Payments for right-for-use assets		**–**	(1,917)
Receipts of consideration receivables from disposal of subsidiaries with solar power plant projects		**2,945,516**	28,700
Withdrawal of pledged bank and other deposits		**3,009**	901,849
Placement of pledged bank and other deposits		**(40,000)**	(362,980)
Repayment from a borrower of other loan receivables		**–**	13,000
Repayment of an advance from a borrower		**–**	13,530
Advance to related companies		**–**	(39,598)
Repayment from related companies		**29,499**	1,109
Proceeds from disposal of subsidiaries with solar power plant projects	27	**2,070,013**	17,669
Dividend received from related companies		**24,424**	–
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**5,040,069**	(109,145)
FINANCING ACTIVITIES			
Interest paid		**(950,007)**	(941,383)
Payments for acquisition of additional interest in a subsidiary		**(232,680)**	–
Proceeds from bank and other borrowings		**1,296,267**	688,817
Repayment of bank and other borrowings		**(6,299,892)**	(817,516)
Repayments of lease liabilities		**(12,211)**	(19,888)
Repayment of loans from related parties		**(837,626)**	(162,716)
Proceeds from issue of shares through placement		**759,486**	–
Transaction costs paid for the issue of shares through placement		**(12,404)**	–
Repayment of loans from an associate of ultimate holding company		**(9,936)**	(16,506)
Repayment to related parties		**(200,625)**	(1,145)
Advance from related parties		**10,935**	4,058
Repayment of bonds payable		**(161,795)**	–
Dividend paid to non-controlling interests		**(208,445)**	(45,385)
NET CASH USED IN FINANCING ACTIVITIES		**(6,858,933)**	(1,311,664)

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(354,220)**	(335,873)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		
– bank balances and cash	**1,143,481**	1,073,451
– bank balances and cash classified as held for sale	**48,018**	–
	1,191,499	1,073,451
Effect of exchange rate changes on the balance of cash held in foreign currencies	**(28,456)**	(723)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Represented by		
– bank balances and cash	**618,029**	667,346
– bank balances and cash classified as held for sale	**190,794**	69,509
	808,823	736,855

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2021

1A. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

The functional currency of the Company and the presentation currency of the Group's unaudited condensed interim consolidated financial statements are Renminbi ("RMB").

Change in presentation of unaudited condensed consolidated statement of profit or loss and other comprehensive income

In prior periods, management services income was included under Other income. From 2021 onwards, management services income is presented under Revenue, to more appropriately reflect the nature of such income. The comparative figures have been restated to conform with the revised presentation. No restatement of prior period comparative figures was made as the amounts were immaterial to the consolidated financial statements.

1B. GOING CONCERN ASSUMPTIONS

As at 30 June 2021, as set out in notes 29 and 31(f), the Group had entered into agreements which will involve capital commitments of approximately RMB98 million to construct solar power plants and financial guarantee provided to the associates and third parties for their bank and other borrowings.

As at 30 June 2021, the Group's total borrowings comprising bank and other borrowings, senior notes, loans from related companies and lease liabilities amounted to approximately RMB18,101 million. The amounts included bank and other borrowings and lease liabilities classified as liabilities directly associated with assets classified as held for sales of RMB4,405 million and RMB149 million, respectively. For the remaining balance of approximately RMB13,547 million, RMB5,801 million will be due in the coming 12 months from the end of the reporting period, including bank and other borrowings of approximately RMB1,328 million, which shall be due after 12 months from the end of the reporting period in accordance with the scheduled repayment dates as set out in the respective loan agreements but were reclassified to current liabilities as a result of the triggering of the cross default clauses in several bank borrowings of the Group given the Group's involvement in several litigation cases either as a defendant or a guarantor relating to claims by relevant claimants exceeded the limit of litigation amounts stipulated in the financial covenants by certain bank borrowings.

As at 30 June 2021, the Group had an outstanding bank borrowing of US$100 million (approximately RMB646 million) of which US$48 million (approximately RMB310 million) (the "First Loan Repayment") and US$52 million (approximately RMB336 million) (the "Second Loan Repayment") are repayable on 23 June 2021 and 20 August 2021, respectively. The Group failed to repay of the First Loan Repayment on 23 June 2021 and the Second Loan Repayment on 20 August 2021.

As at 30 June 2021, the Group's (i) pledged bank and other deposits; and (ii) bank balances and cash (including pledged bank and other deposits and balances and cash classified as assets held for sale amounted to approximately of RMB370 million) amounted to approximately RMB1,547 million.

1B. GOING CONCERN ASSUMPTIONS *(Continued)*

The financial resources available to the Group as at 30 June 2021 and up to the date of approval of these unaudited condensed interim consolidated financial statements for issuance may not be sufficient to satisfy the above capital expenditure requirements together with the repayment of borrowings. The Group is undergoing the process of negotiations with respective borrowers for extension or renewal of the defaulted bank and other borrowings and as of the date of these unaudited condensed interim consolidated financial statements, the Group has not received any request from any borrowers to accelerate the repayments of bank and other borrowings. The Group is actively pursuing additional financing including, but not limited to, equity financing from issuance of new shares, extension of payment date for bank and other borrowings that are due for maturity and divesting certain of its existing power plant projects in exchange for cash proceeds.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the directors of the Company (the "Directors") have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 30 June 2021. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations, including those committed capital expenditures, that will be due in the coming twelve months from 30 June 2021, and the on-going covenants compliance upon successful implementation of the following measures which will generate adequate financing and operating cash inflows for the Group:

(a) The Group continues to implement business strategies, among others, to transform its heavy asset business model to a light-asset model by divesting certain of its existing power plant projects in exchange for cash proceeds and to improve the Group's indebtedness position.

    For the six months ended 30 June 2021, the Group had disposed 47 subsidiaries (the "Disposal Projects") at a consideration in aggregate of RMB2,762 million, while 18 subsidiaries with a consideration in aggregate of RMB1,918 million have been classified as held for sale. Consideration of approximately RMB2,411 million were received regarding the Disposal Projects during the current interim period. Consideration receivables of RMB351 million for the Disposal Projects are expected to be completed and received in the coming 12 months from 30 June 2021. Subsequent to the end of the reporting period, as disclosed in notes 33(a), 33(d) and 33(f), the Group had entered into agreements to dispose of certain subsidiaries at a total consideration of approximately RMB1,070 million.

(b) Subsequent to the end of the reporting period, the Group had fully repaid the First Loan Repayment and had obtained a written consent from the bank (i) to grant a grace period to extend the repayment of the Second Loan Repayment up to 30 September 2021; and (ii) agree not to take any legal action against the Group in respect of its failure to repay the bank borrowing upon maturity date.

By taking the above measures, the Directors believe that the Group has sufficient working capital to meet the financial obligations when they fall due and the on-going loan covenants compliance. Notwithstanding the above, significant uncertainties exist as to whether the Group can achieve the plans and measures as described. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, if applicable. The effects of these adjustments have not been reflected in the unaudited condensed interim consolidated financial statements.

1C. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

The Group made certain disposals of subsidiaries during the current interim period and the details are set out in note 27. In addition, the Group entered into several share transfer agreements for disposing certain subsidiaries which assets were recognised during the current interim period as held for sales, details as set out in note 10.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRS Standards"), the accounting policies and methods of computation used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2020.

Application of amendments to IFRS Standards

In the current interim period, the Group has applied the following amendments to IFRS Standards issued by the IASB, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's unaudited condensed interim consolidated financial statements:

Amendment to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

Except as described below, the application of the amendments to IFRS Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed interim consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Application of amendments to IFRS Standards *(Continued)*

2.1 Impacts and accounting policies on application of Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2"

Financial instruments

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

Leases

The Group as a lessee

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the Group uses the revised discount rate that reflects change in the interest rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

- the modification is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

If lease modifications are made in addition to those lease modifications required by interest rate benchmark reform, the Group applies the applicable requirements in IFRS 16 to account for all lease modifications made at the same time, including those required by interest rate benchmark reform.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from sales of electricity and provision of management services. Substantially, revenue arising from sales of electricity is derived from electricity sales to local grid companies in the People's Republic of China (the "PRC") for the six months ended 30 June 2021 and 2020.

Revenue recognised during the periods are as follows:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue		
Recognised at a point in time:		
– Sales of electricity	**776,647**	1,081,073
– Tariff adjustments	**1,115,074**	1,650,067
Subtotal	**1,891,721**	2,731,140
Recognised over time:		
– Operation and management services for solar power plants	**26,232**	37,556
	1,917,953	2,768,696

For sales of electricity, the Group generally entered into power purchase agreements with local grid companies with a term of one to five years which stipulate the price of electricity per watt hour. Revenue is recognised when control of the electricity has been transferred, being at the point when electricity has generated and transmitted to the customers and the amount included RMB1,115,074,000 (six months ended 30 June 2020: RMB1,650,067,000) tariff adjustment recognised during the period. The Group generally grants credit period of approximately one month from the date of invoice in accordance with the relevant power purchase agreements between the Group and the respective local grid companies. The Group will complete the remaining performance obligations in accordance with the relevant terms as stipulated in the power purchase agreements and the remaining aggregated transaction price will equal to the quantity of electricity that can be generated and transmitted to the customers times the stipulated price per watt hour.

The financial resource for the tariff adjustment is the national renewable energy fund that accumulated through a special levy on the consumption of electricity of end users. The PRC government is responsible to collect and allocate the fund to the respective state grid companies and then the local grid companies will make settlement to the solar power companies. Effective from March 2012, the application, approval and settlement of the tariff adjustment are subject to certain procedures as promulgated by Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法). Caijian [2013] No. 390 Notice issued in July 2013 simplified the procedures of settlement of the tariff adjustment. National Energy Administration [2020] No. 79 Notice issued on 30 December 2020 further clarified the procedures of the settlement of the tariff adjustment.

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

In January 2020, the Several Opinions on Promoting the Healthy Development of Non-Hydro Renewable Energy Power Generation (Caijian [2020] No. 4)*(《關於促進非水可再生能源發電健康發展的若干意見》)(財建[2020]4號) and the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (Caijian [2020] No. 5)*(《財政部國家發展改革委國家能源局關於印發〈可再生能源電價附加資金管理辦法〉的通知》)(財建[2020]5號) (the "2020 Measures") were jointly announced by the Ministry of Finance, National Development and Reform Commission and National Energy Administration. In accordance with the new government policy as stipulated in the 2020 Measures, the PRC government will not announce new additions to the existing Renewable Energy Tariff Subsidy Catalogue*(可再生能源電價附加資金補助目錄, the "Catalogue") and has further simplified the application and approval process regarding the registration of tariff adjustments for non-hydro renewable energy power plant projects into the Renewable Energy Tariff Subsidy List(可再生能源發電補助項目清單, the "List"). The state grid companies will regularly announce the List based on the project type, time of grid connection and technical level of the solar power projects. All solar power plants already registered in the Catalogue will be enlisted in the List automatically. For those on-grid solar power projects which have already started operation but yet to register into the previous Catalogue and now, the List, these on-grid solar power projects are entitled to enlist into the List once they have met the conditions as stipulated on the Administration of Subsidy Funds for Tariff Premium of Renewable Energy(可再生能源電價附加資金管理辦法) and completed the submission and application in the National Renewable Energy Information Management Platform (the "Platform").

Tariff adjustments are recognised as revenue and due from grid companies in the PRC in accordance with the relevant power purchase agreements.

