



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



2023

INTERIM REPORT

*For identification purpose only



Important Notice

- I. THE BOARD OF DIRECTORS, THE BOARD OF SUPERVISORS AND THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY CONFIRM THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN THIS INTERIM REPORT WITHOUT ANY FALSE AND MISLEADING STATEMENTS OR MATERIAL OMISSIONS, AND SEVERALLY AND JOINTLY ACCEPT LEGAL RESPONSIBILITY FOR THE ABOVE.**
- II. ALL DIRECTORS OF THE COMPANY ATTENDED THE BOARD MEETING.**
- III. THIS INTERIM REPORT IS UNAUDITED.**
- IV. DR. CAO XIN, THE PERSON IN CHARGE OF THE COMPANY, MS. FAN WEI HONG, THE PERSON IN CHARGE OF ACCOUNTING AND MR. YANG ZHAN QING, THE HEAD OF ACCOUNTING DEPARTMENT (ACCOUNTING IN CHARGE), WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE FINANCIAL STATEMENTS SET OUT IN THE INTERIM REPORT.**
- V. PROFIT DISTRIBUTION PROPOSAL OR PROPOSAL FOR TRANSFER OF CAPITAL RESERVE TO THE SHARE CAPITAL FOR THE REPORTING PERIOD 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 OTHER RELATED PARTIES**
No
- VIII. IS THERE ANY EXTERNAL GUARANTEE MADE IN VIOLATION OF THE REQUIRED DECISION-MAKING PROCEDURES**
No
- IX. IS THERE A CIRCUMSTANCE WHERE MORE THAN HALF OF THE DIRECTORS CANNOT WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE INTERIM REPORT DISCLOSED BY THE COMPANY**
No
- X. WARNING OF MAJOR RISKS**
The Company has described in detail the potential relevant risks and countermeasures in this report. Investors are reminded to read the description of risks that the Company may face set out in relevant chapters including “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 publicly disclosed on the media designated by the CSRC during the Reporting Period
	Interim Report 2023 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

“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
“A Share Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“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)
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
“CNG”	compressed natural gas
“Company”	China Suntien Green Energy Corporation Limited (新天綠色能源股份有限公司), a limited liability company incorporated in the PRC, whose A shares are listed on the main board of the SSE (Stock Code: 600956) and H shares are listed on the main board of the Hong Kong Stock Exchange (Stock Code: 00956)
“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 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
“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
“CSRC”	China Securities Regulatory Commission

Definitions

“Financial Statements”	the unaudited financial statements for the six months ended 30 June 2023
“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
“Group”	the Company and its wholly-owned and controlled subsidiaries
“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 National Administration of Financial Regulation, and a non-wholly owned subsidiary of HECIC
“GW”	unit of power, 1 GW = 1,000 MW
“GWh”	unit of energy, gigawatt-hour. 1 GWh = 1 million kWh. GWh is typically used for measurement of the annual power production of a large wind farm
“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
“Hebei Natural Gas”	Hebei Natural Gas Company Limited (河北省天然氣有限責任公司), a limited liability company incorporated in the PRC and a non-wholly-owned subsidiary of the Company
“HECIC”	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
“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
“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 Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“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
“LNG”	liquefied natural gas
“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
“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
“NEA” or “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 2023 to 30 June 2023
“RMB” or “RMB’000” or “RMB’0,000” or “RMB’00 million”	Renminbi or Renminbi thousand or Renminbi ten thousand or Renminbi hundred million. Unless otherwise stated, the currency of the amounts presented in this report is RMB
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SSE”	the Shanghai 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
Email	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
Company Website	www.suntien.com
Email	ir@suntien.com
Enquiry index for changes during the Reporting Period	N/A

IV. INFORMATION DISCLOSURE AND CHANGE IN PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	China Securities Journal
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

