



新天绿色能源股份有限公司

China Suntien Green Energy Corporation Limited*

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

Stock Code : 00956.HK 600956.SH

Interim Report

2021



*For identification purpose only

Important Notice

- I. THE BOARD OF DIRECTORS (THE “BOARD”), THE BOARD OF SUPERVISORS AND THE DIRECTORS (THE “DIRECTORS”), SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY CONFIRM THAT THE INFORMATION CONTAINED IN THIS INTERIM REPORT IS TRUE, ACCURATE, AND COMPLETE WITHOUT ANY FALSE AND MISLEADING STATEMENTS OR MATERIAL OMISSIONS, AND SEVERALLY AND JOINTLY ACCEPT LEGAL RESPONSIBILITY FOR THE ABOVE.**
- II. ALL DIRECTORS OF THE COMPANY ATTENDED THE BOARD MEETING.**
- III. THE FINANCIAL DATA FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND THE SIX MONTHS ENDED 30 JUNE 2021 IN THIS INTERIM REPORT ARE UNAUDITED, BUT THE YEARLY DATA AS OF 31 DECEMBER 2020 HAVE BEEN AUDITED.**
- IV. DR. CAO XIN, THE PERSON IN CHARGE OF THE COMPANY, MS. FAN WEI HONG, THE PERSON IN CHARGE OF ACCOUNTING AND MR. YANG ZHAN QING, THE HEAD OF ACCOUNTING DEPARTMENT (ACCOUNTING IN CHARGE), WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE FINANCIAL STATEMENTS SET OUT IN THE INTERIM REPORT.**
- V. PROFIT DISTRIBUTION PROPOSAL OR PROPOSAL FOR TRANSFER OF CAPITAL RESERVE TO THE SHARE CAPITAL RESOLVED AND APPROVED BY THE BOARD**

Nil

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

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

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

No

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

No

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

No

X. WARNING OF MAJOR RISKS

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

XI. OTHERS

Applicable Not Applicable



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Documents available for inspection	Financial statements signed and sealed by the legal representative, chief accountant, accounting officer (person in charge of accounting)
	Originals of all corporate documents and drafts of announcements published or disclosed on the media designated by the CSRC
	Interim Report 2021 with signature of Chairman

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

DEFINITIONS OF FREQUENTLY-USED TERMS

“availability factor”	the amount of time that a power plant is able to produce electricity after it starts commercial operations over a certain period divided by the amount of time in such period
“average utilization hours”	the consolidated gross power generation in a specified period (in MWh or GWh) divided by the consolidated installed capacity in the same period (in MW or GW)
“Company”	China Suntien Green Energy Corporation Limited (新天綠色能源股份有限公司), a limited liability company incorporated in the PRC, its A shares are listed on the main board of the Shanghai Stock Exchange (Stock Code: 600956) and H shares are listed on the main board of the Hong Kong Stock Exchange (Stock Code: 956)
“Group”	the Company and its wholly-owned, controlling subsidiaries
“Financial Statements”	the unaudited financial statements for the year ended 30 June 2021
“consolidated gross power generation”	the gross power generation of the project companies that the Group fully consolidates in its consolidated Financial Statements. For a specified period, the gross power generation of a power plant in that period includes net power delivered to grid, auxiliary electricity and electricity generated during the construction and testing period
“consolidated installed capacity”	the aggregate installed capacity or operating capacity (as the case may be) of the project companies that the Group fully consolidates in its consolidated Financial Statements. This is calculated by including 100% of the installed capacity or operating capacity of the project companies that the Group fully consolidates in its consolidated Financial Statements and are deemed as its subsidiaries. Consolidated installed capacity and consolidated operating capacity do not include the capacity of the Group’s associated companies
“gross power generation”	for a specified period, the total amount of electricity produced by a power plant in that period, including net power delivered to grid, auxiliary electricity and electricity generated during the construction and testing period
“GW”	unit of power, 1 GW = 1,000 MW



Definitions

“GWh”	unit of energy, gigawatt-hour. 1 GWh = 1 million kWh. GWh is typically used for measurement of the annual power production of a large wind farm
“HECIC”	Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company, which is primarily engaged in the investment in and development of projects in the foundation, infrastructures and provincial pillar industries, such as energy, transportation, water supply and commercial real estates
“Group Finance Company”	HECIC Group Finance Company Limited (河北建投集團財務有限公司), a limited liability company incorporated in the PRC, a non-banking financial institution under the supervision of the People’s Bank of China and the CBIRC, and a non-wholly owned subsidiary of HECIC
“Laiyuan”	Laiyuan Suntien Wind Energy (涇源新天風能有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“United Power”	Guodian United Power Technology Co., Ltd. (國電聯合動力技術有限公司), a limited liability company incorporated in the PRC and an independent third party
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“installed capacity”	the capacity of the wind turbines that have been completely assembled and erected
“kW”	unit of power, kilowatt. 1 kW = 1,000 watts
“kWh”	unit of energy, kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be consumed by a 1 kW electrical appliance in one hour
“Hebei Natural Gas”	Hebei Natural Gas Company Ltd.(河北省天然氣有限責任公司), a limited liability company incorporated in the PRC and a non-wholly-owned subsidiary of the Company

Definitions

“HECIC New Energy”	HECIC New Energy Co., Ltd. (河北建投新能源有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“A Share Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“LNG”	liquefied natural gas
“CNG”	compressed natural gas
“MW”	unit of power, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW
“MWh”	unit of energy, megawatt-hour. 1 MWh = 1,000 kWh
“National Energy Administration”	National Energy Administration of the People’s Republic of China (中華人民共和國國家能源局)
“NDRC”	National Development and Reform Commission of the People’s Republic of China (中華人民共和國國家發展和改革委員會)
“operating capacity”	the capacity of the wind turbines that have been connected to power grids and started generating electricity
“projects under construction”	projects for which the project company has received approval, detailed engineering and construction blueprints have been completed, and the construction work on the roads, foundations or electrical infrastructure has commenced
“Reporting Period”	the fiscal period from 1 January 2021 to 30 June 2021
“RMB” or “RMB’000” or “RMB’0,000” or “RMB’00 million”	Renminbi or Renminbi thousand or Renminbi ten thousand or Renminbi hundred million
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)



Definitions

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
“SSE”	the Shanghai Stock Exchange
“CSRC”	China Securities Regulatory Commission
“A shares”	the domestic listed RMB ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the SSE
“H shares”	the Hong Kong listed HKD ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the Hong Kong Stock Exchange

Corporate Profile and Principal Financial Indicators

I. COMPANY PROFILE

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

II. CONTACT PERSONS AND CONTACT METHODS

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

III. BASIC INFORMATION

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

Corporate Profile and Principal Financial Indicators

IV. INFORMATION DISCLOSURE AND CHANGE IN PLACE OF INSPECTION

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

V. BASIC INFORMATION OF THE COMPANY'S SHARES

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

VI. OTHER RELEVANT INFORMATION

Applicable Not applicable

Corporate Profile and Principal Financial Indicators

VII. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Principal accounting data

Unit: Yuan Currency: RMB

Principal accounting data	During the Reporting Period (Jan – Jun)	The same period of the previous year	Increase/decrease during the Reporting Period as compared with the same period of the previous year (%)
Operating revenue	8,404,374,325.14	6,586,684,345.15	27.60%
Net profit attributable to shareholders of the listed company	1,583,586,082.89	947,432,343.02	67.15%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,580,122,874.00	928,887,878.18	70.11%
Net cash flows from operating activities	2,264,719,068.53	1,226,636,930.16	84.63%

	As at the end of the Reporting Period	As at the end of previous year	Increase/decrease at the end of the Reporting Period as compared with the end of previous year (%)
Net assets attributable to shareholders of the listed company	14,578,878,326.13	13,164,966,950.11	10.74%
Total assets	63,193,444,396.08	57,257,714,548.41	10.37%

Corporate Profile and Principal Financial Indicators

(II) Principal Financial Indicators

Principal Financial Indicators	During the Reporting Period (Jan – Jun)	The same period of the previous year	Increase/decrease
			during the Reporting Period as compared with the same period of the previous year (%)
Basic earnings per share (Yuan/share)	0.40	0.24	66.67
Diluted earnings per share (Yuan/share)	0.40	0.24	66.67
Basic earnings per share after deducting non-recurring profit/loss (Yuan/share)	0.40	0.24	66.67
Weighted average return on net assets (%)	11.03	7.26	Increase by 3.77 percentage points
Weighted average return on net assets after deducting non-recurring profit/loss (%)	11.01	7.11	Increase by 3.90 percentage points

Particulars of principal accounting data and financial indicators of the Company

Applicable Not Applicable

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

Applicable Not Applicable

Corporate Profile and Principal Financial Indicators

IX. NON-RECURRING ITEMS AND AMOUNTS

Unit: Yuan Currency: RMB

Non-recurring items	Amount	Notes (if any)
Profit or loss from disposal of non-current assets	-24,749.72	
Tax refund or exemption from ultra vires approval or without official approval document or received occasionally		
Government subsidies included in profit or loss in the current period, but excluding those closely related to the Company's normal business operations, in line with national policies and regulations and in accordance with certain fixed amounts on a continuous basis	8,068,072.80	
Capital utilization fee received from non-financial enterprises and included in profit or loss for the period		
Gain on investments of subsidiaries, associates and joint ventures in which the investment cost was less than the interest in fair value of identifiable net assets of the investees at the time of acquisition		
Gain or loss on exchange of non-monetary assets		
Gain or loss on entrusted investments or assets under management		
Asset impairment provisions for force majeure such as natural disasters		
Gain or loss on debt restructuring		
Corporate restructuring fees such as staff settlement expenses and consolidation charges		
Gain or loss arising from unfair trading transactions prices over their fair value		
Net gain or loss of subsidiaries from the beginning of the period to the consolidation date arising from the consolidation of enterprises under common control		
Gain or loss on contingency items unrelated to the normal business operations of the Company		
Gain or loss on changes in fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other equity investments, except for effective hedging transactions that are closely related to the Company's normal operation		
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test	42,331.80	
Gain or loss from external entrusted loans		
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurements		
Effect on profit or loss for the period from one-off adjustment to profit or loss for the period according to the requirements of the tax and accounting laws and regulations		
Custody fee income received from custody operation		
Other non-operating income and expenses apart from the aforesaid items	278,892.63	
Other items of non-recurring gains or losses		
Effect of minority interests	-2,844,114.18	
Effect of income tax	-2,057,224.44	
Total	3,463,208.89	

X. OTHERS

Applicable Not Applicable



Management Discussion and Analysis

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

(I) Principal business and business model

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

1. Natural gas business

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

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

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

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

(2) *Sale of natural gas*

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

2. Wind power business

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

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

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

(2) *Sale of electricity*

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

(II) Industry situation

In 2020, China proposed to "strive to peak its carbon dioxide emission by 2030, and achieve carbon neutrality by 2060", outlining the vision of green and low-carbon transformation and development. In the same year, the Central Economic Work Conference also listed "achieving peak carbon and carbon neutrality" as one of the eight key tasks for 2021. During the two sessions of the National People's Congress this year, "carbon peaking" and "carbon neutrality" were included in the government's work report.

“Carbon peaking and carbon neutrality” is the strategic decision and important target for China’s quality development in the “14th Five-Year Plan” and beyond. The introduction of the “14th Five-Year Plan” and “dual carbon” will reshape the future production and lifestyle of China and will also have a huge impact on the transformation of economic structure, which will create a profound impact on energy structure, energy usage and energy technology.

Thus, technological innovation and green economy will remain as one of the major themes of future economic development in China. From the perspective of the macro-economic environment, under the situation and requirements of strictly controlling the total amount and intensity of traditional energy consumption and continuous improvement of the ecological environment, wind power, photovoltaic power and natural gas, as green and clean energy, will become one of the major strategic energy sources in China for a long period of time in the future. The analysis of the industry situation of new energy and gas segments is as follows:

1. Gas segment

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

Following the in-depth implementation of “carbon peaking” and “carbon neutrality”, new energy usage, technologies and carriers will emerge, and as the gradual emerge of new trading concepts and new market elements, the energy industry will face innovation while the natural gas industry will welcome opportunities for change.

In recent years, China has continued to implement pollution control, energy saving and emission reduction as well as clean heating policies, while vigorously promoting the policy of replacing coal by gas, gas-fired power generation, clean heating and gasification of industrial kilns and boilers. The use of natural gas has become an important means of reducing carbon emissions and will continue to develop rapidly during the “14th Five-Year” and in the foreseeable future. Meanwhile, the accelerating reform of domestic natural gas system and the steady economic and social development will drive the continuous growth of natural gas demands, and the development of China’s natural gas industry will also be presented with an important strategic opportunity. In addition, the use of natural gas is widespread, flexible and mature, and the existing pipeline facilities can form a necessary multi-energy complementary relationship with the renewable energy in the process of urbanization, jointly embracing the intelligent transformation of the energy industry chain. According to the “China’s Natural Gas Development Report (2019)” (《中國天然氣發展報告 (2019)》), China’s natural gas consumption will maintain a trend of rapid growth before 2030. It is estimated that natural gas consumption will increase from 350 billion cubic meters at the end of the “13th Five-Year Plan” period to 450 billion cubic meters at the end of the “14th Five-Year Plan” period.

(2) Planning cross-enterprise green energy layout by focusing on “carbon neutrality” and promoting the development of natural gas business

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

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

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



Management Discussion and Analysis

- (4) *The establishment of the State Piping Network Corporation broke the monopoly of existing resources and pipelines and the market competition in the natural gas market is becoming increasingly fierce*

With the establishment of the State Piping Network Corporation, “network sales separation”, which is the most critical, closely watched and difficult in the process of industry market reform, has also taken a solid step. The infrastructure of the natural gas market will become more fair and open. The natural gas pipeline network, LNG receiving stations and other infrastructures will be opened in an orderly and fair manner under the national supervision, and various oil and gas pipeline network facilities will be interconnected. The monopoly of existing resources and pipelines will be broken and natural gas companies will have more diversified choice of pipelines. At present, both upstream resource parties and city natural gas operators hope to improve or even establish the entire industrial chain of natural gas supply to cope with the impact of reforms. Therefore, there is an industry phenomenon in which downstream companies hurried to expand into the upstream, and upstream companies are tapping into the terminal market. An new oil and gas market system with multi-subject and multi-channel supply of upstream oil and gas resources, a midstream unified pipeline network for efficient collection and transmission, and full competition in the downstream sales market is gradually formed, resulting in competition for high-quality terminal projects becoming increasingly fierce.

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

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

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

Further improving the layout of LNG receiving stations will become an important part for the construction of China’s natural gas production, supply, storage and marketing system. The external pipelines of LNG receiving stations will be interconnected with pipeline networks at all levels and connected to inland cities to realize the full connection between imported LNG and domestic gas to make up for the gap in supply and demand, meet China’s growing demand for natural gas, and ensure the security of future natural gas supply.

2. New energy segment

- (1) *The State encourages the promotion of green power upgrade and transformation during the “14th Five-Year Plan” period*

The “14th Five-Year Plan” period is an important period of opportunities for China to comprehensively build a modern and powerful country after the completion of building a moderately prosperous society in all respects. The State supports the vigorous development of renewable resources such as wind power and photovoltaic power. The National Energy Administration pointed out that during the “14th Five-Year Plan” period, we should focus on promoting the green power upgrade and transformation, improving the capability of power safety protection, advancing the structural reforms of electricity on the supply side, and focusing on fully mobilizing response resources on the demand side, rationally promoting the planning and construction of supporting and basic power source projects and promoting the green power upgrade and transformation.

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

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

- (3) *Newly built wind power and photovoltaic power projects entered the era of price parity and market competition is becoming increasingly fierce*

Wind power and photovoltaic are entering the era of price parity, and the rate of return on investment for new projects will decrease compared to the original projects with subsidies. Meanwhile, in order to achieve the “carbon peaking” and “carbon neutrality” targets, major power groups represented by state-owned enterprises have started to increase their investment and development efforts in wind power and photovoltaic power, making every effort to expand the installed capacity of new energy through mergers and acquisitions and independent development and the market competition is becoming increasingly fierce. In addition, according to the requirements of the “Notice on Actively Promoting the Grid Parity of Wind Power and Photovoltaic Power without Subsidies” (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》), power generated by the centralized grid parity projects will be consumed by grid enterprises and will not be traded on the power market. However, in some provinces, cities and autonomous regions, completed wind power and photovoltaic power projects have participated in the power market transactions and the tariff has declined.



Management Discussion and Analysis

(4) Increasingly difficult to develop new quality projects

Green water and mountains are gold – the Chinese government has increased its efforts in protecting the planning of woodlands and grasslands, requirements for the development of wind power and photovoltaic power projects, such as woodlands and ecological red lines, are becoming more and more stringent. Meanwhile, building up a large-scale reserve of quality resources is becoming increasingly difficult as the wind and light resources that can be developed on a large scale are getting scarce, making the development of new projects increasingly difficult. Therefore, it will be become very critical to improve the quality of project resources by in-depth analysis of new projects, promote the refined and large-scale development of new projects, strengthen the operation and maintenance of completed projects, rationally carry out technological transformation, and fully tap into any space of the profit in completed projects.

(5) The consumption is still an important factor restricting the development of the wind power and photovoltaic industries

At present, the state strictly implements the wind power and photovoltaic power investment monitoring and early warning mechanism while actively implements the prioritised clean energy power generation system. Especially in recent years, it has actively improved the power grid collection and transmission capacity and a large number of UHV channels have been completed and put into production. With a package of measures to solve consumption, the problem of wind and PV power curtailment has stabilized and improved. However, affected by the delivery capacity and construction of power grids, local consumption capacity, the COVID-19 pandemic and other factors, the situation of power consumption was still severe in some areas, and the rate of wind curtailments and power constraints maintained at a high level. In the future, during the “14th Five-Year Plan” period, whether grid construction can effectively match the growth of wind power and photovoltaic power sources will still be a key concern of the industries.

II. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

1. The Company is a leading clean energy company in northern China, with its major businesses within Hebei Province.
2. The Company's management team has been engaged in the clean energy industry for many years and has extensive management experience in the wind power and natural gas fields. The Company has established a team consisting of several hundreds of production and technical service personnel with high-level professional knowledge and relevant technical qualifications, and strong professional operation and maintenance capabilities.
3. The Company's two major businesses, namely the wind power business and the natural gas business, can form a benign complement, which can effectively reduce the volatility of the Company's profits, prevent adverse changes in a single business and diversify operational risks.

III. BUSINESS DISCUSSION AND ANALYSIS

(I) Operating Environment

In the first half of 2021, in the face of complex and volatile domestic and international environment, China's economy continued to recover steadily. With increasing production demand, generally stable employment and price rates, rapid growth in new momentum as well as steady improvement in quality and efficiency, market players have shown positive expectation. Major macro indicators were within a reasonable range, and economic development showed a steady but reinforcing and improving trend. According to preliminary calculations, gross domestic product in the first half of the year was RMB53,216.7 billion, representing a year-on-year increase of 12.7% at comparable prices.

On 19 April 2021, the National Energy Administration issued the "Guidelines on Energy Work in 2021", which clearly stated that: energy security risks cannot be ignored and it is an arduous task to implement the targets of carbon peaking and carbon neutrality and to achieve the green and low carbon transformation under such complex and complicated domestic and international situation. The main targets for 2021 are as follows: reducing the percentage of coal consumption to below 56%, increasing electricity replacement by approximately 200 billion kWh and achieving percentage of electricity in terminal energy consumption to approximately 28%, while achieving natural gas production volume to approximately 202.5 billion cubic meters and non-fossil energy power generator to approximately 1.1 billion kW. The Company will also actively facilitate the construction of "10 billion cubic meters" of gas storage in Northeast China, North China, Southwest China and Northwest China, as well as the construction of a number of major projects such as the pipeline construction for the oil and gas production, supply, storage and sales system, underground gas storage and LNG receiving stations in 2021.

On 11 June 2021, the National Development and Reform Commission (NDRC) issued the "Notice on Matters Relating to New Energy On-Grid Tariff Policy of 2021 by the NDRC" (Fa Gai Jia Ge [2021] No. 833). In 2021, new energy projects may voluntarily participate in market transaction trading to form on-grid tariffs. The Notice stated that, new centralized photovoltaic power stations, distributed photovoltaic projects for industry and commerce and newly approved onshore wind power projects (the "New Projects") shall achieve grid parity and will no longer be subsidized by the central government from 2021. The Notice clarified that, the on-grid tariff for the New Projects in 2021 will be based on the local benchmark price for coal fuel power generation. The New Projects may voluntarily participate in market transaction trading to form on-grid tariffs to better realize the green power value of photovoltaic power generation and wind power.

In 2021, the Ministry of Ecology and Environment successively implemented the "Measures for the Administration of Carbon Emission Trading (Trial)", the "Administrative Rules for the Registration of Carbon Emission Rights (Trial)", the "Administrative Rules for the Trading of Carbon Emission Rights (Trial)" and the "Administrative Rules for the Settlement of Carbon Emission Rights (Trial)". On 16 July 2021, the national trading market of carbon emission was launched for online transaction. The next step will be steadily expanding the industry coverage to control and reduce greenhouse gas emissions through the market mechanism.

According to the statistics published by the National Energy Administration, from January to June 2021, the national electricity consumption accumulated to 3,933.9 billion kWh, representing a year-on-year increase of 16.2%. From January to June 2021, the nationwide wind power generation installed capacity was approximately 292 million kWh, representing a year-on-year increase of 34.7%; and solar energy generation installed capacity was approximately 270 million kWh, representing a year-on-year increase of 23.7%. The nationwide wind power generation amounted to 344.18 billion kWh, representing a year-on-year increase of 44.6%; photovoltaic power generation was 157.64 billion kWh, representing a year-on-year increase of 23.4%, while the average utilization hours of wind power generation units were 1,212 hours, 88 hours more than the same period of last year, and the average utilization hours of wind power generation units in Hebei Province were 1,237 hours, representing a year-on-year increase of 79 hours; the national wind curtailment amounted to 12.64 billion kWh, representing a curtailment rate of 3.6%, a year-on-year decrease of 0.3 percentage point with an average utilization rate of 96.4%.

According to the statistics from a news update, from January to June 2021, the apparent consumption of natural gas amounted to 182.7 billion cubic meters, representing a year-on-year increase of 17.4%. According to the statistics published by the National Bureau of Statistics, from January to June 2021, the production capacity of natural gas amounted to 104.5 billion cubic meters, representing a year-on-year increase of 10.9%. Imports of natural gas totaled 59.82 million tonnes, representing a year-on-year increase of 23.8%.

(II) BUSINESS REVIEW

1. Business review of the natural gas business

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

During the Reporting Period, affected by factors such as the recovery of the real economy, the Group's total transmission volume of the natural gas business was 2.291 billion cubic meters, representing an increase of 12.05% as compared with the same period of last year, among which, the sales volume amounted to 2.123 billion cubic meters, representing an increase of 13.60% as compared with the same period of last year, including (i) wholesale volume amounted to 1.29 billion cubic meters, representing an increase of 10.26% as compared with the same period of last year; (ii) retail sales volume amounted to 790 million cubic meters, representing an increase of 18.31% as compared with the same period of last year; (iii) sales volume of CNG amounted to 35 million cubic meters, representing an increase of 22.66% as compared with the same period of last year; (iv) sales volume of LNG amounted to 8 million cubic meters, representing an increase of 206.57% as compared with the same period of last year; and the gas transmission volume amounted to 168 million cubic meters, representing a decrease of 4.47% as compared with the same period of last year.

Management Discussion and Analysis

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

As of 30 June 2021, the aggregate length of the Group's pipelines in operation was 7,087.99 kilometers. The Zhangzhou-Yongqing Transmission Pipeline Project (涿州-永清輸氣管道工程), the Connection Line Project of Erdos-Anping-Cangzhou Gas Pipeline and Jingshihan Gas Pipeline (鄂安滄-京石邯管綫邯鄲聯絡綫項目), and the "Jingshihan" Dual Track Gas Pipeline Project ("京石邯"輸氣管道複綫工程) cumulatively completed 79.25 kilometers, 103.13 kilometers and 71.90 kilometers of line welding, respectively. The Centra Hebei Pipeline Network Phase IV Project (冀中管網四期工程) has obtained the pre-construction EIA and other important approval procedures, the tender process is underway. The Qinhuangdao-Fengnan Gas Pipeline Project (秦皇島-豐南沿海輸氣管道工程), the Luquan Connection Line Project (鹿泉連接綫項目), the Luquan-Jingxing Gas Transmission Pipeline Project (鹿泉-井陘輸氣管綫項目), the South Baoding Connection Line Project (保定南部聯絡綫項目), and the Coastal Gas Transmission Pipeline (Cangzhou section) (沿海輸氣管綫(滄州段)) have obtained the approvals from the NDRC and are undergoing the pre-construction EIA and other important approval procedures. The Baoding Qingyuan-Cangzhou Suning Pipeline Project (保定清苑-滄州肅寧管綫項目) is undergoing pre-approval procedures. Upon completion, the above projects will further expand the coverage of the Company's pipeline network and achieve interconnection and interoperability, enhancing the emergency protection capability.

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

The phase I of the Tangshan LNG Receiving Station project completed the topping up of four storage tanks and is now in full swing with the installation of the inner tanks. The pier construction was completed with 223 steel pipe pile immersed piles and 3 infill piles. The Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section) (唐山 LNG 接收站外輸管綫項目(曹妃甸 - 寶坻段)) and the Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section) (唐山 LNG 接收站外輸管綫項目(寶坻 - 永清段)) cumulatively completed 92.23 kilometers and 90.56 kilometers of line welding, respectively.

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

During the Reporting Period, leveraging on its newly operating pipelines, the Group vigorously developed its end user base of natural gas and newly acquired 10,430 users from different categories. As of 30 June 2021, the Group had an aggregate of 441,284 users.

(5) Prudent development of CNG and LNG projects

As of the end of the Reporting Period, 7 CNG primary filling stations, 6 CNG filling stations, 3 LNG filling stations and 2 L-CNG joint filling stations were in operation.

2. Business review of the wind power business

(1) Steady increase in power generation of wind farms

During the Reporting Period, the wind farms controlled by the Group realized a power generation of 7.547 billion kWh, representing a year-on-year increase of 51.22%; the utilization hours of the wind farms controlled by the Group were 1,433 hours, representing an increase of 145 hours as compared with the same period of last year, which were 221 hours higher than the nationwide average utilization hours and 196 hours higher than the average utilization hours in Hebei Province; the average availability factor was 98.29%, representing a decrease of 0.18 percentage point over the same period of last year. The wind curtailment rate of 10.45%, representing a year-on-year increase of 1.78 percentage points.

(2) Sturdily proceeding with project construction

During the Reporting Period, the Group's consolidated installed capacity of wind power was increased by 184.5 MW, and its accumulative consolidated installed capacity was 5,656.45 MW. In the first half of the year, the commercial operation project capacity was increased by 961.00 MW, and its accumulated commercial operation project capacity was 5,361.25 MW. As of the end of the Reporting Period, the Group had projects under construction with a total installed capacity of 402.7 MW.

In the first half of the year, all wind turbines of the Jiangxi Fuliang Zhongling Wind Power Project (江西浮梁中嶺風電項目) connected to the grid for power generation, while the Chongli Wind Powered Hydrogen Production Project Phase I completed the installation of all wind turbines and other projects were under construction as scheduled. During the Reporting Period, the Group continued to optimize the construction process and tighten its overall management and control of the projects to improve the efficiency of project management. The Company has also been continuously improving the quality of construction work to ensure that quality, progress, investment and safety are under control and that the projects are progressing as scheduled.

(3) Active expansion in wind resources reserves

During the Reporting Period, the Group does not have any newly approved consolidated wind power project and the total approved unstarted project capacity amounted to 1,222.8 MW.

In the first half of 2021, as affected by national policies, some provinces and municipalities suspended and delayed the issue of wind power indicators in the first half of year. Therefore, as of 30 June 2021, the Group had no newly approved capacity and newly approved plan (including alternative plan). As of the end of the Reporting Period, the accumulative national approved capacity of the Group reached 7,309.1 MW, spanning over 16 provinces across the country.



Management Discussion and Analysis

During the Reporting Period, the Group acquired an agreed volume of new wind power of 2,500 MW, resulting in total agreed volume of wind resources of the Group reaching 46,502.5 MW in over 23 provinces across the country.

3. Other businesses

The Company insists on the unity of righteousness and innovation, and vigorously promotes technological innovation. In the first half of 2021, the “Key Technologies and Application Demonstration of Large-scale Coupled Hydrogen Production from Renewable Energy Sources” (大規模可再生能源耦合制氫關鍵技術及應用示範) project developed by the Company together with entities including Hebei University of Science & Technology, after the first year of work, has successfully passed the project stage evaluation. The scientific and technological achievements of the research and development of the “Wind Power Fast Frequency Control Theory and Key Technology and Large-scale Engineering Applications”, led by HECIC New Energy were rated as “leading edge of international standards”.

During the Reporting Period, there was no newly approved capacity of photovoltaic projects for the Group; newly agreed capacity of the photovoltaic projects was 2,600 MW and the accumulated agreed capacity was 9,949 MW. As of 30 June 2021, the Group operated photovoltaic power generation projects with accumulated operating capacity of 118.59 MW.

The Company participated in an equity investment for the construction of Hebei Fengning pumped storage power station project (河北豐寧抽水蓄能電站項目), the designed total installed capacity of which amounted to 3,600 MW, which will be developed in two phases with installed capacity of 1,800 MW each for pumping and water retention functions such as peak load regulation and valley filling. As of 30 June 2021, the upper and lower reservoirs of the Hebei Fengning pumped storage power station project were officially impounded; the installation of the mainframe equipment for Units 1 and 10 was completed and the first unit is expected to be commissioned by the end of 2021.

(III) Business Discussion and Analysis

1. Overview

In the first half of 2021, the Group recorded operating revenue of RMB8.404 billion, representing a year-on-year increase of 27.60%, which was mainly due to stronger operating results in two major business segments, driven by the increase in electricity sales of new energy segment and the increase in sales of natural gas; the operating costs of RMB5.494 billion, representing a year-on-year increase of 17.21%, which was mainly due to the increase in investment and operation costs of new wind farms and the increase in gas sales.

2. Net profit

During the Reporting Period, the Group recorded a net profit of RMB1.971 billion, representing a year-on-year increase of 64.67%. During the Reporting Period, the wind power and photovoltaic power segments realized a net profit of RMB1.614 billion, representing a year-on-year increase of 79.73%, which was mainly due to the fact that the wind power segment had a better level of wind resources in the first half of the year, with an increase in utilization hours compared to the same period of last year, while the Company's infrastructure projects were successively put into commercial operation, resulting in a larger increase in grid-connected power compared to the same period of last year; the natural gas business segment realized a net profit of RMB413 million, representing a year-on-year increase of 24.77%, which was mainly due to an increase in natural gas sales volume as compared to the same period of last year, resulting in a rebound in unilateral gross profit.

3. Net profit attributable to shareholders of the listed company

During the Reporting Period, the net profit attributable to shareholders of the listed company was RMB1.584 billion, representing an increase of RMB637 million compared with the RMB947 million in the same period of the last year, representing a year-on-year increase of 67.15%, which was mainly due to the increase in the Group's net profit over the same period of last year.

The basic earnings per share attributable to shareholders of the Company is RMB0.40.

4. Gain or loss attributable to minority shareholders

During the Reporting Period, net profit attributable to minority interests of the Company amounted to RMB387 million, representing an increase of RMB138 million as compared with RMB249 million in the corresponding period of 2020. This was mainly due to the fact that the two major business segments of the Company both recorded growth in net profit.

5. Contingent liabilities

As of 30 June 2021, RMB95 million was used as a guarantee provided by the Group to a joint venture, Hebei Suntien Guohua Gas Co., Ltd., for its application to a financial institution for credit line.

As of 30 June 2021, the Group was subject to certain pending litigations/arbitrations with its suppliers, etc., involving RMB41 million. The cases are still under trial.

6. Cash flows

As of 30 June 2021, the Group's total current liabilities were RMB15.544 billion, and the net increase in cash and cash equivalents was RMB1.163 billion. The Group has obtained credit facilities of a total amount of RMB107.516 billion from various domestic banks, of which an amount of RMB31.271 billion was utilized.

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

7. Capital expenditure

During the Reporting Period, capital expenditures mainly included project construction costs for new wind power projects, natural gas pipelines and additions to properties, plants and equipment and prepayment for leased lands. Capital resources mainly included self-owned capital, bank borrowings and cash flows from the Group's operating activities. During the Reporting Period, the Group's capital expenditure was RMB4.519 billion, representing a decrease of 8.06% as compared with RMB4.915 billion last year. A breakdown of capital expenditure is as follows:

Unit: '000 Yuan Currency: RMB

	30 June 2021	30 June 2020	Change (%)
Natural gas	3,654,627	1,657,176	120.53
Wind power and solar energy	861,424	3,257,239	-73.55
Unallocated capital expenditures	2,894	422	585.78
Total	4,518,945	4,914,837	-8.06

8. Borrowings

As of 30 June 2021, the Group's long-term and short-term borrowings totaled RMB30.205 billion, representing an increase of RMB2.865 billion as compared with the end of 2020. Among all borrowings, the short-term borrowings (including long-term loans due within one year) aggregated to RMB4.570 billion, the long-term borrowings amounted to RMB25.635 billion.

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

9. Debt-to-asset ratio

As of 30 June 2021, the Group's debt-to-asset ratio (the ratio of total liabilities divided by total assets) was 70.35%, representing a decrease of 0.49 percentage point from 70.84% as at 31 December 2020, mainly due to an increase in operating accumulation, the new issuance of perpetual bonds and other reasons in this year, which resulted in a slight reduction in the debt-to-asset ratio.

10. Substantial mortgage

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

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

Applicable Not Applicable

IV. MAJOR OPERATIONS DURING THE REPORTING PERIOD

(I) Analysis of principal business

1. Analysis of changes in relevant items of financial Statements

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period	Amount for the corresponding period of previous year	Percentage Change(%)
Operating revenue	8,404,374,325.14	6,586,684,345.15	27.60
Operating costs	5,494,086,439.78	4,687,326,648.06	17.21
Selling expenses	1,180,879.25	361,914.26	226.29
Administration expenses	247,375,629.63	178,676,293.36	38.45
Finance costs	552,434,209.15	448,406,052.51	23.20
R&D expenses	16,451,004.15	7,348,412.56	123.87
Net cash flows from operating activities	2,264,719,068.53	1,226,636,930.16	84.63
Net cash flows from investing activities	-3,556,572,439.46	-3,868,560,176.28	-8.06
Net cash flows from financing activities	2,455,080,688.50	3,031,977,305.64	-19.03



Management Discussion and Analysis

Explanation on reasons for changes in operating revenue: During the Reporting Period, the operating revenue of wind power and photovoltaic power businesses of the Group was RMB3.368 billion, representing an increase of 50.79% as compared with the same period of last year and the revenue of the wind power and photovoltaic power businesses accounted for 40.07% of the Group's operating revenue. The main reason for the increase in revenue was the increase in installed capacity and utilization hours of the operational installed capacity of the wind farms of the Group, which brought in a year-on-year increase in sales volume of electricity and revenue of electricity sales. During the Reporting Period, the Group recorded operating revenue of RMB5.035 billion from its natural gas sales business, representing an increase of 15.95% as compared with the same period of last year, and accounting for 59.91% of the Group's total revenue. The main reason for the increase in revenue was an increase in sales volume of the Group's natural gas as compared with the same period of last year. In particular, the pipe wholesale business recorded sales revenue of RMB2.935 billion, accounting for 58.29% of the Group's business revenue from its natural gas sales business; the Group's retail business, such as city natural gas, recorded sales revenue of RMB1.917 billion, accounting for 38.08% of the Group's sales business revenue from natural gas; CNG business recorded sales revenue of RMB87 million, accounting for 1.73% of the Group's business revenue from its natural gas sales business; LNG business recorded sales revenue was RMB20 million, accounting for 0.40% of the Group's business revenue from its natural gas sales business; and other revenue was RMB75 million, accounting for 1.49% of the Group's business revenue from its natural gas sales business.

Explanation on reasons for changes in operating costs: During the Reporting Period, the operating costs of the Group increased by 17.21% as compared with same period of last year. This was mainly due to the increase in investment and operation costs of new wind farms and the increase in gas sales.

Explanation on reasons for changes in selling expenses: During the Reporting Period, the selling expenses of the Group were RMB1.1809 million, representing an increase of 226.29% as compared with the same period of last year. This was mainly due to the establishment of a new sales department in the middle of last year, and the salaries of sales staff are included in selling expenses.