Tariff adjustments for those solar power plants that are subject to approval for registration in the List by the PRC government at the end of the reporting period, the relevant revenue from these tariff adjustments are considered variable consideration, and are recognised only to the extent that it is highly probable that a significant reversal will not occur and are included in contract assets. Management assessed that all of the Group's operating power plants have qualified and met all the requirements and conditions as required based on the prevailing nationwide government policies on renewable energy for solar power plants. The contract assets are transferred to trade receivables upon the relevant power plant obtained the approval for registration in the Catalogue or when the relevant power plant is enlisted in the List since the release of the 2020 Measures.

Tariff adjustments for certain of the solar power plants which are yet to obtain approval for registration in the List by the PRC government, the management considers that it contains a significant financing component over the relevant portion of the tariff adjustments until approval was obtained. For the six months ended 30 June 2021, the respective tariff adjustments were adjusted for this financing component based on an effective interest rate ranging from 2.36% to 3.03% per annum (six months ended 30 June 2020: 2.45% to 2.98% per annum) and adjustments were made in relation to the revision of expected timing of tariff collection. As such, Group's revenue was adjusted by approximately RMB18 million (six months ended 30 June 2020: RMB28 million) and interest income amounting to approximately RMB53 million (six months ended 30 June 2020: RMB161 million) (note 4) was recognised.

The Group's chief operating decision maker ("CODM"), being the executive directors of the Company, regularly reviews revenue by province; however, no other discrete information was provided. In addition, the CODM reviewed the consolidated results when making decisions about allocating resources and assessing performance. Hence, no further segment information other than entity wide information was presented.

Management service fee income is recognised over time when the operation and management services for the solar power plants are provided by the Group's performance as the Group performs.

* *English name for identification purpose only*

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's operations are located in the PRC and the United States of America ("US").

Information about the Group's revenue from external customers is presented based on the location of the operations and customers.

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
PRC	**1,877,171**	2,729,300
Other countries	**40,782**	39,396
	1,917,953	2,768,696

In prior periods, management services income was included under Other income. From 2021 onwards, management services income is presented under Revenue. Comparative figures have been restated to conform with current interim period's presentation (note 1A).

4. OTHER INCOME

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Consultancy income (Note a)	**24,697**	5,946
Government grants:		
– Incentive subsidies (Note b)	**3,656**	2,510
– Investment Tax Credit ("ITC") (note 20c)	**6,640**	7,222
– Others	**147**	1,804
Interest arising from contracts containing significant financing component	**53,052**	160,840
Interest income of financial assets at amortised cost:		
– Bank interest income	**8,761**	14,090
– Interest income from other loan receivables (note 18)	**2,438**	1,060
Others	**4,913**	4,975
	104,304	198,447

Notes:

(a) Consultancy income represents consultancy fees earned from third parties for design and planning for constructing solar power plants and equipment maintenance.

(b) Incentive subsidies were received from the relevant PRC government for improvement of working capital and financial assistance to the operating activities. The subsidies were granted on a discretionary basis during the period and the conditions attached thereto were fully complied with.

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Exchange gain (losses), net (Note a)	**22,808**	(75,615)
Impairment losses on property, plant and equipment (Note b)	**–**	(42,596)
Impairment loss on expected credit loss model, net of reversal	**–**	(5,398)
Loss on measurement of assets classified as held for sale to fair value less cost to sell (note 10)	**(235,327)**	(153,339)
Gain (loss) on disposal of solar power plant projects (note 27)	**247,999**	(87,738)
Gain on early termination of a lease	**–**	7
Fair value change on other investment (Note c)	**–**	13,027
	35,480	(351,652)

Notes:

(a) Exchange gain (losses) mainly arose from the bank and other borrowings and the senior notes, all are denominated in United States dollars ("US$") which depreciated (six months ended 30 June 2020: appreciated) against RMB during the current interim period.

(b) The impairment loss arose from the termination of constructing certain in-progress solar power projects during the six months ended 30 June 2020. During the six months ended 30 June 2021, having considered the financial resources of the Group, and considered that the equipment costs related to certain solar power plants, which were still in their preliminary stage, would not generate future economic returns to the Group, the management determined to suspend these projects and the relevant equipment costs in these projects are fully impaired. No impairment on property, plant and equipment was provided for the current interim period.

(c) The Group invested RMB100,000,000 into an asset management plan managed by a financial institution in the PRC with maturity on 31 March 2021. The principal was not guaranteed by the financial institution and the expected return rate as stated in the contract is 7.5%. During the six months ended 30 June 2020, the Group entered into an asset transfer agreement with a financial institution to offset such investment with the other borrowings from it with a gain of RMB13,027,000 in the profit or loss.

6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on financial liabilities at amortised cost:		
Bank and other borrowings	**728,354**	1,101,679
Bonds and senior notes	**153,476**	124,677
Loans from related companies (note 31b)	**32,019**	65,141
Lease liabilities	**33,995**	33,552
Total borrowing costs	**947,844**	1,325,049
Less: amounts capitalised in the cost of qualifying assets	**–**	(13,438)
	947,844	1,311,611

There is no borrowing costs capitalised during the current interim period. Borrowing costs capitalised during the six months ended 30 June 2020 arose on the general borrowing pool and were calculated by applying a capitalisation rate of 7.39% per annum to expenditure on qualifying assets.

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021 **RMB'000** **(Unaudited)**	2020 RMB'000 (Unaudited)
PRC Enterprise Income Tax ("EIT"):		
Current tax	**39,053**	84,993
PRC dividend withholding tax	**920**	7,158
Deferred tax	**1,912**	2,296
Total	**41,885**	94,447

The basic tax rate of the Company's PRC subsidiaries is 25%, under the law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT law.

Certain subsidiaries of the Group, being enterprises engaged in solar photovoltaic projects, under the EIT Law, are entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating incomes were derived. For the six months ended 30 June 2021 and 30 June 2020, certain subsidiaries of the Company engaged in the solar photovoltaic projects are in the 3-year 50% exemption period. Certain of such subsidiaries of the Group have completed the 3-year full exemption period or 3-year 50% exemption period in current period.

No provision for taxation in Hong Kong Profits Tax, and the US Federal and state income tax were made as there is no assessable profit in Hong Kong and the US, respectively, for both reporting periods.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. No deferred taxation has been provided for in the unaudited condensed consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries for six months ended 30 June 2021 (six months ended 30 June 2020: nil) and no deferred tax has been provided for the remaining RMB1,607,067,000 (six months ended 30 June 2020: RMB1,957,159,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. During the period ended 30 June 2021, withholding tax of RMB920,000 (six months ended 30 June 2020: RMB7,158,000) are changed to profit or loss for the dividends declared and paid by the PRC subsidiaries of RMB18,396,000 (six months ended 30 June 2020: RMB143,164,000).

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Depreciation of:		
– Property, plant and equipment	**527,242**	708,227
– Right-of-use assets	**40,102**	46,076
Staff costs (including directors' remuneration but excluding share-based payments)		
– Salaries, wages and other benefits	**124,058**	123,537
– Retirement benefit scheme contributions (Note)	**15,842**	15,609
Share-based payment expenses (note 26) (administrative expenses in nature)		
– Staff	**8,084**	–

Note: The retirement benefit scheme contributions have been following the local government's social insurance concession policy during the outbreak of COVID-19.

9. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the six months ended 30 June 2021, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2020: Nil).

10. ASSETS CLASSIFIED AS HELD FOR SALE

Disposal of solar power plants

(a) On 19 November 2020, the Group entered into fourteen share transfer agreements with 華能工融一號(天津)股權投資基金合夥企業有限公司 Huaneng Gongrong No.1 (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* ("Hua Neng No.1 Fund") and 華能工融二號(天津)股權投資基金合夥企業有限公司 Huaneng Gongrong No.2 (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* ("Hua Neng No.2 Fund") to dispose of its 100% equity interest in twelve wholly-owned subsidiaries, namely Baoying Xinyuan Photovoltaic Power Co., Ltd.* ("Baoying Xinyuan"), Lianshui Xinyuan Photovoltaic Power Co., Ltd.* ("Lianshui Xinyuan"), Lanxi Jinrui Photovoltaic Power Co., Ltd.* ("Lanxi Jinrui"), Zhongli Tenghui Hainan Electric Power Co., Ltd.* ("Zhongli Tenghui"), Delingha Energy Power Co., Ltd.* ("Delingha Energy"), Gaotang County GCL Jinghui Photovoltaic Co., Ltd.* ("Gaotang County GCL"), Hetian GCL Photovoltaic Power Co., Ltd.* ("Hetian GCL"), Liaocheng Xiechang Photovoltaic Power Co., Ltd.* ("Liaocheng Xiechang"), Yanbian Xinneng Photovoltaic Power Co., Ltd.* ("Yanbian Xinneng"), Delingha Century Concord Photovoltaic Power Co., Ltd.* ("Delingha Century Concord"), Delingha Shidai New Energy Power Co., Ltd.* ("Delingha Shidai"), Hainanzhou Shineng Photovoltaic Power Co., Ltd.* ("Hainanzhou Shineng"), it 51% equity interest in Yuncheng Xinhua Energy Development Co., Ltd.* ("Yuncheng Xinhua") and its 56.5131% equity interest in Yili GCL Energy Limited* ("Yili GCL") at an aggregate consideration of RMB666,654,000 and the repayment of interest in shareholder's loan as at the date of disposals (the "Disposal Date A"). The Group and Hua Neng No. 1 Fund and Hua Neng No. 2 Fund mutually agreed to reduce the consideration from RMB666,654,000 to RMB644,399,000 during the current interim period. The subsidiaries operate solar power plant projects with in aggregate capacity of 430MW in Yangzhou, Qinghai, Xinjiang, Shandong, Zhejiang and Sichuan, the PRC (the "Project A").

As at 30 June 2021, the disposals of Baoying Xinyuan, Lianshui Xinyuan, Lanxi Jinrui, Zhongli Tenghui, Delingha Energy, Hetian GCL, Liaocheng Xiechang, Yanbian Xinneng, Yili GCL, Delingha Century Concord, Delingha Shidai, Hainanzhou Shineng with an aggregate consideration of RMB572,003,000 were completed and disclosed in note 27(f). The disposals of Gaotang County GCL and Yuncheng Xinhua have not been completed and are presented as disposal groups held for sale.

The Group has granted a put option to Hua Neng No. 1 Fund and Hua Neng No. 2 Fund, pursuant to which the Group has agreed that if the Project A fails to fully receive the balance of the tariff adjustment receivables (the "Tariff Adjustment Receivables") as at the Disposal Date A during the four-year period after the Disposal Date A, or the operation of the Project A is disrupted for more than six months due to the reasons stipulated in the share transfer agreements, the Group shall repurchase the entire equity interest in the Project A from Hua Neng No. 1 Fund and Hua Neng No. 2 Fund at a repurchase price which is the higher of (1) equity value of the Project A assessed by The State-owned Assets Supervision and Administration Commission of the State Council or (2) a repurchase price calculated in accordance with terms specified in the share transfer agreements, together with any outstanding shareholder's loan advanced to the Project A by Hua Neng No. 1 Fund and Hua Neng No. 2 Fund. As the Project A has already registered in the List and receipt of tariff adjustment receivables is stable, in the opinion of the Directors, it is highly probable that the balance of the Tariff Adjustment Receivables will be collected within four years after the Disposal Date A and therefore, the possibility regarding the occurrence of the specified events as stipulated in the share transfer agreements that would trigger the repurchase event is remote, and the fair value of the put option as at 30 June 2021 is considered as insignificant.