VII. PRINCIPAL ACCOUNTING INFORMATION AND FINANCIAL INDICATORS OF THE COMPANY

(I) Principal accounting information

Unit: Yuan Currency: RMB

Principal accounting information	During the Reporting Period (January-June)	The same period of the previous year		Increase/decrease during the Reporting Period as compared with the same period of the previous year (%)
		After adjustment	Before adjustment	
Operating revenue	10,047,361,793.42	10,225,309,885.43	10,225,309,885.43	-1.74
Net profit attributable to shareholders of the listed company	1,438,596,728.65	1,615,869,815.04	1,616,612,596.40	-10.97
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,418,776,041.03	1,608,225,561.02	1,608,968,342.38	-11.78
Net cash flows from operating activities	1,828,546,420.15	2,089,768,200.22	2,089,768,200.22	-12.50

Principal accounting information	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 (%)
		After adjustment	Before adjustment	
Net assets attributable to shareholders of the listed company	21,107,142,173.17	20,461,432,459.73	20,464,970,898.87	3.16
Total assets	77,205,653,345.01	77,412,548,934.66	77,408,666,608.07	-0.27

Corporate Profile and Principal Financial Indicators

(II) Principal financial indicators

Principal financial indicators	During the Reporting Period (January-June)	The same period of the previous year			Increase/decrease during the Reporting Period as compared with the same period of the previous year (%)
				Before adjustment	
		After adjustment			
Basic earnings per share (RMB/share)	0.34	0.38	0.38	-10.53	
Diluted earnings per share (RMB/share)	0.34	0.38	0.38	-10.53	
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.33	0.38	0.38	-13.16	
Weighted average net return rate of assets (%)	7.05	8.47	8.47	Decrease of 1.42 percentage points	
Weighted average return on net assets after deducting non-recurring gain or loss (%)	6.95	8.43	8.43	Decrease of 1.48 percentage points	

Particulars of principal accounting information and financial indicators of the Company

Note: In accordance with Accounting Standards for Business Enterprises ("ASBE") Interpretation No. 16, from 1 January 2023, the provision XI (ii) and provision XII of ASBE 18-Income Taxes in respect of exemptions from the initial recognition of deferred income tax liabilities and deferred income tax assets do not apply to the Group if single transactions are not business combinations and at the time of their occurrence, affect neither the accounting profit nor taxable income (or deductible losses), and result in the creation of an equivalent amount of taxable temporary differences and deductible temporary differences upon initial recognition of assets and liabilities (including lease transactions in which the lessee initially recognizes lease liabilities at the commencement date of the lease term and includes them in the right-of-use asset, and those in which the lessee recognizes a projected liability due to the existence of a waiver obligation in respect of a fixed asset, etc. and includes it in the cost of the related asset, etc.). For the aforesaid single transactions that occurred in 2022, the Group makes retrospective adjustments in accordance with the provisions of ASBE Interpretation No. 16. For details, please refer to "Financial Report – Note V.44" in this report.

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

Applicable Not applicable



IX. NON-RECURRING ITEMS AND AMOUNTS

Unit: Yuan Currency: RMB

Non-recurring items	Amount	Notes (if applicable)
Gain or loss on disposal of non-current assets	-2,561,530.16	
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	33,270,104.12	
Fund possession cost levied on non-financial enterprises and included in the current profit or loss		
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	5,085,041.10	
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test		
Gain or loss from external entrusted loans		
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurement		
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	5,456,040.04	
Other items of non-recurring gains or losses	1,392,167.28	
Less: Effect of income tax	6,661,955.06	
Effect of minority interests (after taxation)	16,159,179.70	
Total	19,820,687.62	



Corporate Profile and Principal Financial Indicators

Explanation on the reasons for the Company's identification of non-recurring gain or loss items according to the definition under the "Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Gain or Loss", and the identification of non-recurring gain or loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Gain or Loss" as recurring gain or loss items.

Unit: Yuan Currency: RMB

Item	Amount involved	Reasons
Value-added tax refund	110,707,390.83	Government subsidies 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 are defined as recurring profit or loss.