Explanation on reasons for changes in administrative expenses: During the Reporting Period, the administrative expenses of the Group were RMB247 million, representing an increase of 38.45% as compared with the same period of last year. This was mainly due to an increase in provision for wages during the period as well as the reduction of social security payments as impacted by the pandemic in the same period of last year.

Management Discussion and Analysis

Explanation on reasons for changes in finance costs: During the Reporting Period, the finance costs of the Group were RMB552 million, representing an increase of 23.20% as compared with RMB448 million in the same period of last year. This was mainly due to an increase in interest expenses as compared with same period of last year.

Explanation on reasons for changes in R&D expenses: During the Reporting Period, the Group's R&D expenses were RMB16.4510 million, representing an increase of 123.87% as compared with RMB7.3484 million in the same period of 2020. This was mainly due to an increase in R&D investment during the period.

Explanation on reasons for changes in net cash flows from operating activities: The net cash inflows from operating activities were RMB2.265 billion, representing an increase of 84.63% as compared with the same period of 2020. This was mainly due to an increase in cash received from sales of goods and rendering for services.

Explanation on reasons for changes in net cash flows from investing activities: The net cash outflows from investing activities were RMB3.557 billion, representing a decrease of 8.06% as compared with the same period of 2020. This was mainly due to a decrease in cash paid for the purchase and construction of fixed assets.

Explanation on reasons for changes in net cash flows from financing activities: The net cash inflows from financing activities were RMB2.455 billion, representing a decrease of 19.03% as compared with the same period of 2020. This was mainly due to a decrease in borrowings obtained as compared with the same period of last year.

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

Applicable Not Applicable

Management Discussion and Analysis

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

Applicable Not Applicable

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan

Items	Balance as at the end of the Reporting Period	Balance as at the end of the Reporting Period as a percentage of total assets (%)	Balance as at the end of the corresponding period of last year	Balance as at the end of the corresponding period of last year as a percentage of total asset (%)	Change in balance as at the end of the Reporting Period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Cash	3,056,083,399.59	4.84	1,898,492,786.13	3.32	60.97	Mainly due to the issuance of perpetual bonds of the Company, the receipt of bank borrowings and the increase in sales proceeds of the Company.
Short-term borrowings	1,819,550,000.00	2.88	1,220,742,600.37	2.13	49.05	Mainly due to the increase in borrowings from financial institutions.
Receivables financing	584,879,058.68	0.93	420,392,697.68	0.73	39.13	Due to the increase in bills of exchange received from banks during the period.
Advances to suppliers	193,563,087.94	0.31	380,771,646.27	0.67	-49.17	Due to the decrease in prepayments for purchase of natural gas.
Other receivables	171,159,074.69	0.27	94,391,151.51	0.16	81.33	Due to the increase in dividends receivable from associates during the period.
Development expenses	24,225,608.52	0.04	12,425,222.01	0.02	94.97	Due to the increase in R&D investment.
Goodwill	58,827,407.53	0.09	39,411,613.25	0.07	49.26	The arise of goodwill from the acquisition of additional units through business combinations not under common control during the period.
Notes payable	8,393,752.38	0.01	4,516,529.53	0.01	85.85	Mainly due to the increase in the settlement of bank acceptance bills.
Wages payable	54,371,703.51	0.09	92,086,286.31	0.16	-40.96	Mainly due to the distribution of bonuses for the previous year during the period.
Long-term payables	304,153,887.55	0.48	204,163,944.97	0.36	48.98	Increase in borrowings from financial leasing companies during the period.

Other explanations: Nil

2. Information on foreign assets

(1) *Size of assets*

Of which: foreign assets 1.88 (Unit: '000 million Currency: RMB), representing 0.30% of total assets.

(2) *Description of foreign assets*

Applicable Not Applicable

3. Restrictions on main assets as of the end of the reporting period

Unit: Yuan

Items	Carrying amount as at the end of the period	Reasons for such restriction
Cash	29,488,470.50	Land reclamation deposit, guarantee deposit, etc.
Receivables financing	3,000,000.00	Financing collateral
Accounts receivable	4,060,132,890.64	Financing collateral
Fixed assets	291,334,533.30	Financing pledges
Intangible assets	3,310,438.10	Financing pledges
Total	4,387,266,332.54	

4. Other explanation

Applicable Not Applicable

Management Discussion and Analysis

(IV) Analysis of investment status

1. General analysis of external equity investments

During the Reporting Period, the Group's investment income from joint ventures and associates amounted to RMB133 million, representing an increase of RMB29 million as compared with RMB104 million in the corresponding period of 2020. This was mainly due to an increase in profit of joint ventures and associates during the period.

During the Reporting Period, the Group's external investments amounted to RMB0, representing a decrease of RMB9.8072 million as compared with RMB9.8072 million in the corresponding period of 2020. This was mainly due to the fact that no additional investments in joint ventures and associates were made during the period.

Unit: RMB'0,000

Investment amount during the Reporting Period	Investment amount of the corresponding period last year	Percentage change
–	980.72	-100.00%

(1) Material equity investments

Applicable Not Applicable

(2) Material non-equity investments

Applicable Not Applicable

Management Discussion and Analysis

(3) Financial assets measured at fair value

Unit: Yuan

Item	Amount
Investments in other equity instruments	218,605,700.00
Receivables financing	584,879,058.68

(V) Material disposal of assets and equity interest

Applicable Not Applicable

(VI) Analysis of major subsidiaries and investee companies

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

Unit: RMB'0,000

Company name	Proportion of share holding	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
HECIC New-energy Co., Ltd. (河北建投新能源有限公司)	100%	Wind power generation, wind farm investment and service consulting	509,730.00	2,532,472.53	793,804.77	190,578.95	95,560.60	80,790.74
Hebei Natural Gas Company Limited (河北省天然氣有限責任公司)	55%	Sale of natural gas and gas appliances, as well as the connection and construction of natural gas pipelines	168,000.00	902,825.05	363,157.78	503,127.22	53,918.68	42,650.23
Hebei Fengning CIC New Energy Co., Ltd. (河北豐寧建投新能源有限公司)	100%	Wind power generation	84,783.00	490,454.71	134,629.47	57,007.76	39,559.49	37,196.21

(VII) Structured entities controlled by the company

Applicable Not Applicable

V. OTHER DISCLOSURES

(I) Potential risks

1. Wind power business

(1) Risk of market-based electricity trading

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

(2) Increase in management difficulty of construction

Uncontrollable factors such as project obstacles, slow land approval and complicated formalities of forest land for projects located at pastures and natural reserves during the construction of certain wind power projects affect the overall progress of the construction. The Group will arrange reasonable schedule and coordinate and communicate with the wind power equipment manufacturers and local governments to effectively control the unfavorable factors in the construction of wind power project, to ensure that the projects will commence operation as scheduled.

(3) Continuation of wind curtailment and power constraints

As the construction of power grids is lagging behind the construction of wind power projects, the development of wind power projects is limited by wind power output, especially in Zhangjiakou region where wind resources are concentrated. With the new wind power projects in Zhangjiakou being put into operation, it is expected that power constraints are likely to further intensify in the next few years.

The Group will, based on the construction of power grids in the place where each wind power project is located, prioritize the development and construction of wind power projects in the regions with great availability of power grid facilities and grid connection. At the same time, the Group will explore and develop innovative consumption methods for wind power. Along with the advancement of power grid restructuring by power grid companies and investment in and construction of extra-high voltage power distribution network, the power grid output issue is expected to be gradually improved.

2. Natural gas business

(1) Intensification of market competition under the new “X+1+X” landscape

Upon the establishment of the National Pipeline Company, the “X+1+X” oil and gas market reform goal of “controlling the middle and easing the two ends” has been gradually implemented. Under the new landscape, the market players are changing from “one-to-one” model to a “many-to-many” model, and the transaction method is changing from bilateral negotiation to multilateral competition. The fair opening of national oil and gas pipeline facilities to third parties will break down the barrier for downstream city gas enterprises sourcing gas directly from upstream, and the Company’s stock market will face the competition from major upstream enterprises, price advantage, resource control and other factors will become a favourable measure for upstream enterprises to enter the end-user market, and the difficulty for market expansion will be further increased.

The Group will firmly adhere to the concept of “market is king”, further optimize its resource mix, market layout and sales policy, continue to broaden market reach, deeply tap the market potential, make full use of its resource and synergy advantages, open up new channels amid fierce market competition, and take multiple measures to ensure the continuous growth of gas volume. The Group will fully utilize the national oil and gas pipeline platform and continuously promote the procurement of overseas LNG resources to further broaden the Company’s access to resources.

(2) Increased difficulty for payment collection of accounts receivable

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

3. Interest rate risk

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

Management Discussion and Analysis

(II) Others

Applicable Not Applicable

VI. PROSPECTS FOR THE SECOND HALF OF THE YEAR

2021 is the first year of the 14th Five-Year Plan period, and the second half of the year will be marked by more external instability and uncertainty. The domestic economy is recovering unevenly; however, in terms of the overall fundamentals, China's economy is expected to maintain a stable and sustained recovery in the second half of the year. In the second half of 2021, the Company will closely follow China's major strategic decisions on carbon peaking and carbon neutrality and continue to promote the Group towards high-quality development, and will continue to promote the following works:

1. Vigorously promote the planning and implementation of major new energy base project by continuously pushing forward the development of onshore wind power, photovoltaic and offshore wind power; achieve the connection to the grid for the key wind power projects as soon as possible as scheduled, while speeding up the progress of all procedures for other projects and be put into operation as soon as possible.
2. Carefully plan the landscape of "unified network for the whole province" for natural gas, achieve the early implementation of the Zhuoyong pipeline project and the Connection Line Project of Erdos-Anping-Cangzhou and Handan as well as accelerate the construction of Tangshan Caofeidian LNG project.
3. Closely follow the national monetary policy and make overall capital arrangements. The Company will further broaden its financing channels and plan reasonably to take on maturing debts to ensure that the Company's capital chain is stable and smooth.
4. Comprehensively strengthen the awareness of risk prevention and control to further improve the construction of the safety control system as well as ensure the implementation of the safety production responsibility system and the "dual control" mechanism, thereby achieving new practical results in preventing the bottom line of safety.

I. SUMMARY OF THE GENERAL MEETINGS

Session	Date of general meeting	Enquiry index of the designated website on which the resolution was published	Publication date of the resolution	Resolutions
2021 First Extraordinary General Meeting, the First A Share Class General Meeting in 2021 and the First H Share Class Meeting in 2021	8 February 2021	www.sse.com.cn www.hkexnews.hk	9 February 2021 8 February 2021	<ol style="list-style-type: none"> All resolutions at the 2021 First Extraordinary General Meeting were approved; Resolutions no.1-5 were reviewed but not approved and resolutions no. 6-7 were approved at the First A Share Class General Meeting in 2021; All resolutions at the First H Share Class Meeting in 2021 were approved.
2021 Second Extraordinary General Meeting, the Second A Share Class General Meeting in 2021 and the Second H Share Class Meeting in 2021	23 April 2021	www.sse.com.cn www.hkexnews.hk	24 April 2021 23 April 2021	All resolutions were approved.
2020 Annual General Meeting	14 May 2021	www.sse.com.cn www.hkexnews.hk	15 May 2021 14 May 2021	All resolutions were approved.

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

Applicable Not Applicable

Descriptions of general meeting

Resolutions not approved at the First A Share Class General Meeting in 2021 were those in relation to the non-public issuance of A shares and HECIC recused itself from voting on the resolutions, which specifically included: the Resolution on the Issuance Plan for the Non-public Issuance of A Shares by the Company, the Proposal for Non-public Issuance of A Shares of the Company, the Resolution on the Entering into of the Conditional Subscription Agreement and the Connected Transaction between the Company and Hebei Construction & Investment Group Co., Ltd., and the Resolution on the authorization to the Board and its authorized persons by the general meeting to handle matters, at their full discretion, regarding the Issuance. The relevant proposals were revised by the Company and resubmitted to the second A share class meeting in 2021 for consideration and were approved by all A shareholders of the Company.

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

Applicable Not Applicable

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

Applicable Not Applicable

III. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALISATION OF CAPITAL RESERVE

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

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

Details of proposal on profit distribution or capitalisation of capital reserve

Nil

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

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

Applicable Not Applicable

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

Equity incentive

Applicable Not Applicable

Other explanation

Applicable Not Applicable

Employee share ownership plan

Applicable Not Applicable

Other incentive measures

Applicable Not Applicable

V. CORPORATE GOVERNANCE

(I) Compliance with the CG Code

The Company focuses on high standards of corporate governance, so as to enhance value for shareholders and protect their interests. The Company has established a modern corporate governance structure and set up shareholders meeting, the Board, the board of supervisors, Board committees and senior management in accordance with the PRC Company Law, the Mandatory Provisions for the Articles of Association of Companies Listed Overseas and the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules (the “CG Code”). During the Reporting Period, the Company has complied with all provisions set out in the CG Code, except for code provision E.1.2. In accordance with the requirements of provision E.1.2 of the CG Code, the chairman of the Board shall attend the annual general meeting. Mr. Cao Xin, the Chairman of the Company, was not able to attend the 2020 annual general meeting of the Company due to other business engagement. According to relevant requirements, the meeting was chaired by Mr. Mei Chun Xiao, an executive director, as elected by the shareholders who attended the meeting.

(II) Directors, Supervisors, Senior Management and Employees

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

In the first half of 2021, the Directors, supervisors and senior management of the Company remained unchanged. During the Reporting Period, the Company was not aware of any change in the information of Directors, supervisors and senior management which is required to be disclosed pursuant to the requirements of the Rule 13.51B(1) of the Hong Kong Listing Rules.

2. Number of Employees

As of 30 June 2021, the Company had 2,387 employees under labour contracts with the Company.

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

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

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

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

(III) The Board

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

During the Reporting Period, the Company held five Board meetings, four Audit Committee meetings, one Strategy and Investment Committee meeting, three meetings of the board of supervisors, one annual general meeting, and two extraordinary general meetings. All Directors have attended all the Board meetings and meetings of the relevant committees. Mr. Mei Chun Xiao attended the 2020 annual general meeting.

1. Audit Committee

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

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

- (1) The eleventh meeting of the fourth session of the Audit Committee of the Board was held on 5 March 2021, at which the “Resolution on the Issuance Plan of the Non-public Issuance of A Shares by the Company”, “Resolution on the Proposal on Non-public Issuance of A Shares of the Company”, “Resolution on the Entering into of the Conditional Subscription Agreement and the Connected Transaction between the Company and Hebei Construction & Investment Group Co., Ltd.”, “Resolution on the Feasibility Analysis Report on the Use of Proceeds from the Non-public Issuance of A Shares of the Company”, and “Resolution on the Report on the Use of the Previously-Raised Proceeds of the Company” were reviewed and approved and the above resolutions were submitted to the Board for consideration.

- (2) The twelfth meeting of the fourth session of the Audit Committee of the Board was held on 19 March 2021, at which the “Communication of the Audit Results for the Year 2020”, “Resolution on the Performance Report of Audit Committee of the Company for 2020”, “Resolution on the 2020 Internal Audit and Risks Management Report of the Company”, “Resolution on the Estimated Connected Transactions to be Conducted in the Ordinary Course of Business of the Company for 2021”, “Resolution on the Appointment of the Audit Institution for the Company’s Financial Report and Internal Control for 2021” and “Resolution on the 2020 Annual Report of the Company” were reviewed and approved, and the above resolutions were submitted to the Board for consideration.
- (3) The thirteenth meeting of the fourth session of the Audit Committee of the Board was held on 27 April 2021, at which the “Resolution in relation to the Provision of Guarantee of RMB140 million for Hebei Suntien Guohua Gas Co., Ltd. by the Company based on the Proportion of Shareholding” was reviewed and approved, and the above resolution was submitted to the Board for consideration.
- (4) The fourteenth meeting of the fourth session of the Audit Committee of the Board was held on 29 April 2021, at which the “Resolution on the 2021 First Quarterly Report of the Company” was reviewed and approved, and the above resolution was submitted to the Board for consideration.

2. Remuneration and Appraisal Committee

During the Reporting Period, the Remuneration and Appraisal Committee of the Company consisted of five Directors, namely Dr. Lin Tao (an independent Director), Dr. Cao Xin (the Chairman and a non-executive Director), Mr. Mei Chun Xiao (an executive Director), Mr. Guo Ying Jun (an independent Director) and Mr. Wan Yim Keung, Daniel (an independent Director), and Dr. Lin Tao served as the chairman of the Remuneration and Appraisal Committee. During the Reporting Period, no meeting of the Remuneration and Appraisal Committee was held.

3. Nomination Committee

During the Reporting Period, the Nomination Committee of the Company consisted of five Directors, namely Dr. Cao Xin (a non-executive Director), Dr. Li Lian Ping (a non-executive Director), Mr. Guo Ying Jun (an independent Director), Mr. Wan Yim Keung, Daniel (an independent Director) and Dr. Lin Tao (an independent Director), and Mr. Guo Ying Jun served as the chairman of the Nomination Committee. During the Reporting Period, no meeting of the Nomination Committee was held.

4. Strategic and Investment Committee

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

During the Reporting Period, one meeting was convened by the Strategy and Investment Committee, and the “Issuance Plan for the Non-public Issuance of A Shares by the Company” and “the Proposal for Non-public Issuance of A Shares of the Company” were reviewed and approved and then submitted to the Board for consideration.

(IV) Internal Control

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

The Company has set up an audit affairs department. As a standing body under the Audit Committee, it is responsible for the Company’s internal control under the leadership of the Audit Committee. The Company, under the assistance of a professional consulting firm, established a sound and effective internal control system focusing on the governance and business structure of the Company. The Board considers that, during the Reporting Period, the internal control system has been operating in an effective and stable manner in financial, operational, compliance and risk management aspects.

VI. ADDITIONAL INFORMATION

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

Save for issuance of bonds as mentioned in Section IX “Particulars of Bonds” of this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities as of 30 June 2021.

In addition, in order to enhance the profitability and sustainable development capabilities, lower debt-to-asset ratio and enhance risk resistance capacity, on 5 March 2021, the Company made an announcement, per which, a non-public issuance of A shares with a nominal value of RMB1.00 each to not more than 35 investors including HECIC was proposed. The issue price shall be fixed at neither no less than 80% of the average trading price of A shares in the 20 trading days prior to the pricing benchmark date (average trading price of A shares in the 20 trading days before the pricing benchmark date = total trading amount of A shares in the 20 trading days before the pricing benchmark date ÷ total trading volume of A shares in the 20 trading days before the pricing benchmark date) and no less than the latest audited net asset per share attributable to holders of ordinary shares of parent company (if the CSRC made adjustments to the pricing method of the non-public issuance prior to the issuance, the minimum price under the issuance shall be adjusted by the Board, as authorized by the general meeting, pursuant to the requirements of relevant laws and regulations). The net proceeds from the issuance after deducting the relevant issuance expenses will be used for the construction of Tangshan LNG Project (first phase and second phase) and Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section and Baodi-Yongqing section), and it will also be used to replenish working capital and repay bank loan of the Company.

The above non-public issuance of A shares was approved by the shareholders of the Company and each class of shareholders at the 2021 second extraordinary general meeting, the second A share class general meeting in 2021 and the second H share class meeting in 2021 held on 23 April 2021, respectively. The written approval for the application for the project has been obtained from the China Securities Regulatory Commission and the subsequent work is in progress. For details, please refer to the circular of the Company dated 1 April 2021 and the announcements dated 5 March 2021, 14 April 2021, 23 April 2021, 7 May 2021, 18 May 2021, 4 June 2021, 28 June 2021, 8 July 2021, 26 July 2021 and 24 August 2021.

(II) Use of Proceeds from the Placing of H shares in January 2014 and the Initial Public Offering of A shares in June 2020

1. Placing of H shares in January 2014

Reference is made to the 2020 Annual Report published by the Company on 21 April 2021, which discloses the use of proceeds from the Company's placement of H shares in January 2014. The Company has adjusted the disclosure of such utilisation based on the actual utilisation of proceeds as follows. In the net proceeds of approximately HK\$1,564 million from placing of H shares by the Company in January 2014, the interest income and exchange income generated together with the proceeds were fully utilised in the following projects, of which: approximately HK\$1,147 million in the investment of wind power generation projects in the PRC, approximately HK\$260 million was applied to the development of the Group's natural gas business in the PRC and the remaining amount of approximately HK\$171 million was applied to the replenishment of the Company's working capital (partial interest income and exchange gains derived from the proceeds were used by the Company in the replenishment of working capital). As of 31 December 2020, the proceeds from placing of H shares had been used up.

2. Initial Public Offering of A shares in June 2020

As of 30 June 2021, the proceeds from the initial public offering of A shares of the Company in June 2020 had been used up as scheduled, the injection of funding of project was closed and the remaining proceeds was used to permanently replenish the working capital. Please refer to the announcement (Announcement No. : 2021-055) of the Company disclosed on 4 August 2021 for details.

(III) Audit Committee

The Audit Committee established by the Board is mainly responsible for reviewing and supervising the procedures for financial reporting and internal control. It has reviewed with the management of the Company the accounting principles and practices adopted by the Company and its subsidiaries, and has discussed with the Directors on the internal control and financial reporting matters, including review of the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2021 and considered that the Group has adopted applicable accounting policies for preparation of relevant results and made adequate disclosures.

(IV) Contact Person for the External Joint Company Secretary

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

Environmental and Social Responsibilities

I. ENVIRONMENT INFORMATION

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

Applicable Not Applicable

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

1. Administrative penalties for environmental problems

Applicable Not Applicable

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

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

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

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

1. The general election of the “two committees” of Leguo Village was successfully completed with the help of the resident teams

In the first half of 2021, members of the Company’s resident teams actively participated in the investigation work of the “two committees” of Leguo Village, Huangqi Town, Fengning Manchu Autonomous County, Hebei Province, communicating with party members and representatives of the public to clarify priorities, unify minds and raise awareness. The general election of the “two committees” of Leguo Village was successfully completed.

2. Carried out archiving work in the final stage of poverty alleviation battle

Following the requirements of the Fengning Manzu Autonomous County Poverty Alleviation and Development Leading Group Office, in order to further improve the file standardization management of poverty alleviation battle at all levels, and with the attitude of being responsible to history and to the people, the Company collected, organized and managed the material and handed over the files for poverty alleviation battle in accordance with the required timeframe.

3. Assisted with the “two committees” of Leguo Village to carry out prevention and control of pandemic

In the first half of the year, the Company’s resident teams, in collaboration with the “two committees” of Leguo Village, further intensified the prevention and control of the COVID-19 pandemic by strictly implementing the requirements of various departments at all levels regarding the prevention and control of the pandemic, strived to achieve strict management and control by carrying out temperature testing, registration and disinfection of people and vehicles entering and leaving the village, while making the vaccination work a top priority at the moment and unswervingly making every effort to carry out vaccination work.

Significant Event

I. PERFORMANCE OF UNDERTAKINGS

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

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

Significant Event

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



Significant Event

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

Applicable Not Applicable

III. NON-COMPLIANCE WITH GUARANTEE

Applicable Not Applicable

IV. AUDIT ON THE INTERIM REPORT

Applicable Not Applicable

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

Applicable Not Applicable

VI. EVENTS IN RELATION TO BANKRUPTCY AND REORGANISATION

Applicable Not Applicable

VII. MATERIAL LITIGATIONS AND ARBITRATIONS

(I) Litigations and arbitrations that have been disclosed in interim announcements without further progress

Summary and type of event	Index for details
Regarding the cancellation of arbitration award between Laiyuan and United Power, in February 2021, the Company received a civil ruling made by Shijiazhuang Intermediate People's Court of Hebei Province, which rejected United Power's application.	For details, please refer to the relevant announcement published by the Company on the website of the SSE (www.sse.com.cn) on 20 February 2021(Announcement No.: 2021-007).

(II) Litigation and arbitration not disclosed in the interim announcement or with subsequent development

Applicable Not Applicable

(III) Other explanation

On 6 May 2020, a civil ruling in respect of the case of debt payable by Hebei Yuanhua Glass Co., Ltd. (河北元華玻璃股份有限公司) ("Yuanhua") to Hebei Natural Gas were made by the Intermediate People's Court of Xingtai City, Hebei Province, the bankruptcy liquidation application of Yuanhua was judged and accepted. On the same day, the Intermediate People's Court of Xingtai City, Hebei Province issued an announcement on the appointment of Hebei Bohai Liquidation Affairs Co., Ltd. (河北博海清算事務有限公司) as the administrator of Yuanhua. The creditors of Yuanhua shall declare their creditor's rights to the administrator by 12 August 2020. According to the requirements of the aforementioned document, Hebei Natural Gas submitted the creditor's rights declaration materials to the administrator, with the principal and interest of its creditor's rights of RMB291,217,037.46 in total. On 17 August 2020, the administrator issued a Notice of Administrator of Hebei Yuanhua Glass Co., Ltd., the amount of creditor's right claimed by Hebei Natural Gas was confirmed. On 21 July 2021, the Intermediate People's Court of Xingtai City, Hebei Province issued a civil ruling, the bankruptcy of Yuanhua was judged and declared.

Prior to the Initial Public Offering and Listing of A shares, the provision for bad debts payable by Yuanhua regarding natural gas was made at 100% by the Group. The bankruptcy of Yuanhua did not constitute any material adverse effect to the Group.

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

Applicable Not Applicable

IX. EXPLANATION ON CREDIBILTIY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND ACUTAL CONTROLLERS DURING THE REPORTING PERIOD

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

X. MATERIAL RELATED PARTY TRANSACTIONS

(I) Related party transactions in relation to ordinary operations

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

Applicable Not Applicable

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

- (1) In accordance with the relevant regulations of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Regulation on the Control and Decision-making of Related Party Transactions of A Shares of China Suntien Green Energy Corporation Limited, the Company expects to have the following related party transactions with the Group Finance Company in 2021: borrowing from the Group Finance Company in the amount of RMB5.0 billion, with a maximum daily balance of RMB3.57 billion. Such matter has been reviewed and approved at the 2020 annual general meeting, please refer to the announcements dated 19 March 2021 and 14 May 2021 for details.

The matter was proposed to the annual general meeting in accordance with the relevant regulations of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Regulation on the Control and Decision-making of Related Party Transactions of A Shares of China Suntien Green Energy Corporation Limited. Such transactions were conducted in accordance with the principles and within the scope of services under the Financial Services Framework Agreement entered into between the Company and the Group Finance Company on 2 November 2018. The Financial Services Framework Agreement and the continuing connected transactions thereunder were reviewed and approved by the shareholders at the 2018 third extraordinary general meeting of the Company held on 27 December 2018. Please refer to the shareholders' circular of the Company dated 7 December 2018 and the poll results announcement of the extraordinary general meeting of the Company dated 27 December 2018 for details.

- (2) On 21 December 2020, the Company entered into the asset financing services framework agreement with Huihai Leasing, pursuant to which the Group will continue to, on a voluntary and non-compulsory basis, utilize the asset financing services provided by Huihai Leasing. Such agreement was reviewed and approved at the 2021 first extraordinary general meeting of the Company on 8 February 2021 with an effective period ending on 31 December 2023.

According to the Asset Financing Services Framework Agreement, Huihai Company provides financing services to the Company and its subsidiaries, including finance leasing services (including direct lease service and sale-and-leaseback service), and other services provided by Huihai Company of which it has obtained regulatory license for operation, including but not limited to the disposal of residual value and maintenance of leased assets, consulting service and provision of guarantees in leasing transactions, etc. For each year ending 31 December during the term of the Agreement, newly added direct lease and sale-and-leaseback service both shall not be higher than RMB800 million. In the first half of 2021, newly added direct lease and sale-and-leaseback service amounted to RMB0 and RMB23.00 million, respectively.

3. Events not disclosed in interim announcements

Applicable Not Applicable



Significant Event

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

1. **Events disclosed in interim announcements without subsequent development or changes during implementation**
Applicable Not Applicable
2. **Events disclosed in interim announcements with subsequent development or changes during implementation**
Applicable Not Applicable
3. **Events not disclosed in interim announcements**
Applicable Not Applicable
4. **Where an agreement on performance is involved, the performance achievements during the Reporting Period shall be disclosed**
Applicable Not Applicable

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

1. **Events disclosed in interim announcements without subsequent development or changes during implementation**
Applicable Not Applicable
2. **Events disclosed in interim announcements with subsequent development or changes during implementation**
Applicable Not Applicable
3. **Events not disclosed in interim announcements**
Applicable Not Applicable

(IV) Amounts due to or from related parties

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

Applicable Not Applicable

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

Applicable Not Applicable

3. Events not disclosed in interim announcements

Applicable Not Applicable

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

1. Deposit business

Unit: '00 million Yuan Currency: RMB

Related parties	Related relationship	Maximum daily deposit limit	Range of deposit interest rates	Opening balance	Amount for the current period	Closing balance
HECIC Group Finance Company Limited	Same actual controller	35.7	0.35%-1.196%	16.49	6.76	23.26
Total	/	/	/	16.49	6.76	23.26

2. Loan business

Unit: '00 million Yuan Currency: RMB

Related parties	Related relationship	Loan facilities	Range of loan interest rates	Opening balance	Amount for the current period	Closing balance
HECIC Group Finance Company Limited	Same actual controller	43.155	3.3%-4.38%	11.28	2.06	13.34
Total	/	/	/	11.28	2.06	13.34

3. Credit business or other financial businesses

Unit: '0,000 Yuan Currency: RMB

Related parties	Related relationship	Types of business	Total amount	Actual amount
HECIC Group Finance Company Limited	Same actual controller	Composite credit	470,350.00	140,268.38

4. Other explanation

The Company provided entrusted loans of RMB65 million to its controlling subsidiary through HECIC Group Finance Company Limited, and HECIC Group Finance Company Limited charged a handling fee of RMB26,000 for the period.

The closing balance of the discount business between the Company and HECIC Group Finance Company Limited was RMB10 million.

(VI) MATERIAL RELATED PARTY TRANSACTIONS

In order to enhance the profitability and sustainable development capabilities of the Company, lower the debt-to-asset ratio and enhance the risk resistance capacity, the Board passed the relevant resolutions on 21 December 2020, which proposed to make a non-public issuance of up to 1,154,973,118 A shares to target subscribers. As the original issuance plan and the relevant resolutions were not passed at the first A Share class meeting for 2021 held by the Company on 8 February 2021, the original issuance plan was not implemented.

After taking into full account and evaluating the capital needs of the Group development project, and comparing the timelines and financing costs of different financing methods, the Company considers equity fundraising through non-public issuance as the most feasible option for the Company at this stage. Therefore, the Company once again proposed the non-public issuance of up to 1,154,973,118 A Shares to target subscribers. When reformulating the plan, the Company has had due regard to the interests and concerns about equity investment returns of small-and-medium shareholders, and adjusted the Shareholders' return plan for the next three years after the issuance, therefore further safeguarding the return on equity investment of existing Shareholders. At the same time, the lock-up period of A Shares subscribed for by HECIC in the issuance will extend to a period of 36 months from the date of the completion of the issuance.

Based on supportive and confident in the future development of the Company, HECIC, the controlling shareholder of the Company, intended to subscribe for A shares in the issuance at a cash consideration. The Company entered into the New Subscription Agreement with HECIC on 5 March 2021, pursuant to which HECIC agreed to conditionally subscribe for not less than 48.73% of the total number of A Shares to be issued in the issuance, but not to exceed 661,319,941 A Shares, and upon completion of the issuance, the shareholding of HECIC in the Company will not exceed 50.70%.

HECIC is the controlling shareholder of the Company which directly holds 1,876,156,000 A Shares, representing approximately 48.73% of the total issued share capital of the Company. According to the Hong Kong Listing Rules, the subscription by HECIC constitutes a connected transaction. The subscription was approved by the independent Shareholders at the 2021 second extraordinary general meeting, the second A share class general meeting in 2021 and the second H share class meeting in 2021 held on 23 April 2021.

(VII) Others

Applicable Not Applicable

XI. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

1. Trusteeship, contracting and leasing

Applicable Not Applicable

Significant Event

2. Performing and outstanding significant guarantees during the Report Period

Unit: '0,000 Yuan Currency: RMB

Guarantor	Relationship between guarantor and the Company	Guaranteed party	Amount guaranteed	External guarantees provided by the Company (excluding guarantees provided for subsidiaries)							Whether fully performed	Whether overdue	Overdue amount	Any counter guarantee	Whether provided for related parties	Related relationship
				Guarantee date (agreement date)	Commencement of guarantee	Expiry of guarantee	Type of guarantee	Condition of principal debt	Collateral (if any)							
China Suntien Green Energy Corporation Limited	The Company's head office	Hebei Suntien Guohua Gas Co., Ltd.	10000	2018.2.2	2018.2.2	2025.2.1	Joint liability guarantee	Regular		No	No	0	Yes	Yes	Joint venture	
Total amount of guarantees incurred during the Reporting Period (excluding guarantees provided for subsidiaries)															-300	
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries)															9,500	
Guarantees provided by the Company for subsidiaries																
Total amount of guarantees incurred for subsidiaries during the Reporting Period															0	
Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B)															41,536.76	

Total amount of guarantees provided by the Company (including guarantees provided for subsidiaries)	
Total amount of guarantee (A+B)	51,036.76
Total amount of guarantees as a percentage of the net assets of the Company (%)	3.50
Including:	
Amount of guarantees provided for shareholders, de facto controller and their related parties (C)	0
Amount of debt guarantees directly or indirectly provided for guaranteed parties with a debt-to-asset ratio exceeding 70% (D)	33,411.76
Total amount of guarantees in excess of 50% of net assets (E)	0
Total amount of guarantees of the above three items (C+D+E)	33,411.76
Statement on the potential joint liability in connection with unexpired guarantees	Nil
Details of guarantees	<p>Regarding the provision of guarantee of RMB140 million for Hebei Suntien Guohua Gas Co., Ltd., a subsidiary of the Company, by the Company based on the proportion of shareholding, it was reviewed and approved by the Board of the Company and at the general meeting. For further details, please refer to the relevant announcements of the Company published on the Shanghai Stock Exchange website (www.sse.com.cn) dated 28 April 2021 and 15 May 2021. The Company has not entered into any guarantee contract up to now.</p>

3. Other Material Contracts

On 31 March 2021, Hebei Natural Gas entered into the “Natural Gas Purchase and Sale Contract for 2021-2022” (the “Purchase and Sale Contract”) with PetroChina Company Limited, Natural Gas Sales Hebei Branch (“PetroChina Hebei Branch”), providing for the procurement of natural gas by Hebei Natural Gas from PetroChina Hebei Branch, and a Supplemental Agreement was entered into on 20 August 2021 to adjust the contract price for the period from July to October, with the total contract transaction amount subject to the final settlement amount. According to the contract price under the Supplemental Agreement after adjustment, the total amount of the procurement contract will meet the disclosure standards for exceptionally significant contracts. For details, please refer to the announcement of the Company disclosed on the website of the Shanghai Stock Exchange dated 21 August 2021 (Announcement No.: 2021-058).

XII. EXPLANATION ON OTHER MAJOR EVENTS

Applicable Not Applicable

Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARES

(I) Table of changes in shares

1. Table of changes in shares

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

2. Explanation for changes in shares

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

(II) Change in restricted shares

Applicable Not Applicable

II. SHAREHOLDERS

(I) Total number of Shareholders:

As of 30 June 2021, the total number of shareholders of the Company was 49,471, of which: 48,050 A share shareholders and 1,421 H share shareholders.