10. ASSETS CLASSIFIED AS HELD FOR SALE *(Continued)*

Disposal of solar power plants *(Continued)*

(b) On 31 March 2021, the Group entered into six share transfer agreements with 三峽資產管理有限公司 Three Gorges Asset Management Co., Ltd.* ("Three Gorges") to dispose of its 100% equity interest in four wholly-owned subsidiaries, namely Sanmenxia Xie Li Solar Power Co., Ltd.* ("Sanmenxia Xie Li"), Kaifeng Huaxin New Energy Development Co., Ltd.* ("Kaifeng Huaxin"), Shangshui GCL Photovoltaic Electric Power Co, Ltd.* ("Shangshui GCL") and Queshan Zhuiri New Energy Power Company Limited* ("Queshan Zhuiri") and its 50% equity interest in each of Taiqian GCL Photovoltaic Power Company Limited* ("Taiqian GCL") and Nanzhao Xin Li Photovoltaic Electric Power Co, Ltd. * ("Nanzhao Xin Li"), at an aggregate consideration of RMB364,650,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The Group and Three Gorges mutually agreed to reduce the consideration from RMB364,650,000 to RMB342,796,000 during the six months ended 30 June 2021. The subsidiaries operate solar power plant projects with an aggregate capacity of 321MW in Henan, the PRC.

As at 30 June 2021, the disposals of Sanmenxia Xie Li, Kaifeng Huaxin, Nanzhao Xin Li with a consideration in aggregate of RMB51,446,000 were completed and disclosed in note 27(g). The disposals of Taiqian GCL, Shangshui GCL and Queshan Zhuiri have not been completed and presented as disposal groups held for sale.

(c) On 21 May 2021, the Group entered into two share transfer agreements with 貴州西能電力建設有限公司 Guizhou West Power Construction Co., Ltd* ("Guizhou West Power") to dispose of its 100% equity interest in two wholly-owned subsidiaries, namely Haifeng County GCL Solar Power Co., Ltd* ("Haifeng County GCL") and Anlong Maoan New Energy Development Company Limited* ("Anlong Maoan"), at an aggregate consideration of RMB82,264,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The subsidiaries operate solar power plant projects with an aggregate capacity of 131MW in Guangdong and Guizhou, the PRC. As at 30 June 2021, the disposals of Haifeng County GCL and Anlong Maoan have not been completed and presented as disposal groups held for sale.

(d) On 1 April 2021, the Group entered into four share transfer agreements with Three Gorges to dispose of its 98.4% equity interest in Jingbian GCL Solar Power Co., Ltd.* ("Jingbian GCL"), its 80.3514% equity interest in Hengshan Jinghe Solar Energy Co., Ltd.* ("Hengshan Jinghe") and its 100% equity interest in two wholly-owned subsidiaries, namely Yulin Longyuan Solar Energy Limited* ("Yulin Longyuan") and Yulin Yushen Industrial Area Energy Co., Ltd.* ("Yulin Yushen"), at an aggregate consideration of RMB1,250,000,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The subsidiaries operate solar power plant projects with an aggregate capacity of 469MW in Shaanxi, the PRC. As at 30 June 2021, the disposals have not been completed and presented as disposal groups held for sale.

(e) On 25 June 2021, the Group entered into seven share transfer agreements with Three Gorges to dispose of its 100% equity interest in six wholly-owned subsidiaries, namely Hong He Xian Rui Xin Photovoltaic Power Generation Company Limited* ("Hong He Xian Rui Xin"), Kun Ming Xu Feng Photovoltaic Power Generation Company Limited* ("Kun Ming Xu Feng"), Luquan GCL Solar Power Generation Company Limited* ("Luquan GCL"), Heqing Xinhua Photovoltaic Power Co., Ltd.* ("Heqing Xinhua"), Menghai GCL Solar Agricultural Power Co., Ltd.* ("Menghai GCL") and Yuxi Zhongtai New Energy Technology Co., Ltd.* ("Yuxi Zhongtai") and its 80% equity interest in Yuanmou Green Power New Energy Development Limited* ("Yuanmou"), at an aggregate consideration of RMB218,960,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The subsidiaries operate solar power plant projects with an aggregate capacity of 229MW in Yunnan, the PRC. As at 30 June 2021, the disposals have not been completed and presented as disposal groups held for sale.

* *English name for identification purpose only*

10. ASSETS CLASSIFIED AS HELD FOR SALE *(Continued)*

Disposal of solar power plants *(Continued)*

As at 30 June 2021, the assets and liabilities attributable to these solar power plant projects have been classified as a disposal group held for sale and are presented separately in the unaudited condensed interim consolidated statement of financial position.

As at 30 June 2021, the major classes of assets and liabilities of the disposal group are as follows:

	RMB'000
Property, plant and equipment	6,243,228
Right-of-use assets	255,398
Other non-current assets	222,609
Trade and other receivables	2,625,302
Pledged bank deposits	179,617
Bank balances and cash	190,794
	9,716,948
Less: Loss on measurement of assets classified as held for sale to fair value less cost to sell (note 5)	(235,327)
Total assets classified as held for sale	9,481,621
Other payables	(1,814,642)
Bank and other borrowings – due within one year	(586,492)
Bank and other borrowings – due after one year	(3,819,798)
Lease liabilities	(149,242)
Total liabilities directly associated with assets classified as held for sale	(6,370,174)
Net assets of solar power plant projects classified as held for sale	3,111,447
Intragroup balances	(1,311,616)
Net assets of solar power plant projects	1,799,831

The following is an aged analysis of trade receivables presented based on the invoice date at 30 June 2021, which approximated the respective revenue recognition date:

	RMB'000
Unbilled (note)	2,152,534
0–90 days	79,144
91–180 days	35,519
Over 180 days	178,125
	2,445,322

10. ASSETS CLASSIFIED AS HELD FOR SALE *(Continued)*

Disposal of solar power plants *(Continued)*

Note: The aged analysis of the unbilled trade receivables, which is based on revenue recognition date, are as follows:

	RMB'000
0–90 days	234,233
91–180 days	185,310
181–365 days	316,216
Over 365 days	1,416,775
	2,152,534

For the electricity sale business, the Group generally granted credit period of approximately one month to local power grid companies in the PRC from the date of invoice in accordance with the relevant electricity sales contract between the Group and the respective local grid companies.

The carrying amounts of the above bank and other borrowings are repayable[#]:

	RMB'000
Within one year	586,492
More than one year, but not exceeding two years	610,885
More than two years, but not exceeding five years	1,978,404
More than five years	1,230,509
	4,406,290
Less: Bank and other borrowings – due within one year	(586,492)
Bank and other borrowings – due after one year	3,819,798

The repayable amounts of bank and other borrowings are based on scheduled repayment dates set out in the respective loan agreements.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Profit for the period attributable to owners of the Company and for the purpose of basic and diluted earnings per share	**52,826**	42,304

	Six months ended 30 June	
	2021 '000 (Unaudited)	2020 '000 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**20,631,726**	19,073,715

Diluted earnings per share did not assume the exercise of the share options since the exercise price is higher than the average share price for six months ended 30 June 2021 and 2020, respectively.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Six months ended 30 June 2021	**Property, plant and equipment RMB'000**	**Right-of-use assets RMB'000**
Carrying amount at 1 January 2021 (Audited):	**25,363,172**	**1,257,603**
Additions	**3,591**	**–**
Exchange differences	**(14,603)**	**(4,230)**
Disposal of subsidiaries (note 27)	**(7,399,286)**	**(308,737)**
Disposals	**(176,739)**	**–**
Depreciation	**(527,242)**	**(40,102)**
Transfer to assets held for sale (note 10)	**(6,007,901)**	**(255,398)**
Carrying amount at 30 June 2021 (Unaudited)	**11,240,992**	**649,136**

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS *(Continued)*

Six months ended 30 June 2020	Property, plant and equipments RMB'000	Right-of-use assets RMB'000
Carrying amount at 1 January 2020 (Audited):	35,400,109	1,513,943
Additions	15,985	38,767
Exchange differences	24,933	915
Disposal of subsidiaries (note 27)	(642,551)	(20,464)
Disposals	(47,318)	–
Depreciation	(708,227)	(46,076)
Impairment loss recognised during the period (note 5)	(42,596)	–
Transfer to assets held for sale (note 10)	(2,196,567)	(23,537)
Adjustment on cost	(40,751)	–
Early termination	–	(3,903)
Carrying amount at 30 June 2020 (Unaudited)	31,763,017	1,459,645

At 30 June 2021, the Group was in the process of obtaining property ownership certificates in respect of property interests held by the Group in the PRC with a carrying amount of approximately RMB517,441,000 (31 December 2020: RMB730,850,000). In the opinion of the Directors, the absence of the property ownership certificates to these property interests does not impair their carrying value to the Group as the Group paid the full purchase consideration of these property interests and the probability of being evicted on the ground of an absence of property ownership certificates is remote.

Lease contracts are entered into fixed for terms ranging from 3 to 50 years. The lease agreements entered into between the landlords and the Group include renewal options at the discretion of the respective group entities for further 5 to 10 years (31 December 2020: 5 to 10 years) from the end of the leases with fixed rental.

13. INTERESTS IN ASSOCIATES

Same as disclosed in the Group's 2020 annual report, there is no material change for the six months ended 30 June 2021.

14. INTERESTS IN JOINT VENTURES

Same as disclosed in the Group's 2020 annual report, there is no material change for the six months ended 30 June 2021.

15. AMOUNTS WITH RELATED COMPANIES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Amounts due from related companies – non-current		
– Amounts due from associates (Note a)	**40,529**	40,529
	40,529	40,529
Amounts due from related companies – current		
– Amounts due from associates (Note a)	**296,904**	326,351
– Amounts due from joint ventures (Note b)	**–**	7,942
– Amounts due from fellow subsidiaries (Note c)	**24,172**	21,837
– Amounts due from the companies controlled by Mr. Zhu Yufeng, the chairman of the Group, and his family (Note d)	**600**	1,166
	321,676	357,296
Amounts due to related companies – current		
– Amounts due to associates (Note a)	**4,102**	14,038
– Amounts due to fellow subsidiaries (Note c)	**107,377**	93,483
– Amounts due to the companies controlled by Mr. Zhu Yufeng and his family (Note d)	**4,048**	204,673
	115,527	312,194

Notes:

(a) The amounts with associates are non-trade nature, unsecured, non-interest bearing with no fixed repayment term except for an amounts due from associates of RMB40,529,000 (31 December 2020: RMB40,529,000) which, in the opinion of the Directors, are expected to be received after twelve months from the end of the reporting period and are classified as non-current.

(b) The amounts due from joint ventures are non-trade nature, unsecured, non-interest bearing and repayable on demand.

(c) The amounts due from/to fellow subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for the amounts due from fellow subsidiaries of approximately RMB12,373,000 (31 December 2020: RMB9,986,000) which is arising from operation and management services rendered to fellow subsidiaries with a credit term of 30 days.

The following is an aged analysis of the amounts due from fellow subsidiaries arising from management services presented based on the invoice date which approximated the respective revenue recognition date:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
0–90 days	**11,343**	8,991
91–180 days	**1,030**	995
	12,373	9,986

(d) Mr. Zhu Yufeng and his family members hold in aggregate more than 20% of the Company's share capital as at 30 June 2021 and 31 December 2020 and exercise significant influence over the Company. The amounts with companies controlled by Mr. Zhu Yufeng and his family are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for amounts due to companies controlled by Mr. Zhu Yufeng and his family of RMB530,000 (31 December 2020: RMB526,000) which is arising from training services provided by related companies with credit term of 30 days.