X. OTHERS

Applicable Not applicable

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

(I) Industry overview

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

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

1. New energy segment

(1) *Vigorously promoting the development of new energy bases on a large scale*

In order to fully implement the spirit of the 20th National Congress of the Communist Party of China, accelerate the green transformation of the development mode, actively and steadily promote carbon peaking and carbon neutrality, and further promote the development of high quality energy, China has clearly expressed that renewable energy will be vigorously developed as the main momentum to drive the future energy consumption, and has repeatedly and publicly emphasized that wind power and photovoltaic base construction is the top priority of “14th Five-Year Plan” new energy development. In the last two years, three batches of new energy base projects have been launched to accelerate the construction of large-scale new energy bases of wind and photovoltaic power and the construction of large channels. In April 2023, the National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) issued the Circular on Printing and Issuing the List of the Third Batch of Large-scale Wind Power and Photovoltaic Base Construction Projects Focusing on Deserts, the Gobi, and Desert Areas (《關於印發第三批以沙漠、戈壁、荒漠地區為重點的大型風電光伏基地建設項目清單的通知》), which involves a number of provinces such as Inner Mongolia, Gansu, Qinghai, Shandong, and Hebei and reaches a total of more than 50 million kW in scale. The Circular of the Office of the People’s Government of Hebei Province on Printing and Issuing the Action Program for the Construction of Beautiful Hebei (2023-2027) (《河北省人民政府辦公廳關於印發美麗河北建設行動方案(2023-2027年)的通知》) proposes to accelerate the coal reduction and vigorously develop renewable energy sources under the premise of energy security, so that by 2027, the installed capacity of wind power and photovoltaic power generation will reach 119 million kW.

(2) Coordinating and promoting the development of offshore wind power on a large scale

China's offshore wind energy resources are very rich. Within 200 kilometres offshore, China's offshore and deep sea have a potential of about 2.25 billion kW after development with wind energy resources technology. By 2022, China's cumulative grid-connected installed capacity of offshore wind power has exceeded 30 million kW, and China still ranked the first in the world in terms of installed capacity of offshore wind power. In April 2023, the National Energy Administration (NEA) clearly indicated that it would strengthen the coordination of offshore wind power planning, construction, transmission, grid connection and consumption, and develop offshore wind power on a large scale around five major offshore wind power base clusters in Shandong Peninsula, Yangtze River Delta, Minnan, Eastern Guangdong and Beibu Gulf, with an expected development scale of about 90 million kW in 2030. Offshore wind power development will accelerate in the next few years. At present, Hebei Province is determined to promote the development of offshore wind power. In order to construct a new type of energy province, it is proposed that it will take action to facilitate offshore wind power development projects in an orderly manner, coordinate development and management mode, and accelerate the approval and construction of projects. By 2027, the offshore wind power production will reach 5 million kW in total.

(3) Pumped storage will become an important support for the construction of new power systems

China attaches great importance to the development of the pumped storage industry, and has launched a series of supportive policies. Since the Pumped Storage Medium and Long-Term Development Plan (2021-2035) (《抽水蓄能中長期發展規劃(2021—2035年)》) was released and implemented, the pumped storage planning and construction has been effective, entering a new stage of development, and will become an important support for a new type of power system construction. At the end of 2022, Hebei Province issued the Hebei Province Pumped Storage Development and Construction Promotion Program (《河北省抽水蓄能開發建設推進方案》), which clearly put forward to enhance the pumped storage power station project construction, in accordance with the overall deployment of the "four initiatives", that is, to speed up the project completion and commissioning, to speed up the project approval and operation, to speed up the project adjustment and implementation and to speed up the project planning and addition, in a bid to comprehensively promote the province's pumped storage development and construction. It is committed to realizing the total pumped storage installed capacity of 4.87 million kW by 2025 and of 15 million kW by 2027. In January 2023, the Hebei Provincial Party Committee and Provincial Government explicitly took "the special pumped storage energy development advancement action" as the first priority among the seven major special actions for the construction of a new type of energy province, to steadily push forward the modernization of Hebei with Chinese characteristics.