Total number of holders of ordinary shares as at the end of the Reporting Period (person)	49,471
Total number of holders of preference shares with restored voting right as at the end of the Reporting Period (person)	0

Changes in Shares and Particulars of Shareholders

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

Unit: Share(s)

Name of shareholder (full name)	Shareholding of the top 10 shareholders						
	Increase/ decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares subject to selling restriction held	Share pledged, marked or frozen		Nature of shareholder
					Status of shares	Number	
Hebei Construction & Investment Group Co., Ltd.	0	1,876,156,000	48.73	1,876,156,000	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED ⁽¹⁾	443,000	1,835,130,295	47.67	0	Unknown		Overseas legal person
Hong Kong Securities Clearing Company Limited	1,419,925	2,148,641	0.06	0	Nil	0	Overseas legal person
Agricultural Bank of China Limited – CSI 500 Exchange-traded and Open-ended Index Securities Investment Fund	816,400	816,400	0.02	0	Nil	0	Others
Kong Jiong	625,700	625,700	0.02	0	Nil	0	Domestic natural person
Chen Chen	509,271	509,271	0.01	0	Nil	0	Domestic natural person
China Universal Asset Management Company Limited–Social Security Fund Portfolio 1502	481,500	481,500	0.01	0	Nil	0	Others
Zheng Yanchun	432,200	432,200	0.01	0	Nil	0	Domestic natural person
Han Jin	418,337	418,337	0.01	0	Nil	0	Domestic natural person
Industrial Bank Co., Ltd.–Pengyang CSI 500 Quality Growth Exchange Traded Fund	413,300	413,300	0.01	0	Nil	0	Others

Changes in Shares and Particulars of Shareholders

Shareholding of the top 10 shareholders holding shares not subject to selling restrictions			
Name of shareholder	Number of tradable shares not subject to selling restrictions held	Class and number of shares	
		Class	Number
HKSCC NOMINEES LIMITED ⁽¹⁾	1,835,130,295	Overseas listed foreign shares	1,835,130,295
Hong Kong Securities Clearing Company Limited	2,148,641	RMB ordinary shares	2,148,641
Agricultural Bank of China Limited – CSI 500 Exchange-traded and Open-ended Index Securities Investment Fund	816,400	RMB ordinary shares	816,400
Kong Jiong	625,700	RMB ordinary shares	625,700
Chen Chen	509,271	RMB ordinary shares	509,271
China Universal Asset Management Company Limited–Social Security Fund Portfolio 1502	481,500	RMB ordinary shares	481,500
Zheng Yanchun	432,200	RMB ordinary shares	432,200
Han Jin	418,337	RMB ordinary shares	418,337
Industrial Bank Co., Ltd.–Pengyang CSI 500 Quality Growth Exchange Traded Fund	413,300	RMB ordinary shares	413,300
Xu Qipeng	408,600	RMB ordinary shares	408,600
Description of repurchase accounts among the top ten shareholders	Nil		
Description of rights to vote by proxy, proxy and abstention from voting among the above shareholders	Nil		
Description of connected relationship or acting in concert among the above shareholders	The Company is not aware that there are any shareholders above with related party relationship or acting in concert under The Measures for the Administration of the Takeover of Listed Companies		
Description of holders of preference shares subject to restored voting rights and their shareholdings	N/A		

Note: (1) The shares are the total number of H shares of the Company held by HKSCC Nominees Limited on behalf of investors, which are deposited into the central clearing and settlement system of the Hong Kong Stock Exchange and registered in the name HKSCC Nominees Limited, a wholly-owned subsidiary of the Hong Kong Stock Exchange.

Changes in Shares and Particulars of Shareholders

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

Unit: Share(s)

No.	Name of shareholder holding shares subject to selling restrictions	Tradable status of shares subject to selling restrictions		Number of Additional Term of selling shares tradable restriction
		Number of shares subject to selling restrictions held	Date tradable	
1	Hebei Construction & Investment Group Co., Ltd.	1,876,156,000	29 June 2023	0 36 months from the listing date of A shares of the Company
	Description of connected relationship or acting in concert among the above shareholders	Nil		

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

Applicable Not Applicable

III. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

Applicable Not Applicable

Other notes

Applicable Not Applicable

Changes in Shares and Particulars of Shareholders

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

Applicable Not Applicable

(III) Other notes

Applicable Not Applicable

IV. CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLER

Applicable Not Applicable

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

As at 30 June 2021, the interests of Directors, supervisors and senior management of the Company in the shares of the Company are as follows:

Name of shareholders	Class of shares	Position	Capacity	Number of shares held (shares)	Percentage in the relevant class of share equity (%)	Percentage in the total share equity (%)
Cao Xin	H shares	Chairman	Beneficial owner	50,000 (Long position)	0.0027	0.0013
Mei Chun Xiao	H shares	Executive Director and President	Beneficial owner	50,000 (Long position)	0.0027	0.0013
Ban Ze Feng	H shares	Vice president and Secretary to the Board	Beneficial owner	50,000 (Long position)	0.0027	0.0013

Saved as disclosed above, as at 30 June 2021, none of other Directors, supervisors and senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they were also applicable to the supervisors).

Changes in Shares and Particulars of Shareholders

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

As at 30 June 2021, to the best knowledge of the Directors of the Company, the following persons (other than the Directors, supervisors or senior management of the Company) had interests or short positions in the shares or underlying shares of the Company which requires disclosure to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of the shareholders	Class of shares	Capacity	Number of shares/ underlying shares (shares)	Percentage in the relevant class of share equity (%)	Percentage in the total share equity (%)
HECIC	A shares	Beneficial owner	1,876,156,000	93.30	48.73
Citigroup Inc. ⁽¹⁾	H shares	Persons holding a security interest in shares	16,542,693 (Long position)	0.9	0.43
		Interest of a controlled corporation	95,578 (Long position) and 104,329 (short position)	0.00 0.01	0.00 0.00
		Approved lending agent	199,031,542 (Long position/Shares available for lending)	10.82	5.17
GIC Private Limited	H shares	Investment manager	127,386,000 (Long position)	7.02	3.35
Shanghai Ningquan Asset Management Limited	H shares	Investment manager	128,630,000 (Long position)	6.99	3.34
Brown Brothers Harriman & Co.	H shares	Agent	111,849,362 (Long position)	6.08	2.91
			111,849,362 (Shares available for lending)	6.08	2.91

Note: (1) Citigroup Inc. holds the interests of the Company through its controlled entities Citibank N.A. and Citigroup Global Markets Limited. In particular, 41,000 H shares is a short position under unlisted derivatives – cash settled.



Changes in Shares and Particulars of Shareholders

VII. COMPLIANCE WITH MODEL CODE

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

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

VIII. DIVIDENDS

The Board did not make any recommendations on the distribution of interim dividends for the six months ended 30 June 2021.

Particulars of Bonds

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

(I) Debenture

Applicable Not Applicable

(II) Corporate Bonds

1. Basic information of corporate bonds

Unit: '00 million Yuan Currency: RMB

Name	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate(%)	Means to repay principal and interest	Trading place	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Risk of termination of listing and trading
2018 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G18 New Y1	143952	9 March 2018	13 March 2018	13 March 2021	0	5.96	3+N, interest to be paid annually	SSE	For eligible investors	Listed	No
2019 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G19 New Y1	155956	1 March 2019	5 March 2019	5 March 2022	9.1	4.7	3+N, interest to be paid annually	SSE	For eligible investors	Listed	No
2021 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G21 New Y1	175805	8 March 2021	10 March 2021	9 March 2024	10.4	5.15	3+N, interest to be paid annually	SSE	For professional investors	Listed	No

Particulars of Bonds

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

Applicable Not Applicable

Overdue bonds

Applicable Not Applicable

Description of overdue debts

Applicable Not Applicable

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

- (1) G18 New Y1: the principal and interest was settled on 15 March 2021. For details, please refer to the "Announcement on Reimbursement of Principal Capital and Interest in 2021 for, and Delisting of, 2018 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited" available on the website of the SSE (www.sse.com.cn).
- (2) G19 New Y1: not yet matured, and no payment of principal made; interest was fully paid when due as follows: Interest for the period from 5 March 2020 to 4 March 2021 was paid on 5 March 2021. For details, please refer to the "Announcement on Payment of Interest in 2020 for 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited" available on the website of the SSE (www.sse.com.cn). No option terms were triggered.
- (3) G21 New Y1: Issued on 10 March 2021, not yet due for interest payment. No option terms were triggered.

3. Adjustment to credit rating result

Applicable Not Applicable

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

Applicable Not Applicable

5. Description of other information of corporate bond

- (1) G18 New Y1: the principal and interest were settled on 15 March 2021. For details, please refer to the “Announcement on Reimbursement of Principal Capital and Interest in 2021 for, and Delisting of, 2018 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited” available on the website of the SSE (www.sse.com.cn).
- (2) G19 New Y1: not yet matured, and no payment of principal made; interest was fully paid when due as follows: Interest for the period from 5 March 2020 to 4 March 2021 was paid on 5 March 2021. For details, please refer to the “Announcement on Payment of Interest in 2020 for 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited” available on the website of the SSE (www.sse.com.cn).
- (3) G21 New Y1: issued on 10 March 2021, not yet due for interest payment.
- (4) Pingan-HECIC New-energy No.1 Renewable Energy Tariff Surcharge Green Assets Support Scheme (G HECIC 1): issued on 24 December 2019-25 December 2019, value day was 26 December 2019, maturity date is 26 December 2022, balance is RMB285 million, interest rate is 4.09%, and semi-annual interest payments with principal repayment due.
- (5) Pingan-HECIC New-energy No.1 Renewable Energy Tariff Surcharge Green Assets Support Scheme (G HECIC 2): issued on 24 December 2019-25 December 2019, value day was 26 December 2019, maturity date is 26 December 2022, balance is RMB15 million, interest rate is 4.09%, and semi-annual interest payments with principal repayment due.



Particulars of Bonds

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

During the Reporting Period, the Company added wind power consolidated installed capacity of 184.5 MW, and the wind power generation of the consolidated wind farm reached 7.547 billion kWh, representing a year-on-year increase of 51.22%; the photovoltaic power generation was 90 million kWh, representing a year-on-year decrease of 2.50%; the sales of natural gas reached 2.123 billion cubic meters, representing a year-on-year increase of 13.60%. With reference to conversion factor in the 2021 Development Report on Electricity Industry in China (《中國電力行業年度發展報告2021》) published by China Electricity Council in July 2021, as compared with conventional energies, the total power generation of wind power and photovoltaics is equivalent to a reduction of 6.354 million tons of carbon dioxide emissions (approximately 832g of carbon dioxide per kWh of thermal power generation nationwide), 1,221.92 tons of sulfur dioxide emissions (approximately 0.160g of sulfur dioxide per kWh of thermal power generation nationwide), 1,367.02 tons of nitrogen oxide emissions (approximately 0.179 g of nitrogen oxide per kWh of thermal power generation nationwide) and 244.38 tons of dust emissions (approximately 0.032g of soot per kWh of thermal power generation nationwide).

The offshore wind farm demonstration project at Puti Island in Laoting, Tangshan, Fengning Senjitu Phase II and Phase III, Fengning Qiansongba, Fengning Lianghou, Fengning Labagou, Fengning Dayingzi, Weihui Dongshuanma, Guanyun Tuhe, Sanshengpo, Tongdao County, Fangcheng Nanshan, Guangxi Wuming, Xuyi Hongze, Junan Wanghai, Heilongjiang Shuangcheng Wanlong, Xingshan and other wind farm projects have been successively connected to the grid for power generation. The construction of other green industry projects progressed smoothly. The Zhuozhou-Yongqing Transmission Pipeline Project (涿州-永清輸氣管道工程), the Erdos-Anping-Cangzhou Jingshihan Pipeline Handan Connection Line Project (鄂安滄-京石邯管綫邯鄲聯絡綫項目), the “Jingshihan” Dual Track Gas Pipeline Project (“京石邯”輸氣管道複綫工程) and other projects progressed smoothly.

Particulars of Bonds

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

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

Unit: '00 million Currency: RMB

Name	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate (%)	Means to repay principal and interest	Trading place	Risk of termination of listing and trading
China Suntien Green Energy Corporation Limited 2020 Medium-Term Notes Series 1	20 Suntien Green MTN001	102001005	2020/5/13- 2020/5/14	2020/5/15	2025/5/15	10	3.86	interest to be paid annually and principal payments at due	Inter-bank Market	No
China Suntien Green Energy Corporation Limited 2021 First Tranche of Super Short-Term Commercial Papers (carbon neutral bond)	21Suntien Green SCP001 (carbon neutral bond)	012101846	2021/05/11- 2021/05/12	2021/05/13	2021/11/09	5	2.86	interest to be paid and principal payments at due	Inter-bank Market	No
China Suntien Green Energy Corporation Limited 2020 First Tranche of Super Short-Term Commercial Papers	20 Suntien Green SCP001	012002095	2020/06/08- 2020/06/9	2020/06/10	2021/03/5	0	2.7	interest to be paid and principal payments at due	Inter-bank Market	No
HECIC New Energy Co., Ltd. 2018 Medium-Term Notes Series 2	18 HECIC New Energy MTN002	101801235.IB	2018/10/26- 2018/10/29	2018/10/30	2021/10/30	7	5.5	interest to be paid annually and principal payments at due	Inter-bank Market	No
HECIC New Energy Co., Ltd. 2018 Medium-Term Notes Series 1	18 HECIC New Energy MTN001	101801118.IB	2018/9/25- 2018/9/26	2018/9/27	2021/9/27	5	5.69	interest to be paid annually and principal payments at due	Inter-bank Market	No
HECIC New Energy Co., Ltd. 2017 Medium-Term Notes Series 1	17 HECIC New Energy MTN001	101754128.IB	2017/11/22- 2017/11/23	2017/11/24	2022/11/24	5	6.2	interest to be paid annually and principal payments at due	Inter-bank Market	No
HECIC New Energy Co., Ltd. 2019 Medium-Term Notes Series 1	19 HECIC New Energy MTN001	101901220.IB	2019/9/3- 2019/9/4	2019/9/5	2022/9/5	3	4.43	interest to be paid annually and principal payments at due	Inter-bank Market	No

Particulars of Bonds

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

Applicable Not Applicable

Overdue bonds

Applicable Not Applicable

Description of overdue debts

Applicable Not Applicable

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

Applicable Not Applicable

3. Adjustment to credit rating result

Applicable Not Applicable

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

Remain unchanged, they were executed strictly in accordance with the Prospectus and the Scheme.

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

20 Suntien Green SCP001: Principal and interest were paid on 5 March 2021 as scheduled.

Particulars of Bonds

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

Applicable Not Applicable

(V) Principal Accounting Data and Financial Indicators

Unit: Yuan Currency: RMB

Principal Indicators	At the end of Reporting Period	At the end of previous year	Increase/decrease at the end of the Reporting Period as compared to the end of last year (%)	Reason for changes
Current ratio	71.52%	63.79%	12.12	Mainly due to the increase in cash and accounts receivables as compared with last year
Quick Ratio	63.97%	53.78%	18.95	Mainly due to the increase in cash and accounts receivables as compared with last year
Debt-to-asset Ratio (%)	70.35%	70.84%	-0.70	The accumulative increase in operation and new issuance of perpetual bonds during the period resulted in a slight reduction in the debt-to-asset ratio

	Reporting Period (January-June)	Same period of the previous year	Increase or decrease over the same period of the previous year (%)	Reason for changes
Total debt to EBITDA ratio	0.086	0.075	14.67	Mainly due to an increase in profit for the period
Interest Coverage Ratio	4.02	4.17	-3.60	Mainly due to an increase in borrowings leading to an increase in interest during the year
EBITDA Interest Coverage Ratio	5.41	5.85	-7.52	Mainly due to an increase in borrowings leading to an increase in interest during the year
Loan Repayment Ratio (%)	100.00%	100.00%		
Interest coverage (%)	100.00%	100.00%		

II. CONVERTIBLE CORPORATE BONDS

Applicable Not Applicable

Financial Reports

I. AUDIT REPORT

Applicable Not Applicable

II. FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET

30 June 2021

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2021	31 December 2020
CURRENT ASSETS:			
Cash	VII.1	3,056,083,399.59	1,898,492,786.13
Clearing settlement funds			
Lending to banks and other financial institutions			
Financial assets for trading			
Derivative financial assets			
Notes receivable	VII.4		
Accounts receivable	VII.5	6,131,421,768.86	4,866,274,731.98
Receivables financing	VII.6	584,879,058.68	420,392,697.68
Advances to suppliers	VII.7	193,563,087.94	380,771,646.27
Premium receivable			
Receivables from reinsurers			
Reinsurance deposits receivable			
Other receivables	VII.8	171,159,074.69	94,391,151.51
Including: Interest receivable			
Dividends receivable		127,354,972.35	44,158,212.59
Financial assets purchased under agreements to resell			
Inventories	VII.9	55,030,557.69	58,109,933.28
Contract assets			
Assets held for sale			
Non-current assets due within one year	VII.12		
Other current assets	VII.13	924,589,667.31	915,759,257.54
Total current assets		11,116,726,614.76	8,634,192,204.39

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

30 June 2021

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2021	31 December 2020
NON-CURRENT ASSETS:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	VII.17	2,489,964,908.80	2,476,150,375.02
Other investments in equity instruments	VII.18	218,605,700.00	218,605,700.00
Other non-current financial assets			
Investment properties	VII.20	26,584,785.70	27,137,369.92
Fixed assets	VII.21	31,200,137,168.33	25,617,692,590.53
Construction in progress	VII.22	11,831,593,684.71	13,983,364,988.28
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	VII.25	1,959,610,909.73	1,981,077,101.98
Intangible assets	VII.26	2,177,884,768.31	2,197,732,480.00
Development expenses	VII.27	24,225,608.52	12,425,222.01
Goodwill	VII.28	58,827,407.53	39,411,613.25
Long-term prepaid expenses	VII.29	38,772,800.00	41,078,690.75
Deferred income tax assets	VII.30	176,045,743.55	175,129,816.42
Other non-current assets	VII.31	1,874,464,296.14	1,853,716,395.86
Total non-current assets		52,076,717,781.32	48,623,522,344.02
Total assets		63,193,444,396.08	57,257,714,548.41

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

30 June 2021

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2021	31 December 2020
CURRENT LIABILITIES:			
Short-term loans	VII.32	1,819,550,000.00	1,220,742,600.37
Loans from central bank			
Deposits and amounts due to banks			
Financial liabilities for trading			
Derivative financial liabilities			
Notes payable	VII.35	8,393,752.38	4,516,529.53
Accounts payable	VII.36	150,722,409.55	176,947,893.06
Advances from customers			
Contract liabilities	VII.38	1,411,260,315.88	1,580,107,357.02
Financial assets sold for repurchase			
Customer and inter-bank deposits			
Customer deposits for trading in securities			
Amount due to issuer for securities underwriting			
Wages payable	VII.39	54,371,703.51	92,086,286.31
Taxes payable	VII.40	145,868,168.44	136,079,970.92
Other payables	VII.41	7,338,817,401.08	6,133,744,755.20
Including: Interest payable		118,568,527.38	90,122,972.40
Dividends payable		239,779,587.65	172,358,689.75
Handling charges and commission payable			
Amount payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	VII.43	4,114,572,798.43	3,691,634,649.12
Other current liabilities	VII.44	500,000,000.00	500,000,000.00
Total current liabilities		15,543,556,549.27	13,535,860,041.53

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

30 June 2021

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2021	31 December 2020
NON-CURRENT LIABILITIES:			
Provisions for insurance contracts			
Long-term loans	VII.45	25,635,210,430.47	23,837,385,993.66
Debentures payable	VII.46	2,085,000,000.00	2,085,000,000.00
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	VII.47	723,341,175.14	738,279,841.86
Long-term payables	VII.48	304,153,887.55	204,163,944.97
Long-term salaries payable			
Accrued liabilities	VII.50	52,760,727.00	52,760,727.00
Deferred income	VII.51	59,727,084.71	59,142,565.63
Deferred income tax liabilities	VII.30	51,087,673.75	49,632,336.35
Other non-current liabilities			
Total non-current liabilities		28,911,280,978.62	27,026,365,409.47
Total liabilities		44,454,837,527.89	40,562,225,451.00
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII.53	3,849,910,396.00	3,849,910,396.00
Other equity instruments	VII.54	1,945,736,000.00	1,494,000,000.00
Including: Preferred shares			
Perpetual bonds		1,945,736,000.00	1,494,000,000.00
Capital surplus	VII.55	2,398,531,780.72	2,400,024,673.73
Less: Treasury stocks			
Other Comprehensive Income	VII.57	6,493,135.00	6,493,135.00
Special reserves			
Surplus reserves	VII.59	622,509,093.94	486,035,679.01
Provision for general risks			
Undistributed profit	VII.60	5,755,697,920.47	4,928,503,066.37
Total equity attributable to owners of the parent company (or shareholders)		14,578,878,326.13	13,164,966,950.11
Minority interests		4,159,728,542.06	3,530,522,147.30
Total owners' equity (or shareholders' equity)		18,738,606,868.19	16,695,489,097.41
Total liabilities and owners' equity (or shareholders' equity)		63,193,444,396.08	57,257,714,548.41

Company representative :
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

Financial Reports

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE COMPANY

30 June 2021

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2021	31 December 2020
CURRENT ASSETS:			
Cash		562,740,794.04	140,173,830.24
Financial assets for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Advances to suppliers		3,777,194.74	1,807,879.04
Other receivables	XVII.2	1,775,395,737.87	839,074,927.28
Including: Interest receivable		9,819,426.96	21,860,932.05
Dividends receivable		650,088,974.29	138,491,656.50
Inventories			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		1,908,836.85	915,151.96
Total current assets		2,343,822,563.50	981,971,788.52

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE COMPANY (continued)

30 June 2021

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2021	31 December 2020
NON-CURRENT ASSETS:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII..3	11,474,398,201.65	10,868,214,909.92
Other investments in equity instruments		200,000,000.00	200,000,000.00
Other non-current financial assets			
Investment properties			
Fixed assets		5,596,949.07	4,711,962.92
Construction in progress		14,890,629.68	17,077,506.31
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		960,828.15	1,921,656.15
Intangible assets		4,338,099.39	4,973,363.74
Development expenses			
Goodwill			
Long-term prepaid expenses		6,541.77	45,123.82
Deferred income tax assets			
Other non-current assets		2,954,560,600.00	3,050,710,600.00
Total non-current assets		14,654,751,849.71	14,147,655,122.86
Total assets		16,998,574,413.21	15,129,626,911.38

Financial Reports

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE COMPANY (continued)

30 June 2021

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2021	31 December 2020
CURRENT LIABILITIES:			
Short-term loans		700,000,000.00	
Financial liabilities for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable			
Advances from customers			
Contract liabilities			
Wages payable		12,245,793.12	2,565,703.98
Taxes payable		21,216,354.64	1,666,861.82
Other payables		189,912,961.64	147,822,366.13
Including: Interest payable		12,140,649.97	37,204,855.73
Dividends payable		138,867,808.00	77,934,000.00
Liabilities held for sale			
Non-current liabilities due within one year		266,708,108.85	234,119,001.88
Other current liabilities		500,000,000.00	500,000,000.00
Total current liabilities		1,690,083,218.25	886,173,933.81

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE COMPANY (continued)

30 June 2021

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2021	31 December 2020
NON-CURRENT LIABILITIES:			
Long-term loans		2,888,175,600.00	3,018,710,600.00
Debentures payable		1,000,000,000.00	1,000,000,000.00
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term salaries payable			
Accrued liabilities			
Deferred income		2,400,000.00	1,500,000.00
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		3,890,575,600.00	4,020,210,600.00
Total liabilities		5,580,658,818.25	4,906,384,533.81
Owners' equity (or shareholders' equity):			
Paid-in capital (share capital)		3,849,910,396.00	3,849,910,396.00
Other equity instruments		1,945,736,000.00	1,494,000,000.00
Including: Preferred shares			
Perpetual bonds		1,945,736,000.00	1,494,000,000.00
Capital surplus		2,465,759,201.99	2,467,638,320.02
Less: Treasury stocks			
Other comprehensive income			
Special reserves			
Surplus reserves		622,509,093.94	486,035,679.01
Undistributed profit		2,534,000,903.03	1,925,657,982.54
Total Owners' equity (or shareholders' equity)		11,417,915,594.96	10,223,242,377.57
Total liabilities and owners' equity (or shareholders' equity)		16,998,574,413.21	15,129,626,911.38

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED INCOME STATEMENT

January to June 2021

Unit: Yuan Currency: RMB

Items	Note	Half year of 2021	Half year of 2020
1. Total operating revenue	VII.61	8,404,374,325.14	6,586,684,345.15
Including: Operating revenue	VII.61	8,404,374,325.14	6,586,684,345.15
Interest income			
Premiums earned			
Handling charges and commission income			
2. Total operating costs		6,341,572,328.98	5,340,602,453.80
Including: Operating costs	VII.61	5,494,086,439.78	4,687,326,648.06
Interest expenses			
Handling charges and commission expenses			
Surrender payment			
Net compensation expense			
Net provisions for insurance contract			
Insurance policy dividend payment			
Reinsurance cost			
Taxes and surcharges	VII.62	30,044,167.02	18,483,133.05
Selling expenses	VII.63	1,180,879.25	361,914.26
Administration expenses	VII.64	247,375,629.63	178,676,293.36
R&D expenses	VII.65	16,451,004.15	7,348,412.56
Finance costs	VII.66	552,434,209.15	448,406,052.51
Including: Interest expenses		558,949,337.20	450,101,263.08
Interest income		11,401,157.20	9,128,320.62
Add: Other gains	VII.67	72,949,078.57	36,201,226.10
Investment gains (losses are indicated with "-")	VII.68	144,574,433.25	116,492,450.20
Including: Gains from investment in associated companies and joint ventures		132,631,426.33	104,104,494.00
Gains on derecognition of financial assets measured at amortized cost (losses are indicated with "-")			-62,600.00
Foreign exchange gains (losses are indicated with "-")			
Net gain on exposure hedging (losses are indicated with "-")			
Gains from changes in fair value (losses are indicated with "-")			
Credit impairment losses (losses are indicated with "-")	VII.71	-8,401,881.86	28,223,775.85
Asset impairment losses (losses are indicated with "-")			
Asset disposal gains (losses are indicated with "-")	VII.73	-659.03	262,523.14

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED INCOME STATEMENT (continued)

January to June 2021

Unit: Yuan Currency: RMB

Items	Note	Half year of 2021	Half year of 2020
3. Operating profit (losses are indicated with“-”)		2,271,922,967.09	1,427,261,866.64
Add: Non-operating income	VII.74	5,777,740.33	1,518,249.50
Less: Non-operating expenses	VII.75	367,738.39	734,169.59
4. Gross profit (total losses are indicated with “-”)		2,277,332,969.03	1,428,045,946.55
Less: Income tax expenses	VII.76	306,738,742.08	231,382,914.55
5. Net profit (net losses are indicated with “-”)		1,970,594,226.95	1,196,663,032.00
(i) By continuity as a going concern			
1. Net profit from continuing operations (net losses are indicated with “-”)		1,970,594,226.95	1,196,663,032.00
2. Net profit from discontinued operations (net losses are indicated with “-”)			
(ii) By ownership			
1. Net profit attributable to owners of the parent company (net losses are indicated with “-”)		1,583,586,082.89	947,432,343.02
2. Gain or loss attributable to minority interests (net losses are indicated with “-”)		387,008,144.06	249,230,688.98
6. Net other comprehensive income after tax			
(i) Net other comprehensive income after tax attributable to owners of the parent company			
1. Other comprehensive income that may not be reclassified to profit or loss			
(1) Change in re-measurement of defined benefit plans			
(2) Other comprehensive income that may not be reclassified to profit or loss under equity method			
(3) Change in fair value of investments in other equity instruments			
(4) Change in fair value of own credit risk			
2. Other comprehensive income that may be reclassified to profit or loss			
(1) Other comprehensive income that may be reclassified to profit or loss under equity method			
(2) Change in fair value of other debt investments			
(3) Amount included in other comprehensive income on reclassification of financial assets			
(4) Provision for credit impairment of other debt investment			
(5) Cash flows hedging reserve			
(6) Exchange differences arising from translation of foreign currency financial statements			
(7) Others			
(ii) Net other comprehensive income after tax attributable to minority interests			

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED INCOME STATEMENT (continued)

January to June 2021

Unit: Yuan Currency: RMB

Items	Note	Half year of 2021	Half year of 2020
7. Total comprehensive income		1,970,594,226.95	1,196,663,032.00
(i) Total comprehensive income attributable to owners of the parent company		1,583,586,082.89	947,432,343.02
(ii) Total comprehensive income attributable to minority interests		387,008,144.06	249,230,688.98
8. Earnings per share:			
(i) Basic earnings per share (RMB/share)		0.40	0.24
(ii) Diluted earnings per share (RMB/share)		0.40	0.24

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

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

INCOME STATEMENT OF THE COMPANY

January to June 2021

Unit: Yuan Currency: RMB

Items	Note	Half year of 2021	Half year of 2020
1. Total operating revenue		267,300.00	
Less: Operating costs			
Taxes and surcharges		5.00	13,809.45
Selling expenses			
Administration expenses		46,550,561.69	25,459,806.28
R&D expenses		6,699,817.62	5,320,944.38
Finance costs		21,613,812.17	13,488,490.26
Including: Interest expenses		22,199,939.09	13,477,777.20
Interest income		2,648,943.91	1,602,412.99
Add: Other gains		205,551.60	49,306.80
Investment gains (losses are indicated with "-")	XVII.5	1,432,842,635.74	602,566,969.82
Including: Gains from investment in associated companies and joint ventures		15,873,894.93	519,467.68
Gains on derecognition of financial assets measured at amortized cost (losses are indicated with "-")			
Net gain or loss on exposure hedging (losses are indicated with "-")			
Gains from changes in fair value (losses are indicated with "-")			
Credit impairment losses (losses are indicated with "-")		1,478,301.66	-85,852.88
Asset impairment losses (losses are indicated with "-")		-195,385.16	-459,481.23
Asset disposal gains (losses are indicated with "-")			
2. Operating profit (losses are indicated with "-")		1,359,734,207.36	557,787,892.14
Add: Non-operating income		5,000,000.00	
Less: Non-operating expenses		58.08	
3. Gross profit (total losses are indicated with "-")		1,364,734,149.28	557,787,892.14
Less: Income tax expenses			
4. Net profit (net losses are indicated with "-")		1,364,734,149.28	557,787,892.14
(i) Net profit from continuing operations (net losses are indicated with "-")		1,364,734,149.28	557,787,892.14
(ii) Net profit from discontinued operations (net losses are indicated with "-")			

II. FINANCIAL STATEMENT (continued)

INCOME STATEMENT OF THE COMPANY (continued)

January to June 2021

Unit: Yuan Currency: RMB

Items	Note	Half year of 2021	Half year of 2020
5. Net other comprehensive income after tax			
(i) Other comprehensive income that may not be reclassified to profit or loss			
1. Change in re-measurement of defined benefit plans			
2. Other comprehensive income that may not be reclassified to profit or loss under equity method			
3. Change in fair value of investments in other equity instruments			
4. Change in fair value of own credit risk			
(ii) Other comprehensive income that may be reclassified to profit or loss			
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Change in fair value of other debt investments			
3. Amount included in other comprehensive income on reclassification of financial assets			
4. Provision for credit impairment of other debt investments			
5. Cash flows hedging reserve			
6. Exchange differences arising from translation of foreign currency financial statements			
7. Others			
6. Total comprehensive income		1,364,734,149.28	557,787,892.14
7. Earnings per share:			
(i) Basic earnings per share (RMB/share)			
(ii) Diluted earnings per share (RMB/share)			

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED CASH FLOW STATEMENT

January to June 2021

Unit: Yuan Currency: RMB

Items	Note	Half year of 2021	Half year of 2020
1. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		7,749,796,232.12	5,897,362,340.32
Net increase in deposits from customers and deposits from other banks			
Net increase in loans from central bank			
Net increase in loans from other financial institutions			
Cash received from premiums under original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits of policyholders and investment			
Cash receipts of interest, fees and commission			
Net increase in placement from banks and other financial institutions			
Net increase in sale and repurchase operations			
Net cash received from securities trading agency services			
Cash received from tax refund		69,489,136.88	33,129,096.33
Cash received from other operating activities	VII.78	19,938,631.70	16,524,986.40
Sub-total of cash inflows from operating activities		7,839,224,000.70	5,947,016,423.05
Cash paid for goods and services		4,659,261,487.00	3,976,318,335.95
Net increase in loans and advances to customers			
Net increase in deposit with central bank and inter-banks			
Cash paid for compensation payments under original insurance contract			
Net increase in lending to banks and other financial institutions			
Cash paid for interest, fees and commission			
Cash paid for insurance policy dividend			
Cash paid to and on behalf of employees		345,859,773.79	278,669,912.05
Payments of taxes and surcharges		504,615,661.01	415,061,429.18
Cash paid relating to other operating activities	VII.78	64,768,010.37	50,329,815.71
Sub-total of cash outflows from operating activities		5,574,504,932.17	4,720,379,492.89
Net cash flows from operating activities		2,264,719,068.53	1,226,636,930.16

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED CASH FLOW STATEMENT (continued)

January to June 2021

Unit: Yuan Currency: RMB

Items	Note	Half year of 2021	Half year of 2020
2. Cash flows from investing activities:			
Cash received from investment			
Cash received from investment income		48,746,247.16	30,850,755.63
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		175,242.58	310,282.21
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities	VII.78	5,562,868.90	
Sub-total of cash inflows from investing activities		54,484,358.64	31,161,037.84
Cash paid to acquire fixed assets, intangible assets and other long-term assets		3,591,898,587.85	3,876,182,762.65
Cash paid for investments			8,800,800.00
Net increase in secured loans			
Net cash paid to acquire subsidiaries and other business units		19,158,210.25	
Cash paid relating to other investing activities	VII.78		14,737,651.47
Sub-total of cash outflows from investing activities		3,611,056,798.10	3,899,721,214.12
Net cash flows from investing activities		-3,556,572,439.46	-3,868,560,176.28
3. Cash flows from financing activities:			
Cash received from investment		1,393,576,000.00	730,494,712.13
Including: Cash received by subsidiaries from minority Shareholders' investment		354,200,000.00	330,292,731.00
Cash received from borrowings		6,350,329,024.20	8,656,236,497.78
Cash received from issuing bonds			0
Cash received from other financing activities	VII.78		168,717,900.11
Sub-total of cash inflows from financing activities		7,743,905,024.20	9,555,449,110.02
Cash paid for loan repayments		3,565,022,169.12	5,748,497,395.79
Cash paid for dividends, profits appropriation or payments of interest		1,108,533,458.43	635,489,601.54
Including: Dividends and profits paid to minority interest by subsidiaries		103,065,647.73	59,651,326.41
Cash paid relating to other financing activities	VII.78	615,268,708.15	139,484,807.05
Sub-total of cash outflows from financing activities		5,288,824,335.70	6,523,471,804.38
Net cash flows from financing activities		2,455,080,688.50	3,031,977,305.64
4. Effect of changes in foreign exchange rate on cash and cash equivalents		-73,835.21	-81,836.54
5. Net increase in cash and cash equivalents		1,163,153,482.36	389,972,222.98
Add: Cash and cash equivalents at the beginning of the year		1,863,441,446.73	2,334,208,228.57
6. Cash and cash equivalents at the end of the year		3,026,594,929.09	2,724,180,451.55

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

CASH FLOW STATEMENT OF THE COMPANY

January to June 2021

Unit: Yuan Currency: RMB

Items	Note	Half year of 2021	Half year of 2020
1. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		1,801,503.50	
Cash received from tax refund			
Cash received from other operating activities		370,565,087.16	550,841,834.27
Sub-total of cash inflows from operating activities		372,366,590.66	550,841,834.27
Cash paid for goods and services			
Cash paid to and on behalf of employees		21,822,707.82	17,717,933.48
Payments of taxes and surcharges		5.00	28,373.25
Cash paid relating to other operating activities		741,373,228.28	829,501,364.13
Sub-total of cash outflows from operating activities		763,195,941.10	847,247,670.86
Net cash flows from operating activities		-390,829,350.44	-296,405,836.59
2. Cash flows from investing activities:			
Cash received from investment			
Cash received from investment income		905,371,423.02	358,872,768.53
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		905,371,423.02	358,872,768.53
Cash paid to acquire fixed assets, intangible assets and other long-term assets		2,633,155.85	2,409,707.80
Cash paid for investments		590,023,900.00	227,421,100.00
Net cash paid to acquire subsidiaries and other business units			
Cash paid to other investing activities			
Sub-total of cash outflows from investing activities		592,657,055.85	229,830,807.80
Net cash flows from investing activities		312,714,367.17	129,041,960.73

II. FINANCIAL STATEMENT (continued)

CASH FLOW STATEMENT OF THE COMPANY (continued)

January to June 2021

Unit: Yuan Currency: RMB

Items	Note	Half year of 2021	Half year of 2020
3. Cash flows from financing activities:			
Cash received from investment		1,039,376,000.00	400,201,981.13
Cash received from borrowings		1,939,750,000.00	2,535,127,777.78
Cash received from issuing bonds			
Cash received from other financing activities			
Sub-total of cash inflows from financing activities		2,979,126,000.00	2,935,329,758.91
Cash paid for loan repayments		1,336,150,000.00	1,988,190,000.00
Cash paid for dividends, profits appropriation or payments of interest		550,044,588.71	175,559,406.12
Cash paid relating to other financing activities		592,237,899.68	14,963,891.25
Sub-total of cash outflows from financing activities		2,478,432,488.39	2,178,713,297.37
Net cash flows from financing activities		500,693,511.61	756,616,461.54
4. Effect of changes in foreign exchange rate on cash and cash equivalents		-11,564.54	-86,520.54
5. Net decrease in cash and cash equivalents		422,566,963.80	589,166,065.14
Add: Cash and cash equivalents at the beginning of the period		140,173,830.24	326,014,292.68
6. Cash and cash equivalents at the end of the period		562,740,794.04	915,180,357.82