16. DEPOSITS, PREPAYMENT AND OTHER NON-CURRENT ASSETS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Refundable value-added tax	**416,493**	981,075
Others	**9,761**	80,005
	426,254	1,061,080

17A. TRADE AND OTHER RECEIVABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables (Note a)	**3,131,837**	7,231,113
Prepayment and deposits	**188,701**	118,154
Other receivables		
– Amounts due from former subsidiaries (Note b)	**775,532**	359,351
– Consultancy services fee receivables	**13,559**	12,137
– Consideration receivable from disposal of subsidiaries	**2,205,978**	372,082
– Advance to non-controlling interest shareholder	**18,750**	18,750
– Receivables for modules procurement	**56,297**	63,376
– Refundable value-added tax	**175,715**	498,123
– Deposit for acquisition of additional interest in subsidiaries	**200,000**	–
– Others	**483,648**	603,052
	7,250,017	9,276,138
Less: Allowance for credit loss		
– Trade	**(10,000)**	(10,000)
– Non-trade	**(304,587)**	(304,587)
	6,935,430	8,961,551

17A. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

(a) For sales of electricity in the PRC, the Group generally grants credit period of approximately one month to local power grid companies in the PRC from the date of invoice in accordance with the relevant electricity sales contracts between the Group and the respective local grid companies.

Trade receivables include bills received amounting to RMB8,236,000 (31 December 2020: RMB153,398,000) held by the Group for future settlement of trade receivables, of which certain bills issued by third parties are further endorsed by the Group with recourse for settlement of payables for purchase of plant and machinery and payment for construction costs, or discounted to banks for cash. The Group continues to recognise their full carrying amount at the end of both reporting periods. All bills received by the Group are with a maturity period of less than one year.

The following is an aged analysis of trade receivables (excluded bills held by the Group for future settlement), which is presented based on the invoice date at the end of the reporting period:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Unbilled (Note)	**3,023,524**	6,717,763
0–90 days	**66,528**	140,905
91–180 days	**1,906**	144,999
Over 180 days	**21,643**	64,048
	3,113,601	7,067,715

Note: The amount represents unbilled basic tariff receivables for solar power plants operated by the Group, and tariff adjustment receivables of those solar power plants already registered in the List. The Directors expect the unbilled tariff adjustments would be generally billed and settled within one year from the end of the reporting period.

The aged analysis of the unbilled trade receivables, which is based on revenue recognition date, are as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
0–90 days	**392,280**	948,875
91–180 days	**256,452**	283,537
181–365 days	**511,730**	1,051,020
Over 365 days	**1,863,062**	4,434,331
	3,023,524	6,717,763

As at 30 June 2021, included in these trade receivables are debtors with aggregate carrying amount of RMB28,537,000 (31 December 2020: RMB271,495,000) which are past due as at the end of the reporting period. These trade receivables relate to a number of customers represented the local grid companies in the PRC, for whom there is no recent history of default. The Group does not hold any collaterals over these balances.

(b) The amount represents amounts due from former subsidiaries of which the Group disposed of the entire interests during the six months ended 30 June 2021 and the year ended 31 December 2020. The amounts are non-trade in nature, unsecured, non-interest-bearing and have no fixed term of repayment.

17B. CONTRACT ASSETS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Sales of electricity	**441,795**	1,227,979

The contract assets primarily relate to the portion of tariff adjustments for the electricity sold to the grid companies in the PRC in which the relevant on-grid solar power plants are still pending registration to the List at the end of the reporting period. Tariff adjustment is recognised as revenue upon electricity is generated as disclosed in note 3. Pursuant to the 2020 Measures, for those on-grid solar power plants yet to be registered on the List, they are required to meet the relevant requirements and conditions for tariff subsidy as stipulated and to complete the submission and application on the Platform. Local grid companies will observe the principles set out in the 2020 Measures to determine eligibility and regularly announce the on-grid solar power plants that are enlisted in the List. The contract assets are transferred to trade receivables when the Group's respective on-grid solar power plants are enlisted in the List. The Group considers the settlement terms contain a significant financing component, and has adjusted the respective tariff adjustment for the financing component based on the estimated timing of collection. Accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the relevant counterparties. The revenue of the Group was adjusted by approximately RMB18 million for the six months ended 30 June 2021 (2020: RMB28 million) for this financing component and in relation to the revision of the expected timing of receipt of the tariff adjustment in the contract assets.

Contract assets are reclassified to trade receivables at the point the respective on-grid solar power plant projects are enlisted on the List. The balances as at 30 June 2021 are classified as non-current as they are expected to be received after twelve months from the reporting date.

18. OTHER LOAN RECEIVABLES

The Group, as lender, entered into loan agreements with certain independent third parties (the "Borrowers") to provide credit facilities to finance their development and operation of certain solar power plant projects in the PRC. As at 30 June 2021, the outstanding balance of RMB1,250,000 (31 December 2020: RMB1,250,000) has been fully impaired as the directors considered the balance is not recoverable. Interest was charged at the rate at 6% (31 December 2020: 6%) per annum.

19. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSS ("ECL") MODEL

The basis of determining the inputs and assumptions and the estimation techniques used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's 2020 annual report.

20. OTHER PAYABLES AND DEFERRED INCOME

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Payables for purchase of plant and machinery and construction costs (Note a)	**734,707**	3,299,276
Payables to vendors of solar power plants	**57,965**	66,320
Other tax payables	**27,940**	27,914
Other payables	**314,949**	672,054
Advance payments from sale of solar power plants	**983,762**	–
Advance from EPC contractors (Note b)	**38,594**	80,244
Deferred income (Note c)	**352,229**	362,461
Dividend payable to non-controlling shareholders	**27,303**	230,881
Accruals		
– Staff costs	**34,344**	28,276
– Legal and professional fees	**5,290**	24,349
– Interest payables	**46,982**	177,932
– Consultancy fees	**93,597**	19,802
– Others	**19,842**	47,990
	2,737,504	5,037,499
Analysed as		
Current	**2,398,542**	4,688,437
Non-current deferred income	**338,962**	349,062
	2,737,504	5,037,499

The Group has financial risk management policies in place to ensure settlement of payables within the credit time frame.

20. OTHER PAYABLES AND DEFERRED INCOME *(Continued)*

Notes:

(a) Included in payables are bills issued to creditors for the purchase of plant and machinery and for payments for construction costs totalling RMB99,608,000 (31 December 2020: RMB236,862,000) which remained outstanding at the end of the reporting period. It does not contain obligations arising from endorsing bills with recourse (31 December 2020: RMB64,303,000). All bills presented by the Group are aged within 1 year and not yet due at the end of the reporting period.

(b) The advance represents the amounts received from engineering, procurement and constructions ("EPC") contractors for modules procurement, in which the modules will be used in the construction of the Group's solar power plants.

(c) Pursuant to the relevant prevailing federal policies in the US, taxpayers that construct or acquire on or before 31 December 2019 qualified energy property are allowed to claim an energy investment tax credit ("ITC") at 30% for the taxable year in which such property is placed into service by the taxpayer. The Directors analysed the facts and circumstances of the ITC and determined that it is of the nature of a government grant that is provided to the Group in the form of tax benefits relating to construction or acquisition of qualified energy property.

Against this, the Group entered into inverted lease arrangements or other finance arrangements for its qualified solar power plant projects in the US with third party financial institutions to effectively utilise its ITC over these financings by passing on the benefit to financial institutions as part of the repayments. The details of the arrangements are disclosed in note 28 to the consolidated financial statements in the Group's 2020 annual report. Approximately US$1,027,000 (equivalent to approximately RMB6,640,000) (six months ended 30 June 2020: US$1,027,000 (equivalent to approximately RMB7,222,000)) of the ITC benefit was recognised as a government grant income in profit or loss for the six months ended 30 June 2021.

21. LOANS FROM RELATED COMPANIES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Loans from:		
– companies controlled by Mr. Zhu Yufeng and his family (Note a)	**70,882**	908,508
	70,882	908,508
Analysed as:		
Current	**16,811**	788,668
Non-current	**54,071**	119,840
	70,882	908,508

Notes:

(a) As at 30 June 2021, loans from 協鑫集團有限公司 GCL Group Limited*, 南京鑫能陽光產業投資基金企業(有限合夥)Nanjing Xinneng Solar Property Investment Fund Enterprise (Limited Partnership)* ("Nanjing Xinneng"), 江蘇協鑫建設管理有限公司 Jiangsu GCL Construction Management Limited* ("Jiangsu GCL Construction") and 江蘇協鑫房地產有限公司 Jiangsu GCL Real Estate Limited* ("Jiangsu GCL Real Estate") totalled to RMB70,882,000 (31 December 2020: RMB908,508,000). These loans are unsecured, bearing interest ranging from 8% to 12% (31 December 2020: ranged at 8% to 12%) per annum and repayable from 2020 through 2021. On 23 March 2021, the Group has extended the loan amounted to RMB54,071,000 to 31 December 2022 at original interest rate. Approximately RMB16,811,000 (31 December 2020: RMB788,668,000) of the outstanding loans is repayable within twelve months from the end of the reporting period.

* *English name for identification purpose only*

22. BANK AND OTHER BORROWINGS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Bank loans	2,587,473	7,664,067
Other loans	7,162,967	16,340,455
	9,750,440	24,004,522
Secured	7,716,421	22,163,914
Unsecured	2,034,019	1,840,608
	9,750,440	24,004,522
The carrying amount of loans that are repayable on demand due to inability to respect loan covenants:		
— Bank loans#	469,725	2,228,241
— Other loans#	2,026,128	4,125,172
The carrying amount of the remaining bank loans and other loans	7,254,587	17,651,109
	9,750,440	24,004,522
Less: Amounts due within one year or repayable on demand due to inability to respect loan covenants (shown under current liabilities)	(5,254,273)	(12,392,695)
Amounts due after one year	4,496,167	11,611,827

As at 30 June 2021 and 31 December 2020, the Group's involvement in certain litigation cases relating to claims by relevant claimants exceeded the limit of litigation amounts stipulated in the financial covenants of certain bank borrowings and the Group's default in certain bank and other borrowings have triggered the cross default clauses of certain of the Group's bank and other borrowings as set out in the respective loan agreements between the Company and several banks and financial institutions. Accordingly, bank and other borrowings of the Group amounting to RMB1,328 million (31 December 2020: RMB4,541 million) is reclassified from non-current liabilities to current liabilities as at 30 June 2021. The management of the Group considers that the claims arising from the litigation will not have material impact to the Group.

Scheduled repayment terms for the bank loans that are repayable on demand due to breach of loan covenants:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within one year	30,462	212,083
More than one year, but not exceeding two years	46,580	234,667
More than two years, but not exceeding five years	246,973	1,042,851
More than five years	145,710	738,640
	469,725	2,228,241

Scheduled repayment terms for the other borrowings that are repayable on demand due to breach of loan covenants:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within one year	1,137,058	1,600,206
More than one year, but not exceeding two years	298,816	302,175
More than two years, but not exceeding five years	325,901	1,386,432
More than five years	264,353	836,359
	2,026,128	4,125,172

22. BANK AND OTHER BORROWINGS *(Continued)*

The bank and other borrowings carry effective interest rates ranging from 2.5% to 10.8% (31 December 2020: 1.72% to 18%) per annum.

Included in other loans is RMB5,777 million (31 December 2020: RMB11,211 million) which the Group entered into finance lease arrangements with financial institutions with lease terms ranging from 1 year to 12 years (31 December 2020: 1 year to 12 years), with legal title of the respective equipment transferred to the financial institutions. The Group continues to operate and manage the relevant equipment during the lease term without any involvement by the financial institutions, and the Group is entitled to purchase back the equipment at a minimal consideration upon maturity of the respective leases, except for one of the financing arrangements with a financial institution which provided the Group with an early buyout option to purchase back the relevant equipment at a pre-determined price at the end of the seventh year of the lease term, or to purchase back the equipment from this financial institution at fair value at the end of the lease period. Despite the arrangement involves a legal form of a lease, while it does not constitute a sale and leaseback transaction. The Group therefore accounts for the arrangement as a collateralised borrowing at amortised cost using the effective interest method under IFRS 9/IAS 39 in prior years before application of IFRS 16, in accordance with the substance of the arrangement.