(4) Active promotion of decentralized wind power and photovoltaic development

Decentralized wind power and photovoltaic projects have the advantages of not being included in the annual construction target, saving the construction cost of transmission equipment and facilitating consumption. The National “14th Five-Year Plan” for Renewable Energy Development (《「十四五」可再生能源發展規劃》) clearly proposes to promote the “Thousands of Villages Wind Power Coverage Action” and “Thousands of Households Photovoltaic Coverage Action”. It vigorously promotes the construction of rural wind power and photovoltaic construction on a county basis, and boosts the construction of 10,000 administrative villages with wind power and 1,000 photovoltaic demonstration villages. In March 2023, four ministries and administrations including the NEA, the Ministry of Ecology and Environment (MEE) and the Ministry of Agriculture and Rural Affairs (MARA) jointly issued the Circular on Organizing and Launching the Construction of Pilot Counties for the Rural Energy Revolution (《關於組織開展農村能源革命試點縣建設的通知》), proposing to plan and promote a number of pilot counties for the rural energy revolution in the resource-rich areas. It is proposed to coordinate the development of urban and rural wind, light, gas, hydrogen, and other clean energy resources on a county basis, to explore the construction of a multi-energy complementary decentralized low-carbon integrated energy network, and to promote the development and use of renewable energy generation in the local vicinity. In May 2023, the NEA proposed in the Circular on Further Regulating the Management of Electricity Business Licenses for Renewable Energy Power Generation Projects (Draft for Comments) (《關於進一步規範可再生能源發電項目電力業務許可管理有關事項的通知(徵求意見稿)》) that, on the premises of the existing licensing exemption policy, decentralized wind power projects connected to the grid with voltages of 35kV and below nationwide would be included in the scope of licensing exemption and no longer required to obtain electricity business licenses. Onshore decentralized wind power and photovoltaics development are expected to accelerate.

2. Gas segment

(1) *Increasing integration of natural gas and new energy sources*

As the dual-carbon process continues to advance, China is placing more and more emphasis on the integrated development of natural gas and new energy industries. In February 2023, the NEA published the Action Plan for Accelerating the Integration of Oil and Gas Exploration and Development and New Energy (2023-2025) (《加快油氣勘探開發與新能源融合發展行動方案(2023-2025年)》), proposing to coordinate the promotion of the security of oil and gas supply and green development, and to coordinate the advancement of the exploration and development of onshore and offshore oil and gas, and the development of onshore and offshore wind and photovoltaic power generation, and to continue to promote the restructuring and upgrading of the energy production and supply structure. The plan provides new policy support for the synergistic development of the Company's new energy and gas segments. At the same time, due to the high efficiency, quick start-stop, flexible operation and other characteristics of natural gas power generation, peak-gas adjustment, as an important part of the construction of a new power system based on new energy sources, is expected to be one of the important directions of energy development in the future.

(2) *Accelerated improvement of upstream and downstream natural gas price linkage mechanism*

Currently, the degree of marketization of upstream gate prices of domestic natural gas has exceeded 50% with frequent fluctuation, but the downstream price cannot be managed effectively. Against the backdrop of relatively loose supply and demand of domestic natural gas, due to insufficient low-priced residents' gas volume under the contract, natural gas supply cut-offs and gas restriction phenomena still occur. At present, some provinces and some municipalities in Hebei Province have issued relevant policies and activated the price linkage mechanism to increase terminal gas prices. This will greatly relieve the pressure on the operation of the city's fuel companies and promote the healthy and sustainable development of the natural gas industry.

(3) More apparent diversification of gas source choices

As the contradiction between supply and demand of natural gas becomes more and more prominent, the guarantee of gas supply has become a key factor affecting the profitability of city gas operators. In view of the uneven distribution of natural gas resources, cross-regional deployment is essential in fully utilizing natural gas resources. With the reform of the natural gas pipeline network, and the relaxation of market pricing and barriers for upstream exploration and development, the reform objectives of “enhancing control in the middle and deregulating on both ends” and the market structure of “X+1+X” in China’s natural gas industry have been initially formed. In the era of “X+1+X”, as there will be more and more upstream gas sources, downstream users will also have diversified gas sources choices, and the competition in the industry will further intensify. Continuing to promote the construction of interconnection and interoperability projects, realizing multi-channel access of gas sources and enhancing the ability to guarantee resource supply will become a top priority.

(II) Principal business and business model of the Company

The Company is a leader in the development and utilization of new and clean energy in northern China. With the wealthy wind and photovoltaic resources in Hebei Province, more than 10 years of experience in the management of wind and photovoltaic project construction and extensive project resources reserve, the Company’s business is based in Hebei, radiating across China. The Company’s principal business focuses on wind power and photovoltaic generation and sale of natural gas. The other businesses in the principal business are ancillary or extended businesses that the Company develops by making use of its resources and technical advantages in the natural gas and wind power sectors.