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

Financial Reports

Half year of 2021															
Equity attributable to owners of the Company															
Other equity instruments															
Items	Paid-up capital (or Share capital)	Preference Share	Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Surplus reserve	Undistributed profit	Others	Subtotal	Minority interest	Total owners' equity
(V) Internal transfer of owners' equity															
1. Conversion of capital reserve into capital (or shares)								25,872,252.54					25,872,252.54		25,872,252.54
2. Conversion of surplus reserve into capital (or shares)															
3. Making good of loss with surplus reserve															
4. Change in defined benefit plan transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(VI) Special reserve															
1. Appropriation for the current period							6,483,135.00			622,539,183.94	5,755,697,920.47		14,575,878,326.13	4,159,756,542.06	18,738,606,888.19
2. Application for the current period															
(VII) Others															
IV. Balance at the end of the current period	3,849,910,368.00		1,845,736,000.00		2,386,631,780.72		6,483,135.00		622,539,183.94		5,755,697,920.47		14,575,878,326.13	4,159,756,542.06	18,738,606,888.19

Financial Reports

Half year of 2020

Equity attributable to owners of the Company

Other equity instruments

Items	Paid-up capital (or Share capital)	Preference Share	Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profit	Others	Subtotal	Minority interest	Total owners' equity
(M) Internal transfer of owners' equity															
1. Conversion of capital reserve into capital (or shares)								27,637,431.70					27,637,431.70		27,637,431.70
2. Conversion of surplus reserve into capital (or shares)								27,637,431.70					27,637,431.70		27,637,431.70
3. Making good of loss with surplus reserve															
4. Change in defined benefit plan transfers to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(M) Special reserve															
1. Appropriation for the current period							6,483,135.00		417,730,154.40		4,992,839,376.34	13,153,792,703.78	3,240,600,004.40	16,394,482,713.18	
2. Application for the current period															
(M) Others															
IV. Balance at the end of the current period	3,949,910,365.00		1,494,000,000.00		2,392,800,667.04		6,483,135.00		417,730,154.40		4,992,839,376.34	13,153,792,703.78	3,240,600,004.40	16,394,482,713.18	

Company representative: Cao Xin

Person in charge of accounting: Fan Wei Hung

Head of accounting: Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

January to June 2021

Unit: Yuan Currency: RMB

Items	Half year of 2021							Total owners' equity		
	Paid-up capital (or Share capital)	Preference Share	Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income		Surplus reserve	Undistributed profit
I. Balance at the end of last year	3,849,910,396.00		1,494,000,000.00		2,467,638,202.02			468,035,679.01	1,925,557,882.54	10,223,246,377.57
Add: Effects of changes in accounting policies										
Effects of correction of prior year errors										
Others										
II. Increase/decrease in the period (decrease is represented by "-")	3,849,910,396.00		1,494,000,000.00		2,467,638,202.02			468,035,679.01	1,925,557,882.54	10,223,246,377.57
III. Increase/decrease in the period (decrease is represented by "-")			451,736,000.00		-1,879,118.03			136,473,414.93	608,342,320.49	1,194,673,217.39
(I) Other comprehensive income										
(II) Owners' contribution and decrease in capital										
1. Ordinary shares contributed by owners										
2. Capital invested by owners of other equity instruments										
3. Share-based payments credited to owners' equity										
4. Others										
(III) Profit distribution										
1. Appropriation to surplus reserve										
2. Distribution to owners (or shareholders)										
3. Others										
(IV) Internal transfer of owners' equity										
1. Conversion of capital reserve into capital (or shares)										
2. Conversion of surplus reserve into capital (or shares)										
3. Making good of loss with surplus reserve										
4. Change in defined benefit plan transferred to related earnings										
5. Other comprehensive income transferred to retained earnings										
6. Others										
(V) Special reserve										
1. Appropriation for the current period										
2. Application for the current period										
(VI) Others										
IV. Balance at the end of the current period	3,849,910,396.00		1,945,736,000.00		2,465,759,201.99			622,509,093.94	2,534,000,803.03	11,417,915,594.96

II. FINANCIAL STATEMENT (continued)

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (continued)

January to June 2021

Unit: Yuan Currency: RMB

Items	Half year of 2020							Total owners' equity			
	Paid-up capital (or Share capital)	Preference Share	Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income		Special reserve	Other comprehensive income	Undistributed profit
I. Balance at the end of last year	3,715,160,386.00		1,494,000,000.00		2,212,622,246.78				361,971,365.19	1,368,251,857.71	9,152,006,967.68
Add: Effects of changes in accounting policies											
Effects of correction of prior year errors											
Others											
II. Balance at the beginning of the year	3,715,160,386.00		1,494,000,000.00		2,212,622,246.78				361,971,365.19	1,368,251,857.71	9,152,006,967.68
III. Increase/decrease in the period (decrease is represented by "-")	134,750,000.00				255,079,711.41				55,778,789.21	502,009,102.33	947,617,603.55
(I) Other comprehensive income											
(II) Owners' contribution and decrease in capital	134,750,000.00				255,079,711.41				55,778,789.21	55,737,892.14	388,829,711.41
1. Ordinary shares contributed by owners	134,750,000.00				255,079,711.41				55,778,789.21	55,737,892.14	388,829,711.41
2. Capital invested by owners of other equity instruments											
3. Share-based payments credited to owners' equity											
4. Others											
(III) Profit distribution											
1. Appropriation to surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or shares)											
2. Conversion of surplus reserve into capital (or shares)											
3. Making good of loss with surplus reserve											
4. Change in defined benefit plan transferred to related earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special reserve											
1. Appropriation for the current period											
2. Application for the current period											
Others											
IV. Balance at the end of the current period	3,849,910,386.00		1,494,000,000.00		2,467,702,968.19				417,750,154.40	1,870,261,060.04	10,099,624,571.23

Company representative: Cao Xin

Person in charge of accounting: Fan Wei Hung

Head of accounting: Yang Zhanqing

III. BASIC INFORMATION OF THE COMPANY

1. Company Overview

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

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

The initial public offering and listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) was completed on 13 October 2010. A total of 1,076,900,000 H shares were issued and sold at a price of HK\$2.66 per share to investors in Hong Kong and overseas. In October 2010, the Company issued a total of 161,535,000 H shares at a price of HK\$2.66 per share upon exercise of the over-allotment option. As of 31 December 2011, the total number of shares of the Company was approximately 3,238,435,000, including 1,876,156,000 domestic shares and 1,362,279,000 H shares. HECIC directly and indirectly holds all domestic shares, representing 57.9% of the total number of shares of the Company, and is the controlling shareholder of the Company.

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

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

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

As of 30 June 2021, the total accumulated issued share capital of the Company was RMB3,849,910,396.00, of which 48.73% was held by HECIC; 47.77% was held by H shareholders and 3.50% was held by A shareholders.

III. BASIC INFORMATION OF THE COMPANY (continued)

1. Company Overview (continued)

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

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

The financial statements were approved by the Company’s Board of Directors on 25 August 2021.

2. Scope of consolidated financial statements

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

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements have been prepared in accordance with Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance and the specific accounting standards, application guidelines, interpretations and other relevant provisions (collectively referred to as the “Accounting Standards for Business Enterprises”) promulgated and revised thereafter.

The financial statements are presented on a going concern basis.

2. Going concern

As at 30 June 2021, the Group’s current liabilities exceeded its current assets by approximately RMB4,427 million. The management has considered the following sources of funding available for the next 12 months:

- (1) expected net cash inflows from operating activities;
- (2) unutilised banking facilities as at 30 June 2021 of approximately RMB76.245 billion;
- (3) The Company registered super short-term commercial papers of RMB2 billion with the National Association of Financial Market Institutional Investors in June 2020. Such facilities were approved for revolving use before May 2022. As at 30 June 2021, the unutilised facilities amounted to RMB1.5 billion.

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

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

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

The financial statements prepared by the Company have been complied with ASBE, and presented the Company's financial position as on 30 June 2021, and the operating results, cash flow and relevant information for January to June 2021 truly and completely.

2. Accounting period

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

3. Operating cycle

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

4. Functional currency

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

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

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

Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties before and after the combination, and that control is not transitory. In a business combination under common control, the party which obtains control of other combining enterprise(s) on the combination date is the merging party, the other combining enterprise(s) is (are) the merged party. The combination date refers to the date on which the merging party actually obtains control of the merged parties.

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. In a business combination not under common control, the party which obtains control of other combining enterprise(s) on the acquisition date is the acquirer, the other combining enterprise(s) is (are) the acquiree(s). The acquisition date refers to the date on which the acquirer actually obtains control of the acquiree.

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

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

6. Consolidated financial statements

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Consolidated financial statements (continued)

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

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Classification of joint arrangements and joint ventures

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

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

8. Cash and cash equivalents

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

9. Translation of transactions and financial statements denominated in foreign currencies

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Translation of transactions and financial statements denominated in foreign currencies (continued)

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

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

10. Financial instrument

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

Recognition and derecognition of financial instruments

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Recognition and derecognition of financial instruments (continued)

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

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

Classification and measurement of financial assets

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Classification and measurement of financial assets (continued)

Debt instrument investments measured at amortised cost

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

Debt instrument investments measured at fair value through other comprehensive income

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

Equity instrument investments at fair value through other comprehensive income

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Classification and measurement of financial assets (continued)

Financial assets at fair value through profit or loss

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

On initial recognition, the Group's financial liabilities are classified as: financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, related transaction expenses are directly charged to profit or loss for the current period; and transaction expenses relating to other financial liabilities are included in the initial recognized amount.

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Impairment of financial assets

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

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

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

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

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

Refer to Note X for the disclosure of the criteria for judging significant increases in credit risk, definition of credit-impaired financial assets and assumptions on the measurement of expected credit losses.

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Offsetting of financial instruments

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

Financial guarantee contracts

A financial guarantee contract is a contract under which the issuer shall indemnify the contract holder suffering losses with a specified amount in the event that the debtor fails to repay its debt in accordance with the initial or revised terms of the debt instrument. Financial guarantee contracts are initially recognised as liability at fair value. Financial guarantee contracts not classified as financial liabilities designated at fair value through profit or loss are, after initial recognition, subsequently measured at the higher of the amount of provision for losses determined at the balance sheet date and the initial amount less accumulated amortisation determined in accordance with the revenue recognition principle.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward foreign exchange contracts, forward commodity contracts and interest rate swaps, to hedge exchange rate risk, commodity price risk and interest rate risk, respectively. Derivative financial instruments are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at their fair values. Derivative financial instruments with a positive fair value are recognised as assets, and those with a negative fair value are recognised as liabilities.

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instrument (continued)

Transfer of financial assets

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

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

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

11. Notes receivable

Determination and accounting treatment of ECLs of notes receivable

Applicable Not Applicable

12. Accounts Receivable

Determination and accounting treatment of ECLs of accounts receivable.

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

13. Receivables financing

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Other receivables

Determination and accounting treatment of ECLs of other receivables

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

15. Inventories

Inventories are the materials consumed by the Group in the production process or the process of providing labour services, which mainly include raw materials, finished goods, turnover materials, etc. Inventories are initially measured at cost. Inventory costs include purchase costs, processing costs and other costs. The actual cost of inventories is calculated using the weighted average method when the inventories are removed. Turnover materials include low-value consumables and packaging materials, which are amortised using one-time resale method.

Inventories are accounted for using the perpetual inventory system.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost is higher than the new realizable value, provision for impairment of inventories is made and recognized in profit or loss for the period. If the factors that give rise to the provision in prior years are not in effect, as a result that the net realisable value of inventories is higher than their carrying amount, the original amount of the write-down is reversed within the previously impaired amount and the reversed amount is included in profit or loss for the period.

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

16. Contract assets

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

Applicable Not applicable

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

Applicable Not applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)**17. Assets held for sale**

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

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

18. Debt investments**Determination and accounting treatment of ECLs of debt investments.**

Applicable Not applicable

19. Other debt investments**Determination and accounting treatment of ECLs of other debt investments.**

Applicable Not applicable

20. Long-term receivables**Determination and accounting treatment of ECLs of long-term receivables.**

Applicable Not applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Long-term equity investments

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

Long-term equity investments were initially recorded at initial investment cost on acquisition. For long-term equity investments acquired through the business combination of entities under common control, the initial investment cost shall be the share of carrying value of the owners' equity of the merged party at the date of combination as stated in the consolidated financial statements of the ultimate controlling party. Any difference between the initial investment cost and the carrying value of the consideration for the combination shall be dealt with by adjusting the capital reserve (if the capital reserve is insufficient for setting off the difference, such difference shall be further set off against retained earnings). Upon disposal of the investment, other comprehensive income prior to the date of combination shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Shareholders' equity recognised as a result of changes in shareholders' equity other than the net profit or loss, other comprehensive income and profit allocation of the investee shall be transferred to the current profit or loss upon disposal of the investment. Items which remain as long-term equity investments after the disposal shall be accounted for on a pro-rata basis, while items reclassified as financial instruments following the disposal shall be accounted for in full.

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Long-term equity investments (continued)

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

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Long-term equity investments (continued)

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Investment properties

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

Depreciation or amortisation method

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

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

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

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

When an investment property is transferred to owner-occupied properties, it is reclassified as a fixed asset or an intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as an investment property at its carrying amount at the date of the transfer.

The Group reviews the estimated useful life and the net estimated residual value of an investment property and the depreciation or amortisation method applied at least once at each year end and adjusts when necessary.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sales, transfer, retirement or damage of an investment property net of its carrying amount and related taxes is recognized in profit or loss for the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Fixed assets

(1). Conditions of recognition

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

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

(2). Depreciation method

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

Depreciation is provided on fixed assets using the straight-line method, except for fix assets generated by consuming safety production reserves.

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

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

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

Applicable Not applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Construction in progress

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

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

25. Borrowing costs

Borrowing costs are interests and other related cost arising from Group's borrowing, including borrowing interests, amortization of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency lending, etc.

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

Borrowing costs may be capitalized only when:

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

25. Borrowing costs (continued)

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

26. Biological assets

Applicable Not applicable

27. Oil and gas assets

Applicable Not applicable

28. Right-of-use assets

The right-of-use assets of the Group mainly comprise leased land, buildings, wind turbines and relevant equipment and motor vehicles and others.

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

The Group re-measured the lease liability based on the present value of the changed lease payments and adjusted the carrying amounts of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero and the lease liability still needs to be further reduced, the Group accounts for the remaining amount in the current profit and loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Intangible assets

(1). Measurement, useful life and impairment test

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

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

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

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

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

Land use rights that are purchased by the Group are accounted for as intangible asset.

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

Land use rights

Land use rights represent costs incurred for a certain lease period of land.

Land use rights are amortised on a straight-line basis over the estimated useful life. If the price of purchased land and buildings is difficult to be reasonably allocated between land use rights and buildings, all of them shall be included in fixed assets.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Intangible assets (continued)

(1). Measurement, useful life and impairment test (continued)

Concession rights

Concession rights refer to the intangible assets of wind power projects recognised under the build-operate-transfer contracts, as well as the gas operation rights obtained through business combination not under common control.

Proprietary technology

Software is recorded at the actual consideration paid upon acquisition and amortised on a straight-line basis over the estimated useful life.

Patents

Patents are recorded at the value confirmed by investors or the actual price paid, and amortised on a straight-line basis over the estimated useful life or the useful life agreed in contracts.

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Impairment on long-term assets

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

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

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

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Long-term prepaid expenses

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

32. Contract liabilities

Recognition method of contract liabilities

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

33. Employee benefits

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

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

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

(2). Accounting treatment for post-employment benefits

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

(3). Accounting treatment for termination benefits

Applicable Not applicable

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

Applicable Not applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

34. Lease Liabilities

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

After the commencement date of the lease term, when the actual fixed payment amount changes; the expected amount of the guarantee residual value changes; the index or ratio used to determine the lease payment changes, or the assessment results or actual exercise of the purchase option, the renewal option or the termination option change, the Group re-measures the lease liability based on the present value of the changed lease payments.

35. Accrued liabilities

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

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

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

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

36. Share-based payment

Applicable Not applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

37. Preferred shares, perpetual bonds and other financial instruments

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

38. Revenue

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

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

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

Revenue from the sale of goods

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

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

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

Revenue from the connection and construction of gas pipeline network

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

38. Revenue (continued)

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

Interest income

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

Rental income

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

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

Applicable Not applicable

39. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities in the statement of financial position based on the relationship between the completion of performance obligations and customer payments. The Group offsets contract assets and contract liabilities of the same contract and presents them in the net amount.

Contract assets

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

Please refer to Note V.10 for the Group's methods for determining and accounting for expected credit loss on contract assets.

Contract liabilities

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

40. Government grants

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

41. Income tax

Income tax comprises current and deferred income tax. Income tax is recognised as an expense or income in profit or loss for the current period, or otherwise recognised directly in shareholders' equity if it arises from goodwill on a business combination or relates to a transaction or event which is recognised directly in shareholders' equity.

The Group measures a current tax liability or asset arising from the current and prior periods based on the amount of income tax estimated to be paid or returned and calculated in accordance with the requirements of relevant tax laws.

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

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

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

41. Income tax (continued)

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

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

42. Leases

(1). Accounting treatment for operating leases

Applicable Not applicable

(2). Accounting treatment for finance leases

Applicable Not applicable

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

Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

42. Leases (continued)

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

Assessment of the lease term

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. If the Group has an option to extend the lease, that is, the Group has the right to extend the lease, and is reasonably certain to exercise that option, the lease term also includes periods covered by an option to extend the lease. If the Group has an option to terminate the lease, that is, the Group has the right to terminate the lease, but is reasonably certain not to exercise that option, the lease term includes periods covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, purchase option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in the circumstances that are within the control of the Group and affect whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term.

As lessee

For the general accounting treatment of the Group as a lessee, please refer to Note V. 28 and Note V. 34.

Lease modification

The lease modifications refer to the change of lease scope, lease consideration, and lease term outside the original contract terms, including the addition or termination of the use right of one or more lease assets. It also includes the extension or shortening of the lease term stipulated in the contract.

If the lease modifications have met the following conditions simultaneously, the Group will account for the lease modifications as a separate lease:

- (1) The lease modifications expand the scope of the lease by adding the rights of use of one or more leased assets;
- (2) The increased consideration and the individual price of the enlarged portion of the lease are equivalent to the amount adjusted in accordance with the contract situation.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability on the effective date of the lease modification by discounting the revised lease payments using a revised discount rate. When calculating the present value of the lease payment after the modification, the revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term if that rate can be readily determined, or the lease's Incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

42. Leases (continued)

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

Lease modification (continued)

The Group distinguishes between the following cases for accounting treatment in view of the above effects of the adjustment of lease liabilities:

- (1) If the lease modifications result in a narrower lease scope or a shorter lease term, the Group reduces the book value of the right-of-use asset to reflect the partial termination or full termination of the lease and recognizes the related gains or losses that partially terminate or completely terminate the leases in the current profits and losses.
- (2) Making a corresponding adjustment to the book value of right-of-use asset for all other lease modification.

Short-term lease and low-value asset lease

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

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, at the inception date and all other leases are operating leases.

As lessor of an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

42. Leases (continued)

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

Leaseback transaction

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

As lessee

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

As lessor

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

43. Other important accounting policies and accounting estimates

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

43. Other important accounting policies and accounting estimates (continued)

Scope of consolidation – the Group holds less than half of the voting rights in the investee (continued)

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

Business model

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

Characteristics of contractual cash flows

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

Estimation uncertainties

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

Impairment of financial instruments and contractual assets

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

43. Other important accounting policies and accounting estimates (continued)

Estimation uncertainties (continued)

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

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

Impairment of goodwill

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

Fair value of unlisted equity investments

Unlisted equity investments are valued based on the estimated future cash flows discounted at the current discount rate of other financial instruments with similar contractual terms and risk characteristics. This requires the Group to estimate expected future cash flows, credit risk, volatility and discount rates and is therefore uncertain.

Deferred income tax assets

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

43. Other important accounting policies and accounting estimates (continued)

Estimation uncertainties (continued)

Classification of investment properties and fixed assets

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

Depreciation of fixed assets

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

Incremental borrowing rate of lessee

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

44. Important accounting policies and accounting estimates

(1). Change in significant accounting policies

Applicable Not applicable

(2). Changes in significant accounting estimates

Applicable Not applicable

(3). Information on making adjustment on implementation of related items in the financial statements at the beginning of such year for the first time in 2021 against initial application of the new revenue standards and the new lease standards

Applicable Not applicable

(4). Description of retrospective adjustment on the comparative figures in the previous period against initial application of the new revenue standards and the new lease standards since 2021

Applicable Not applicable

45. Others

Applicable Not applicable

VI. TAXATION

1. Major categories of taxes and respective tax rates

Major categories of taxes and tax rates

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

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

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

VI. TAXATION (continued)

2. Tax Preference

Enterprise income tax

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

Value-added tax (VAT)

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

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

Pursuant to the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (Notice [2019] No. 39 of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs), taxpayers in production and living service industries are allowed to deduct tax payable based on deductible input tax for the period plus an additional 10% for the period from 1 April 2019 to 31 December 2021. Hebei Suntien Kechuang New Energy Technology Co., Ltd., a subsidiary of the Company, enjoys the preferential policy of deduction of tax payable plus additional amount based on deductible input tax since April 2019.

3. Others

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand	13,966.50	
Deposits at banks	3,039,415,976.16	1,872,746,020.72
Other deposits	16,653,456.93	25,746,765.41
Total	3,056,083,399.59	1,898,492,786.13
Including: total amount deposited abroad	8,085,644.31	12,369,638.60

Other explanation:

- (1) Demand deposits would bear interest at the bank demand deposit interest rate. Bank deposits and other monetary funds were stored in well-established and good-standing banks.
- (2) As at 30 June 2021, a total amount of RMB29,488,470.50 (RMB35,051,339.40, as at 31 December 2020) was restrained due to mortgage, pledge or moratorium.

2. Financial assets for trading

Applicable Not applicable

3. Derivative financial assets

Applicable Not applicable

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

4. Notes receivable

(1). Categories of notes receivable

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

(5). Disclosure by classification of bad debt provisions

Applicable Not applicable

(6). Conditions on bad debts provision

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

5. Accounts receivable

(1). Disclosure by age

Unit: Yuan Currency: RMB

Age	Closing balance
Within 1 year	
Including: sub-items within 1 year	
Within 6 months	1,841,991,545.39
6 months to 1 year	982,816,114.09
Subtotal within 1 year	2,824,807,659.48
1 to 2 years	1,622,447,049.69
2 to 3 years	1,286,688,048.22
Over 3 years	875,155,749.35
Total	6,609,098,506.74

(2). Disclosure by classification of bad debt provisions

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance					
	Carrying amount		Provision for bad debts			Carrying amount		Provision for bad debts			Book value
	Amount	Percentage (%)	Amount	Provision (%)	Amount	Percentage (%)	Amount	Provision (%)			
Bad debt provision on an individual basis	399,152,824.05	6.04	399,152,824.05	100	399,155,147.05	7.49	399,155,147.05	100.00			
Including:											
Bad debt provision on a group basis	6,209,945,682.69	93.96	78,523,913.83	1.26	6,131,421,768.86	4,933,139,975.56	92.51	66,865,243.58	1.36	4,866,274,731.98	
Including:											
Provision for bad debts made on a group basis by credit risk characteristics	6,209,945,682.69	93.96	78,523,913.83	1.26	6,131,421,768.86	4,933,139,975.56	92.51	66,865,243.58	1.36	4,866,274,731.98	
Total	6,609,098,506.74	/	477,676,737.88	/	6,131,421,768.86	5,332,295,122.61	/	466,020,390.63	/	4,866,274,731.98	

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

5. Accounts receivable (continued)

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

Bad debt provision on an individual basis:

Unit: Yuan Currency: RMB

Name	Closing balance			Reason for provision
	Carrying amount	Provision for bad debts	Provision ratio (%)	
Hebei Yuanhua Glass Co., Ltd.	218,172,501.77	218,172,501.77	100.00	Expected unrecoverable
Hebei Daguangming Industrial Group Jiajing Glass Co., Ltd.	163,716,204.33	163,716,204.33	100.00	Expected unrecoverable
Hebei Natural Gas, Daguangming Company, and Hebei Daguangming Industrial Group Juwuba Tanhei Co., Ltd.	5,998,717.59	5,998,717.59	100.00	Expected unrecoverable
Carbon emission reduction receivables	11,265,400.36	11,265,400.36	100.00	Expected unrecoverable
Total	399,152,824.05	399,152,824.05	100.00	/

Explanation on bad debt provision on an individual basis:

It is estimated that it cannot be recovered after individual assessment, thus the provision for bad debts is made at 100%.

Bad debt provision on a group basis:

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

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

5. Accounts receivable (continued)

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

Unit: Yuan Currency: RMB

Name	Closing balance		Provision ratio (%)
	Accounts receivable	Provision for bad debts	
Within 6 months	22,999,486.47	1,149,974.32	5.00
6 months to 1 year	7,164,047.26	716,404.73	10.00
1 to 2 years	2,347,466.36	704,239.91	30.00
2 to 3 years	3,507,979.14	1,753,989.57	50.00
Over 3 years	12,585,897.24	12,585,897.24	100.00
Total	48,604,876.47	16,910,505.77	

Receivables with very low risk of recovery portfolio:

	Closing balance		Provision for bad debts	
	Carrying amount		Provision for bad debts	Provision ratio (%)
	Receivables	Ratio (%)	bad debts	ratio (%)
Renewable energy subsidies and benchmark tariffs	6,161,340,806.22	100.00	61,613,408.06	1.00

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

By reference to historical credit loss experience, current conditions and forecasts of future economic conditions, the reconciliation of the aging of accounts receivable and the expected credit loss rate for the entire duration is prepared to calculate the expected credit loss.

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

Applicable Not applicable

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

5. Accounts receivable (continued)

(3). Conditions on bad debt provision

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Change for the Period			Closing balance
			Recovered or reversed	Write-off or cancellation	Other changes	
Bad debt provision on an individual basis	399,155,147.05		-2,323.00			399,152,824.05
Bad debt provision on a group basis	66,865,243.58	17,660,907.47	-6,622,386.91		620,149.69	78,523,913.83
Total	466,020,390.63	17,660,907.47	-6,624,709.91		620,149.69	477,676,737.88

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

Applicable Not applicable

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

Applicable Not applicable

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

5. Accounts receivable (continued)

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

Organization	Relation with the Group	Balance at year end (RMB)	% of total balance of accounts receivable	Balance of allowance for doubtful or bad debts (RMB)
State Grid Jibei Electric Power Co., Ltd. (國網冀北電力有限公司)	Third party	3,542,223,387.77	53.60	35,422,233.88
State Grid Hebei Electric Power Co., Ltd. (國網河北省電力有限公司)	Third party	834,966,272.09	12.63	8,349,662.72
Yunnan Power Grid Co., Ltd. (雲南電網有限責任公司)	Third party	500,201,936.02	7.57	5,002,019.36
State Grid Shanxi Electric Power Co., Ltd. (國網山西省電力有限公司)	Third party	283,892,100.61	4.30	2,838,921.01
State Grid Xinjiang Electric Power Co., Ltd. Bazhou Branch (國網新疆電力有限公司巴州供電公司)	Third party	274,838,366.69	4.16	2,748,383.67
Total		5,436,122,063.18	82.26	54,361,220.64

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

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

6. Receivables financing

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bank acceptance bills	584,879,058.68	420,392,697.68
Total	584,879,058.68	420,392,697.68

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

Applicable Not applicable

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

Applicable Not applicable

Other notes:

- (1) As at 30 June 2021 and 31 December 2020, there were no overdue bank drafts to be convertible into accounts receivable due to the inability of the drawer to perform the contract.
- (2) As at 30 June 2021 and 31 December 2020, the Group obtained long-term loans secured by part of the right of collection of future electricity fees in the amounts of RMB3,000,000.00 and RMB12,100,000.00, respectively.

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

7. Advances to suppliers

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

Unit: Yuan Currency: RMB

Age	Closing balance		Opening balance	
	Amount	Ratio(%)	Amount	Ratio(%)
Within 1 year	182,095,663.27	94.08	371,107,717.23	97.47
1 to 2 years	5,187,995.89	2.68	4,775,692.85	1.25
2 to 3 years	4,526,406.23	2.34	1,176,287.79	0.31
Over 3 years	1,753,022.55	0.90	3,711,948.40	0.97
Total	193,563,087.94	100.00	380,771,646.27	100.00

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

Nil

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

Organization	Relation with the Group	Balance at year end	% of total balance of prepayments
PetroChina Company Limited, Natural Gas Sales Hebei Branch (中國石油天然氣股份有限公司天然氣銷售河北分公司)	Third party	41,907,701.77	21.65
Shanxi Guohua Energy Co., Ltd. (山西國化能源有限責任公司)	Third party	36,665,317.52	18.94
China Petroleum & Chemical Corporation Natural Gas Branch, Hebei Natural Gas Sales Centre (中國石油化工股份有限公司 天然氣分公司河北天然氣銷售中心)	Third party	31,484,047.13	16.27
CNOOC Gas and Power Group Co., Ltd. Hebei Sales Branch (中海石油氣電集團有限責任公司河北銷售分公司)	Third party	15,369,586.98	7.94
Henan Chenfa Energy Co., Ltd. (河南晨發能源有限公司)	Third party	5,704,263.40	2.95
Total		131,130,916.80	67.75

Other explanations:

Applicable Not Applicable

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

8. Other receivables

Items presented

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	127,354,972.35	44,158,212.59
Other receivables	43,804,102.34	50,232,938.92
Total	171,159,074.69	94,391,151.51

Other explanations:

 Applicable Not applicable

Interest receivable

(1). *Classification of interest receivable* Applicable Not applicable(2). *Significant overdue interest* Applicable Not applicable(3). *Bad debt provision* Applicable Not applicable

Other explanations:

 Applicable Not applicable

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

8. Other receivables (continued)

Dividends receivable

(1). Dividends receivable

Unit: Yuan Currency: RMB

Project (or Invested unit)	Closing balance	Opening balance
Hebei Weichang Longyuan Construction and Investment Wind Power Generation Co., Ltd. (河北圍場龍源建投風力發電公司)	7,354,972.35	17,930,153.30
Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd. (龍源建投(承德)風力發電有限公司)		26,228,059.29
PetroChina Jingtang LNG Co., Ltd. (中石油京唐液化天然氣有限公司)	120,000,000.00	
Total	127,354,972.35	44,158,212.59

(2). Significant dividends receivable aging over 1 year

Applicable Not applicable

(3). Bad debt provision

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

8. Other receivables (continued)

Other receivables

(4). *Disclosure by aging*

Unit: Yuan Currency: RMB

Age	Closing book balance
Within 1 year	
Including: sub-items within 1 year	
Within 6 months	16,347,012.39
6 months to 1 year	18,018,990.59
Subtotal within 1 year	34,366,002.98
1 to 2 years	9,315,144.76
2 to 3 years	11,073,495.41
Over 3 years	48,399,181.35
Total	103,153,824.50

(5). *Classified by nature*

Unit: Yuan Currency: RMB

Nature	Closing book balance	Opening book balance
Deposits	63,181,960.92	58,358,684.12
Advances	24,127,536.07	25,331,000.21
Reserves	1,284,528.30	1,012,148.33
Others	14,559,799.21	27,515,144.12
Total	103,153,824.50	112,216,976.78

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

8. Other receivables (continued)

Other receivables (continued)

(6). *Bad debt provision*

Unit: Yuan Currency: RMB

Bad debt provision	The first stage Expected credit losses over the next 12 months	The second stage Lifetime expected credit losses (no credit impairment occurred)	The third stage Lifetime expected credit losses (credit impairment occurred)	Total
Balance as at 1 January 2021	14,351,765.71	30,133,537.17	17,498,734.98	61,984,037.86
The balance at 1 January 2021 during the period				
- Transfer into the second stage	-3,922,790.45	3,922,790.45		
- Transfer into the third stage				
- Reversal to the second stage				
- Reversal to the first stage				
Provisions during the period	3,398,096.61			3,398,096.61
Reversal during the period	-2,876,531.06	-3,115,872.45	-40,008.80	-6,032,412.31
Transferral during the period				
Write-off during the period				
Other changes				
Balance as at 30 June 2021	10,950,540.81	30,940,455.17	17,458,726.18	59,349,722.16

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

Applicable Not applicable

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

Applicable Not applicable

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

8. Other receivables (continued)

Other receivables (continued)

(7). *Conditions on bad debt provision*

Unit: Yuan Currency: RMB

Category	Opening balance	Provisions	Change for the period		Other changes	Closing balance
			Recovered or reversed	Write-off or cancellation		
Provision for bad debts of other receivables	61,984,037.86	3,398,096.61	-6,032,412.31			59,349,722.16
Total	61,984,037.86	3,398,096.61	-6,032,412.31			59,349,722.16

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

Applicable Not applicable

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

Applicable Not applicable

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

8. Other receivables (continued)

Other receivables (continued)

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

Unit: Yuan Currency: RMB

Organization	Nature	Ending balance	Age	% of the total ending balance of other accounts receivable (%)	Ending balance of bad debt provision
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	Advance	13,421,959.24	> 3 years	13.01	13,421,959.24
Manager of Pingshan Zhongcheng Gas Co., Ltd. (平山中誠燃氣有限公司管理人)	Deposit	10,000,000.00	6 months to 1 year	9.69	1,000,000.00
Weichang Manchu and Mongolian Autonomous County Development and Reform Bureau (圍場滿族蒙古族自治縣發展改革局)	Deposit	8,950,000.00	> 3 years	8.68	8,950,000.00
Shanghai Petroleum and Gas Exchange Co., Ltd. (上海石油天然氣交易中心有限公司)	Deposit	8,220,000.00	Within 6 months	7.97	411,000.00
Fengning Manchu Autonomous County Wind Power and Thermal Power Project Construction Office (豐寧滿族自治縣風電火電項目建設辦公室)	Deposit	8,000,000.00	> 3 years	7.76	8,000,000.00
Total	/	48,591,959.24	/	47.11	31,782,959.24

(10). Accounts receivable related to government subsidy

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

9. Inventories

(1). Classification of inventories

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories/ provision for impairment in contract performance cost	Book value	Book balance	Provision for decline in value of inventories/ provision for impairment in contract performance cost	Book value
Raw materials	33,540,400.08		33,540,400.08	29,530,462.34		29,530,462.34
Products in process						
Finished goods	21,122,875.75		21,122,875.75	28,360,302.79		28,360,302.79
Circulating materials	367,281.86		367,281.86	219,168.15		219,168.15
Consumable biological assets						
Contract performance cost						
Total	55,030,557.69		55,030,557.69	58,109,933.28		58,109,933.28

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

10. Contract assets

(1). Information for contract assets

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

11. Assets held for sale

Applicable Not applicable

12. Non-current assets due within one year

Applicable Not applicable

13. Other current assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Contract acquisition costs		
Right of return assets		
Input VAT to be deducted	921,175,147.07	908,562,062.68
Enterprise income tax prepaid	3,414,520.24	7,197,194.86
Total	924,589,667.31	915,759,257.54

Other explanations:

Nil

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

14. Debt investment

(1). Debt investment

Applicable Not applicable

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

Applicable Not applicable

(3). Provision for impairment

Applicable Not applicable

15. Other debt investment

(1). Other debt investment

Applicable Not applicable

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

Applicable Not applicable

(3). Provision for impairment

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

16. Long-term receivables

(1). Long-term receivables

Applicable Not applicable

(2). Bad debt provision

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other explanation:

Applicable Not applicable

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

17. Long-term equity investments

Unit: Yuan Currency: RMB

Investees	Beginning balance	Additional investment	Reduced investment	Investment gains/losses recognized under equity method	Current changes			Declared cash dividend or profit	Provision for impairment	Other	Ending balance	Ending balance of provision for impairment
					Investment comprehensive income	Other change in equity	Other					
I. Joint ventures												
Hebei Surtien Guohua Gas Co., Ltd. (河北新天國化燃氣有限公司)	40,320,716.40			2,650,842.57		480,881.96					43,452,440.93	
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司)	48,027,945.58			13,223,052.36							61,250,997.94	
Subtotal	88,348,661.98			15,873,894.93		480,881.96					104,703,438.87	
II. Associates												
Chengde Shuanglun District CIC LNG Co., Ltd. (Chengde City 雙樂區建設液化天然氣有限公司)	3,222,525.60			-7,174.82							3,215,350.78	
PetroChina Jingtang LNG Co., Ltd. (中石油京唐液化天然氣有限公司)	1,066,579,107.18			87,258,619.72		663,912.70	-120,000,000.00				1,034,501,639.60	
North China Natural Gas Pipeline Co., Ltd. of China Pipeline Network Corporation (國家管網集團華北天然氣管道有限公司)	243,213,802.81			-1,353,243.31		38,312.79					241,898,872.29	
Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd. (河北團場龍源建設風力發電有限公司)	145,622,708.54			8,056,841.34							153,679,549.88	
Longyuan CIC (Chengde) Wind Power Generation Co., Ltd. (龍源建設(承德)風力發電有限公司)	256,630,359.77			18,093,233.73							274,723,593.50	
Hebei Fengning Pumped Storage Co., Ltd. (河北豐寧抽水蓄能有限公司)	447,463,551.93			-							447,463,551.93	
Hebei Jinjianjia Natural Gas Co., Ltd. (河北金建佳天然氣有限公司)	10,500,000.00			-							10,500,000.00	
Huihai Financial Leasing Co., Ltd. (匯海融資租賃股份有限公司)	203,598,779.92			4,555,731.97							208,154,511.89	
Hengshui Honghua Gas Co., Ltd. (衡水鴻華燃氣有限公司)	10,970,877.29			153,522.77							11,124,400.06	
Subtotal	2,387,801,713.04			116,757,531.40		702,225.49	-120,000,000.00				2,385,261,469.93	
Total	2,476,150,375.02			132,631,426.33		1,183,107.45	-120,000,000.00				2,489,964,908.80	

Other explanation:

North China Natural Gas Pipeline Co., Ltd. of China Pipeline Network Corporation (國家管網集團華北天然氣管道有限公司), formerly known as CNOOC North China Natural Gas Pipeline Co., Ltd. (中海油華北天然氣管道有限公司).