The Group is required to comply with certain restrictive financial covenants and undertaking requirements.

23. SHARE CAPITAL

	Number of shares	Amount HK$'000
Authorised:		
At 1 January 2020, 30 June 2020, 31 December 2020 and 30 June 2021		
– Ordinary shares of HK$0.00416̇ each	**36,000,000,000**	**150,000**

	Number of shares	Amount HK$'000	Shown in unaudited condensed consolidated financial statements as RMB'000
Issued and fully paid:			
At 1 January 2020 (audited), 30 June 2020 (unaudited) and 31 December 2020 (audited)			
– Ordinary shares of HK$0.00416 each	**19,073,715,441**	**79,474**	**66,674**
Issue of ordinary share (Note)	**2,000,000,000**	**8,333**	**6,955**
At 30 June 2021 (unaudited)			
– Ordinary shares of HK$0.00416 each	**21,073,715,441**	**87,807**	**73,629**

Note:

On 10 February 2021, the Group announced that a placing agreement has been entered into among the Elite Time Global Limited, a wholly-owned subsidiary of GCL-Poly, the Company and the placing agents under which up to a total of 2,000 million of new shares of the Group to be issued (the "Transaction"). The Transaction has been completed on 17 and 19 February 2021 and net proceeds of the Transaction, after taking into account all related costs, fees, expenses and commission of the Transaction, were approximately HK$895 million (equivalent to RMB753 million).

24. SENIOR NOTES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Senior notes	**3,113,320**	3,261,099
Analysed as:		
Current	**466,998**	3,261,099
Non-current	**2,646,322**	–
	3,113,320	3,261,099

On 23 January 2018, the Group issued senior notes of US$500 million (the "2018 Senior Notes"), which was matured on 30 January 2021. During the period ended 30 June 2021, the restructuring of the 2018 Senior Notes (the "Restructuring") was implemented and completed under the Bermuda Scheme (i.e. the scheme of arrangement under Part VII of the Bermuda Companies Act 1981). On 16 June 2021, the Restructuring has become effective, i.e., the 2018 Senior Notes was cancelled and the New Notes (defined below) was issued. Under the restructuring support agreement ("RSA"), 5% of the original principal amount of US$25 million (the "Upfront Consideration") was repaid to the holders of the senior notes. The original principal amount and all accrued and unpaid interest on the senior notes less the Upfront Consideration was settled through issuance of new senior note (the "New Notes").

The principal amount of the New Notes amounted to US$511,638,814, which 15% of the principal amount will be payable on 30 January 2022, an additional 35% of the principal amount will be payable on 30 January 2023 and the remaining balance will be matured on 30 January 2024, bearing interest at 10% per annum.

References are made to the announcements of the Company dated 12 May 2021 (i.e. the "Notice of scheme meeting"), 4 June 2021 (i.e. the "Notice of results of the scheme meeting") and 15 June 2021 (the "Notice of results of the Bermuda Court Sanction Hearing and the Scheme Effective Date") to the Scheme Creditors in connection with the proposed scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda between the Company and the Scheme Creditors (the "Scheme").

25. PERPETUAL NOTES

Same as disclosed in the Group's 2020 annual report, there is no material change for the six months ended 30 June 2021.

The perpetual notes are classified as equity instruments in the Group's unaudited condensed interim consolidated financial statements as the Group does not have a contractual obligation to deliver cash or other financial assets arising from the issue of the perpetual notes. Any distributions made by 南京協鑫新能源發展有限公司 Nanjing GCL New Energy Development Co., Ltd* to the holders are recognised in equity in the unaudited condensed interim consolidated financial statements of the Group. The entire distribution payment of RMB99,550,000 (six months ended 30 June 2020: RMB81,900,000) for the six months ended 30 June 2021 was deferred by the Group.

26. SHARE-BASED PAYMENT TRANSACTIONS

Equity settled share option scheme

Same as disclosure in the Group's 2020 annual report, there is no material change relating to the share-based payment transactions for the six months ended 30 June 2021, except for the following movements of share options during the current interim period as follows:

For the six months ended 30 June 2021

				Number of share options			
	Exercise Price	Date of grant	Exercise Period	Outstanding at 1 January 2021	Granted during the period	Forfeited during the period	Outstanding at 30 June 2021
Directors	HK$1.1798	23.10.2014	24.11.2014 – 22.10.2024	58,382,800	–	(2,013,200)	56,369,600
	HK$0.606	24.07.2015	24.07.2015 – 23.07.2025	24,460,380	–	(603,960)	23,856,420
Employees and others providing similar services	HK$1.1798	23.10.2014	24.11.2014 – 22.10.2024	194,797,232	–	(142,454,032)	52,343,200
	HK$0.606	24.07.2015	24.07.2015 – 23.07.2025	164,790,486	–	(85,842,848)	78,947,638
	HK$0.384	26.02.2021	26.02.2021 – 25.02.2031	–	370,516,250	(6,352,500)	364,163,750
				442,430,898	370,516,250	(237,266,540)	575,680,608
Exercisable at the end of the period				253,180,032			108,712,800
Weighted average exercise price (HK$)				0.9344	0.3840	0.9650	0.5739

* *English name for identification purpose only*

26. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Equity settled share option scheme *(Continued)*

For the six months ended 30 June 2020

				Number of share options		
	Exercise Price	Date of grant	Exercise Period	Outstanding at 1 January 2020	Forfeited during the period	Outstanding at 30 June 2020
Directors	HK$1.1798	23.10.2014	24.11.2014 – 22.10.2024	58,382,800	–	58,382,800
	HK$0.606	24.07.2015	24.07.2015 – 23.07.2025	40,565,980	(16,105,600)	24,460,380
Employees and others providing similar services	HK$1.1798	23.10.2014	24.11.2014 – 22.10.2024	214,929,232	(16,105,600)	198,823,632
	HK$0.606	24.07.2015	24.07.2015 – 23.07.2025	194,183,206	(10,871,280)	183,311,926
				508,061,218	(43,082,480)	464,978,738
Exercisable at the end of the period				273,312,032		257,206,432
Weighted average exercise price (HK$)				0.9147	0.8205	0.9234

Note: The exercisability of all outstanding share options which were granted in 2015 are subject to meeting of a market condition during the exercise period.

Under current share option scheme, each option gives the holder the right to subscribe for one ordinary share of the Company. Share options were first granted on 23 October 2014 to subscribe for 536,840,000 Shares. On 24 July 2015, share options were second granted to subscribe for 473,460,000 Shares. During the current interim period, share options of 381,318,750 shares which were third granted on 26 February 2021, of which 370,516,250 shares options have been accepted by the grantees and share-based payment expense of RMB8,084,000 (six months ended 30 June 2020: RMBnil) has been recognised in profit or loss. In addition, share options granted to certain employees have been forfeited after the vesting period due to the resignation, and the respective share options reserve of approximately RMB94,542,000 (six months ended 30 June 2020: RMB15,708,000) is transferred to the Group's accumulated losses.

For the share options granted on 26 February 2021, the fair value for each share option to be vested in 1 year, 2 years, 3 years and 4 years from the grant date are HK$0.1369, HK$0.1475, HK$0.1515 and HK$0.1518 for employees, respectively. The fair values of the options were determined at the dates of grant by using the Binomial Option Pricing Model.

The following assumptions were used to calculate the fair values of share options:

	26 February 2021
Weighted average share price	HK$0.375
Exercise price	HK$0.384
Expected life	10 Years
Expected volatility	64.71%
Expected dividend yield	0%
Risk-free interest rate	1.43%

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

27. DISPOSAL OF SUBSIDIARIES

(a) Hua Neng Phase 2

On 29 September 2020, the Group entered into six share transfer agreements with Hua Neng No.1 Fund and Hua Neng No.2 Fund to dispose of its 100% equity interest in six wholly-owned subsidiaries, namely Hubei Macheng Photovoltaic Power Company Limited* ("Hubei Macheng"), Huixian City GCL Photovoltaic Power Company Limited* ("Huixian City GCL"), Qixian GCL New Energy Limited* ("Qixian GCL"), Ruyang GCL New Energy Limited* ("Ruyang GCL"), Baotou Zhonglitenghui Photovoltaic Power Company Limited* ("Baotou Zhonglitenghui"), Ningxia Zhongwei Photovoltaic Power Company Limited* ("Ningxia Zhongwei") at an aggregate consideration of RMB576,001,000 and the repayment of corresponding interest in shareholder's loan as at the date of disposals (the "Disposal Date B"). The subsidiaries operate solar power plant projects with an aggregate capacity of 403MW in Henan, the PRC (the "Project B").

The disposals of Huixian City GCL and Qixian GCL were completed during the year ended 31 December 2020. During the current interim period, the disposals of Hubei Macheng, Ruyang GCL, Baotou Zhonglitenghui and Ningxia Zhongwei with an aggregate consideration of RMB480,210,000 were completed.

The Group has granted a put option to Hua Neng No. 1 Fund and Hua Neng No. 2 Fund, pursuant to which the Group has agreed that if the Project B fails to fully receive the balance of the tariff adjustment receivables (the "Tariff Adjustment Receivables") as at the Disposal Date B during the four-year period after the Disposal Date B, or the operation of the Project B is disrupted for more than six months due to the reasons stipulated in the share transfer agreements, the Group shall repurchase the entire equity interest in the Project B from Hua Neng No. 1 Fund and Hua Neng No. 2 Fund at a repurchase price which is the higher of (1) equity value of the Project B assessed by The State-owned Assets Supervision and Administration Commission of the State Council or (2) a repurchase price calculated in accordance with terms specified in the share transfer agreements, together with any outstanding shareholder's loan advanced to the Project B by Hua Neng No. 1 Fund and Hua Neng No. 2 Fund. As the Project B has already registered in the List and receipt of tariff adjustment receivables is stable, in the opinion of the Directors, it is highly probable that the balance of the Tariff Adjustment Receivables will be collected within four years after the Disposal Date B and therefore, the possibility regarding the occurrence of the specified events as stipulated in the share transfer agreements that would trigger the repurchase event is remote, and the fair value of the put option as at 30 June 2021 is considered as insignificant.

(b) Hefei Jiannan & Hefei Jiuyang

On 16 November 2020, the Group entered into five share transfer agreements with Xuzhou State Investment to dispose of its 90% equity interest in each of Suzhou GCL Solar Power Co., Ltd.* ("Suzhou GCL Solar Power"), Huaibei Xinneng Solar Power Co., Ltd.* ("Huaibei Xinneng"), Hefei Jiannan Power Company Limited* ("Hefei Jiannan") and Hefei Jiuyang GCL New Energy Company Limited* ("Hefei Jiuyang") and 67% equity interest in Dangshan Xinneng Photovoltaic Power Company Limited* ("Dangshan Xinneng"), at an aggregate consideration of RMB276,437,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The Group and Xuzhou State Investment mutually agreed to reduce the consideration from RMB276,437,000 to RMB269,267,000 during the year ended 31 December 2020. The subsidiaries operate solar power plant projects with an aggregate capacity of 174MW in Anhui, the PRC.

The disposals of Suzhou GCL Solar Power, Huaibei Xinneng and Dangshan Xinneng were completed during the year ended 31 December 2020. During the current interim period, the disposals of Hefei Jiannan and Hefei Jiuyang with an aggregate consideration of RMB102,791,000 were completed.