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

18. Other investments in equity instruments

(1). Other investments in equity instruments

Unit: Yuan Currency: RMB

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

(2). Non-transactional equity instrument investment

Applicable Not applicable

Other explanations:

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

19. Other non-current financial assets

Applicable Not applicable

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

20. Investment properties

Measurement model of investment properties

(1). Investment properties under cost measurement model

Unit: Yuan Currency: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original carrying amount				
1. Opening balance	37,410,850.85			37,410,850.85
2. Addition during the period				
(1) Acquisition				
(2) Transfer from inventories/ fixed assets/construction in progress				
(3) Increase in Business combination				
3. Decrease during the period				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	37,410,850.85			37,410,850.85
II. Accumulated depreciation or amortization				
1. Opening balance	10,273,480.93			10,273,480.93
2. Addition during the period	552,584.22			552,584.22
(1) Provision or depreciation	552,584.22			552,584.22
3. Decrease during the period				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	10,826,065.15			10,826,065.15
III. Impairment provision				
1. Opening balance				
2. Addition during the period				
(1) Provision				
3. Decrease during the period				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance				
IV. Carrying amount				
1. At the end of the period	26,584,785.70			26,584,785.70
2. At the beginning of the period	27,137,369.92			27,137,369.92

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

20. Investment properties (continued)

Measurement model of investment properties (continued)

(2) Investment properties with pending certificates of ownership:

Applicable Not applicable

Other explanations:

- (1) The investment properties of the Group are located in commercial buildings in Beijing, which are valued by management under market method, with reference to similar property transaction prices and other factors, such as housing features and location. As at 30 June 2021, the fair value of these investment properties was RMB42,657,000.00 (RMB40,045,000.00, as at 31 December 2020).
- (2) The investment properties were leased to third parties and the controlled companies in the form of operating lease.

21. Fixed Assets

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	31,200,137,168.33	25,617,692,590.53
Disposal of fixed assets		
Total	31,200,137,168.33	25,617,692,590.53

Other explanations:

Nil

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

21. Fixed Assets (continued)

Fixed assets

(1). Fixed assets

Unit: Yuan Currency: RMB

Items	Houses and buildings	Mechanical equipment	Transportation equipment	Electronic equipment and office equipment	Others	Total
I. Original carrying amount:						
1. Opening balance	2,103,604,258.08	30,874,800,291.85	103,158,270.36	166,069,023.52	41,411,856.07	33,289,043,699.88
2. Addition during the period	98,126,123.28	6,316,120,456.85	1,014,191.54	2,101,474.75	2,425,410.89	6,419,787,657.31
(1) Acquisition		725,299.62	108,261.14	1,941,490.22	2,425,410.89	5,200,461.87
(2) Transfer from construction in progress	96,951,059.82	6,266,337,223.30	744,857.74	20,664.10		6,363,053,804.96
(3) Increase in Business combination	2,175,063.46	49,057,933.93	161,072.66	139,320.43		51,533,390.48
3. Decrease during the period		763,252.09	1,062,743.39	320,685.98		2,146,681.46
(1) Disposal or scrapping		763,252.09	1,062,743.39	320,685.98		2,146,681.46
4. Closing balance	2,201,730,381.36	37,190,157,496.61	103,109,718.51	167,849,812.29	43,837,266.96	39,706,684,675.73
II. Accumulated depreciation						
1. Opening balance	435,226,270.18	7,006,851,211.42	77,550,336.71	80,398,638.02	21,164,668.42	7,621,191,124.75
2. Addition during the period	55,468,612.81	761,806,455.61	2,531,810.34	10,469,857.06	6,493,706.87	836,770,442.69
(1) Provision	55,468,612.81	761,806,455.61	2,531,810.34	10,469,857.06	6,493,706.87	836,770,442.69
3. Decrease during the period		269,689.41	1,007,386.60	296,968.63		1,574,044.64
(1) Disposal or scrapping		269,689.41	1,007,386.60	296,968.63		1,574,044.64
4. Closing balance	490,694,882.99	7,768,387,977.62	79,074,760.45	90,571,526.45	27,658,375.29	8,456,387,522.80
III. Impairment provision						
1. Opening balance		50,159,984.60				50,159,984.60
2. Addition during the period						
(1) Provision						
3. Decrease during the period						
(1) Disposal or scrapping						
4. Closing balance		50,159,984.60				50,159,984.60
IV. Carrying amount						
1. At the end of the period	1,711,035,498.37	29,371,609,534.39	24,034,958.06	77,278,285.84	16,178,891.67	31,200,137,168.33
2. At the beginning of the period	1,668,377,987.90	23,817,789,095.83	25,607,933.65	85,670,385.50	20,247,187.65	25,617,692,590.53

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

21. Fixed Assets (continued)

Fixed assets (continued)

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Unit: Yuan Currency: RMB

Items	Carrying amount	Reasons for fixed assets with pending certificates of ownership
Houses and buildings	273,714,124.34	pending title certificate
Total	273,714,124.34	

Other explanations:

Management believes that the Group is entitled to lawfully and effectively occupy and use the above houses and buildings, and believes that the above matters will not have any significant unfavorable effect on the Group's overall financial status as of 30 June 2021 and 31 December 2020.

Fixed assets in liquidation

Applicable Not applicable

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

22. Construction in progress

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Construction in progress	11,723,406,219.33	13,887,592,126.20
Construction materials	108,187,465.38	95,772,862.08
Total	11,831,593,684.71	13,983,364,988.28

Other explanations:

Nil

Construction in progress

(1). Construction in progress

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction in progress	11,748,379,352.27	24,973,132.94	11,723,406,219.33	13,912,565,259.14	24,973,132.94	13,887,592,126.20
Total	11,748,379,352.27	24,973,132.94	11,723,406,219.33	13,912,565,259.14	24,973,132.94	13,887,592,126.20

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

22. Construction in progress (continued)

Construction in progress (continued)

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

Unit: Yuan Currency: RMB

Items	Budget	Opening balance	Additions during the period	Transfer to fixed assets during the period	Other decrease during the period	Closing balance	Investment percentage to total budget (%)	Project Progress	Accumulated amount of interest capitalized	Including: amount of interest capitalized during the period	Interest capitalization rate of the period (%)	Source of the fund
Hebei Suntien Tangshan LNG Receiving Station Export Pipeline Project (Caofeidian-Baodi Section)	5,360,496,700.00	1,183,502,421.47	1,057,130,512.35			2,240,632,933.82	41.8	41.80%	27,543,230.73	15,476,374.49	4.35	Self-raising and borrowing
Tangshan LNG Export Pipeline Project (Baoyong Section)	2,712,762,900.00	948,977,664.30	749,172,129.42			1,698,149,793.72	62.6	62.60%	20,901,732.00	13,338,445.13	3.91	Self-raising and borrowing
Tangshan LNG Receiving Station project	25,390,000,000.00	918,487,388.58	879,717,886.84			1,798,205,275.42	7.08	7.08%	20,255,760.34	9,957,300.15	3.65	Self-raising and borrowing
Fuliang Phase I Project	809,997,800.00	771,523,444.71	87,241,465.29			858,764,910.00	106.02	100%	25,643,695.08	12,000,431.60	4.41	Self-raising and borrowing
Zhuozhou-Yongqing Gas Pipeline Project	1,322,529,100.00	664,936,716.19	311,682,105.98			976,618,822.17	73.84	73.84%	18,659,704.35	10,665,287.53	3.96	Self-raising and borrowing
Zhangbei Zhanhai Wind Farm Project	1,469,013,900.00	515,343,944.82	23,575,661.97			538,919,596.79	36.69	36.69%	22,339,408.49	10,384,449.23	3.98	Self-raising and borrowing
Fangcheng Nanshan Wind Farm Project	431,560,000.00	426,550,500.25	12,203,816.09			438,754,316.34	101.67	100%	14,774,512.26	7,951,371.80	4.66	Self-raising and borrowing
Sinopec Ordos-Anping-Cangzhou Gas Pipeline and Beijing-Handan Gas Pipeline Connection Project	1,139,001,058.16	394,631,951.59	127,087,048.91			521,719,000.50	45.8	45.80%	6,274,005.06	3,962,120.57	3.15	Self-raising and borrowing
Chongli Wind Powered Hydrogen Production Project-Wind Farm Part	690,318,900.00	285,565,975.37	42,398,003.59			327,963,978.96	47.51	47.51%	10,188,725.54	4,487,603.74	4.06	Self-raising and borrowing
Phase I Fuping Wind Power Station, 50 MW	390,137,800.00	222,548,947.77	66,551,350.58			289,100,298.35	74.1	74.10%	7,797,646.88	4,813,746.16	4.41	Self-raising and borrowing
Phase II Fuping Wind Power Station, 50 MW	375,206,000.00	147,899,592.53	60,215,328.07			208,114,920.60	55.47	55.47%	6,342,782.88	3,938,773.95	5.08	Self-raising and borrowing
Guyuan Xiba Wind Power Station, 49.5 MW	355,941,300.00	142,513,051.47	61,161,238.57			203,674,290.04	57.22	57.22%	6,336,403.65	2,492,748.42	4.34	Self-raising and borrowing
"Jingshitan" Dual Track Gas Pipeline Project	1,821,365,900.00	235,424,425.47	233,567,600.49			468,992,025.96	25.75	25.75%	3,723,613.05	3,328,265.23	5.99	Self-raising and borrowing
Total	42,288,321,358.16	6,857,906,024.52	3,711,704,138.15			10,589,610,162.67	/	/	190,781,220.31	102,736,918.00	/	/

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

22. Construction in progress (continued)

Construction materials

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Specialised materials	115,301,275.69	7,113,810.31	108,187,465.38	102,886,672.39	7,113,810.31	95,772,862.08
Total	115,301,275.69	7,113,810.31	108,187,465.38	102,886,672.39	7,113,810.31	95,772,862.08

Other explanations:

Nil

23. Bearer biological assets

(1). Bearer biological assets under cost measurement model

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

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

25. Right-of-use assets

Unit: Yuan Currency: RMB

Items	Leased land	buildings	Wind turbines and relevant equipment	Transportation equipment	Total
I. Original carrying amount					
1. Opening balance	63,529,401.67	31,594,268.99	2,317,716,914.44	5,679,136.66	2,418,519,721.76
2. Addition during the period		7,234,541.24	26,262,634.09	15,350,791.37	48,847,966.70
Acquisition		7,234,541.24	26,262,634.09	15,350,791.37	48,847,966.70
3. Decrease during the period		478,292.58			478,292.58
4. Closing balance	63,529,401.67	38,350,517.65	2,343,979,548.53	21,029,928.03	2,466,889,395.88
II. Accumulated depreciation					
1. Opening balance	5,861,291.46	19,647,522.05	407,991,784.01	3,942,022.26	437,442,619.78
2. Addition during the period	1,967,572.26	5,162,393.03	58,555,324.37	4,369,794.18	70,055,083.84
(1) Provision	1,967,572.26	5,162,393.03	58,555,324.37	4,369,794.18	70,055,083.84
3. Decrease during the period		219,217.47			219,217.47
(1) Disposal		219,217.47			219,217.47
(2) Transfer to fixed assets					
4. Closing balance	7,828,863.72	24,590,697.61	466,547,108.38	8,311,816.44	507,278,486.15
III. Impairment provision					
1. Opening balance					
2. Addition during the period					
(1) Provision					
3. Decrease during the period					
(1) Disposal					
(2) Transfer to fixed assets					
4. Closing balance					
IV. Carrying amount					
1. At the end of the period	55,700,537.95	13,759,820.04	1,877,432,440.15	12,718,111.59	1,959,610,909.73
2. At the beginning of the period	57,668,110.21	11,946,746.94	1,909,725,130.43	1,737,114.40	1,981,077,101.98

Other explanations:

Nil

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

26. Intangible assets

(1). Intangible assets

Unit: Yuan Currency: RMB

Items	Land use rights	Patent rights	Unpatented technology	Concession rights	Patented technology	Software license	Total
I. Original carrying amount							
1. Opening balance	698,061,681.07			2,597,635,068.38	670,450.49	61,297,458.54	3,357,664,658.48
2. Addition during the period	36,062,425.63			8,802,195.23	41,981.13	1,618,399.90	46,525,001.89
(1) Acquisition	1,237,782.00					1,618,399.90	2,856,181.90
(2) Internal research and development							
(3) Increase in business combination	2,301,867.94			8,802,195.23	41,981.13	-	11,146,044.30
(4) Transfer from construction in progress	32,522,775.69						32,522,775.69
3. Decrease during the period							
(1) Disposal							
4. Closing balance	734,124,106.70			2,606,437,263.61	712,431.62	62,915,858.44	3,404,189,660.37
II. Accumulated amortisation							
1. Opening balance	99,593,252.48			1,012,676,702.13	70,158.71	33,159,229.61	1,145,499,342.93
2. Addition during the period	8,802,642.69			53,445,327.00	39,063.00	4,085,680.89	66,372,713.58
(1) Provision	8,802,642.69			53,445,327.00	39,063.00	4,085,680.89	66,372,713.58
3. Decrease during the period							
(1) Disposal							
4. Closing balance	108,395,895.17			1,066,122,029.13	109,221.71	37,244,910.50	1,211,872,056.51
III. Impairment provision							
1. Opening balance				14,432,835.55			14,432,835.55
2. Addition during the period							
(1) Provision							
3. Decrease during the period							
(1) Disposal							
4. Closing balance				14,432,835.55			14,432,835.55
IV. Carrying amount							
1. At the end of the period	625,728,211.53			1,525,882,398.93	603,209.91	25,670,947.94	2,177,884,768.31
2. At the beginning of the period	598,468,428.59			1,570,525,530.70	600,291.78	28,138,228.93	2,197,732,480.00

At the end of the period, intangible assets formed through internal research and development of the Company account for 0.00% of the balance of intangible assets.

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

26. Intangible assets (continued)

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

Unit: Yuan Currency: RMB

Project	Carrying amount	Reasons for fixed assets with pending certificates of ownership
Horqin Right Front Banner Wind Power Land	3,043,775.28	Pending title certificate
Horqin Right Front Banner Electric Heating Land	2,830,799.64	Pending title certificate
Shahe South Gate Station Land	1,857,289.56	Pending title certificate
Paddock Ruyi River Land	14,379,129.45	Pending title certificate
Julu Laozhang River Wind Power Land	8,638,666.63	Pending title certificate
Harbin Shuangcheng Wind Power Land	11,045,784.33	Pending title certificate
Weihui Dongshuanma Wind Power Land	5,805,623.21	Pending title certificate
Xingyang Feilongding Wind Power Land	22,584,781.70	Pending title certificate
Total:	70,185,849.80	

Other explanations:

Management believes that the Group is entitled to lawful and effective occupation and the use of the above land with pending certificates of ownership, and believes that the above matters will not have any significant unfavorable effect on the Group's overall financial status as of 30 June 2021 and 31 December 2020.

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

27. Development expenditure

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Internal development expenditure	Others	Recognized as intangible assets	Transfer to current profit and loss	
Chongli Wind Powered Hydrogen Production 100MW Project (Hydrogen Production Section)	10,016,769.65	10,708,962.08				20,725,731.73
Corporate Warehouse and Big Data Platform System Project	2,408,452.36	1,498,812.66			407,388.23	3,499,876.79
Total	12,425,222.01	12,207,774.74			407,388.23	24,225,608.52

Other explanations:

Nil

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

28. Goodwill

(1). Original value of goodwill

Unit: Yuan Currency: RMB

Name of the investee or item resulting in goodwill	Opening balance	Increase during the period	Decrease during the period	Closing balance
		From business combination	Disposal	
Xingtai Tianhongxiang Gas Co., Ltd. (邢臺天宏祥燃氣有限公司)		19,415,794.28		19,415,794.28
Anguo Huagang Gas Co., Ltd. (安國市華港燃氣有限公司)	14,882,681.29			14,882,681.29
Linxi Xinneng Natural Gas Engineering Co., Ltd. (臨西縣新 能天然氣工程有限公司)	9,468,410.69			9,468,410.69
Pingshan County Huajian Gas Co., Ltd. (平山縣華建燃氣有限公司)	5,846,078.90			5,846,078.90
Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限 公司)	4,902,611.66			4,902,611.66
Jinzhou Construction Investment Gas Co., Ltd. (晉州市建設燃氣有 限公司)	4,857,585.19			4,857,585.19
Yunnan Pushi Natural Gas Co., Ltd. (雲南普適天然氣有限公司)	3,351,939.25			3,351,939.25
Zhangbei CIC Huashi Wind Energy Co., Ltd. (張北建設華實風能有 限公司)	2,372,010.00			2,372,010.00
Xinji CIC Gas Co., Ltd. (辛集市建設 燃氣有限公司)	1,964,386.00			1,964,386.00
Shenzhou CIC Gas Co., Ltd. (深州 市建設燃氣有限公司)	20,461.18			20,461.18
Total	47,666,164.16	19,415,794.28		67,081,958.44

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

28. Goodwill (continued)

(2). Impairment provision for goodwill

Unit: Yuan Currency: RMB

Name of the investee or item resulting in goodwill	Increase during the period		Decrease during the period	Closing balance
	Opening balance	Provision	Disposal	
Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司)	4,902,611.66			4,902,611.66
Yunnan Pushi Natural Gas Co., Ltd. (雲南普適天然氣有限公司)	3,351,939.25			3,351,939.25
Total	8,254,550.91			8,254,550.91

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

Applicable Not applicable

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

Applicable Not applicable

(5). Impact of goodwill impairment test

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

29. Long-term deferred expenses

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Amortization during the period	Others decrease	Closing balance
Prepaid lease payments	15,234,355.07	715,278.89	1,380,691.05		14,568,942.91
Reform of operating leased fixed assets	7,469,142.48		1,499,534.54		5,969,607.94
Project road reconstruction cost	10,030,074.27		330,661.80		9,699,412.47
Others	8,345,118.93	2,014,629.34	1,824,911.59		8,534,836.68
Total	41,078,690.75	2,729,908.23	5,035,798.98		38,772,800.00

Other explanations:

Nil

30. Deferred tax assets/deferred tax liabilities

(1). Deferred income tax assets before offsetting

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for asset impairment	488,898,736.10	119,427,461.85	481,158,213.22	117,492,331.13
Unrealised profit of internal transaction	47,479,577.16	11,869,894.29	47,479,577.16	11,869,894.29
Deductible losses				
Trial run to write down construction in progress	168,022,940.17	35,618,613.44	168,022,940.17	36,250,281.41
Deferred income	36,519,095.87	9,129,773.97	38,069,238.35	9,517,309.59
Total	740,920,349.30	176,045,743.55	734,729,968.90	175,129,816.42

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

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

(2). Deferred income tax liabilities before offsetting

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Appreciation of assets in business combination not involving enterprises under common control				
Changes in fair value of other debt investments				
Changes in fair value of other equity instruments				
Pre-tax deduction of fixed assets	204,350,695.00	51,087,673.75	198,529,345.40	49,632,336.35
Total	204,350,695.00	51,087,673.75	198,529,345.40	49,632,336.35

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

Applicable Not applicable

(4). Details of unrecognized deferred income tax assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Deductible temporary difference	145,757,611.91	144,666,719.29
Deductible loss	973,444,337.06	908,269,346.56
Total	1,119,201,948.97	1,052,936,065.85

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

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

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

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Remarks
31 December 2021	56,358,873.49	63,381,449.87	
31 December 2022	165,331,561.40	169,434,573.95	
31 December 2023	178,604,329.64	183,078,121.29	
31 December 2024	222,751,888.42	222,751,888.42	
31 December 2025	269,622,966.94	269,623,313.03	
31 December 2026	80,774,717.17		
Total:	973,444,337.06	908,269,346.56	/

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

Other explanations:

Applicable Not applicable

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

31. Other non-current assets

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Contract obtainment cost						
Contract performance cost						
Right of return assets						
Contract assets						
Prepayment for equipment	446,687,288.05		446,687,288.05	372,177,569.60		372,177,569.60
Prepayment for construction cost	149,697,954.92		149,697,954.92	80,068,871.98		80,068,871.98
Prepayment for others	183,431,507.71		183,431,507.71	151,708,801.34		151,708,801.34
Input value-added tax to be deducted	1,094,647,545.46		1,094,647,545.46	1,249,761,152.94		1,249,761,152.94
Less: non-current assets due within one year	-		-	-		-
Total	1,874,464,296.14		1,874,464,296.14	1,853,716,395.86		1,853,716,395.86

Other explanations:

Nil

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

32. Short-term loans

(1). Classification of short-term loans

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged Loans	10,000,000.00	57,142,600.37
Secured Loans		
Guaranteed Loans		
Credit Loans	1,809,550,000.00	1,163,600,000.00
Total	1,819,550,000.00	1,220,742,600.37

Description of classification of short-term loans:

As at 30 June 2021, the Group discounted bank acceptance bills amounted to RMB10,000,000.00 (31 December 2020: RMB57,142,600.37). The Group did not derecognized those notes as they are subject to recourse, and accordingly recognized pledged borrowings of RMB10,000,000.00 (31 December 2020: RMB57,142,600.37).

As at 30 June 2021, the above short term borrowings bore interests at 3.30%-4.44% (31 December 2020: 3.10%-4.78%) per annum.

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

33. Transactional financial liabilities

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. Notes payable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills		
Bank acceptance bills	8,393,752.38	4,516,529.53
Total	8,393,752.38	4,516,529.53

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

36. Accounts payable

(1). Accounts payable presented by items

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Spare parts	68,306,491.07	62,693,033.60
Natural gas purchase	7,529,280.00	19,325,232.04
Labour payments	31,715,898.19	63,677,217.80
Others	43,170,740.29	31,252,409.62
Total	150,722,409.55	176,947,893.06

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

36. Accounts payable (continued)

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

Applicable Not applicable

Other explanations:

As of 30 June 2021 and 31 December 2020, the Group had no significant account payable with the aging over 1 year.

37. Advances from customers

(1). Advances from customers presented

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

38. Contract liabilities

(1). Contract liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Advance receipts for natural gas sales	228,673,110.19	916,108,116.60
Advance receipts for pipeline construction	295,597,314.84	266,479,390.01
Advance receipt for commissioned construction costs for storage tanks	879,646,017.68	389,380,530.96
Advance receipt for pipeline transmission fees	3,592,005.48	3,399,050.24
Others received in advance	3,751,867.69	4,740,269.21
Total	1,411,260,315.88	1,580,107,357.02

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

39. Wages payable

(1). Wages payable presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term wages	92,057,285.39	299,424,953.87	-337,139,536.68	54,342,702.58
II. Post-employment – Defined contribution plan	29,000.92	43,367,795.51	-43,367,795.50	29,000.93
III. Termination benefits				
IV. Other benefits due within one year				
Total	92,086,286.31	342,792,749.38	-380,507,332.18	54,371,703.51

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

39. Wages payable (continued)

(2). Short-term wages presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Salary, bonus, allowances and subsidies	72,989,077.80	224,479,989.30	261,713,075.08	35,755,992.02
II. Employee welfare	–	17,130,433.32	17,130,433.32	–
III. Social insurance	1,016,511.78	23,690,581.21	23,769,509.43	937,583.56
Including: Medical insurance	1,016,511.78	21,769,230.97	21,848,159.20	937,583.55
Work injury	–	1,745,120.65	1,745,120.64	0.01
Maternity insurance	–	176,229.59	176,229.59	–
IV. Housing fund	4,310.70	20,944,636.28	20,944,636.28	4,310.70
V. Union expenses and employees education expenses	17,476,902.26	8,251,035.59	8,639,666.67	17,088,271.18
VI. Short-term paid leave				
VII. Short-term profit sharing plan				
VIII. Others	570,482.85	4,928,278.17	4,942,215.90	556,545.12
Total	92,057,285.39	299,424,953.87	337,139,536.68	54,342,702.58

(3). Defined contribution plan

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic retirement insurance	3,468.27	26,398,366.71	26,398,366.70	3,468.28
2. Unemployment insurance	7,929.00	1,355,878.83	1,355,878.83	7,929.00
3. Enterprise annuity payment	17,603.65	15,613,549.97	15,613,549.97	17,603.65
Total	29,000.92	43,367,795.51	43,367,795.50	29,000.93

Other explanations:

Applicable Not applicable

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

40. Taxes payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Value-added tax	17,306,253.36	25,387,817.62
Consumption tax		
Business tax		
Enterprise income tax	125,348,208.25	100,491,033.76
Individual income tax	1,117,474.44	7,442,241.53
City maintenance and construction tax	899,951.52	1,485,361.20
Stamp duty	244,718.75	368,606.15
Others	951,562.12	904,910.66
Total	145,868,168.44	136,079,970.92

Other explanations:

Nil

41. Other payables

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest payable	118,568,527.38	90,122,972.40
Dividends payable	239,779,587.65	172,358,689.75
Other payables	6,980,469,286.05	5,871,263,093.05
Total	7,338,817,401.08	6,133,744,755.20

Other explanations:

Nil

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

41. Other payables (continued)

Interest payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest on long-term borrowings with interest payments by installment and principal payments at due	31,425,500.02	33,382,106.50
Interest on corporate bonds	83,695,827.49	53,685,486.12
Interest payable on short-term borrowings	3,447,199.87	3,055,379.78
Interest on financial liabilities classified as preferred shares/perpetual bonds		
Total	118,568,527.38	90,122,972.40

Significant overdue interest payments :

Applicable Not applicable

Other explanations:

Applicable Not applicable

Dividends payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Ordinary share dividends	42,537,808.00	
Dividends classified as preferred shares/perpetual bonds	96,330,000.00	77,934,000.00
Preferred share/perpetual bond dividends renewable green corporate bonds	96,330,000.00	77,934,000.00
Dividends payable-minority shareholder dividends	100,911,779.65	94,424,689.75
Total	239,779,587.65	172,358,689.75

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

Nil

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

41. Other payables (continued)

Other payables

(1). Other payables presented by nature of amount

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payables for equipment	2,730,969,784.94	3,278,152,501.21
Payables for engineering and material	3,679,614,663.84	2,417,068,530.57
Payables for Investment	1,060,000.00	1,060,000.00
Others	568,824,837.27	174,982,061.27
Total	6,980,469,286.05	5,871,263,093.05

(2). Significant other payables aged over 1 year

Unit: Yuan Currency: RMB

Items	Closing balance	Reasons for outstanding or carry-forward
Shanghai Electric Wind Power Group Company Limited	691,671,116.21	Unpaid equipment and materials
Huadian Heavy Industries Co., Ltd.	116,991,521.56	Unpaid project payment and equipment
DEC Dongfang Steam Turbine Co., Ltd.	101,005,590.00	Unpaid project payment and equipment
CCCC Third Harbour Engineering Co., Ltd.	95,723,102.47	Unpaid project payment
Siemens Gamesa Renewable Energy Technology (China) CO., LTD.	87,795,192.69	Unpaid project payment and equipment
Xinjiang Goldwind Science & Technology Co., Ltd.	84,601,894.12	Unpaid project payment and equipment
Mingyang Smart Energy Group Limited	79,776,948.60	Unpaid equipment
XEMC Wind Power Co., Ltd.	56,383,425.64	Unpaid equipment
Envision Energy Co., Ltd.	45,175,360.39	Unpaid equipment and materials
Total	1,359,124,151.68	/

Other explanations:

Applicable Not applicable

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

42. Liabilities held for sale

Applicable Not applicable

43. Non-current liabilities due within 1 year

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	2,750,599,662.47	2,282,077,238.02
Bonds payable due within 1 year	1,200,000,000.00	1,200,000,000.00
Long-term payable due within 1 year	55,054,094.12	113,818,180.70
Lease liabilities due within 1 year	107,719,041.84	94,539,230.40
Others	1,200,000.00	1,200,000.00
Total	4,114,572,798.43	3,691,634,649.12

Other explanations:

Nil

44. Other current liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Short-term bonds payable	500,000,000.00	500,000,000.00
Payable return payment		
Total	500,000,000.00	500,000,000.00

Change in short-term bonds payable:

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

44. Other current liabilities (continued)

Unit: Yuan Currency: RMB

Name of bonds	Par value	Date of issue	Term of bonds	Issue size	Opening balance	Issue size in the period	Provision for interest at par value	Amortisation of premium or discount	Repay in the period	Closing balance
First tranche of 2020 super short-term commercial papers	100.00	2020/6/10	2020/6/10-2021/3/5	500,000,000.00	500,000,000.00		2,330,136.99		500,000,000.00	
First Tranche of Green Super Short term Commercial Papers of 2021 (carbon neutrality bonds)	100.00	2021/5/13	2021/5/13-2021/11/9	500,000,000.00		500,000,000.00	1,919,726.03			500,000,000.00
Total	/	/	/	1,000,000,000.00	500,000,000.00	500,000,000.00	4,249,863.02		500,000,000.00	500,000,000.00

Other explanations:

Note: In June 2020, the Company issued Super Short term Commercial Papers in the amount of RMB500,000,000.00, with a term of 268 days and a coupon rate of 2.7%; and in May 2021, the Company issued Super Short term Commercial Papers in the amount of RMB500,000,000.00 with a term of 180 days and a coupon rate of 2.86%. In June 2020, the Company registered RMB 2 billion Super Short term Commercial Papers with the National Association of Financial Market Institutional Investors. Such facilities were approved for revolving use before May 2022, and as at 30 June 2021, the unutilised facilities amounted to RMB1.5 billion.

45. Long-term borrowings

(1). Classification of long-term borrowings

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged borrowings	12,087,306,769.69	11,952,205,565.95
Secured borrowings	96,113,602.86	100,714,373.03
Guaranteed borrowings	269,622,660.00	291,115,760.00
Credit borrowings	15,759,967,060.39	13,593,827,532.70
Pledged and Secured borrowings	172,800,000.00	181,600,000.00
Less: Long-term borrowings due within one year	-2,750,599,662.47	-2,282,077,238.02
Total	25,635,210,430.47	23,837,385,993.66

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

45. Long-term borrowings (continued)

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

Description on classification of long-term borrowings:

As at 30 June 2021, the annual interest rate of the above-mentioned long-term borrowings was 1.20% to 5.58% (31 December 2020: 1.20% to 5.88%).

As at 30 June 2021 and 31 December 2020, the Group had no overdue long-term borrowings.

Other notes, including the range of interest rates:

Applicable Not applicable

46. Debentures payable

(1). Debentures payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Medium-term notes	3,000,000,000.00	3,000,000,000.00
Ping An-HECIC New-energy No. 1 Asset-backed Special Program	285,000,000.00	285,000,000.00
Less: Debentures payable due within one year	-1,200,000,000.00	-1,200,000,000.00
Total	2,085,000,000.00	2,085,000,000.00

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

46. Debentures payable (continued)

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

Unit: Yuan Currency: RMB

Name of bonds	Par value	Date of issue	Term of bonds	Issue size	Opening balance	Issue size in the period	Provision for interest at par value	Amortisation of premium or discount	Repay in the period	Closing balance
Medium-term notes	100	2018/9/27	3 years	500,000,000.00	500,000,000.00		14,108,082.20			500,000,000.00
Medium-term notes	100	2018/10/30	3 years	700,000,000.00	700,000,000.00		19,091,780.81			700,000,000.00
Medium-term notes	100	2019/9/5	3 years	300,000,000.00	300,000,000.00		6,590,383.55			300,000,000.00
Ping An-HECIC New-energy No. 1 Asset-backed Special Program	100	2019/12/26	3 years	285,000,000.00	285,000,000.00		5,780,877.92			285,000,000.00
Medium-term notes	100	2017/11/24	5 years	500,000,000.00	500,000,000.00		15,372,602.69			500,000,000.00
Medium-term notes	100	2020/5/15	5 years	1,000,000,000.00	1,000,000,000.00		19,141,369.89			1,000,000,000.00
Total	/	/	/	3,285,000,000.00	3,285,000,000.00		80,085,097.06			3,285,000,000.00

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

Description on basis of dividing other financial instruments into financial liabilities

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

47. Lease liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Lease liabilities	831,060,216.98	832,819,072.26
Less: Lease liabilities due within one year	-107,719,041.84	-94,539,230.40
Total	723,341,175.14	738,279,841.86

Other explanations:

Nil

48. Long-term payables

Item presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term payables	304,153,887.55	204,163,944.97
Special payables		
Total	304,153,887.55	204,163,944.97

Other explanations:

Nil

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

48. Long-term payables (continued)

Long-term payables

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Retention	86,207,981.67	86,207,981.67
Sale-leaseback borrowings	273,000,000.00	231,774,144.00
Less: Long-term payables due within one year	-55,054,094.12	-113,818,180.70
Total	304,153,887.55	204,163,944.97

Other explanations:

Nil

Special payables

Applicable Not applicable

49. Long-term payroll payable

Applicable Not applicable

50. Estimated liabilities

Unit: Yuan Currency: RMB

Items	Opening balance	Closing balance	Formation reasons
Disposal obligations – removal cost	52,760,727.00	52,760,727.00	
Total	52,760,727.00	52,760,727.00	/

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

Nil

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

51. Deferred income

Deferred income

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the period	Decrease in the period	Closing balance	Formation reasons
Government subsidy	59,142,565.63	2,358,240.48	1,773,721.40	59,727,084.71	Government subsidy
Total	59,142,565.63	2,358,240.48	1,773,721.40	59,727,084.71	/

Projects involving government subsidy:

Applicable Not applicable

Unit: Yuan Currency: RMB

Indebted projects	Beginning balance	Additional grant	Current amount recognized in operating income	Current amount recognized in other revenue	Other changes	Closing balance	Related to assets/revenue
Xingtai Xingdong New District Development and Construction Investment Co., Ltd.	36,945,061.31			1,550,142.44		35,394,918.87	Related to assets
Renewable Energy Demonstration Zone Industrial Innovation and Development Special Project	15,400,000.00					15,400,000.00	Related to assets
2018 Central Budget and Investment Subsidy Fund							
Strategic Emerging Industry Fund Incentives to Promote Stable Growth of Industrial Enterprises of 2020 granted by the Economic Development Bureau of the High-tech Development Zone	2,894,737.23	982,050.00		131,578.92		2,763,158.31	Related to assets
Jiran Pipeline Coal-to-Gas Project	1,844,100.58	476,190.48				2,320,291.06	Related to assets
Key technologies and applied demonstration of large-scale renewable energy coupled hydrogen production	900,000.00	900,000.00				1,800,000.00	Related to assets
Key technologies for DC microgrid wind-solar hybrid hydrogen production	600,000.00					600,000.00	Related to assets
Special funds for science and technology projects (supervised by Hebei Department of Science and Technology)	311,999.92			52,000.02		259,999.90	Related to assets
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	246,666.59			40,000.02		206,666.57	Related to assets
Total	59,142,565.63	2,358,240.48		1,773,721.40		59,727,084.71	

Other explanations:

Applicable Not applicable

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

52. Other non-current liabilities

Applicable Not applicable

53. Share capital

Unit: Yuan Currency: RMB

	Opening balance	Issue new shares	Increase or decrease in the period (+,-)			Sub-total	Closing balance
			Bonus share	Transfer of capital reserve to ordinary shares	Others		
Total shares	3,849,910,396.00						3,849,910,396.00

Other explanations:

On 28 May 2020, the Company was approved by the CSRC (Doc ZJXK [2020] No. 1012) to make an initial public offering and listing on Shanghai Stock Exchange, issuing a total of 134,750,000.00 RMB-denominated ordinary shares (A shares) at the price of RMB3.18 per share. After deducting the cost of issue, the Company raised RMB389,829,265.47. The nominal value of RMB134,750,000.00 was included in the issued share capital, and the premium of RMB255,079,265.47 was included in the capital reserve.