27. DISPOSAL OF SUBSIDIARIES *(Continued)*

(c) Zhenglanqi

On 4 December 2020, the Group entered into a share transfer agreement with 北京聯合榮邦新能源科技有限公司 Beijing United Rongbang New Energy Technology Co., Ltd.* ("Beijing United Rongbang") to disposal of all of its 99.2% equity interests in Zhenglanqi State Power Photovoltaic Company Limited* ("Zhenglanqi") at an aggregate consideration of RMB211,100,000 and the repayment of interest in shareholder's loan as at the date of disposal. During the year ended 31 December 2020, RMB79,000,000 has been received and recognised as other payables as at 31 December 2020. The Group and Beijing United Rongbang mutually agreed to reduce the consideration from RMB211,100,000 to RMB209,600,000. Zhenglanqi has a solar power plant project with installed capacity of approximately 50MW in Inner Mongolia, the PRC. The disposal was completed during the current interim period.

(d) Shenmu Guotai

The Group entered into an agreement with 上海綠璟投資有限公司 Shanghai Lujing Investment Management Limited* ("Shanghai Lujing") and 陝西省神木縣國祥綠化生態有限公司 Shaanxi Shenmu Guoxiang Green Ecology Co., Ltd.* ("Shenmu Guoxiang"). Pursant to the agreement, Shanghai Lujing and Shenmu Guoxiang transferred their equity interests (i.e. 20%) in Shenmu Jingdeng Power Co., Ltd.* ("Shenmu Jingdeng") to the Group and the Group transferred its controlling right (i.e. 80% equity interest) in Shenmu Guotai Development Limited* ("Shenmu Guotai"). The transaction has been completed during the current interim period. After the completion of the transaction, the Group holds 100% of equity interests in Shenmu Jingdeng and has no any equity interests in Shenmu Guotai.

(e) Five subsidiaries in Anhui, the PRC

On 22 November 2020, the Group entered into five share transfer agreements with Xuzhou State Investment to dispose of its 90% equity interest in each of Dangshan GCL Solar Power Co., Ltd.* ("Dangshan GCL"), Funan GCL Photovoltaic Power Co., Ltd.* ("Funan GCL"), Hefei Xinren Solar Power Co., Ltd.* ("Hefei Xinren") and Tianchang GCL Solar Energy Limited* ("Tianchang GCL") and its 50% equity interest in Taihu Xinneng Solar Power Co., Ltd.* ("Taihu Xinneng"), at an aggregate consideration of RMB312,728,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The Group and Xuzhou State Investment mutually agreed to reduce the consideration from RMB312,728,000 to RMB307,898,000. The subsidiaries operate solar power plant projects with an aggregate capacity of 217MW in Anhui, the PRC. The disposals were completed during the current interim period.

27. DISPOSAL OF SUBSIDIARIES *(Continued)*

(f) Hua Neng Phase 3

The Project A as disclosed in note 10(a), as at 30 June 2021, the disposals of Baoying Xinyuan, Lianshui Xinyuan, Lanxi Jinrui Zhongli Tenghui, Delingha Energy, Hetian GCL, Liaocheng Xiechang, Yanbian Xinneng, Yili GCL, Delingha Century Concord, Delingha Shidai, Hainanzhou Shineng with an aggregate consideration of RMB572,003,000 were completed. The disposals of Gaotang County GCL and Yuncheng Xinhua have not been completed and presented as disposal groups held for sale.

The Group has granted a put option to Hua Neng No. 1 Fund and Hua Neng No. 2 Fund, pursuant to which the Group has agreed that if the Project A fails to fully receive the balance of the tariff adjustment receivables (the "Tariff Adjustment Receivables") as at the Disposal Date A during the four-year period after the Disposal Date A, or the operation of the Project A is disrupted for more than six months due to the reasons stipulated in the share transfer agreements, the Group shall repurchase the entire equity interest in the Project A from Hua Neng No. 1 Fund and Hua Neng No. 2 Fund at a repurchase price which is the higher of (1) equity value of the Project A assessed by The State-owned Assets Supervision and Administration Commission of the State Council or (2) a repurchase price calculated in accordance with terms specified in the share transfer agreements, together with any outstanding shareholder's loan advanced to the Project A by Hua Neng No. 1 Fund and Hua Neng No. 2 Fund. As the Project A has already registered in the List and receipt of tariff adjustment receivables is stable, in the opinion of the Directors, it is highly probable that the balance of the Tariff Adjustment Receivables will be collected within four years after the Disposal Date A and therefore, the possibility regarding the occurrence of the specified events as stipulated in the share transfer agreements that would trigger the repurchase event is remote, and the fair value of the put option as at 30 June 2021 is considered as insignificant.

(g) Sanmenxia Xie Li , Kaifeng Huaxin and Nanzhao Xin Li

As disclosed in note 10(b), on 31 March 2021, the Group entered into six share transfer agreements with Three Gorges to dispose of its 100% equity interest in four wholly-owned subsidiaries, namely Sanmenxia Xie Li, Kaifeng Huaxin, Shangshui GCL and Queshan Zhuiri and its 50% equity interest in each of Taiqian GCL and Nanzhao Xin Li, at an aggregate consideration of RMB364,650,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The Group and Three Gorges mutually agreed to reduce the consideration from RMB364,650,000 to RMB342,796,000. The subsidiaries operate solar power plant projects with an aggregate capacity of 321MW in Henan, the PRC.

As at 30 June 2021, the disposals of Sanmenxia Xie Li, Kaifeng Huaxin, Nanzhao Xin Li with an aggregate consideration of RMB51,446,000 were completed. The disposals of Taiqian GCL, Shangshui GCL and Queshan Zhuiri have not been completed and presented as disposal groups held for sale and disclosed in Note 10(b).

(h) Jingbian County Shunfeng

On 1 April 2021, the Group entered into a share transfer agreement with Three Gorges to dispose of its 99.6353% equity interest in Jingbian County Shunfeng New Energy Limited* ("Jingbian County Shunfeng"), at a consideration of RMB72,036,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The Group and Three Gorges Asset Management Co., Ltd. mutually agreed to reduce the consideration from RMB72,036,000 to RMB67,648,000. Jingbian County Shunfeng operates a solar power plant project with a capacity of 42MW in Shaanxi, the PRC. The disposal was completed during the current interim period.

27. DISPOSAL OF SUBSIDIARIES *(Continued)*

(i) Zhenyuan County Xuyang

On 5 May 2021, the Group entered into a share transfer agreement with 中電投新疆能源化工集團隴西新能源有限責任公司 CPI Xinjiang Energy Chemical Group Longxi New Energy Co. Ltd.* ("CPI Xinjiang") to dispose of its 100% equity interest in a wholly-owned subsidiary, namely Zhenyuan County Xuyang New Energy Technologies Co., Ltd.* ("Zhenyuan County Xuyang"), at a consideration of RMB22,500,000 and the repayment of interest in shareholder's loan as at the date of completion of disposal. Zhenyuan County Xuyang operates a solar power plant project with a capacity of 20MW in Gansu, the PRC. The disposal was completed during the current interim period.

(j) Ceheng Jingzhun and Luodian GCL

On 26 April 2021, the Group entered into two share transfer agreements with 國家電投集團貴州金元威寧能源股份有限公司 State Power Investment Corporation Guizhou Jinyuan Weining Energy Co., Ltd.* ("State Power Investment Corporation Guizhou Jinyuan Weining") to dispose of its 99% equity interest in Ceheng Jingzhun Solar Power Co., Ltd.* ("Ceheng Jingzhun") and its 100% equity interest in a wholly-owned subsidiary, namely Luodian GCL Photovoltaic Power Company Limited* ("Luodian GCL"), at an aggregate consideration of RMB35,228,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The subsidiaries operate solar power plant projects with an aggregate capacity of 70MW in Guizhou, the PRC. The disposals were completed during the current interim period.

(k) Dingan GCL and Suixi GCL

On 26 April 2021, the Group entered into two share transfer agreements with廣東金元新能源有限公司Jinyuan New Energy Co., Ltd.* ("Jinyuan New Energy") to dispose of its 100% equity in two wholly-owned subsidiaries namely, Dingan GCL Solar Power Co., Ltd.* ("Dingan GCL") and Suixi GCL Photovoltaic Power Co., Ltd.* ("Suixi GCL"), at an aggregate consideration of RMB111,722,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The subsidiaries operate solar power plant projects with an aggregate capacity of 57MW in Hainan and Guangdong, the PRC. The disposals were completed during the current interim period.

(l) Ceheng Solar and Liuzhi GCL

On 30 April 2021, the Group entered into two share transfer agreements with State Power Investment Corporation Guizhou Jinyuan Weining to dispose of its 100% equity in two wholly-owned subsidiaries namely, Ceheng Solar Power Co., Ltd.* ("Ceheng Solar") and Liuzhi GCL Photovoltaic Power Co., Ltd.* ("Liuzhi GCL"), at an aggregate consideration of RMB219,160,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The subsidiaries operate solar power plant projects with an aggregate capacity of 134MW in Guizhou, the PRC. The disposals were completed during the current interim period.

(m) Hai Nan Yi Cheng and Yingde GCL

On 30 April 2021, the Group entered into two share transfer agreements with Jinyuan New Energy to dispose of its 88.373% equity in Hai Nan Yi Cheng New Energy Company Limited * ("Hai Nan Yi Cheng") and its 90.1% equity in Yingde GCL Photovoltaic Power Co., Ltd.* ("Yingde GCL"), at an aggregate consideration of RMB91,051,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The subsidiaries operate solar power plant projects with an aggregate capacity of 48MW in Guizhou, the PRC. The disposals were completed during the current interim period.

27. DISPOSAL OF SUBSIDIARIES *(Continued)*

(n) Six subsidiaries in Hubei and Jiangxi, the PRC

On 24 June 2021, the Group entered into six share transfer agreements with 重慶綠欣能源發展有限公司Chongqing Lvxin Energy Development Co., Ltd.* ("Chongqing Lvxin") to dispose of its 100% equity interest in four wholly-owned subsidiaries namely, Shiyan Yunneng Photovoltaic Development Co., Ltd.* ("Shiyan Yunneng"), Jingshan GCL Photovoltaic Power Co. Ltd.* ("Jingshan GCL"), Jingshan Xinhui Solar Power Ltd.* ("Jingshan Xinhui") and Shanggao County Lifeng GCL New Energy Co., Ltd.* ("Shanggao County Lifeng"), its 70% equity interest in Shicheng GCL Solar Power Co., Ltd.* ("Shicheng GCL") and its 51% equity interest in Anfu GCL New Energy Co., Ltd.* ("Anfu GCL"), at an aggregate consideration of RMB275,264,000 and the repayment of interest in shareholder's loan as at the date of completion of disposals. The Group and Chongqing Lvxin mutually agreed to reduce the consideration from RMB275,264,000 to RMB272,864,000. The subsidiaries operate solar power plant projects with an aggregate capacity of 149MW in Hubei and Jiangxi, the PRC. The disposals were completed during the current interim period.

(o) Yongcheng Xin Neng

On 7 May 2021, the Group entered into a share transfer agreement with 國家電投集團重慶電力有限公司 State Power Investment Corporation Chongqing Electric Power Co., Ltd.* ("State Power Investment Corporation Chongqing") to dispose of its 100% equity interest in a wholly-owned subsidiary namely, Yongcheng Xin Neng Photovoltaic Electric Power Co, Ltd.* ("Yongcheng Xin Neng"), at a consideration of RMB193,000,000 and the repayment of interest in shareholder's loan as at the date of completion of disposal. The Group and State Power Investment Corporation Chongqing mutually agreed to reduce the consideration from RMB193,000,000 to RMB166,584,000. The subsidiary operate solar power plant project with a capacity of 86MW in Henan, the PRC. The disposal was completed during the current interim period.

(p) Nanjing GCL

On 25 January 2021, the Group entered into a share transfer agreement with an independent third party and agreed to sell 100% equity interest of Nanjing GCL New Energy Technology Co., Ltd* ("Nanjing GCL") at a consideration of RMB13,000,000. The disposal was completed during the current interim period.

(q) Wulate Houqi

On 29 January 2021, the Group entered into a share transfer agreement with Beijing United Rongbang to dispose of its 100% equity interest in a wholly-owned subsidiary namely, Wulate Houqi Yuanhai New Energy Limited* ("Wulate Houqi"), at a consideration of RMB52,550,000 and the repayment of interest in shareholder's loan as at the date of completion of disposal. The Group and Beijing United Rongbang mutually agreed to reduce the consideration from RMB52,550,000 to RMB38,050,000. The subsidiary operates solar power plant project with a capacity of 53MW in Inner Mongolia, the PRC. The disposal was completed during the current interim period.

* *English name for identification purpose only*

27. DISPOSAL OF SUBSIDIARIES *(Continued)*

The net assets of the solar plant projects at the date of disposal were as follows:

	Hua Neng Phase 2 RMB'000 (Note a)	Hefei Jiannan & Hefei Jiuyang RMB'000 (Note b)	Zhenglanqi RMB'000 (Note c)	Shenmu Guotai RMB'000 (Note d)	Five subsidiaries in Anhui, the PRC RMB'000 (Note e)	Hua Neng Phase 3 RMB'000 (Note f)	Sanmenxia Xie Li, Kaifeng Huaxin and Nanzhao Xin Li RMB'000 (Note g)	Jingbian County Shunfeng RMB'000 (Note h)	Zhenyuan County Xuyang RMB'000 (Note i)
Consideration:									
Consideration received	480,210	102,791	204,600	–	290,915	554,386	51,446	36,018	13,500
Consideration receivable	–	–	5,000	–	16,983	17,617	–	31,630	9,000
Deemed consideration received	–	–	–	19,979	–	–	–	–	–
	480,210	102,791	209,600	19,979	307,898	572,003	51,446	67,648	22,500
Analysis of assets and liabilities over which control was lost:									
Property, plant and equipment	1,647,649	281,721	303,891	280,818	1,226,309	2,020,754	725,274	282,664	94,228
Right-of-use assets	–	–	–	–	42,849	67,980	62,145	6,505	5,199
Other non-current assets	74,923	8,255	6,005	23,367	52,137	95,932	44,477	17,315	130
Deferred tax assets	5,735	17	136	–	2,704	14,997	4,431	2,546	1,152
Trade and other receivables	599,986	109,324	115,388	91,310	562,245	1,206,808	297,357	157,834	40,122
Bank balances and cash	107,278	5,054	6,995	–	69,003	29,376	19,773	316	1,090
Other payables	(391,199)	(173,055)	(33,347)	(376,526)	(754,898)	(1,225,383)	(582,608)	(386,460)	(29,291)
Bank and other borrowings	(1,121,545)	(132,000)	(224,540)	–	(813,260)	(1,320,787)	(472,722)	–	(86,307)
Lease liabilities	–	–	–	–	(42,426)	(32,358)	(66,558)	(4,089)	(4,447)
Deferred tax liabilities	(2,394)	(160)	(483)	(211)	(866)	(2,518)	(1,140)	(223)	(136)
Intragroup balances	(431,833)	–	–	–	–	(306,675)	–	–	–
Net assets disposed of	488,600	99,156	174,045	18,758	343,797	548,126	30,429	76,408	21,740
Gain on disposal of subsidiaries:									
Total consideration, net of transaction cost	480,210	102,791	209,600	19,979	307,898	572,003	51,446	67,648	22,500
Non-controlling interest	–	–	–	4,720	–	26,861	–	–	–
Fair value residual interest	–	11,730	–	–	32,106	–	–	–	–
Net assets disposed of	(488,600)	(99,156)	(174,045)	(18,758)	(343,797)	(548,126)	(30,429)	(76,408)	(21,740)
(Loss) gain on disposal	(8,390)	15,365	35,555	5,941	(3,793)	50,738	21,017	(8,760)	760
Net cash inflow (outflow) arising from disposal:									
Cash consideration received	480,210	102,791	204,600	–	290,915	554,386	51,446	36,018	13,500
Less: bank balances and cash disposed of	(107,278)	(5,054)	(6,995)	–	(69,003)	(29,376)	(19,773)	(316)	(1,090)
	372,932	97,737	197,605	–	221,912	525,010	31,673	35,702	12,410

	Ceheng Jingzhun and Luodian GCL RMB'000 (Note j)	Dingan GCL and Suixi GCL RMB'000 (Note k)	Ceheng Solar and Liuzhi GCL RMB'000 (Note l)	Hai Nan Yi Cheng and Yingde GCL RMB'000 (Note m)	Six subsidiaries in Hubei and Jiangxi, the PRC RMB'000 (Note n)	Yongcheng Xin Neng RMB'000 (Note o)	Nanjing GCL RMB'000 (Note p)	Wulate Houqi RMB'000 (Note q)	Total RMB'000
Consideration:									
Consideration received	16,860	67,030	131,496	54,620	220,211	166,584	–	20,000	2,410,667
Consideration receivable	18,368	44,692	87,664	36,431	52,653	–	13,000	18,050	351,088
Deemed consideration received	–	–	–	–	–	–	–	–	19,979
	35,228	111,722	219,160	91,051	272,864	166,584	13,000	38,050	2,781,734
Analysis of assets and liabilities over which control was lost:									
Property, plant and equipment	349,445	326,753	648,228	243,000	736,488	371,881	71,517	302,746	9,913,366
Right-of-use assets	5,080	11,080	18,677	8,248	22,068	31,409	19,521	7,976	308,737
Other non-current assets	6,976	7	35,384	599	52,396	39,000	8,592	86	465,581
Deferred tax assets	5,633	4,605	6,599	1,493	6,891	3,762	–	904	61,605
Trade and other receivables	91,583	93,508	277,690	91,113	254,869	166,192	4,497	128,758	4,288,584
Bank balances and cash	12,034	10,575	4,036	2,721	23,047	11,540	80	37,736	340,654
Other payables	(168,024)	(166,557)	(316,985)	(119,245)	(258,753)	(165,595)	(91,207)	(174,237)	(5,413,370)
Bank and other borrowings	(224,477)	(178,918)	(491,764)	(158,599)	(493,442)	(327,084)	–	(261,380)	(6,306,825)
Lease liabilities	(3,549)	(1,801)	(18,878)	–	(16,588)	(36,793)	–	–	(227,487)
Deferred tax liabilities	(203)	(878)	(302)	(412)	(1,664)	(550)	–	(463)	(12,603)
Intragroup balances	(38)	4,000	–	–	–	–	–	–	(734,546)
Net assets disposed of	74,460	102,374	162,685	68,918	325,312	93,762	13,000	42,126	2,683,696
Gain on disposal of subsidiaries:									
Total consideration, net of transaction cost	35,228	111,722	219,160	91,051	272,864	166,584	13,000	38,050	2,781,734
Non-controlling interest	–	–	–	–	73,780	–	–	–	105,361
Fair value residual interest	–	–	–	–	764	–	–	–	44,600
Net assets disposed of	(74,460)	(102,374)	(162,685)	(68,918)	(325,312)	(93,762)	(13,000)	(42,126)	(2,683,696)
(Loss) gain on disposal	(39,232)	9,348	56,475	22,133	22,096	72,822	–	(4,076)	247,999
Net cash inflow (outflow) arising from disposal:									
Cash consideration received	16,860	67,030	131,496	54,620	220,211	166,584	–	20,000	2,410,667
Less: bank balances and cash disposed of	(12,034)	(10,575)	(4,036)	(2,721)	(23,047)	(11,540)	(80)	(37,736)	(340,654)
	4,826	56,455	127,460	51,899	197,164	155,044	(80)	(17,736)	2,070,013

Same as disclosed in the Group's 2020 interim report relating to the disposal, the Group completed the disposal of 47 subsidiaries during six months ended 30 June 2021.

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Directors consider that the carrying amounts of all financial assets and financial liabilities recorded at amortised cost in the unaudited condensed interim consolidated financial statements approximate their fair values.

29. COMMITMENTS AND CONTINGENT LIABILITIES

a. Capital commitments

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Construction commitments in respect of solar power plant projects contracted for but not provided for in the unaudited condensed interim consolidated financial statements	**97,565**	134,745

b. Financial guarantees provided to third parties

In addition to those financial guarantees provided to related parties as set out in note 30(f), the Group also provided financial guarantees to certain third parties, being the former wholly-owned subsidiaries, for certain of their bank and other borrowings amounting to RMB2,932,000,000 (31 December 2020: RMB110,000,000) as at 30 June 2021. Since these bank and other borrowings are secured by the borrowers, (i) property, plant and equipment; (ii) trade receivables, contract assets and fee collection right in relation to sales of electricity, in the opinion of the Directors, the fair value of the guarantees is considered insignificant at initial recognition, and the ECL as at 30 June 2021 and 31 December 2020 are insignificant.

30. PLEDGE OF ASSETS/RESTRICTIONS ON ASSETS

The Group's borrowings had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Property, plant and equipment	**11,182,000**	14,938,462
Right-of-use assets	**–**	11,701
Pledged bank and other deposits	**559,000**	744,006
Trade receivables and contract assets	**5,128,000**	7,823,245
	16,869,000	23,517,414

The Group's secured bank and other borrowings and loans from related companies were secured, individually or in combination, by (i) certain property, plant and equipment of the Group; (ii) certain pledged bank and other deposits of the Group; (iii) certain subsidiaries' trade receivables, contract assets and fee collection rights in relation to the sales of electricity; (iv) certain right-of-use assets of the Group; and (v) equity interests in certain project companies of the Group.

30. PLEDGE OF ASSETS/RESTRICTIONS ON ASSETS *(Continued)*

Restrictions on assets

In addition, lease liabilities of RMB613,000,000 (31 December 2020: RMB987,686,000) are recognised with related right-of-use assets of RMB649,000,000 (31 December 2020: RMB1,257,603,000) as at 30 June 2021. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by lessor and the relevant leased assets may not be used as security for borrowing purposes.

Furthermore, bills receivable issued by third parties endorsed with recourse for settlement of payables for purchase of plant and machinery and construction costs is disclosed in note 20.

31. RELATED PARTY DISCLOSURES

Except as disclosed elsewhere in the unaudited condensed interim consolidated financial statements, the Group also entered into the following material transactions or arrangements with related parties:

(a) Management services income from related companies

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Fellow subsidiaries		
蘇州保利協鑫光伏電力投資有限公司 Suzhou GCL-Poly Solar Power Investment Ltd.* ("Suzhou GCL-Poly") (Note i)	**7,489**	16,651
GCL Solar Energy Limited (Note ii)	**2,589**	2,813
Associates (Note iii)		
江陵縣協鑫光伏電力有限公司 Jingling GCL Solar Power Co., Ltd.* ("Jiangling")	**316**	437
華容縣協鑫光伏電力有限公司 Huarong GCL Solar Power Co., Ltd.* ("Huarong")	**2,445**	2,073
林州市新創太陽能有限公司 Linzhou Xinchuang Solar Co., Ltd.* ("Linzhou Xinchuang")	**1,125**	1,591
新安縣協鑫光伏電力有限公司 Xinan GCL Solar Power Co., Ltd.* ("Xinan")	**304**	492
汝州協鑫光伏電力有限公司 Ruzhou GCL Photovoltaic Power Co. Ltd.* ("Ruzhou")	**255**	413
	14,523	24,470

Notes:

(i) 蘇州協鑫新能源運營科技有限公司 Suzhou GCL New Energy Operation and Technology Co., Ltd.* ("Suzhou GCL Operation"), indirect wholly-owned subsidiary of the Company, provides operation and management services to the solar power plants of Suzhou GCL-Poly and its subsidiaries.