54. Other equity instruments

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

On 5 March 2019, the Company issued the first tranche of 2019 Renewable Green Corporate Bonds, in the aggregate offering amount of RMB910 million at a coupon rate of 4.70%, and after deducting the underwriting cost and other related trading costs, the Company received cash of RMB906,360,000.00. On 10 March 2021, the Company issued the first tranche of 2021 Renewable Green Corporate Bonds, in the aggregate offering of RMB1.04 billion at a coupon rate of 5.15%, and after deducting the underwriting cost and other related trading costs, the Company received cash of RMB1,039,376,000.

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

54. Other equity instruments (continued)

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

Unit: Yuan Currency: RMB

Financial Instruments	Beginning of period		Increase in the period		Decrease in the period		End of the period	
	Quantity	Carrying Amount	Quantity	Carrying Amount	Quantity	Carrying Amount	Quantity	Carrying Amount
Perpetual bond	15,000,000.00	1,494,000,000.00	10,400,000.00	1,039,376,000.00	5,900,000.00	587,640,000.00	19,500,000.00	1,945,736,000.00
Total	15,000,000.00	1,494,000,000.00	10,400,000.00	1,039,376,000.00	5,900,000.00	587,640,000.00	19,500,000.00	1,945,736,000.00

Change in other equity instrument in the period, reason for change and basis for relevant accounting treatment:

According to the terms of issuance of the above two renewable green corporate bonds, the issuer has the option to renew the bonds, and the Company has the right to choose to extend the maturity of the bonds by three years at the end of every three years or to redeem the bonds in full at the end of that period; the annual interest rate is reset every three years, and the coupon rate of the subsequent cycle is the current benchmark interest rate plus the initial spread plus 300 basis points, and the initial spread is the coupon rate of the first cycle minus the initial benchmark interest rate. There is an option available to defer the payment of interest. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, defer the interest payment for the current period, and all the interest and yields are deferred to the next interest payment date, and there is no limit on the number of times of deferring interest payment. There is a redemption option of the issuer. The issuer has the right to exercise the redemption option on the first interest payment date or at the end of the year due to changes in tax policies or changes in accounting standards. Except for these two cases, the Company has no right and no obligation to redeem the bonds. The Company has no contractual obligation to repay the principal or pay interest on schedule. The Company considers that the bill does not meet the definition of financial liabilities and recognizes the actual amount received after deducting the related transaction fees from the total amount issued as equity, and the declaration of interest payments is treated as profit distribution.

Other explanations:

Applicable Not applicable

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

55. Capital reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the period	Decrease in the period	Closing balance
Capital premium (share premium)	2,394,636,359.07		2,360,000.00	2,392,276,359.07
Other capital reserve	5,388,314.66	867,106.99		6,255,421.65
Total	2,400,024,673.73	867,106.99	2,360,000.00	2,398,531,780.72

Other descriptions, including changes in the period and reason for the changes:

The decrease in share premium for the period was mainly due to the redemption of the Company's Renewable Green Corporate Bonds (Phase I) issued in 2018 during the period and the difference between the redemption price and the carrying value of the investment in equity instruments of RMB2,360,000.00 was written down to capital reserve.

56. Treasury stocks

Applicable Not Applicable

57. Other comprehensive income

Unit: Yuan Currency: RMB

Items	Opening balance	Amount for the period						Closing balance
		Amount before income tax in the period	Less: amount included in other comprehensive income in previous periods and transferred to the current profit or loss	Less: amount included in other comprehensive income in previous periods and transferred to retained earnings	Less: income tax expenses	Attributable to the Parent Company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that may not be reclassified to profit or loss								
Including: Change in re-measurement of defined benefit plans	6,493,135.00							6,493,135.00
Other comprehensive income that may not be reclassified to profit or loss under equity method								
Changes in fair value of other equity instruments	6,493,135.00							6,493,135.00
Change in fair value of own credit risk								
II. Other comprehensive income that may be reclassified to profit or loss								
Including: Other comprehensive income that may be reclassified to profit or loss under the equity method								
Changes in fair value of other debt investments								
Amount included in other comprehensive income on reclassification of financial assets								
Provision for credit-impairment of other debt investments								
Cash flows hedging reserve								
Exchange differences arising from translation of foreign currency financial statements								
Total other comprehensive income	6,493,135.00							6,493,135.00

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

57. Other comprehensive income (continued)

Other description, including adjustment for the effective portion of hedging profit or loss of cash flows transferred to the initial recognition amount of the hedged item:

Nil

58. Special reserve

Applicable Not Applicable

59. Surplus reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	486,035,679.01	136,473,414.93		622,509,093.94
Discretionary surplus reserve				
Reserve funds				
Enterprise expansion fund				
Other				
Total	486,035,679.01	136,473,414.93		622,509,093.94

Description of surplus reserve, including changes in the period and reason for the changes:

According to the provisions of the Company Law and the Articles of Association, the Company made provision for the statutory surplus reserve at 10% of its net profit. When the accumulative amount of statutory surplus reserve reaches more than 50% of the Company's registered capital, no further provision is needed.

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

60. Undistributed profits

Unit: Yuan Currency: RMB

Items	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	4,928,503,066.37	4,102,915,107.78
Total increase or decrease in undistributed profits at the beginning of the period (increase represented by "+", and decrease represented by "-")		-1,730,285.25
Undistributed profits at the beginning of the period after adjustment	4,928,503,066.37	4,101,184,822.53
Add: Net profit attributable to owners of the Parent Company in the period	1,583,586,082.89	1,510,555,357.16
Less: Extract for statutory surplus reserve	136,473,414.93	124,064,313.82
Extract for discretionary surplus reserve		
Extract for general risk reserve		
Ordinary shares dividend payable	523,587,813.86	481,238,799.50
Dividend of ordinary shares converted to share capital		
Dividends payable to holders of other equity instruments	96,330,000.00	77,934,000.00
Undistributed profits at the end of the period	5,755,697,920.47	4,928,503,066.37

Breakdown of the adjustments to the undistributed profits at the beginning of the period:

1. Due to retrospective adjustment under Accounting Standard for Business Enterprises and related new regulations, the undistributed profit at the beginning of the period was affected by RMB0.00.
2. Due to changes in accounting policies, the undistributed profit at the beginning of the period was affected by RMB0.00.
3. Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by RMB0.00.
4. Due to the change of scope after merger under the same control, the undistributed profit at the beginning of the period was reduced by RMB0.00.
5. Due to other adjustments, the undistributed profit at the beginning of the period was affected by RMB0.00.

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

61. Operating revenue and operating costs

(1). Operating revenue and operating costs

Unit: Yuan Currency: RMB

Items	Amount for the current period		Amount for the previous period	
	Income	Cost	Income	Cost
Principal operations	8,390,707,143.34	5,489,490,604.89	6,576,906,155.77	4,684,710,153.79
Other operations	13,667,181.80	4,595,834.89	9,778,189.38	2,616,494.27
Total	8,404,374,325.14	5,494,086,439.78	6,586,684,345.15	4,687,326,648.06

(2). Income generated from contracts

Applicable Not Applicable

(3). Description on performance obligations

Applicable Not Applicable

(4). Description of apportionment to the remaining performance obligations

Applicable Not Applicable

Other explanations:

Nil

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

62. Taxes and surcharges

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Consumption tax		
Business tax		
City maintenance and construction tax	7,543,886.23	5,411,392.10
Education surcharges	8,440,077.94	5,765,322.56
Resources tax		
Property tax	1,703,736.34	1,695,454.36
Land use tax	6,120,758.64	2,017,253.34
Vehicle and vessel use tax		
Stamp duty	5,361,428.16	3,367,671.66
Others	874,279.71	226,039.03
Total	30,044,167.02	18,483,133.05

Other explanations:

Nil

63. Selling expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Wages	737,501.61	200,701.70
Advertising and promotion fees	309,326.52	146,511.77
Others	134,051.12	14,700.79
Total	1,180,879.25	361,914.26

Other explanations:

Nil

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

64. Administration expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Wages	148,884,006.51	104,339,088.63
Depreciation	13,891,857.20	12,557,342.36
Vehicle, transportation and travelling expenses	7,041,396.13	3,593,541.74
Amortization of intangible assets	12,155,610.56	11,550,590.28
Rental fees	7,318,021.64	6,051,702.64
Business entertainment fees	4,603,016.47	2,157,848.62
Office expenses	9,743,521.63	6,331,385.05
Audit and evaluation consulting expense	12,018,239.19	11,528,122.23
Repair cost	2,320,341.23	7,009,117.58
Amortization of long-term prepaid expense	3,794,822.50	2,708,922.67
Others	25,604,796.57	10,848,631.56
Total	247,375,629.63	178,676,293.36

Other explanations:

For the six months ended 30 June 2021, the remuneration of auditors of RMB4,246,460.59 was included in the above administration expenses.

65. R&D expense

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Labor costs	10,322,334.92	6,082,270.39
Outsourcing development fees	3,138,669.74	849,056.60
Others	2,989,999.49	417,085.57
Total	16,451,004.15	7,348,412.56

Other explanations:

Nil

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

66. Finance costs

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Interest expense	558,949,337.20	450,101,263.08
Interest income	-11,401,157.20	-9,128,320.62
Exchange gain and loss	386,094.97	81,836.54
Handling fees for financial institutions	591,012.42	677,737.56
Others	3,908,921.76	6,673,535.95
Total	552,434,209.15	448,406,052.51

Other explanations:

Nil

67. Other gains

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
VAT refund	70,036,205.77	33,129,096.33
Fiscal appropriation	2,226,679.23	1,773,721.40
Operating subsidy	476,190.47	
Others	210,003.10	1,298,408.37
Total	72,949,078.57	36,201,226.10

Other explanations:

Nil

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

68. Investment gains

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Long-term equity investment income accounted for under the equity method	132,631,426.33	104,104,494.00
Investment gain on disposal of long-term equity investment		
Investment gain of held-for-trading financial assets during the period of holding		
Dividend income from investment in other equity instruments during the period of holding	11,943,006.92	12,196,612.18
Interest income from debt investment in the period of holding		
Interest income from other debt investment in the period of holding		
Investment gain on disposal of held-for-trading financial assets		
Investment gain on disposal of investment in other equity instruments		
Investment gain on disposal of debt investment		
Investment gain on disposal of other debt investment		
The investment gain obtained during the holding period of the entrusted loan investment		253,944.02
Derecognition gains on financial assets measured at amortized cost		-62,600.00
Total	144,574,433.25	116,492,450.20

Other explanations:

Nil

69. Gain on net exposure hedging

Applicable Not Applicable

70. Gain on change in fair value

Applicable Not Applicable

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

71. Loss on credit impairment

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Loss on bad debts of notes receivable		
Loss on bad debts of accounts receivable	-11,036,197.56	29,803,878.51
Loss on bad debts of other receivables	2,634,315.70	-1,580,102.66
Impairment losses on debt investments		
Impairment losses on other debt investments		
Bad debt loss on long-term receivables		
Impairment losses on contract assets		
Total	-8,401,881.86	28,223,775.85

Other explanations:

Nil

72. Loss on asset gains

Applicable Not Applicable

73. Gain on disposal of assets

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Gain/(loss) on disposal of assets	-659.03	262,523.14
Total	-659.03	262,523.14

Other explanations:

Applicable Not Applicable

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

74. Non-operating income

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Total gains on disposal of non-current assets	778.76	120,251.91	778.76
Including: Gain on disposal of fixed assets	778.76	120,251.91	778.76
Gain on disposal of intangible assets			
Gains on debt restructuring			
Exchange gain on non-monetary assets			
Income from donations			
Government subsidy	5,155,200.00	512,177.53	5,155,200.00
Resale income of carbon emission allowances	94,885.72	722,859.27	94,885.72
Net gain from penalties	27,200.00	36,493.88	27,200.00
Unpayable amounts	67,014.21	59,227.88	67,014.21
Others	432,661.64	67,239.03	432,661.64
Total	5,777,740.33	1,518,249.50	5,777,740.33

Government subsidy included in the current profit or loss

Unit: Yuan Currency: RMB

Projects using subsidy	Amount for the current period	Amount for the previous period	Assets-related/ Revenue-related
VAT refund	70,036,205.77	34,167,770.55	Revenue related
Strategic Emerging Industry Fund	131,578.92	131,578.92	Assets related
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	40,000.02	40,000.02	Assets related
Operating subsidy	476,190.47		Revenue related
Project funded by the Department of Science and Technology	52,000.02	77,265.58	Assets related
Xingdong New District Rerouting Project	1,550,142.44	1,550,142.44	Assets related
Listing Incentive Funds	5,000,000.00		Revenue related
Others	818,160.93	746,646.12	Revenue related
Less: Governmental grants recognized in other revenues	-72,949,078.57	-36,201,226.10	
Governmental grants recognized in non-operating revenue	5,155,200.00	512,177.53	

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

74. Non-operating income (continued)

Government subsidy included in the current profit or loss (continued)

Other explanations:

Applicable Not Applicable

75. Non-operating expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Total losses on disposal of non-current assets	24,869.45	641,960.91	24,869.45
Including: Loss on disposal of fixed assets	24,869.45	641,960.91	24,869.45
Loss on disposal of intangible assets			
Loss on debt restructuring			
Exchange loss on non-monetary assets			
Donations	3,600.00		3,600.00
Expenses on compensation, and penalties	10,050.00	79,936.29	10,050.00
Other expenses	329,218.94	12,272.39	329,218.94
Total	367,738.39	734,169.59	367,738.39

Other explanations:

Nil

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

76. Income tax expenses

(1). Table of income tax expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Current income tax expense	306,199,331.81	221,211,520.25
Deferred income tax expense	539,410.27	10,171,394.30
Total	306,738,742.08	231,382,914.55

(2). Reconciliation of accounting profits and income tax

Unit: Yuan Currency: RMB

Items	Amount for the current period
Total profits	2,277,332,969.03
Income tax expense calculated at statutory/applicable tax rate	569,333,242.26
Impact of different tax rates applied to subsidiaries	-242,287,176.49
Impact of adjustment of income tax of previous periods	1,601,873.18
Impact of non-taxable income	-3,119,631.24
Impact of non-deductible costs, expenses and losses	450,445.78
Impact of utilising deductible loss of deferred tax assets unrecognized in previous periods	-5,237,383.32
Impact of deductible temporary difference or deductible loss of deferred tax assets unrecognised in current period	19,155,228.49
Income attributable to joint ventures and associates	-33,157,856.58
Income tax expenses	306,738,742.08

Other explanations:

Applicable Not Applicable

77. Other comprehensive income

For details, please refer to the related content of Note "VII. 57 Other Comprehensive Income".

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

78. Items in the cash flow statement

(1). Other cash receipts relating to operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Interest income	11,401,157.20	9,128,320.62
Government subsidy	7,513,440.48	1,810,123.64
Others	1,024,034.02	5,586,542.14
Total	19,938,631.70	16,524,986.40

Descriptions of other cash receipts relating to operating activities:

Nil

(2). Other cash payments relating to operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Vehicle, transportation and travelling expenses	7,041,396.13	4,036,764.23
Rental fees	7,318,021.64	4,921,752.61
Office expenses	9,743,521.63	6,259,827.15
Audit and evaluation consulting expense	12,018,239.19	8,173,573.20
Business entertainment fees	4,603,016.47	2,137,966.34
Handling fee	591,012.42	677,737.56
Repair cost	2,320,341.23	7,009,117.58
Fees paid for outsourced research	3,138,669.74	–
Others	17,993,791.92	17,113,077.04
Total	64,768,010.37	50,329,815.71

Descriptions of other cash payments relating to operating activities:

Nil

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

78. Items in the cash flow statement (continued)

(3). Other cash receipts relating to investment activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Cash with restricted use right	5,562,868.90	
Total	5,562,868.90	

Explanation on other cash receipts relating to investment activities:

Nil

(4). Other cash payments relating to investment activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Restricted Cash		14,737,651.47
Total		14,737,651.47

Description of other cash payments relating to investment activities:

Nil

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

78. Items in the cash flow statement (continued)

(5). Other cash receipts relating to financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Discounted notes receivable		168,717,900.11
Total		168,717,900.11

Description of other cash receipts relating to financing activities:

Nil

(6). Other cash payments relating to financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Business combination involving enterprises under common control		24,441,053.79
Cash outflows related to leasing	14,845,515.37	110,693,753.26
Others	600,423,192.78	4,350,000.00
Total	615,268,708.15	139,484,807.05

Description of other cash payments relating to financing activities:

Cash paid for the redemption of other equity instruments of RMB590 million are included in the amount for the current period under other items.

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

79. Supplementary information of the cash flow statement

(1). Supplementary information of the cash flow statement

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Net profit adjusted to cash flows of operating activities:		
Net profit	1,970,594,226.95	1,196,663,032.00
Add: Provision for impairment of assets		
Loss on credit impairment	8,401,881.86	-28,223,775.85
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	836,770,442.69	634,841,409.43
Amortization of right-of-use assets	70,055,083.84	55,616,608.09
Amortization of intangible assets	66,372,713.58	62,947,624.31
Depreciation of investment properties	552,584.22	552,584.22
Amortization of long-term deferred expenses	5,035,798.98	3,707,906.65
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	659.03	-262,523.14
Losses from scrapping of fixed assets ("-" for gains)	24,090.69	521,709.00
Losses from changes in fair value ("-" for gains)		
Finance expenses ("-" for gains)	562,784,423.75	450,101,263.08
Investment losses ("-" for gains)	-144,574,433.25	-116,492,450.20
Decrease in deferred income tax assets ("-" for increase)	-915,927.13	9,610,484.81
Increase in deferred income tax liabilities ("-" for decrease)	1,455,337.40	560,909.49
Decrease in inventories ("-" for increase)	-3,079,375.59	7,590,730.43
Decrease in operating receivables ("-" for increase)	-875,023,219.00	-731,710,835.30
Increase in operating payables ("-" for decrease)	-233,735,219.49	-319,387,746.86
Others		
Net cash flows from operating activities	2,264,719,068.53	1,226,636,930.16
2. Significant investing and financing activities that do not involve cash receipts and payment:		
The transfer of bank acceptance bills by endorsement	202,568,446.62	526,046,649.51
Right-of-use assets acquired by committing lease liabilities	48,288,409.97	
Conversion of debts into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	3,026,594,929.09	2,724,180,451.55
Less: Opening balance of cash	1,863,441,446.73	2,334,208,228.57
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	1,163,153,482.36	389,972,222.98

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

79. Supplementary information of the cash flow statement (continued)

(2). Net cash paid for acquisition of subsidiaries in the current period

Unit: Yuan Currency: RMB

	Amount
Payment of cash and cash equivalent for business combination completed in the period	19,800,000.00
Including: Xingtai Tianhongxiang Gas Co., Ltd.	19,800,000.00
Less: Cash and cash equivalent held by the Company on date of purchase	641,789.75
Including: bank deposit	641,789.75
Add: Payment of cash and cash equivalent in the period for business combination completed in previous period	
Cash payment for the acquisition of the subsidiary	19,158,210.25

Other explanations:

Nil

(3). Net cash received from disposal of subsidiaries in the current period

Applicable Not Applicable

(4). Cash and cash equivalents composition

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	3,026,594,929.09	1,863,441,446.73
Including: Cash on hand	13,966.50	
Bank deposit that can be used for payment at any time	3,026,580,962.59	1,863,441,446.73
Other monetary fund that can be used for payment at any time		
Central bank deposits that can be used for payment		
Deposits in other banks		
Call loans to banks		
II. Cash equivalents		
Including: bond investments due within 3 months		
III. Balance of cash and cash equivalents at the end of the period	3,026,594,929.09	1,863,441,446.73
Including: restricted cash and cash equivalents used by the parent company and the subsidiaries of the Group		

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

79. Supplementary information of the cash flow statement (continued)

(4). Cash and cash equivalents composition (continued)

Other explanations:

Applicable Not Applicable

80. Notes to the statement of changes in owners' equity

The explanation for matters such as the item name of "Others" and amount adjustment for adjusting the balance at the end of the previous year:

Applicable Not Applicable

81. The assets whose ownership or right-of-use is restricted

Unit: Yuan Currency: RMB

Items	Book value at the end of period	Reasons
Cash	29,488,470.50	Land reclamation deposit, guarantee deposit, etc
Notes receivable		
Inventory		
Fixed assets	291,334,533.30	Financing collateral
Intangible assets	3,310,438.10	Financing collateral
Receivables financing	3,000,000.00	Financing pledges
Accounts receivable	4,060,132,890.64	Financing pledges
Total	4,387,266,332.54	/

Other explanations:

Nil

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

82. Monetary item in foreign currency

(1). Monetary item in foreign currency

Unit: Yuan

Items	Balance of foreign currency at the end of the period	Exchange rate	Balance of RMB converted at the end of the period
Cash	-	-	5,478,652.72
Including: USD			
EURO			
HKD	6,584,127.77	0.8321	5,478,652.72
Accounts receivable	-	-	
Including: USD			
EURO			
HKD			
Other receivables	-	-	124,301.29
Including: USD			
EURO			
HKD	149,382.63	0.8321	124,301.29
Accounts payables	-	-	79,107.75
Including: USD			
EURO			
HKD	95,070.00	0.8321	79,107.75
Other payables	-	-	12,429,114.56
Including: USD			
EURO			
HKD	14,937,044.30	0.8321	12,429,114.56
Long-term loans	-	-	28,372,660.00
Including: USD			
EURO			
HKD	34,097,656.53	0.8321	28,372,660.00

Other explanations:

Nil

(2). Descriptions of foreign business entity (including those that are considered important) should include disclosure of: the overseas principal place of business of the foreign business entity; the reporting currency and the basis for using that currency; the reason(s) for the change of reporting currency

Applicable Not Applicable

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

83. Hedging

Applicable Not Applicable

84. Government subsidy

(1). information about government subsidies

Unit: Yuan Currency: RMB

Category	Amount	Item presented	Amount included in the current profit or loss
VAT refund	70,036,205.77	Other gains	70,036,205.77
Fiscal appropriation	2,226,679.23	Other gains	2,226,679.23
Operating subsidy	476,190.47	Other gains	476,190.47
Others	210,003.10	Other gains	210,003.10
Non recurring government grants	5,155,200.00	Non operating income	5,155,200.00

(2). Refund of government subsidies

Applicable Not Applicable

Other explanations:

Nil

85. Others

Applicable Not Applicable

VIII. CHANGES IN CONSOLIDATION SCOPE

1. Business combination under different control

(1). Business combinations under the common control that occurred in the current period

Unit: Yuan Currency: RMB

Name of acquiree	Time of acquisition of equity interests	Consideration of acquisition of equity interests	Percentage of equity interests acquired (%)	Method of acquisition of equity interests	Date of Acquisition	Basis for determining the date of acquisition	Income of the acquiree from the date of acquisition to the end of the period	Net profit of the acquiree from the date of acquisition to the end of the period
Xingtai Tianhongxiang Gas Co., Ltd. (那臺天宏祥燃氣有限公司)	2021.3.31	19,800,000.00	67	Acquired with cash	2021.3.31	Transfer of control	5,314,396.41	-1,397,492.13

Other explanations:

Nil

(2). Cost of combination and goodwill

Unit: Yuan Currency: RMB

	Xingtai Tianhongxiang Gas Co., Ltd.
Cost of combination	
- Cash	19,800,000.00
- Fair value of non-cash assets	
- Fair value of the issued or assumed debts	
- Fair value of the issued equity securities	
- Fair value of contingent consideration	
- Fair value on the date of acquisition for equity interests held prior to the date of acquisition	
- Others	
Total cost of combination	19,800,000.00
Less: fair value of identifiable net assets acquired	573,441.37
Minority interests	189,235.65
Goodwill/cost of combination fell short from fair value of identifiable net assets acquired	19,415,794.28

VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

1. Business combination under different control (continued)

(2). Cost of combination and goodwill (continued)

Explanation on determination of fair value of cost of combination, contingent consideration and its changes:

Nil

Major reason for a huge amount of goodwill:

Based on the strategic significance of the Company's future expansion in the Xingtai gas market, taking into account the relatively large number of potential users and the greater potential for future development, the acquisition price was higher than the share of the acquired enterprise based on the fair value of its net assets.

Other Explanation:

Nil

(3). Identifiable assets and liabilities of the acquiree on the purchase date

Unit: Yuan Currency:RMB

	Xingtai Tianhongxiang Gas Co., Ltd.	
	Fair value at the acquisition date	Carrying value at the acquisition date
Assets:	88,808,864.87	75,589,855.94
Cash	641,789.75	641,789.75
Receivables	3,007,999.76	3,007,999.76
Inventories	1,169,980.56	1,064,451.45
Fixed assets	51,533,390.48	47,222,105.89
Prepayments	3,508,770.38	3,508,770.38
Construction in progress	6,394,873.60	6,394,873.60
Intangible assets	11,146,044.30	2,343,849.07
Long-term prepaid expenses	1,356,132.45	1,356,132.45
Other receivables	6,903,792.86	6,903,792.86
Other current assets	3,146,090.73	3,146,090.73
Liabilities:	88,235,423.50	88,235,423.50
Borrowings		
Payables	27,205,511.53	27,205,511.53
Other payables	30,935,651.10	30,935,651.10
Deferred income tax liabilities		
Non-current liabilities due within one year	30,094,260.87	30,094,260.87
Net assets	573,441.37	-12,645,567.56
Less: Minority interests	189,235.65	-4,173,037.29
Net assets acquired	384,205.72	-8,472,530.27

VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

1. Business combination under different control (continued)

(3). Identifiable assets and liabilities of the acquiree on the purchase date (continued)

Determination of the fair value of identifiable assets and liabilities:

It was provisionally determined on the basis of the audited data as at 31 March 2021 delivered by the acquiree, the provisional value of the concession valuation as at 31 March 2021 and the appraisal of value-added by the acquiree's base method valuation as at 31 May 2020.

Contingent liabilities of the merged party assumed in business combination:

Nil

Other explanations:

Nil

(4). Gains or losses from re-measurement of the fair value of equity held before the acquisition date

Whether there was transaction achieving business combination through several transactions that acquired control during the reporting period

Applicable Not Applicable

(5). The combination consideration or fair value of identifiable assets and liabilities of the acquiree on the acquisition date or at the end of the combination period which could not be reasonably determined

Applicable Not Applicable

(6). Other explanations:

Applicable Not Applicable

2. Business combination under common control

Applicable Not Applicable

VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

3. Counter purchase

Applicable Not Applicable

4. Disposal of subsidiaries

Whether there is a single disposal of investments in subsidiaries and loss of control

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

5. Changes in the scope of consolidation due to other reasons

Explain the changes in the scope of consolidation due to other reasons (e.g. newly established subsidiaries and clearing of subsidiaries, etc.) and the related conditions:

1. On 16 April 2021, HECIC Huineng New Energy Co., Ltd was established with a registered capital of RMB280 million and registered office in Shijiazhuang City, Hebei Province, its business nature is wind power generation; installation, operation and management, maintenance and sales of electricity and natural gas equipment, and with a shareholding of 100.00%.
2. On 15 March 2021, the Company's subsidiary, Hebei Jiran LNG Co., Ltd. (河北冀燃液化天然氣有限公司), completed the industrial and commercial deregistration.
3. On 10 May 2021, the Company's subsidiary, Suizhong Suntien Liaohe Gas Co., Ltd. (綏中新天遼河燃氣有限公司), completed the industrial and commercial deregistration.

6. Others

Applicable Not Applicable

IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1). Composition of the Group