(ii) GCL New Energy International Limited, an indirect wholly-owned subsidiary of the Company, provided asset management and administrative services to GCL Solar Energy Limited for its overseas operations in the US and South Africa. GCL Solar Energy Limited is a subsidiary of GCL-Poly.

(iii) During the six months ended 30 June 2021, Suzhou GCL Operation provided operation and management services to the solar power plants of Jiangling, Huarong, Linzhou Xinchuang, Xinan and Ruzhou.

* *English name for identification purpose only*

31. RELATED PARTY DISCLOSURES *(Continued)*

(b) Interest expense on loans from related companies

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Associate of ultimate holding company		
Xinxin (Note)	**–**	9,749
The companies controlled by Mr. Zhu Yufeng and his family		
GCL Group Limited	**1,354**	3,570
Nanjing Xinneng	**27,685**	30,586
Jiangsu GCL Real Estate	**69**	1,917
Jiangsu GCL Construction	**2,727**	19,319
Funing Property	**184**	–
	32,019	55,392
	32,019	65,141

Details of the loans from related companies are set out in note 21.

Note: On 23 December 2020, GCL-Poly disposed of the entire equity interests in Xinxin and the transactions with Xinxin were no longer classified as related party transaction after 23 December 2020.

(c) Expense related to short-term leases/payments for right-of-use assets to related companies (Note)

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
蘇州協鑫工業應用研究院有限公司		
Suzhou GCL Industrial Applications Research Co., Ltd*		
– Expenses relating to short-term leases	**–**	10,305
– Payments for right-of-use assets	**8,149**	–

Note: The Group entered into 2 lease agreements for the use of office premises from Suzhou GCL Industrial Applications Research for one year during the year ended 31 December 2019. The Group applied the short-term lease recognition exemption and therefore no right-of-use assets and lease liabilities was recognised as at 30 June 2020.

During the current period, the Group has renewed one of the above lease agreements for three years and recognised right-of-use assets and lease liabilities of RMB45,570,000. The Group made payments for right-of-use assets of RMB8,149,000 for the premises during the current interim period.

* *English name for identification purpose only*

31. RELATED PARTY DISCLOSURES *(Continued)*

(d) Profit attributable on perpetual notes

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
保利協鑫(蘇州)新能源有限公司 GCL-Poly (Suzhou) New Energy Co., Ltd*	**38,714**	31,850
Suzhou GCL-Poly	**27,653**	22,750
太倉協鑫光伏科技有限公司 Taicang GCL Photovoltaic Technology Co., Ltd*	**11,061**	9,100
江蘇協鑫硅材材料科技發展有限公司 Jiangsu GCL Silicon Material Technology Development Co., Ltd*	**22,122**	18,200
	99,550	81,900

Perpetual notes are unsecured, have a variable distribution rate of 7.3% to 11% which could be deferred indefinitely at the option of the issuer and have no fixed repayment term. The notes are denominated in RMB.

(e) Guarantees granted by related companies

At 30 June 2021, certain bank and other borrowings of the Group amounting to RMB1,014,451,000 (31 December 2020: RMB1,820,033,000) were guaranteed by the ultimate holding company and/or fellow subsidiaries.

(f) Guarantees provided to related companies

As at 30 June 2021, the Group provided guarantee to its associates and their subsidiaries for certain of their bank and other borrowings with a maximum amount of RMB2,339,362,000 (31 December 2020: RMB3,049,762,000). Since these bank and other borrowings are secured by the borrowers' (i) property, plant and equipment; (ii) trade receivables, contract assets and fee collection right in relation to sales of electricity, in the opinion of the Directors, the fair value of the guarantee is considered insignificant at initial recognition and the ECL as at 30 June 2021 and 31 December 2020 is insignificant.

* *English name for identification purpose only*

31. RELATED PARTY DISCLOSURES *(Continued)*

(g) Compensation of key management personnel

The remuneration of senior management personnel, comprising directors' (whether executive or otherwise) remuneration during the period was as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term benefits	**4,226**	3,848
Post-employment benefits	**196**	95
	4,422	3,943

The remuneration of the Directors and other key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

32. MAJOR NON-CASH TRANSACTIONS

The Group entered into two share transter agreements with 神木市晶元控股集團有限公司 Shenmu Jingyuan Group Holdings Limited* ("Shenmu Jingyuan") to acquire 20% equity interest in each of Shenmu Jingpu Power Co., Ltd* ("Shenmu Jingpu") and Shenmu Jingfu Solar Power Co., Ltd.* ("Shenmu Jingfu") at considerations of RMB53,280,000 and RMB15,080,000 respectively. The consideration payables had been offset with the balance due with Shenmu Jingyuan.

33. EVENTS AFTER REPORTING PERIOD

Save as disclosed elsewhere in the unaudited condensed interim consolidated financial statements, the following significant events took place after the end of the reporting period:

(a) On 5 July 2021, the Group entered into an agreement with Guizhou West Power Construction Co., Ltd.*(貴州西能電力建設有限公司) to sell its equity interests in Eshan GCL Solar Power Generation Company Limited*(峨山永鑫光伏發電有限公司) at a consideration of RMB43,100,000 and repayment of corresponding interest in shareholder's loan as at the date of disposal.

(b) On 6 July 2021, the Group entered into an agreement with Sumin Ruineng Wuxi Equity Investment Partnership (Limited Partnership)*(蘇民睿能無錫股權投資合夥企業(有限合夥)) to acquire approximately 5.835% equity interest in Suzhou GCL New Energy at a consideration of RMB1,219,000,000.

(c) Deloitte Touche Tohmatsu ("Deloitte") has resigned as auditor of the Company with effect from 14 July 2021. The Board has passed the resolution in relation to the appointment of Crowe (HK) CPA Limited ("Crowe") as the new auditor of the Company with effect from 15 July 2021 to fill the casual vacancy following the resignation of Deloitte and to hold office until the conclusion of the next annual general meeting of the Company.

(d) On 21 July 2021, the Group entered in a series of sixteen share transfer agreements with Yixing Hechuang New Energy Co., Ltd.*(宜興和創新能源有限公司) to sell its equity interests in those sixteen subsidiaries at consideration an aggregate of RMB481,313,800 and repayment of corresponding interest in shareholder's loan as at the date of disposal.

* *English name for identification purpose only*

33. EVENTS AFTER REPORTING PERIOD *(Continued)*

(e) The Company has established a hydrogen energy business unit to actively conduct the research and development of hydrogen energy ("Hydrogen Energy") and related businesses. Details are as shown in the announcement of the Company dated 28 July 2021.

(f) On 30 August 2021, the Group entered into share transfer agreements with Ningxia Hanguang New Energy Co., Ltd.*（寧夏含光新能源有限公司）, to sell its equity interests in certain subsidiaries at consideration in aggregate of RMB301,037,700 and repayment of corresponding interest in shareholder's loan as at the date of disposal.

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current interim period's presentation.

* *English name for identification purpose only*

Corporate Information

Board of Directors

Executive Directors

Mr. ZHU Yufeng *(Chairman and President)*
Mr. LIU Genyu *(Vice Chairman)*
Ms. HU Xiaoyan

Non-executive Directors

Ms. SUN Wei
Mr. YEUNG Man Chung, Charles
Mr. FANG Jiancai

Independent Non-executive Directors

Mr. XU Songda
Mr. LEE Conway Kong Wai
Mr. WANG Yanguo
Dr. CHEN Ying

Board Committees

Audit Committee

Mr. LEE Conway Kong Wai *(Chairman)*
Mr. XU Songda
Dr. CHEN Ying

Remuneration Committee

Mr. LEE Conway Kong Wai *(Chairman)*
Mr. ZHU Yufeng
Ms. SUN Wei
Mr. WANG Yanguo
Dr. CHEN Ying

Nomination Committee

Mr. ZHU Yufeng *(Chairman)*
Mr. XU Songda
Mr. WANG Yanguo
Dr. CHEN Ying

Corporate Governance Committee

Mr. ZHU Yufeng *(Chairman)*
Ms. HU Xiaoyan
Mr. YEUNG Man Chung, Charles
Mr. XU Songda
Mr. LEE Conway Kong Wai

Risk Assessment Committee

Mr. ZHU Yufeng *(Chairman)*
Ms. HU Xiaoyan *(Vice-Chairman)*

Company Secretary

Mr. HO Yuk Hay

Authorised Representatives

Mr. YEUNG Man Chung, Charles
Mr. HO Yuk Hay

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

Corporate Information

Principal Place of Business In Hong Kong

Unit 1707A, Level 17
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Auditor

Crowe (HK) CPA Limited
Registered Public Interest Entity Auditors
9/F Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

Principal Bankers

Bank of China Limited
China Development Bank
Industrial and Commercial Bank of China Limited
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited

Share Registrars and Transfer Offices

Principal Share Registrar and Transfer Agent

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Legal Advisers to the Company

As to Hong Kong law

King & Wood Mallesons
13/F Gloucester Tower, The Landmark,
15 Queen's Road Central
Hong Kong

As to PRC law

Grandall Law Firm (Beijing)
9th Floor, Taikang Financial Tower
No. 38 North Road East Third Ring
Chaoyang District
Beijing, 100026
The PRC

Share Information

Stock Code:	451
Board Lot Size:	2,000
Issued Shares as at 30 June 2021:	21,073,715,441 shares

Links to Official Website/ Wechat Platform of the Company

Website: www.gclnewenergy.com/
WeChat ID: gclnewenergy

"Adjusted Exercise Price"	adjusted exercise price due to rights issue
"Affiliate Company(ies)"	a controlling shareholder of the Company or a subsidiary or an associate of a controlling shareholder, as defined in the Share Option Scheme
"associate(s)", "connected person(s)", "controlling shareholder(s)" and "substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company
"CG Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Company" or "GCL New Energy"	GCL New Energy Holdings Limited 協鑫新能源控股有限公司
"Company Secretary"	the company secretary of the Company
"Corporate Communications"	including but not limited to: (a) the directors' reports, annual accounts together with a copy of the auditors' report and, where applicable, summary financial reports; (b) interim reports and, where applicable, summary interim reports; (c) notices of meetings; (d) listing documents; (e) circulars; and (f) proxy forms
"Director(s)"	the director(s) of the Company from time to time
"GCL-Poly"	GCL-Poly Energy Holdings Limited 保利協鑫能源控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800). As at the date of this report, the Company is a subsidiary of GCL-Poly
"GCL System Integration"	GCL System Integration Technology Co., Ltd. 協鑫集成科技股份有限公司, a company incorporated in the PRC with its shares listed on the Small & Medium Enterprises Board of the Shenzhen Stock Exchange (stock code: 002506). As at the date of this report, GCL System Integration is interested in approximately 9.04% of the issued share capital of Company
"Group"	the Company and its subsidiaries
"GW"	gigawatts
"HK$" or "HKD"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"kWh"	kilowatt hour
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"MW"	megawatts
"PRC" or "China"	The People's Republic of China
"Reporting Period"	the six months ended 30 June 2021
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK$0.00416) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Share Option Scheme"	the share option scheme adopted by the Company on 15 October 2014
"Solar Energy Business" or "continuing operations"	the sale of electricity, development, construction, operation and management of solar power plants
"State Grid"	State Grid Corporation of China
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US"	United States of America
"US$" or "USD"	US Dollars, the lawful currency of the United States

GCL New Energy

Hong Kong

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