✓ Applicable □ Not Applicable

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Hebei Jointo Energy Investment Co., Ltd. (河北建投新能源有限公司)	PRC	Shijiazhuang City	Wind power generation, wind farm investment and service consulting	509,730.00	100	-	Merger under the same control
Hebei Natural Gas Co., Ltd. (河北省天然氣有限責任公司)	PRC	Shijiazhuang City	Sale of natural gas and appliances, as well as connection and construction of natural gas pipelines	168,000.00	55	-	Merger under the same control
Suntien Green Energy (Fengning) Co., Ltd. (新天綠色能源(豐寧)有限公司)	PRC	Chengde City	Wind power generation,	18,869.57	92	-	Establishment by investment
Jianshui Suntien Wind Energy Co., Ltd. (建水新天風能有限公司)	PRC	Honghe County	Wind power generation,	33,300.00	49	51	Establishment by investment
Heliogjiang Suntien Hadian New Energy Investment Co., Ltd. (黑龍江新天崑崙新能源投資有限公司)	PRC	Harbin City	Wind power generation,	21,660.00	99.08	-	Establishment by investment
Suntien Green Energy (Hong Kong) Co., Ltd. (新天綠色能源(香港)有限公司)	Hong Kong	Tsim Sha Tsui, Kowloon, Hong Kong	Project investment and investment management	10,629.67	100	-	Establishment by investment
Suntien Green Energy Investment (Beijing) Co., Ltd. (新天綠色能源投資(北京)有限公司)	PRC	Beijing City	Project investment and investment management	6,000.00	100	-	Establishment by investment
Ruoqiang Suntien Green Energy Co., Ltd. (若羌新天綠色能源有限公司)	PRC	Ruoqiang County	Wind power generation,	14,810.00	100	-	Establishment by investment
Xingyang Suntien Wind Energy Co., Ltd. (滎陽新天風能有限公司)	PRC	Xingyang City	Wind power generation,	9,000.00	100	-	Establishment by investment
Weihui Suntien Green Energy Co., Ltd. (滎陽新天綠色能源有限公司)	PRC	Weihui City	Wind and solar power generators technology consulting	8,400.00	100	-	Establishment by investment
Wulian County Suntien Wind Energy Co., Ltd. (五蓮縣新天風能有限公司)	PRC	Rizhao City	Wind power generation	900.00	100	-	Establishment by investment
Junan Suntien Wind Energy Co., Ltd. (莒南新天風能有限公司)	PRC	Junan County	Wind power generation	10,300.00	100	-	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Shenzhen Suntien Green Energy Investment Co., Ltd. (深圳新天綠色能源投資有限公司)	PRC	Shenzhen City	Project investment and investment management	27,000.00	100	-	Establishment by investment
Hebei Fengning CIC New Energy Co., Ltd. (河北豐寧建設新能源有限公司)	PRC	Fengning Manchu Autonomous County	Wind power generation	84,783.00	100	-	Establishment by investment
Suntien Liquefied Natural Gas Share Co., Ltd. (新天液化天然氣沙河有限公司)	PRC	Xingtai City	Sale of natural gas and appliances, as well as connection and construction of natural gas pipelines	5,000.00	70	-	Establishment by investment
Suntien Hebei Solar Energy Development Co., Ltd. (新天河北太陽能開發有限公司)	PRC	Shijiazhuang City	Investment and sale of solar energy appliances and service consultancy	10,000.00	69	-	Establishment by investment
Guangxi Suntien Green Energy Co., Ltd. (廣西新天綠色能源有限公司)	PRC	Nanning City	Wind power generation	8,450.00	100	-	Establishment by investment
Tongdao Suntien Green Energy Co., Ltd. (遼道新天綠色能源有限公司)	PRC	Tongdao Dong Autonomous County	Wind power and solar energy generation, relevant technical consultation	8,000.00	100	-	Establishment by investment
Chaoyang Suntien New Energy Co., Ltd. (朝陽新天新能源有限公司)	PRC	Chaoyang City	Solar energy generation	3,200.00	100	-	Establishment by investment
HECIC New-energy (Tangshan) Co., Ltd. (建設新能源(唐山)有限公司)	PRC	Tangshan City	Wind and solar power generation	8,600.00	100	-	Establishment by investment
Fuliang Zhongling Suntien Green Energy Co., Ltd. (浮梁中嶺新天綠色能源有限公司)	PRC	Jingdezhen City	Operation and management of wind power plants, water power, wind power and solar power generation, relevant technical consultation	16,000.00	100	-	Establishment by investment
Suntien Green Energy Xuyi Co., Ltd. (新天綠色能源許怡有限公司)	PRC	Huai'an City	Wind power and solar energy generation, relevant technical consultation	23,400.00	0	100	Establishment by investment
Suntien Hebei Electricity Sales Co., Ltd. (新天河北電力銷售有限公司)	PRC	Shijiazhuang City	Electricity sales and electric power transmission and distribution engineering construction and electric power technology consulting	21,000.00	100	-	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Tangshan Suntien New Energy Co., Ltd. (唐山新天新能源有限公司)	PRC	Tangshan City	Solar energy generation; solar, wind, photoelectric integration, energy materials and photovoltaic luminaires new technology development and consulting	1,500.00	-	100	Establishment by investment
Fangchenggang Suntien Green Energy Co., Ltd. (防城港新天綠色能源有限公司)	PRC	Fangchenggang City	Wind power and solar energy generation, relevant technical consultation	9,030.00	100	-	Establishment by investment
Fuping Jixin Suntien Green Energy Co., Ltd. (富平冀新綠色能源有限公司)	PRC	Weinan City	Wind power generation project development, operation and management and wind measurement equipment sales	16,000.00	100	-	Establishment by investment
HECIC Zhangjiakou Wind Energy Co., Ltd. (河北建投張家口風能有限公司)	PRC	Kangbao County	Wind power generation	67,775.00	-	100	Establishment by investment
HECIC Zhongxing Wind Energy Co., Ltd. (河北建投中興風能有限公司)	PRC	Haixing County	Wind power generation	16,300.00	-	70	Establishment by investment
HECIC Weizhou Wind Energy Co., Ltd. (河北建投蔚州風能有限公司)	PRC	Yu County	Wind power generation	36,400.00	-	55.92	Establishment by investment
HECIC Longyuan Chongji Wind Energy Co., Ltd. (河北建投龍源崇吉風能有限公司)	PRC	Chongji District	Wind power generation	9,500.00	-	50	Establishment by investment
Chongji CIC Huashi Wind Energy Co., Ltd. (崇吉建投華實風能有限公司)	PRC	Chongji District	Wind power generation	17,860.00	-	51	Establishment by investment
Lingqiu CIC Hengquan Wind Energy Co., Ltd. (靈丘建投衡冠風能有限公司)	PRC	Lingqiu County	Wind power generation	33,850.00	-	55	Establishment by investment
HECIC Yanshan (Guyuan) Wind Power Co., Ltd. (河北建投燕山(涇源)風能有限公司)	PRC	Guyuan County	Wind power generation	83,977.55	-	94.43	Establishment by investment
Zhangbei Huashi CIC Wind Energy Co., Ltd. (張北華實建投風能有限公司)	PRC	Zhangbei County	Wind power generation	8,000.00	-	49	Establishment by investment
Hebei Suntien Kechuang New Energy Technology Co., Ltd. (河北新天科創新能源技術有限公司)	PRC	Xuanhua District	Provision of maintenance and consulting services for wind farms and other new energy	10,860.00	-	100	Establishment by investment
Chengde Yuyuan Wind Energy Co., Ltd. (承德藥源風能有限公司)	PRC	Chengde City	Wind power generation	17,000.00	-	60	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Horqin Right Front Banner Suntien Wind Energy Co., Ltd. (科右前旗新天風能有限公司)	PRC	Horqin Right Front Banner	Wind power generation	21,300.00	-	100	Establishment by investment
Laiyuan Suntien Wind Energy Co., Ltd. (沐源新天風能有限公司)	PRC	Laiyuan County	Wind and solar power generation	20,460.00	-	100	Establishment by investment
Wei County Suntien Wind Energy Co., Ltd. (蔚縣新天風能有限公司)	PRC	Yu County	Wind power generation	71,400.00	-	100	Establishment by investment
Wuchuan County Mengtian Wind Energy Co., Ltd. (武川縣蒙天風能有限公司)	PRC	Wuchuan County	Wind power generation	15,000.00	-	100	Establishment by investment
Shangyi Suntien Wind Energy Co., Ltd. (尚義新天風能有限公司)	PRC	Shangyi County	Wind power generation	23,213.00	-	100	Establishment by investment
Zhangbei Suntien Wind Energy Co., Ltd. (張北新天風能有限公司)	PRC	Zhangbei County	Wind power generation	22,000.00	-	51	Establishment by investment
Changli Suntien Wind Energy Co., Ltd. (昌黎新天風能有限公司)	PRC	Changli County	Wind power generation	29,800.00	-	100	Establishment by investment
Guyuan Suntien Wind Energy Co., Ltd. (沽源新天風能有限公司)	PRC	Guyuan County	Wind power generation	200.00	-	100	Establishment by investment
Suntien Green Energy Weichang Co., Ltd. (新天綠色能源豐寧有限公司)	PRC	Weichang Manchu and Mongolian Autonomous County	Wind power generation	73,600.00	-	97.28	Establishment by investment
Chongli Suntien Wind Energy Co., Ltd. (崇禮新天風能有限公司)	PRC	Chongli County	Wind power generation	35,000.00	-	100	Establishment by investment
Datong Yunzhou District Suntien Wind Energy Co., Ltd. (大同市雲州區新天風能有限公司)	PRC	Yunzhou District	Wind power generation	400.00	-	100	Establishment by investment
Chengde Yujing New Energy Co., Ltd. (承德樂景新能源有限公司)	PRC	Weichang Manchu and Mongolian Autonomous County	Wind power generation	31,000.00	-	60	Establishment by investment
Taigu Suntien Wind Energy Co., Ltd. (太谷新天風能有限公司)	PRC	Taigu County	Wind power generation	900.00	-	100	Establishment by investment
Chengde Yufeng Wind Energy Co., Ltd. (承德樂楓風能有限公司)	PRC	Weichang Manchu and Mongolian Autonomous County	Wind power generation	8,500.00	-	60	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Anze Suntien Wind Energy Co., Ltd. (安澤新天風能有限公司)	PRC	Lintin City	Wind power generation, power transmission and distribution	390.00	-	100	Establishment by investment
Gu County CIC Wind Energy Co., Ltd. (古縣建投風能有限公司)	PRC	Gu County	Wind power generation, power transmission and distribution	560.00	-	100	Establishment by investment
HECIC Offshore Wind Power Co., Ltd. (河北建投海上風電有限公司)	PRC	Leiting County	Wind power generation	111,111.00	51.1	-	Establishment by investment
Taljai Suntien Green Energy Co., Ltd. (泰來新天綠色能源有限公司)	PRC	Taljai County	Wind power generation	6,000.00	-	100	Establishment by investment
Hejing Suntien Green Energy Co., Ltd. (和靜新天綠色能源有限公司)	PRC	Hejing County	Wind and solar power generation	3,200.00	-	100	Establishment by investment
Lulong Liuyin Photovoltaic Power Co., Ltd.* (盧龍六音光伏電力有限公司)	PRC	Qinhuangdao City	Investment and sale of solar equipment and service consulting	3,000.00	-	100	Establishment by investment
Zhangjiakou Fuchen Photovoltaic Power Co., Ltd. (張家口富辰光伏發電有限公司)	PRC	Zhangjiakou City	Photovoltaic power generation project development, design, construction and management services	100.00	-	100	Establishment by investment
Shijiazhuang CIC Natural Gas Co., Ltd. (石家莊建投天然氣有限公司)	PRC	Shijiazhuang City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	5,710.00	-	100	Establishment by investment
Zhao County Anda Gas Co., Ltd. (趙縣安達燃氣有限公司)	PRC	Zhao County	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	500.00	-	100	Establishment by investment
Hebei Zhaodu Natural Gas Co., Ltd. (河北趙都天然氣有限責任公司)	PRC	Handan	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	2,000.00	-	52.5	Establishment by investment
Hanqian Langtuo Natural Gas Sale Co., Ltd. (邯鄲市朗拓天然氣銷售有限公司)	PRC	Handan	Sale of natural gas appliances	400.00	-	100	Establishment by investment
Chengde City CIC Natural Gas Co., Ltd. (承德市建投天然氣有限責任公司)	PRC	Chengde City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	21,000.00	-	90	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Ningjin County CIC Natural Gas Co., Ltd. (寧晉縣建投天然氣有限責任公司)	PRC	Ningjin County	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	3,000.00	-	51	Establishment by investment
Shijiazhuang Huabao Nature Gas Co., Ltd. (石家莊華博天然氣有限公司)	PRC	Shijiazhuang City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	4,500.00	-	55	Establishment by investment
Shijiazhuang Jiran Pipeline Engineering Co., Ltd. (石家莊冀燃管道工程有限公司)	PRC	Shijiazhuang City	Connection and construction of natural gas pipelines	6,375.00	-	60	Establishment by investment
Xingtai Jiran Natural Gas Co., Ltd. (邢臺冀燃天然氣有限公司)	PRC	Xingtai City	Construction and management of liquefied natural gas projects within Xingtai, liquefied natural gas sales (operated only by branches), urban gas sales; pipeline and equipment installation; wholesale and retail of gas appliances; natural gas engineering technical consulting services	2,000.00	-	55	Establishment by investment
Baoding CIC Natural Gas Co., Ltd. (保定建投天然氣有限公司)	PRC	Baoding City	Natural gas project investment, development and construction, and sale of gas appliances	2,000.00	-	100	Establishment by investment
Li County CIC Natural Gas Co., Ltd. (藁縣建投天然氣有限公司)	PRC	Li County	Connection and construction of gas pipelines	1,000.00	-	60	Establishment by investment
Hebei Jiran LNG Co., Ltd. (河北冀燃液化天然氣有限公司)	PRC	Shijiazhuang City	Natural gas project preparation and sale of gas appliances	5,000.00	-	55	Establishment by investment
Qinghe County CIC Natural Gas Co., Ltd. (清河縣建投天然氣有限公司)	PRC	Qinghe County	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	2,387.25	-	80	Establishment by investment
Julu County CIC Wind Energy Co., Ltd. (巨鹿縣建投風能有限公司)	PRC	Julu County	Wind power generation	7,500.00	-	100	Establishment by investment
Caofadidian Sunntien Liquefied Natural Gas Co., Ltd. (曹妃甸新天液化天然氣有限公司)	PRC	Caofadidian	Construction of LNG receiving station and pipeline supply projects	135,000.00	51	-	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Rulian City Xinyun New Energy Co., Ltd. (瑞安市新運新能源有限公司)	PRC	Rulian	Wind, water, solar power station investment, construction, operation and management; natural gas project investment and development; wind power generation equipment sales; power supply services; new energy and clean energy consulting services	500.00	70	-	Establishment by investment
Suntien Green Energy Lianyungang Co., Ltd. (新天綠色能源連雲港有限公司)	PRC	Lianyungang City	Wind power generation, solar energy generation project development, construction, operation and management; new energy technology consulting, technical services and technology transfer	19,730.09	75	25	Establishment by investment
HECIC Offshore Wind Power Sheyang Co., Ltd. (河北建投海上風電射陽有限公司)	PRC	Sheyang County	Wind power generation project, photovoltaic power generation project facility construction; wind power generation technical consulting and technical services	2,000.00	-	60	Establishment by investment
Harbin Ruifeng New Energy Co., Ltd. (哈爾濱瑞風新能源有限公司)	PRC	Shuangcheng City	Wind power generation, solar energy generation; new energy technology development, consulting, exchange, transfer, and promotion services	18,000.00	-	80	Establishment by investment
Hebei Natural Gas Company Ltd. (河北燃氣有限公司)	PRC	Shijiazhuang City	Sale of urban gas; sale of gas appliances and accessories; pipelines, pipes and accessories; installation and maintenance of gas appliances; power supply and heat supply; energy-saving technology, new energy technology development, technical consulting, technology promotion services; municipal engineering design, construction; self-operating and proxy import and export of various commodities and technologies	10,000.00	55	-	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Suntien Green Energy (Shanghai) Co., Ltd. (新天綠色能源(上海)有限公司)	PRC	Shanghai County	Investment in wind power, solar energy, natural gas, and new energy projects; the development of new energy projects and related technical consulting, technical services, and technology development	500.00	100	-	Establishment by investment
Tibet Suntien Green Energy Co., Ltd. (西藏新天綠色能源有限公司)	PRC	Gongga County	Development, construction, operation, management of wind, solar, water and geothermal and other renewable energy projects, and sale of electricity produced thereby, new energy and clean energy technology development, technical services, and technical consulting	1,000.00	100	-	Establishment by investment
HECIC New-energy Supply Chain Management Co., Ltd.	PRC	Tangshan City	Project preparation and supply chain management services; new energy technology promotion services; import and export of goods; import and export of technology; gas operations	10,000.00	100	-	Establishment by investment
S&T International Natural Gas Trading Company Limited (新港國際天然氣貿易有限公司)	Hong Kong	Hong Kong Special Administrative Region	LNG trading and related businesses	1,000.00	-	51	Establishment by investment
HECIC Huimeng New Energy Co., Ltd.	PRC	Shijiazhuang	Wind power generation; installation, operation and management, maintenance and sales of electricity and natural gas equipment	28,000.00	100	-	Establishment by investment
Yunnan Pushi Natural Gas Co., Ltd. (雲南普適天然氣有限公司)	PRC	Kunming City	Research and development of natural gas, investment and technical development	3,333.33	70	-	Merger not under the same control
Huludao Liaohu Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司)	PRC	Huludao City	R&D design and consulting	2,040.82	51	-	Merger not under the same control
Suizhong Suntien Liaohe Gas Co., Ltd. (綏中 新天遼河燃氣有限公司)	PRC	Suizhong County	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	1,000.00	-	100	Merger not under the same control
Huludao Liaohe Gas Transport Co., Ltd. (葫蘆島遼河燃氣運輸有限公司)	PRC	Huludao City	Logistics, loading and unloading, transportation services	1,000.00	-	100	Merger not under the same control
Raoyang County CIC Natural Gas Co., Ltd. (濮陽縣建技天然氣有限公司)	PRC	Raoyang County	Sales and natural gas and gas appliances	1,000.00	-	60	Merger not under the same control

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Linxi County Xineng Natural Gas Engineering Co., Ltd. (臨西縣新能天然氣工程有限公司)	PRC	Linxi County	Pipeline gas (natural gas), gas vehicle refueling station (compressed natural gas), gas vehicle refueling mother station (compressed natural gas) operation; natural gas project management services, gas stove equipment sales, maintenance and services	4,000.00	-	60	Merger not under the same control
Anguo Huagang Gas Co., Ltd. (安國市華港燃氣有限公司)	PRC	Anguo City	Sale of natural gas to gas vehicles and appliances	2,000.00	-	51	Merger not under the same control
Pingshan County Hujian Gas Co., Ltd. (平山縣華建燃氣有限公司)	PRC	Pingshan County	Sale of natural gas to gas vehicles	615.00	-	100	Merger not under the same control
Jinzhou CIC Gas Co., Ltd. (晉州市建投燃氣有限公司)	PRC	Jinzhou City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	1,815.99	-	100	Merger not under the same control
Shenzhou CIC Gas Co., Ltd. (深州市建投燃氣有限公司)	PRC	Shenzhou City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	1,175.81	-	100	Merger not under the same control
Xinji CIC Gas Co., Ltd. (辛集市建投燃氣有限公司)	PRC	Xinji City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	1,500.00	-	100	Merger not under the same control
Hengshui CIC Natural Gas Co., Ltd. (衡水市建投天然氣有限公司)	PRC	Hengshui City	Investment in the construction of urban pipeline natural gas, liquefied natural gas, and compressed natural gas engineering projects; pipeline gas sales; wholesale and retail of gas appliances; installation and maintenance of gas burning appliances; municipal gas engineering design and general contracting of municipal public works	2,000.00	-	51	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Zhangbei CIC Huashi Wind Energy Co., Ltd. (張北建投華實風能有限公司)	PRC	Zhangbei County	Wind power generation	9,000.00	-	51	Merger not under the same control
International Wind Farm Development V Limited (國際風電開發五有限公司)	Hong Kong	Hong Kong Special Administrative Region	Wind farm investment, construction and operation	365,8423	90	-	Merger not under the same control
Tai'an Sanglin Wind Power Generation Co., Ltd. (台安桑林風力發電有限公司)	PRC	Tai'an County	Wind power generation project development, construction, operation and maintenance, wind power generation technical consulting and service, wind power generation equipment manufacturing and sales	12,644.00	-	100	Merger not under the same control
Hebei Jiannong Photovoltaic Technology Co., Ltd. (河 北建農光伏科技有限公司)	PRC	Xingtai City	Photovoltaic technology R&D, construction, and operation; photovoltaic power station system operation and maintenance; solar energy generation and power supply.	5,000.00	90	-	Merger not under the same control

Note: The registered capital of S&T International Natural Gas Trading Company Limited and International Wind Farm Development V Limited are presented in Hong Kong dollars.

Explanation of the difference between the proportion of shareholding in subsidiaries and the percentage of voting rights:

Nil

Judgement base of having 50% voting right but controlling the invested unit as well as having more than 50% voting right but not controlling the invested unit:

- HECIC New Energy Co., Ltd. ("HECIC New Energy"), a subsidiary of the Company and Beijing Tenglong Xinda Technology Co., Ltd. (48% shareholding) and Langfang Longxin Power Automation Control Technology Co., Ltd. (3% shareholding), two other shareholders of its subsidiary, Zhangbei Huashi CIC Wind Energy Co., Ltd. ("Zhangbei Huashi"), have entered into a concert party agreement, which provides that HECIC New Energy to make decisions on material operational matters of Zhangbei Huashi and HECIC New Energy to have the control over Zhangbei Huashi.
- HECIC New Energy, a subsidiary of the Company and China Longyuan Power Group Corporation Limited* (龍源電力集團股份有限公司) (50% shareholding), a shareholder of its subsidiary, Hebei Jiantou Longyuan Chongli Wind Energy Co., Ltd. ("Longyuan Chongli"), have entered into a concert party agreement, which provides that HECIC New Energy to make decisions on material operational matters of Longyuan Chongli and HECIC New Energy to have the control over Longyuan Chongli.

Basis of controlling significant structuring subject in the combination range:

Nil

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Basis of determining whether the Company is a contracting-out party or client:

Not applicable

Other explanations:

N/A

(2). Significant non-wholly-owned subsidiaries

Unit: Yuan Currency: RMB

Name of subsidiaries	Minority shareholders' shareholding proportion	Profits and loss attributable to the minority shareholders in the current period	The dividends declared to distribute to the minority shareholders in the current period	Ending book value of minority interests
Hebei Natural Gas Company Limited	45	19,049.12		156,993.95

Explanation of the difference between the proportion of minority shareholders' shareholding in subsidiaries and the percentage of voting rights:

Applicable Not Applicable

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(2). Significant non-wholly-owned subsidiaries (continued)

Other explanations:

Applicable Not Applicable

(3). Main financial information for significant non-wholly-owned subsidiaries

Unit: RMB'0,000 Currency: RMB

Name of subsidiaries	Closing balance		Non-current liabilities		Total liabilities		Opening balance		Non-current liabilities		Total liabilities	
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total assets	Current liabilities	Non-current liabilities	Total assets	Current liabilities		
Hebei Natural Gas Company Limited	140,517.49	762,307.56	902,825.05	209,787.45	329,879.91	539,667.26	150,939.92	684,626.57	835,566.49	284,885.72	229,987.18	514,652.96

Name of subsidiaries	In the current period			In the previous period		
	Operating revenue	Net profit	Total comprehensive income	Operating revenue	Net profit	Total comprehensive income
Hebei Natural Gas Company Limited	503,127.22	42,650.23	42,650.23	433,759.56	35,270.61	35,270.61
			-34,834.77			6,407.96

Other explanations:

Nil

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(4). Significant restrictions for using the Company's assets and settling the Company's liabilities:

Applicable Not Applicable

(5). Financial support or other support provided to structuring subject in the range of combined financial statements:

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

2. Transactions for which the share of owners' equity in subsidiary changes while control over the subsidiary remaining unchanged

(1). Explanation of change in the share of owners' equity in subsidiary

In September 2020, the Company disposed of partial investment in Zhangbei Suntien (that is, 49% of Zhangbei Suntien shares), without losing the control over Zhangbei Suntien, in consideration of RMB 55,010,100.00. This transaction increased the minority interests in the consolidated financial statements by RMB 47,775,000.00, and the capital reserve by RMB7,235,100.00.

(2). The influence of the transaction on minority equity and owners' equity attributable to the parent company

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates

(1). Significant joint ventures or associates

Unit: Yuan Currency: RMB

Joint ventures or associates	Operating place	Registered place	Business nature	Shareholding percentage (%)		Accounting method for investment in joint ventures or associates
				Direct	Indirect	
Hebei Suntien Guohua Gas Co., Ltd. (河北新天國化燃氣有限責任公司)	Handan City	Handan City	Natural gas pipeline construction	50.00	-	Equity method
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司)	Chengde City	Chengde City	Solar, wind power generation	49.00	-	Equity method
Chengde Shuanglun District CIC LNG Co., Ltd. (承德市雙輪區建設液化天然氣有限責任公司)	Chengde City	Chengde City	Natural gas pipeline construction	-	41.00	Equity method
PetroChina Jingtang LNG Co., Ltd.	Tangshan City	Tangshan City	Natural gas storage and production	-	20.00	Equity method
Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd.	Chengde City	Chengde City	Wind power generation	-	50.00	Equity method
Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.	Chengde City	Chengde City	Wind power generation	-	45.00	Equity method
Hebei Jinjianjia Natural Gas Co., Ltd.	Gangzhou City	Gangzhou City	Storage and gasification of clean energy	30.00	-	Equity method
Hebei Fengning Pumped Storage Co., Ltd.	Chengde City	Chengde City	Pumped storage	20.00	-	Equity method
Huihai Financing and Leasing Co., Ltd.	Shenzhen City	Shenzhen City	Lease, purchase, and maintain leased property	-	30.00	Equity method
National Pipeline Group North China Natural Gas Pipeline Co., Ltd.	Tianjin City	Tianjin City	Natural gas pipeline construction, operation and transportation	-	34.00	Equity method
Hengshui Honghua Gas Co., Ltd. (衡水華然燃氣有限公司)	Hengshui City	Hengshui City	Investment, construction and development management of natural gas pipelines and gas transmission and distribution stops/stations and natural gas operation and transportation	-	30.00	Equity method
Wulatehouqi Yuanxin Wind Energy Company* (烏拉特後旗鑫新風能公司)	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Sale of wind power generation appliances; consulting and service on wind power generation	-	49.00	Equity method

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(1). Significant joint ventures or associates (continued)

Explanation on the shareholding percentage in joint ventures or associates being different from the voting power percentage therein:

Our subsidiary, CIC New Energy, signed a concerted action agreement with China Longyuan Power Group Corporation Limited (龍源電力集團股份有限公司) (another shareholder of Hebei Weichang, holding 50% shares of Hebei Weichang), under which, Longyuan Power Group would decide on important operational affairs of Hebei Weichang, and have control over Hebei Weichang. CIC New Energy appointed 3 directors, which had significant influence on Hebei Weichang.

The basis of holding less than 20% voting powers but with significant influence, or the basis of holding 20% or more voting powers but with insignificant influence:

Nil

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(2). Main financial information of significant associates

Unit: Yuan Currency: RMB

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Hebei Suntien Guohua Gas Co., Ltd.	Chengdedayuan New Energy Co., Ltd.	Hebei Suntien Guohua Gas Co., Ltd.	Chengdedayuan New Energy Co., Ltd.
Current assets	45,394,949.32	91,468,835.91	44,600,462.32	56,794,682.69
Including: cash and cash equivalent	12,150,835.92	45,739,360.12	11,697,537.71	33,687,485.92
Non-current assets	407,354,740.01	301,416,934.76	413,988,563.22	282,162,391.18
Total assets	452,749,689.33	392,885,770.67	458,589,025.54	338,957,073.87
Current liabilities	235,844,807.47	11,623,600.78	197,947,592.74	18,805,742.40
Non-current liabilities	130,000,000.00	256,260,133.27	180,000,000.00	222,135,116.00
Total liabilities	365,844,807.47	267,883,734.05	377,947,592.74	240,940,858.40
Minority equity	43,452,440.93	63,751,038.68	40,320,716.40	49,988,269.89
Shareholders' equity attributable to the parent company	43,452,440.93	61,250,997.94	40,320,716.40	48,027,945.58
Net asset calculated by proportion of shareholding	43,452,440.93	61,250,997.94	40,320,716.40	48,027,945.58
Adjusting items				
– Goodwill				
– Unrealised profit of internal transaction				
– Others				
Book value of equity investment in joint ventures	43,452,440.93	61,250,997.94	40,320,716.40	48,027,945.58
Fair value of equity investments in joint ventures with public offer				
Operating revenues	130,658,588.21	40,635,661.47	25,100,377.94	50,366,992.16
Financial cost	7,804,967.17	6,614,797.33	7,728,356.76	10,304,105.87
Income tax expense				
Net profit	5,301,685.13	26,985,821.14	-6,105,620.55	29,259,973.96
Net profit of discontinuing operations				
Other comprehensive income				
Total comprehensive income	5,301,685.13	26,985,821.14	-6,105,620.55	29,259,973.96
Dividends received from joint ventures in the current year				

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(2). Main financial information of significant associates (continued)

Other explanations

Nil

(3). Main financial information for significant associates

Unit: Yuan Currency: RMB

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Jingtang Liquefied Natural Gas Co., Ltd.	Hebei Weichang Longyuan Construction and Investment Wind Power Generation Co., Ltd. (河北圍場龍源 建投風力發電公司)	Jingtang Liquefied Natural Gas Co., Ltd.	Hebei Weichang Longyuan Construction and Investment Wind Power Generation Co., Ltd. (河北圍場龍源 建投風力發電公司)
Current assets	161,048,029.21	159,807,634.75	95,252,480.07	164,864,715.74
Non-current assets	6,226,621,943.55	463,808,360.64	6,372,329,274.85	486,412,084.49
Total assets	6,387,669,972.76	623,615,995.39	6,467,581,754.92	651,276,800.23
Current liabilities	812,190,571.69	266,256,895.63	334,686,219.02	360,031,383.15
Non-current liabilities	402,971,203.07	50,000,000.00	800,000,000.00	
Total liabilities	1,215,161,774.76	316,256,895.63	1,134,686,219.02	360,031,383.15
Minority equity	4,138,006,558.40	153,679,549.88	4,266,316,428.72	145,622,708.54
Shareholders' equity attributable to the parent company	1,034,501,639.60	153,679,549.88	1,066,579,107.18	145,622,708.54
Net asset calculated by proportion of shareholding	1,034,501,639.60	153,679,549.88	1,066,579,107.18	145,622,708.54
Adjusting items				
- Goodwill				
- Unrealised profit of internal transaction				
- Others				
Book value of equity investment in associates	1,034,501,639.60	153,679,549.88	1,066,579,107.18	145,622,708.54
Fair value of equity investments in associates with public offer				
Operating revenues	852,775,466.90	57,204,724.93	780,026,200.35	61,415,452.23
Net profit	436,293,098.62	16,113,682.67	369,437,749.78	20,541,591.35
Net profits of discontinuing operation				
Other comprehensive income				
Total comprehensive income	436,293,098.62	16,113,682.67	369,437,749.78	20,541,591.35
Dividends received from associates in the current year	120,000,000.00			7,650,233.03

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(3). Main financial information for significant associates (continued)

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd. (龍源建投(承德) 風力發電有限公司)	Hebei Fengning Pumped Storage Co., Ltd.	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd. (龍源建投(承德) 風力發電有限公司)	Hebei Fengning Pumped Storage Co., Ltd.
Current assets	131,401,628.75	975,597,003.88	199,286,776.10	1,128,190,620.47
Non-current assets	553,710,695.00	10,659,996,649.89	578,093,532.19	9,301,195,847.29
Total assets	685,112,323.75	11,635,593,653.77	777,380,308.29	10,429,386,467.76
Current liabilities	64,615,449.31	418,275,894.12	197,090,619.91	322,068,708.11
Non-current liabilities	10,000,000.00	8,980,000,000.00	10,000,000.00	7,870,000,000.00
Total liabilities	74,615,449.31	9,398,275,894.12	207,090,619.91	8,192,068,708.11
Minority interests	335,773,280.94	1,789,854,207.72	313,659,328.61	1,789,854,207.72
Equity attributable to shareholders of the parent company	274,723,593.50	447,463,551.93	256,630,359.77	447,463,551.93
Net asset calculated by proportion of shareholding	274,723,593.50	447,463,551.93	256,630,359.77	447,463,551.93
Adjusting items				
– Goodwill				
– Internal transaction unrealised profit				
– Others				
Book value of equity investment in associates	274,723,593.50	447,463,551.93	256,630,359.77	447,463,551.93
Fair value of equity investments in associates with public offer				
Operating revenue	89,347,068.16		86,415,916.99	
Net profit	40,207,186.06		38,263,025.22	
Net profit of discontinuing operation				
Other comprehensive income				
Total comprehensive income	40,207,186.06		38,263,025.22	
Dividends received from associates in the current year			11,739,650.74	

Note: Hebei Fengning Pumped Storage Co., Ltd. is currently under construction and no revenue and expenses have been incurred.

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(3). Main financial information for significant associates (continued)

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Huihai Financial Leasing Co., Ltd. (滙海融資租賃 股份有限公司)	North China Natural Gas Pipeline Co., Ltd. of China Pipeline Network Corporation	Huihai Financial Leasing Co., Ltd. (滙海融資租賃 股份有限公司)	North China Natural Gas Pipeline Co., Ltd. of China Pipeline Network Corporation
Current assets	866,992,749.30	557,186,583.10	395,786,450.89	373,192,840.95
Non-current assets	915,661,431.37	1,916,974,015.47	1,104,391,243.57	1,854,534,189.94
Total assets	1,782,654,180.67	2,474,160,598.57	1,500,177,694.46	2,227,727,030.89
Current liabilities	386,678,242.85	67,938,577.33	307,140,094.73	177,673,947.89
Non-current liabilities	702,127,564.85	1,694,754,749.80	514,375,000.00	1,334,718,368.85
Total liabilities	1,088,805,807.70	1,762,693,327.13	821,515,094.73	1,512,392,316.74
Minority interests	485,693,861.08	469,568,399.15	475,063,819.81	472,120,911.34
Equity attributable to shareholders of the parent company	208,154,511.89	241,898,872.29	203,598,779.92	243,213,802.81
Net asset calculated by proportion of shareholding	208,154,511.89	241,898,872.29	203,598,779.92	243,213,802.81
Adjusting items				
- Goodwill				
- Internal transaction unrealised profit				
- Others				
Book value of equity investment in associates	208,154,511.89	241,898,872.29	203,598,779.92	243,213,802.81
Fair value of equity investments in associates with public offer				
Operating revenue	43,725,420.40	14,987,593.67	45,751,544.24	8,112,971.05
Net profit	15,185,773.23	-3,980,127.38	15,154,549.32	-6,397,268.63
Net profit of discontinuing operation				
Other comprehensive income				
Total comprehensive income	15,185,773.23	-3,980,127.38	15,154,549.32	-6,397,268.63
Dividends received from associates in the current year				

Other explanations:

Nil

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(4). Summary on financial information for insignificant joint ventures and associates

Unit: Yuan Currency: RMB

	Balance at the end of the period/ Amount for the current period	Balance at the beginning of the period/Amount for the previous period
Joint ventures:		
Total of investment book value		
Total amount calculated by the following proportion of shareholding		
– Net profit		
– Other comprehensive income		
– Total comprehensive income		
Associates:		
Total of investment book value	24,839,750.84	24,693,402.89
Total amount calculated by the following proportion of shareholding		
– Net profit	146,347.95	-27,133,644.04
– Other comprehensive income		
– Total comprehensive income	146,347.95	-27,133,644.04

Other explanations:

Nil

(5). Explanation on the significant restrictions for joint ventures or associates to transfer funds to the Company

Applicable Not Applicable

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(6). Excess loss generated in joint ventures or associates

Applicable Not Applicable

(7). Unrecognized commitments related to investment in joint ventures

Applicable Not Applicable

(8). Contingent liabilities related to investment in joint ventures or associates

Applicable Not Applicable

4. Significant joint operation

Applicable Not Applicable

5. Equity of structuring subject out of the range of the combined financial statements

Information for structuring subject out of the range of the combined financial statements:

Applicable Not Applicable

6. Others

Applicable Not Applicable

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (including exchange rate risk and interest rate risk). The Group's principal financial instruments comprise monetary funds, equity instrument investments, loans, notes receivable, accounts receivable, accounts receivable financing, other accounts receivable, notes payable, accounts payable, bonds payable, other payables, long-term payables, lease liabilities, etc. In this regard, risks arising from financial instruments and the Group's risk management policies which aim at mitigating these risks are outlined below.

The board of directors is responsible for planning and establishing the Group's risk management framework, developing the Group's risk management policies and related guidelines and overseeing the implementation of risk management measures. The Group has developed risk management policies to identify and analyse the risks faced by the Group. These risk management policies define specific risks which cover many aspects such as market risk, credit risk and liquidity risk management. The Group evaluates the market environment and changes in the Group's operations to determine whether or not to update the risk management policies and systems on a regular basis. The risk management of the Group is carried out by the Audit Committee in accordance with the policy approved by the Board. The Audit Committee adopted the Work closely with other business units to identify, evaluate and evade risks. The Group's internal audit department controls the risk management system and procedures for periodic review, and the audit results are reported to the group's audit committee.

The Group uses appropriate diversification and portfolio to diversify the risk of financial instruments and reduce the risk of focusing on any single industry, specific region or specific counterparty by developing appropriate risk management policies.

1. Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, balances of trade receivables are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not settled in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group.

Since the Group trades with creditworthy and high credit rating banks, the related credit risk of monetary funds and bank acceptance notes receivable is rather low.

The credit risk of other financial assets, which comprise accounts receivable, other receivables, long-term receivables and other equity instrument investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The Group is also exposed to credit risk as a result of the provision of financial guarantees, as disclosed in Note XIV.2.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed according to customers, geographic areas and industries. The major customers of the Group are companies with reliable and good reputation; therefore, the Group believes that these customers do not have significant credit risks. As at 30 June 2021 and 31 December 2020, the Group had certain concentrations of credit risk as 53.60% and 52.62%, 82.26% and 81.41% of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. The Group is committed to expanding its customer base by continuously expanding its business network in other cities in China, attracting new customers, and diversifying the customer base, and it is expected to reduce its dependence on existing customers in the future.

Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group, and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative and qualitative criteria have been met;

- Quantitative criteria are mainly the situation that the increase in probability of default for remaining lifetime at the reporting date is considered to be significant comparing with the one at initial recognition;
- Qualitative criteria are the significant adverse change in the debtor's operation or financial status, the watch-list, etc.

Definition of credit-impaired financial assets

The standard adopted by the Group to determine whether a credit impairment occurs is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Group assesses whether the credit impairment of a debtor occurred, the following factors are mainly considered:

- Significant financial difficulty of the issuer or debtor;
- Debtors are in breach of contract, such as defaulting on interest or becoming overdue on interest or principal payments are overdue;
- The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Credit risk (continued)

Definition of credit-impaired financial assets (continued)

- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Credit impairment of financial assets may be a combination effect of various events and may not necessarily be the result of a single identifiable event.

2. Liquidity risk

The Group's net current liabilities amounted to approximately RMB4,426,829,934.51 as at 30 June 2021, and its net cash inflows from operating activities and financing activities amounted to approximately RMB2,264,719,068.53 and RMB2,573,705,016.65, respectively. Its net cash outflows used in investing activities were approximately RMB3,675,196,767.61, and its net cash inflow caused by exchange rate changes amounted to RMB73,835.21 for the year then ended. The Group recorded an increase in cash and cash equivalents of approximately RMB1,163,153,482.36 as of 30 June 2021.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due. With regard to its future capital commitments and other financing requirements, the Group had already obtained banking facilities from several PRC banks of the amount up to RMB107,515,710,980.00 and RMB72,220,693,471.79, respectively, as at 30 June 2021 and 31 December 2020, of which approximately RMB31,270,523,310.70 and RMB21,596,234,277.39 has been utilised respectively as at 30 June 2021 and 31 December 2020.

In addition, the Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligations are not exposed to excessive repayment risk in any one year.

After taking into account the above, the Directors are of the opinion that the Group is able to meet its debt obligations as they fall due in the normal course of business and to continue as a going concern.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Market risk

Interest rate risk

The risk of changes in market interest rates faced by the Group is mainly related to the Group's long-term loans with floating interest rates.

The Group manages interest rate risk primarily through regular review and supervision and maintenance of an appropriate fixed and floating interest rate portfolio. Loans and monetary funds are measured at amortized cost, but not at regular revaluation. The interest income and expenditure of floating interest rate are included in the current profit or loss when incurred.

As at 30 June 2021 and 31 December 2020, the loans of RMB28,020,310,092.94 and RMB26,050,713,231.68 of the Group were floating interest rate loans.

If there have been a general increase/decrease in the interest rates of loans with floating interest rates by one percentage point, with all other variables held constant, the net profit would have decreased/increased by approximately RMB280,203,100.93 and RMB260,507,132.32, respectively, for the years of 2021 and 2020, but there would have been no impact on other components of the shareholders' equity of the Group, except for retained profits. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 30 June 2021 and 31 December 2020 and the exposure to interest rate risk had been applied to those financial instruments in existence at those dates. The estimated one percentage point's increase or decrease represents management's assessment of a reasonably possible change in interest rates during the year up to the balance sheet date of the following year.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on cash balances which are derived from the issue of new H shares in 2014 that are denominated in Hong Kong dollars. The Directors do not anticipate any significant impact resulting from the changes in foreign exchange rates because the majority of the Group's business is transacted in RMB, which is the Group's functional currency. RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Market risk (continued)

Foreign currency risk (continued)

The following table indicates the appropriate change in the Group's profit before tax in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at 30 June 2021 and 31 December 2020.

	Increase/ (decrease) in foreign exchange rate	30 June 2021	31 December 2020
RMB weakens against the Hong Kong dollar	5%	-1,153,046.84	403,380.56
RMB strengthens against the Hong Kong dollar	-5%	1,153,046.84	-403,380.56

XI. DISCLOSURE OF FAIR VALUE

1. Ending fair value of assets and liabilities measured at fair value

Unit: Yuan Currency: RMB

Items	Fair value at the end of the period			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Recurring fair value measurement				
(I) Trading financial assets				
1. Financial assets at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(II) Other debt investments				
(III) Investment in other equity instruments				
(IV) Investment property				
1. Leased land use rights				
2. Leased buildings				
3. Land use rights held for transfer after appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Bearer biological assets				
(VI) Receivables financing		584,879,058.68		584,879,058.68
(VII) Other investments in equity instruments		218,605,700.00		218,605,700.00
Total assets measured at fair value on a recurring basis		803,484,758.68		803,484,758.68

XI. DISCLOSURE OF FAIR VALUE (continued)

1. Ending fair value of assets and liabilities measured at fair value (continued)

Items	Fair value at the end of the period			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
(VIII) Trading financial liabilities				
1. Financial liabilities at fair value through profit or loss				
Including: Issued trading bonds				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value through profit or loss				
(IX) Long-term loans		23,836,828,283.23		23,836,828,283.23
(X) Debentures payable		2,091,205,095.12		2,091,205,095.12
(XI) Long-term payable		304,153,887.55		304,153,887.55
(XII) Lease liabilities		723,341,175.14		723,341,175.14
Total liabilities measured at fair value on a recurring basis		26,955,528,441.04		26,955,528,441.04
II. Non-recurring fair value measurement				
(I) Assets held for sale				
Total assets measured at fair value on a non-recurring basis				
Total liabilities measured at fair value on a non-recurring basis				

XI. DISCLOSURE OF FAIR VALUE (continued)

2. Basis for determination of the market value of level 1 fair value measuring items measured on recurring and non-recurring basis

Applicable Not Applicable

3. Qualitative and quantitative information of valuation techniques and important parameters used in level 2 fair value measuring items measured on recurring and non-recurring basis

The following is the book value and fair value of various types of financial instruments other than financial instruments with small differences between book value and fair value:

Items of statements	Book value	
	30 June 2021	31 December 2020
Long-term loans	25,635,210,430.47	23,837,385,993.66
Debentures payable	2,085,000,000.00	2,085,000,000.00
Total	27,720,210,430.47	25,922,385,993.66

Continued:

Items of statements	Fair value	
	30 June 2021	31 December 2020
Long-term loans	23,836,828,283.23	23,833,328,283.23
Debentures payable	2,091,205,095.12	2,091,205,095.12
Total	25,928,033,378.35	25,924,533,378.35

Management has assessed monetary funds, accounts receivable, accounts receivable financing, other accounts receivable, short-term loan, notes payable, accounts payable, other payables, non-current liabilities due within one year, etc., and considers that their fair values approximate to their carrying amounts due to the short-term maturities of these instruments.

The Group's finance team is led by the finance manager, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The financial manager reports directly to the Chief Accountant. On each balance sheet date, the finance team analyses movements in the fair value of financial instruments and determines the major inputs applicable to the valuation. The valuation must be reviewed and approved by the December Chief Accountant.

XI. DISCLOSURE OF FAIR VALUE (continued)

3. Qualitative and quantitative information of valuation techniques and important parameters used in level 2 fair value measuring items measured on recurring and non-recurring basis (continued)

The fair value of financial assets and financial liabilities is determined based on the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value.

For the fair value of investment in unlisted equity instruments, the Group uses a discounted valuation model to estimate the fair value, using assumptions that are not directly supported by observable market prices or interest rates. The Group believes that the fair value and its changes estimated by assessment techniques are reasonable and are also the most appropriate value on the balance sheet date. The difference between the fair value and the book value after assessment is not significant.

The fair value of long-term loans, bonds payable and other long-term payables is determined by the discounted future cash flow method, and the market rate of return of other financial instruments with similar contractual terms, credit risks and remaining maturities is used as the discount rate. The risk of non-performance on long-term borrowings is assessed as insignificant at 30 June 2021 and 31 December 2020.

4. Qualitative and quantitative information of valuation techniques and important parameters used in sustained and non-sustained level 3 fair value measuring items

Applicable Not Applicable

5. Adjustment information and unobservable parameter sensitivity analysis of the book value at the beginning and the end of the period for sustained level 3 fair value measuring items

Applicable Not Applicable

6. Conversion reasons and policies to determine the conversion time for the sustained fair value measuring items to which a conversion between hierarchies occurs in the period

Applicable Not Applicable

7. Changes in valuation techniques in the period and reasons therefor

Applicable Not Applicable

8. Fair value of the financial assets and financial liabilities not measured at fair value

Applicable Not Applicable

9. Others

Applicable Not Applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the Company's parent company

Unit: RMB'0,000 Currency: RMB

Parent	Registered place	Business nature	Registered capital	Parent's shareholding percentage in this entity (%)	Parent's voting power percentage in this entity (%)
Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司)	Hebei Province	Investment and construction of basic industries, infrastructure and provincial pillar industries such as energy, transportation, water affairs, tourism and commercial properties	1,500,000.00	48.73	48.73

Parent introduction

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

The ultimate controlling party of the Company is Hebei Construction & Investment Group Co., Ltd..

Other explanations:

Nil

2. Information on the Company's subsidiaries

The Company's subsidiaries are detailed in the notes.

For details, please refer to "IX. Interests in Other Entities".

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Information on the Company's joint ventures and associated enterprises

The Company's major joint ventures or associated enterprises are detailed in the notes.

For details, please refer to "IX. Interests in Other Entities".

Information on other joint ventures or associated enterprises, which have made a related party transaction with the Company in the period, or previously with balances being formed, are as follows

Applicable Not Applicable

4. Information on other related parties

Name of other related party	Relationship between the other related party with the Company
Hebei Construction & Investment Group Co., Ltd.	A controlling subsidiary of the parent company
Hebei Construction & Investment State Financing Energy Services Ltd.	A controlling subsidiary of the parent company
Hebei Construction & Investment Rongtan Asset Management Co., Ltd	A controlling subsidiary of the parent company
Hong Kong & China Gas (Hebei) Limited	Other
Maotian (Beijing) Equity Investment Fund Management Co., Ltd.	A wholly-owned subsidiary of the parent company
HECIC Mingjia Property Management Service Co., Ltd.	A wholly-owned subsidiary of the parent company
Yanshan International Investment Company Limited	A wholly-owned subsidiary of the parent company
Yan Zhao Property Insurance Co., Ltd.	Other
Tangshan Haohua Trading Co., Ltd.	Other

Other explanations:

Nil

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions

(1). Related party transactions on purchase or sale of goods and provision or acceptance of services

Table on purchase of goods/acceptance of services

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the period	Amount for last period
Hebei Suntien Guohua Gas Co., Ltd.	Labour/services rendered	9,735,512.72	19,501,350.03
Yan Zhao Property Insurance Co., Ltd	Labour/services rendered	3,590,059.08	655,549.74
HECIC Mingjia Property Management Service Co., Ltd.	Labour/services rendered	864,714.83	939,414.63

Table on sale of goods/provision of services

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the period	Amount for last period
Hebei Suntien Guohua Gas Co., Ltd	Provision of labour/services	144,970.00	

Explanations on related party transactions on purchase or sale of goods and provision or acceptance of services

Applicable Not Applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(2). Related entrusted management/contracting and entrusting management/outsourcing business

Table on the entrusted management/contracting business of the Company:

Applicable Not Applicable

Explanations on related entrusting/contracting business

Applicable Not Applicable

Table on the entrusting management/outsourcing business of the Company:

Applicable Not Applicable

Explanations on related management/outsourcing business

Applicable Not Applicable

(3). Leases with related parties

The Company acts as a lessor:

Unit: Yuan Currency: RMB

Name of lessee	Type of leased assets	Rental income recognised in the period	Rental income recognised in last period
Hebei Construction & Investment Rongtan Asset Management Co., Ltd	Houses	10,491.42	5,245.71

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(3). Leases with related parties (continued)

The Company acts as a lessee:

Unit: Yuan Currency: RMB

Name of lessor	Type of leased assets	Rental expenses recognized in the period	Rental expenses recognized in last period
Hebei Construction & Investment Group Co., Ltd.	Housing Lease	4,991,031.35	1,254,748.84
Huihai Financial Leasing Co., Ltd.	Finance lease	128,089,420.59	105,111,182.16

Explanations on leases with related parties

Sale-leaseback transactions:

For the six months ended 30 June 2021, the Group repaid a principal amount of RMB81,774,144.00 and paid interest expenses of RMB835,633.33, Huihai Leasing lent a principal amount of RMB23,000,000.00 to the Group.

Direct leasing transactions:

For the six months ended 30 June 2021, the Group repaid a principal amount of RMB29,891,811.67 and paid interest expenses of RMB15,587,831.59.

(4). Related party guarantees

The Company acts as a guarantor

Unit: Yuan Currency: RMB

Name of guaranteed party	Guaranteed amount	Start date	Due date	Whether the guarantee has been fulfilled
Hebei Suntien Guohua Gas Co., Ltd.	30,000,000.00	27 June 2014	26 June 2021	Yes
Hebei Suntien Guohua Gas Co., Ltd.	95,000,000.00	2 February 2018	1 February 2025	No

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(4). Related party guarantees (continued)

The Company acts as the guaranteed party

Unit: Yuan Currency: RMB

Name of guarantor	Guaranteed amount	Start date	Due date	Whether the guarantee has been fulfilled
Hebei Construction & Investment Group Co., Ltd.	910,000,000.00	5 March 2019	Two years after the bond maturity date	No
Hebei Construction & Investment Group Co., Ltd.	590,000,000.00	13 March 2018	Two years after the bond maturity date	Yes
Hebei Construction & Investment Group Co., Ltd.	300,000,000.00	26 December 2019	26 June 2023	No
HECIC Group Finance Company Limited	30,000,000.00	8 March 2019	7 March 2025	No
HECIC Group Finance Company Limited	5,000,000.00	25 October 2019	Two years after the expiry date of the debt performance period	No
HECIC Group Finance Company Limited	5,000,000.00	11 September 2019	Two years after the expiry date of the debt performance period	No

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(4). Related party guarantees (continued)

Explanations on related party guarantees

Note 1: In June 2014, the Company provided a maximum guarantee of RMB200 million for a credit line applied by Suntien Guohua to Handan Branch of China Minsheng Banking Corp., Ltd at nil consideration and the contractual guarantee period is two years from the date of expiry of the debt settlement period or the date of confirmation of the guaranteed debts, and the agreed maturity date of the principal contract debt is 26 June 2019. As of 31 December 2020 and 30 June 2021, the above-mentioned credits remained undrawn.

Note 2: In February 2018, the Company provided a guarantee of RMB100 million for the fixed asset borrowing of Suntien Guohua from SinoPec Finance Co., Ltd., Zhengzhou Branch, for a guarantee period of 2 years from the date of debts clearing or the date of secured rights determination. The borrowing contract will expire on 2 February 2023. As of 30 June 2021 and 31 December 2020, the guarantee deposit was used in the amounts of RMB95 million and RMB98 million, respectively.

Note 3: HECIC provided guarantees for the renewable green corporate bonds in the amount of RMB910 million issued by the Company in March 2019, for a guarantee period of the entire term of bonds plus 2 years from their expiry.

Note 4: HECIC provided guarantees for the renewable green corporate bonds in the amount of RMB590 million issued by the Company in March 2018, for a guarantee period of the entire term of bonds plus 2 years from their expiry.

Note 5: HECIC provided guarantees for the Ping An-HECIC New-energy Asset-backed Special Program ("ABS") in the amount of RMB285 million issued by the Company in December 2019, for a guarantee period from 26 December 2019 to 26 June 2023.

Note 6: HECIC Finance (建投財務公司) provided guarantees for the long-term borrowing contract signed in March 2019 in the amount of RMB30,000,000.00 between the Group and the China Construction Bank Chengde Housing & Construction Sub-branch (中國建設銀行股份有限公司承德住房城建支行), for a guarantee period of the entire term of borrowing contract plus 3 years from its expiry.

Note 7: HECIC Finance provided guarantees for the short-term borrowing contract signed in October 2019 in the amount of RMB5,000,000.00 between the Group and the China Construction Bank Jinzhou Sub-branch (中國建設銀行股份有限公司晉州支行), for a guarantee period of the entire term of borrowing contract plus 2 years from its expiry.

Note 8: HECIC Finance provided guarantees for the short-term borrowing contract in the amount of RMB5,000,000.00 signed in September 2019 between the Group and the China Construction Bank Xinji Sub-branch (中國建設銀行股份有限公司辛集支行), for a guarantee period of the entire term of contract plus 2 years from its expiry.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(5). Capital lending between related parties

Unit: Yuan Currency: RMB

Related party	Amount of lending/ borrowing	Start date	Due date	Description
Borrowing				
HECIC Group Finance				
Company Limited	1,744,270,000.00	2021/01/01	30 June 2021	

Related party	Amount of lending/ borrowing	Start date	Due date	Description
Lending				
Nil				

(6). Asset transfer and debt restructuring of related parties

Applicable Not Applicable

(7). Emolument of key management

Unit: yuan Currency: RMB

Items	Amount for the period	Amount for last period
Emolument of key management	4,942,969.59	2,382,699.32

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(8). Other related party transactions

Items	Amount for the period	Amount for last period
Guarantee fee of Hebei Construction & Investment Group Co., Ltd.	1,903,522.35	3,900,000.00
Guarantee fee of HECIC Group Finance Co., Ltd.	150,000.00	150,000.00
Total	2,053,522.35	4,050,000.00

As at 30 June 2021 and 31 December 2020, HECIC Finance granted to the Group effective credit facilities of RMB5.046 billion and RMB5.952 billion, respectively. The Group used RMB2.183 billion and RMB2.554 billion, respectively, and the remaining facilities were RMB2.863 billion and RMB3.398 billion, respectively.

6. Accounts receivable from and accounts payable to related parties

(1). Accounts receivable

Unit: Yuan Currency: RMB

Items	Related party	Closing balance		Opening balance	
		Book value	Book balance	Book book balance	Book value
Prepayments	Hebei Construction & Investment Group Co., Ltd.	2,707,948.94		302,118.80	
Prepayments	Yan Zhao Property Insurance Co., Ltd.*	60,931.58		21,510.97	180,000.00
Other receivables	Huihai Financial Leasing Co., Ltd.	1,800,000.00	540,000.00	1,800,000.00	180,000.00
Other receivables	Hebei Fengning Pumped Storage Co., Ltd.	-		1,518,165.50	75,908.28
Other receivables	Hebei Construction & Investment Group Co., Ltd.	874,500.35	611,480.25	874,500.35	611,480.25
Other receivables	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.			10,755.77	537.79
Dividend receivable	Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd	7,354,972.35		17,930,153.30	
Dividend receivable	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.			26,228,059.29	

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Accounts receivable from and accounts payable to related parties (continued)

(2). Accounts payable

Unit: Yuan Currency: RMB

Items	Related party	Closing carrying balance	Opening carrying balance
Accounts payable	Hebei Suntien Guohua Gas Co., Ltd.	180,458.72	6,148,114.00
Accounts payable	Yan Zhao Property Insurance Co., Ltd.*	702,329.91	702,329.91
Contract liabilities	Tangshan Haohua Trading Co., Ltd.	879,646,017.68	389,380,530.96
Contract liabilities	Hebei Suntien Guohua Gas Co., Ltd.	12,008.03	20,124.12
Other payables	Hebei Construction & Investment State Financing Energy Services Ltd.		8,109.00
Other payables	Hebei Construction & Investment Rongtan Asset Management Co., Ltd	153,737.57	
Other payables	Hebei Construction & Investment Group Co., Ltd.	599,138.14	597,302.14
Other payables	Chengdedayuan New Energy Co., Ltd.	151,631.36	151,631.36
Interest payable	Huihai Financial Leasing Co., Ltd.	2,187,666.65	2,728,241.01
Interest payable	HECIC Group Finance Company Limited	1,594,027.07	1,459,697.68
Dividend payable	Hebei Construction & Investment Group Co., Ltd.	4,938,131.94	7,076,514.28
Long-term payable	Huihai Financial Leasing Co., Ltd.	166,200,000.00	147,000,000.00
Long-term payable due within one year	Huihai Financial Leasing Co., Ltd.	6,800,000.00	84,774,144.00
Lease liabilities	Huihai Financial Leasing Co., Ltd.	575,792,522.06	634,861,285.67
Lease liabilities	Hebei Construction & Investment Group Co., Ltd.	1,022,343.08	
Lease liabilities due within one year	Huihai Financial Leasing Co., Ltd.	90,567,546.49	60,000,190.54
Lease liabilities due within one year	Hebei Construction & Investment Group Co., Ltd.	723,898.39	4,609,362.03

7. Commitments of related parties

Applicable Not Applicable

8. Others

Applicable Not Applicable

XIII. SHARE-BASED PAYMENT

1. General information of share-based payment

Applicable Not Applicable

2. Equity-settled share-based payment

Applicable Not Applicable

3. Cash-settled share-based payment

Applicable Not Applicable

4. Modifications and termination of share-based payment

Applicable Not Applicable

5. Others

Applicable Not Applicable

XIV COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Significant external commitments, nature, and amount as at the balance sheet date:

Contracted, but not provided for:	30 June 2021	31 December 2020
Capital commitment	9,228,085,838.63	11,342,757,439.72
Investment commitment	717,922,831.40	847,397,231.40
Total	9,946,008,670.03	12,190,154,671.12

XIV COMMITMENTS AND CONTINGENCIES (continued)

2. Contingencies

(1). Significant contingencies as at the balance sheet date

Items	30 June 2021	31 December 2020
Contingent liabilities arising from providing external guarantees	95,000,000.00	98,000,000.00
Contingent liabilities arising from pending litigation or arbitration	40,723,861.68	39,231,222.56
Total	135,723,861.68	137,231,222.56

(2). Please explain if no significant contingencies is required to be disclosed by the Company.

Applicable Not Applicable

3. Others

Applicable Not Applicable

XV. POST-BALANCE SHEET DATE EVENT

1. Significant non-adjustment events

Applicable Not Applicable

2. Profit distribution

Applicable Not Applicable

3. Sales return

Applicable Not Applicable

4. Explanation on other Post-Balance Sheet Date Event

On 26 July 2021, the Company was approved by the Issue Review Committee of the China Securities Regulatory Commission for the non-public issuance of A shares. On 24 August 2021, written approval was received from the China Securities Regulatory Commission for the non-public issuance of A shares.

XVI. OTHER SIGNIFICANT EVENTS

1. Correction of previous accounting errors

(1). Retrospective restatement

Applicable Not Applicable

(2). Prospective application method

Applicable Not Applicable

2. Debt restructuring

Applicable Not Applicable

3. Asset replacement

(1). Exchange of non-monetary assets

Applicable Not Applicable

(2). Other asset replacement

Applicable Not Applicable

4. Annuity plan

Applicable Not Applicable

5. Termination of business

Applicable Not Applicable

XVI. OTHER SIGNIFICANT EVENTS (continued)

6. Segment information

(1). Determination criteria and accounting policies of the reporting segments

For the purpose of management, the Group divided 3 business divisions by product and service:

- (1) Natural Gas Division, mainly to sell natural gas and gas appliances, construct and connect natural gas pipelines;
- (2) Wind/Solar Power Division, mainly to develop, manage and operate wind farm, solar power plants and sell electricity to external grids;
- (3) Other Division, mainly to manage corporate affairs, property leasing business etc.

For the purposes of resource allocation and performance assessment, management separately administers the business divisions, and evaluates the divisional results based on the reported after-tax profits of business divisions.

Internal transfer prices shall be determined by reference to the prices of sales or services to third parties.

(2). Financial information of the reporting segments

Unit: Yuan Currency: RMB

Items	Natural gas	wind and photovoltaic generation	Others	Intersegment elimination	Total
Operating revenue	5,035,125,456.15	3,367,762,502.04	1,486,366.95		8,404,374,325.14
operating costs	4,481,045,645.13	1,012,145,854.27	894,940.38		5,494,086,439.78
Total assets	15,606,572,643.13	44,318,047,856.26	3,268,823,896.69		63,193,444,396.08
Total liabilities	10,606,081,877.74	28,228,937,555.48	5,619,818,094.67		44,454,837,527.89

XVI. OTHER SIGNIFICANT EVENTS (continued)

6. Segment information (continued)

(2). Financial information of the reporting segments (continued)

Segment information for the six months ended 30 June 2021 and 30 June 2021

	Natural gas	Wind and photovoltaic power generation	Others	Total
Revenue from external customers	5,035,125,456.15	3,367,762,502.04	1,486,366.95	8,404,374,325.14
Investment income from joint ventures and associates	88,702,566.93	39,373,127.43	4,555,731.97	132,631,426.33
Credit impairment losses	(409,106.78)	10,288,860.41	(1,477,871.77)	8,401,881.86
Depreciation and amortisation expense	97,418,014.81	875,238,728.78	3,793,434.03	976,450,177.62
Total profit/(loss)	525,439,496.38	1,807,950,030.32	(56,056,557.67)	2,277,332,969.03
Income tax expenses	112,808,492.34	193,927,348.20	2,901.54	306,738,742.08
Total assets	15,606,572,643.13	44,318,047,856.26	3,268,823,896.69	63,193,444,396.08
Total liabilities	10,606,081,877.74	28,228,937,555.48	5,619,818,094.67	44,454,837,527.89
Other disclosures				
Non-cash expenses other than depreciation and amortization expenses	(409,106.78)	10,288,860.41	(1,477,871.77)	8,401,881.86
Capital expenditure (Note)	3,654,626,861.74	861,423,747.89	2,894,374.11	4,518,944,983.74

Segment information for the six months ended 30 June 2020 and 31 December 2020

	Natural gas	Wind and photovoltaic power generation	Others	Total
Revenue from external customer	4,347,571,929.54	2,238,512,545.11	599,870.50	6,586,684,345.15
Investment income from joint ventures and associates	68,679,863.69	30,591,034.22	4,833,596.09	104,104,494.00
Credit impairment losses	(36,603,990.93)	8,332,244.25	47,970.83	(28,223,775.85)
Depreciation and amortisation expense	89,641,033.87	601,774,765.84	2,476,319.23	693,892,118.94
Total profit/(loss)	432,073,801.56	1,029,771,196.93	(33,799,051.94)	1,428,045,946.55
Income tax expenses	100,712,420.50	130,670,494.05	-	231,382,914.55
Total assets	11,807,485,241.55	44,025,019,525.11	1,425,209,781.75	57,257,714,548.41
Total liabilities	7,857,244,980.17	27,613,122,906.19	5,091,857,564.64	40,562,225,451.00
Other disclosures				
Non-cash expenses other than depreciation and amortization expenses	(36,603,990.93)	8,332,244.25	47,970.83	(28,223,775.85)
Capital expenditure (Note)	1,657,176,445.60	3,257,239,096.84	422,176.15	4,914,837,718.59

Note: Capital expenditures include the increase in goodwill, investment property, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditures and long-term deferred expenses this period.

More than 90% of the Group's revenue is derived from North China, which is managed in a unified and centralized manner by the management. Therefore, the Group has only one regional segment.

XVI. OTHER SIGNIFICANT EVENTS (continued)

6. Segment information (continued)

(3). Please explain if the Company has no reporting segments or is unable to disclose the total assets and total liabilities of each reporting segment

Applicable Not Applicable

(4). Other explanations

Applicable Not Applicable

7. Other significant transactions and events affecting investors' decision-making

Applicable Not Applicable

8. Others

Applicable Not Applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

(1). Disclosure by aging

Applicable Not Applicable

(2). Classified disclosure by the method of provision for bad debts

Applicable Not Applicable

(3). Conditions on bad debts provision

Applicable Not Applicable

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

Applicable Not Applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

1. Accounts receivable (continued)

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

2. Other receivables

Item presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable	9,819,426.96	21,860,932.05
Dividend receivable	650,088,974.29	138,491,656.50
Other receivables	1,115,487,336.62	678,722,338.73
Total	1,775,395,737.87	839,074,927.28

Other explanations:

Applicable Not Applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Interest receivable

(1). *Classification of interest receivable*

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Time deposits		
Entrusted Loan		
Bond investment		
Long-term internal borrowing interest	4,384,160.86	4,154,767.36
Short-term interest	5,435,266.10	17,706,164.69
Total	9,819,426.96	21,860,932.05

(2). *Significant overdue interest*

Applicable Not Applicable

(3). *Bad debt provision*

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Dividends receivable

(4). Dividends receivable

Unit: Yuan Currency: RMB

Projects (or Invested unit)	Closing balance	Opening balance
Suntien Green Energy (Fengning) Co., Ltd.	132,555,710.30	18,068,137.22
Suntien Green Energy Xuyi Co., Ltd.	11,494,968.31	14,903,290.11
Jianshui Suntien Wind Energy Co., Ltd.	138,460,258.27	99,018,149.24
Chaoyang Suntien New Energy Co., Ltd.	9,610,368.77	6,502,079.93
Ruoqiang Suntien Green Energy Co., Ltd.	16,309,556.50	
Hebei Fengning CIC New Energy Co., Ltd.	322,201,337.98	
Guangxi Suntien Green Energy Co., Ltd.	19,456,774.16	
Total	650,088,974.29	138,491,656.50

(5). Significant dividends receivable aging over 1 year

Applicable Not Applicable

(6). Bad debt provision

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Other receivables

(7). Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing carrying balance
Within 1 year	
Including: sub-items within 1 year	
Within 6 months	505,398,778.25
6 months to 1 year	56,633,792.86
Subtotal within 1 year	562,032,571.11
1 to 2 years	531,522,071.23
2 to 3 years	13,007,630.89
Over 3 years	9,257,713.03
Total	1,115,819,986.26

(8). Classified by the nature

Unit: Yuan Currency: RMB

Nature	Closing carrying balance	Opening carrying balance
Intercompany fund	1,114,033,736.16	676,631,240.72
Deposits	100,000.00	1,661,519.80
Advances	1,267,070.80	433,844.47
Others	419,179.30	1,806,685.04
Total	1,115,819,986.26	680,533,290.03

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Other receivables (continued)

(9). *Bad debt provision*

Unit: Yuan Currency: RMB

	The first stage Expected credit losses over the next 12 months	The second stage Lifetime expected credit losses (no credit impairment occurred)	The third stage Lifetime expected credit losses (credit impairment occurred)	Total
Provisions for bad debts				
Balance at 1 January 2021	161,165.85	1,649,785.45		1,810,951.30
The balance at 1 January 2021 in the current period				
- Transfer into the second stage				
- Transfer into the third stage				
- Reversal to the second stage				
- Reversal to the first stage				
Provisions during the period	71,483.79			71,483.79
Reversal during the period		-1,549,785.45		-1,549,785.45
Transferral during the period				
Write-off during the period				
Other changes				
Balance at 30 June 2021	232,649.64	100,000.00		332,649.64

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

Applicable Not Applicable

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

Applicable Not Applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Other receivables (continued)

(10). Conditions on bad debt provision

Unit: Yuan Currency: RMB

Category	Opening balance	Provisions	Change for the Period			Closing balance
			Recovered or reversed	Write-off or cancellation	Other changes	
Other payables	1,810,951.30	71,483.79	1,549,785.45			332,649.64
Total	1,810,951.30	71,483.79	1,549,785.45			332,649.64

Among them, significant amounts of provisions for bad debts during the period have been reversed or recovered:

Applicable Not Applicable

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

Applicable Not Applicable

Explanation on other receivables written off:

Applicable Not Applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Other receivables (continued)

(12). Other receivables from the top five debtors by closing balance

Unit: Yuan Currency: RMB

Name of entity	Nature of the amount	Closing balance	Age	Percentage in the closing balance of other receivables (%)	Closing balance of provisions for bad debts
HECIC New-energy Co., Ltd.	Intercompany	186,232,992.88	1 year to 2 years	16.69	
Tailai Suntien Green Energy Co., Ltd.	Intercompany	107,000,000.00	1 year to 2 years	9.59	
Hebei Fengning CIC New Energy Co., Ltd.	Intercompany	72,612,712.91	Within 6 months	6.51	
Suntien Green Energy Weichang Co., Ltd.	Intercompany	58,310,000.00	Within 6 months	5.23	
Ruoqiang Suntien Green Energy Co., Ltd.	Intercompany	55,855,000.00	6 months to 2 years	5.01	
Total	/	480,010,705.79	/	43.03	

(13). Accounts receivable related to government subsidy

Applicable Not Applicable

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

Applicable Not Applicable

(15). Amount of assets and liabilities arising from transfer of and continued involvement in trade receivables

Applicable Not Applicable

Other explanations:

Applicable Not Applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Carrying balance	Impairment provisions	Book value	Carrying balance	Impairment provisions	Book value
Investments in subsidiaries	10,944,343,390.73	32,612,179.88	10,911,731,210.85	10,354,319,490.73	32,416,794.72	10,321,902,696.01
Investments in associates and joint ventures	562,666,990.80		562,666,990.80	546,312,213.91		546,312,213.91
Total	11,507,010,381.53	32,612,179.88	11,474,398,201.65	10,900,631,704.64	32,416,794.72	10,868,214,909.92

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment (continued)

(1). Investments in subsidiaries

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Impairment provisions during the period	Closing balance of impairment provisions
HECIC New Energy Co., Ltd.	4,760,262,260.98	280,000,000.00	-	5,040,262,260.98	-	-
Hebei Natural Gas Company Limited	1,147,486,574.46	-	-	1,147,486,574.46	-	-
Suntien Green Energy (Fengning) Co., Ltd.	173,600,000.00	-	-	173,600,000.00	-	-
Jianshui Suntien Wind Energy Co., Ltd.	333,000,000.00	-	169,830,000.00	163,170,000.00	-	-
Heilongjiang Suntien Hadian New Energy Investment Co., Ltd.	185,800,000.00	-	-	185,800,000.00	-	-
Suntien Green Energy Investment (Beijing) Co., Ltd.	60,000,000.00	-	-	60,000,000.00	-	-
Suntien Green Energy (Hong Kong) Corporation Limited	175,933,023.00	323,270,000.00	-	499,203,023.00	-	-
Ruoqiang Suntien Green Energy Co., Ltd.	148,100,000.00	-	-	148,100,000.00	-	-
Xinyang Suntien Wind Energy Co., Ltd.	90,000,000.00	-	-	90,000,000.00	-	-
Wulian County Suntien Wind Energy Co., Ltd.	9,000,000.00	-	-	9,000,000.00	-	9,000,000.00
Junan Suntien Wind Energy Co., Ltd.	103,000,000.00	-	-	103,000,000.00	-	-
Shenzhen Suntien Green Energy Investment Co., Ltd.	194,500,000.00	-	-	194,500,000.00	-	-
Suntien Liquefied Natural Gas Shahe Co., Ltd.	35,000,000.00	-	-	35,000,000.00	-	-
Suntien Hebei Solar Energy Development Co., Ltd.	33,060,900.00	-	-	33,060,900.00	-	-
Huludao Liaohe Oil Field Gas Co., Ltd.	35,000,000.00	-	-	35,000,000.00	195,385.16	17,624,010.02
Hebei Fengning CIC New Energy Co., Ltd.	837,830,000.00	10,000,000.00	-	847,830,000.00	-	-
Guangxi Suntien Green Energy Co., Ltd.	84,500,000.00	-	-	84,500,000.00	-	-
Yunnan Pushi Natural Gas Co., Ltd.	11,377,880.00	-	-	11,377,880.00	-	5,988,169.86
Weihui Suntien Green Energy Co., Ltd.	84,000,000.00	-	-	84,000,000.00	-	-
Tongdao Suntien Green Energy Co., Ltd.	102,870,000.00	-	-	102,870,000.00	-	-
Chaoyang Suntien New Energy Co., Ltd.	32,000,000.00	-	-	32,000,000.00	-	-
HECIC Offshore Wind Power Co., Ltd.	491,900,000.00	-	-	491,900,000.00	-	-
HECIC New-energy (Tangshan) Co., Ltd.	86,000,000.00	-	-	86,000,000.00	-	-
Fuliang Zhongling Suntien Green Energy Co., Ltd.	130,000,000.00	24,530,000.00	-	154,530,000.00	-	-
Suntien Green Energy Xuyi Co., Ltd.	153,440,000.00	-	153,440,000.00	-	-	-
Suntien Hebei Power Sale Co., Ltd.	38,000,000.00	-	-	38,000,000.00	-	-
Fangchenggang Suntien Green Energy Co., Ltd.	90,300,000.00	-	-	90,300,000.00	-	-
Fuping Jixin Suntien Green Energy Co., Ltd.	123,000,000.00	10,000,000.00	-	133,000,000.00	-	-
Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	423,331,100.00	265,200,000.00	-	688,531,100.00	-	-
Suntien Green Energy Lianyungang Co., Ltd.	138,000,000.00	-	-	138,000,000.00	-	-
Ruian Xin Yun New Energy Co., Ltd.	1,750,000.00	-	-	1,750,000.00	-	-
Hebei Gas Co., Ltd.	16,500,000.00	-	-	16,500,000.00	-	-
Suntien Green Energy (Shanglin) Co., Ltd.	3,000,000.00	293,900.00	-	3,293,900.00	-	-
Hebei Construction & Financing Photovoltaic Technology Ltd.	22,777,752.29	-	-	22,777,752.29	-	-
Total	10,354,319,490.73	913,293,900.00	323,270,000.00	10,944,343,390.73	195,385.16	32,612,179.88

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment (continued)

(2). Investments in associates and joint ventures

Unit: Yuan Currency: RMB

Investee	Opening balance	Additional investments	Decrease in investments	Changes in the period			Declaration of cash dividend or profit	Impairment provision	Others	Closing balance	Closing balance of impairment provision
				Gain or loss of investment recognized using equity approach	Adjustments to other comprehensive income	Changes in other equity					
I. Joint ventures											
Hebei Suntien Guohua Gas Co., Ltd.	40,320,716.40			2,650,842.57	480,881.96					43,452,440.93	
Chengdedayuan New Energy Co., Ltd.	48,027,945.58			13,223,052.36	-					61,250,997.94	
Sub-total	88,348,661.98			15,873,894.93	480,881.96					104,703,438.87	
II. Associates											
Hebei Fengning Pumped Storage Co., Ltd.	447,463,551.93									447,463,551.93	
Hebei Jinjianja Natural Gas Co., Ltd.	10,500,000.00									10,500,000.00	
Sub-total	457,963,551.93									457,963,551.93	
Total	546,312,213.91			15,873,894.93	480,881.96					562,666,990.80	

Other explanations:

Applicable Not Applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

4. Operating revenue and operating costs

(1). Operating revenue and operating costs

Applicable Not Applicable

(2). Incomes generated from contracts

Applicable Not Applicable

(3). Explanation for performance of obligations under contracts

Applicable Not Applicable

(4). Explanation for allocation to residual performance of obligations under contracts

Applicable Not Applicable

Other explanations:

Nil

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

5. Investment income

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Income from long-term equity investments under the cost method	1,405,025,733.89	590,857,289.96
Income from long-term equity investments under the equity method	15,873,894.93	519,467.68
Investment gain from disposal of long-term equity investments		
Investment income received during the period of ownership from financial assets held-for-trading		
Dividend income received during the period of ownership from other equity instruments	11,943,006.92	11,190,212.18
Interest income received during the period of ownership from debt investments		
Interest income received during the period of ownership from other debt investments		
Investment gain from disposal of financial assets held-for-trading		
Investment gain from disposal of other equity instruments		
Investment gain from disposal of debt investments		
Investment gain from disposal of other debt investments		
Total	1,432,842,635.74	602,566,969.82

Other explanations:

Nil

6. Others

Applicable Not Applicable

XVIII SUPPLEMENTARY INFORMATION

1. Non-recurring profit and loss statement of the period

Unit: Yuan Currency: RMB

Items	Amount	Description
Profit or loss from disposal of non-current assets	-24,749.72	
Tax refunds or relief of tax subject to ultra vires or without official approval		
Government subsidies recognized in profit or loss of the period (except for government subsidies which are closely related to the Company's operations, and granted in a fixed amount or quantity in conformity with the common standards of the State)	8,068,072.80	
Fund possession cost levied on non-financial enterprises and included in the current profit or loss		
Income arising from the fair value of net identifiable assets of the investee that the enterprise should enjoy when the cost of investment it acquired from the subsidiary, affiliated enterprise and joint venture was less than the investment it obtained		
Profit or loss from exchange of non-monetary assets exchange		
Profit or loss on the assets by entrusting others to invest or manage		
Provisions for asset impairment accrued due to force majeure (e.g. natural disasters)		
Profit or loss from debt restructuring		
Enterprise restructuring charges, such as the staffing expenditure and integrating expenses		
Profit or loss of the part exceeding the fair value arising from the transaction with the bargain price losing fair		
Net profit or loss of subsidiaries under common control from period – begin till combination date		
Profits and losses from contingencies unrelated to normal operations		
In addition to the effective hedging business related to the normal business of the Company, profit and loss from changes in fair value arising from financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment gains from disposal of transactional financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debts		
Reversal of depreciation reserves of receivables and contractual assets under independent impairment testing	42,331.80	
Profit or loss from externally entrusted loans		
Profit or loss arising from changes in the fair value of investment property by using the fair value model for subsequent measurement		
Influence on current profit or loss for one-time adjustment of the current profit and loss as required by the relevant taxation or accounting laws and regulations		
Trustee fee income achieved from the entrusted operation		
Non-operating revenue and expense other than the above-mentioned	278,892.63	
Other profit/loss items conforming to definition of the non-recurring profit and loss		
Affected amount of income tax	-2,057,224.44	
Affected amount of minority interest	-2,844,114.18	
Total	3,463,208.89	

XVIII SUPPLEMENTARY INFORMATION (continued)

1. Non-recurring profit and loss statement of the period (continued)

Explain why the Company defined the non-recurring profits and losses defined by the Company under the definition of “Explanatory Announcement No.1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Profits and Losses”, and the non-recurring profits and losses listed in the “Explanatory Announcement No.1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Profits and Losses” to be recurring profits and losses:

Unit: Yuan Currency: RMB

Item	Amount involved	Reasons
VAT refund	70,036,205.77	

2. Net return rate of assets and earnings per share

Profit generated during the reporting period	Weighted average net return rate of assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	11.03	0.40	0.40
Net profit attributable to ordinary shareholders of the Company, net of non-recurring profit or loss	11.01	0.40	0.40

3. Differences in accounting data under domestic and foreign accounting standards

Applicable Not Applicable

4. Others

Applicable Not Applicable

Chairman: **Cao Xin**

Approved Date of Submission: 25 August 2021

Revision information

Applicable Not Applicable



新天绿色能源股份有限公司
China Suntien Green Energy Corporation Limited*