1. Wind power and photovoltaic business

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

(1) The construction, operation and management of wind farms and photovoltaic power stations

In the early stage of the construction of a wind farm or a photovoltaic power station, the location of the project shall have abundant and stable wind energy and solar 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 carried out, and approvals or replies from development and reform, environmental protection and natural resources departments and other regulatory authorities shall be obtained before the commencement of construction. 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 farms and photovoltaic power stations 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 and photovoltaic 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 farms and photovoltaic power stations to the designated grid connection points 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.

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

2. Natural gas business

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

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

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

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

(2) Sale of natural gas

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

II. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

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

4. The Company has established a robust natural gas production, supply, storage and marketing system. The diversified supply of resources has been continuously strengthened, the construction of natural gas transmission pipeline network has been accelerated, the capacity of gas storage and peak regulation has been steadily improved, the advantages of resources, pipeline network, price and other favourable factors have been given full play to actively explore the downstream market, and research on and deployment of gas power plant projects have been carried out. Meanwhile, we also expand our high-quality natural gas urban gas projects by means of cooperation and through mergers and acquisitions to capture greater share in the end-user market.
5. The Company has established a sound and effective sustainable development management system with emphasis on environmental, social and governance management. The Company has been focusing on ESG issues since 2014 and has been disclosing ESG reports year by year. The Company has established an internal control governance structure and a comprehensive risk management system. The Company continuously promotes environmental protection and rural revitalisation to fulfil its commitment to sustainable development through practical actions.
6. The Company actively carries out technological innovation and makes deployment in the digital intelligence sector, and strives to build a “digital Suntien”. In order to further reduce costs and increase efficiency, the Company has been continuously stepping up its efforts in “digital intelligence” research and development and technological innovation, and continuously optimized business processes based on the enterprise structure with the help of data and technology, so as to continuously improve the Company’s business management and production operation, and maximize its organizational efficiency.

III. BUSINESS DISCUSSION AND ANALYSIS

(I) Operating environment

Since the beginning of this year, the international environment has been complicated and severe, with the Russia-Ukraine conflict leading to sharp fluctuations in the prices of energy, foodstuffs and other commodities, tighter industrial and supply chains, and increased domestic imported inflationary pressures, which have made more challenging for the stability of the economy. Domestic market demand is gradually recovering and economic development is showing an upward trend, but we are still facing many new problems and challenges, such as obvious changes in the external environment, weak internal dynamics, economic deflation and insufficient demand, which are constraining the development of various industries. Despite the pressure and challenges, the long-term positive fundamentals of China’s economy have not changed with the obvious characteristics of strong resilience, great potential and wide space. Since the economy and society have fully resumed to normal, with the favourable macro policies, the economy has recovered, and the high-quality development has been steadily advancing. According to preliminary calculations, gross domestic product in the first half of the year was RMB59,303.4 billion, representing a year-on-year increase of 5.5% at constant prices.

With the gradual recovery of the economy in China, policies and measures about guaranteed supply of energy and price stabilization took effect, energy production volume grew steadily and the supply security capacity was steadily enhanced. The consumption structure was continuously optimized and the proportion of non-fossil energy consumption continued to increase.

On 6 April 2023, the NEA issued the Notice of the National Energy Administration on Printing and Issuing the “Guiding Opinions on Energy Work in 2023” (NEA Planning [2023] No. 30) (《國家能源局關於印發〈2023年能源工作指導意見〉的通知》(國能發規劃〔2023〕30號)). The Guiding Opinions on Energy Work in 2023 proposed to insist on actively and steadily promoting green and low-carbon transformation. It proposed to push forward the implementation of carbon peaking in the energy sector, accelerate the construction of a new type of power system, and vigorously develop non-fossil energy sources to strengthen the foundation for safe and reliable substitution of new energy sources. It also suggested to enhance the clean and efficient use of coal, focus on controlling the consumption of fossil energy sources, and facilitate the adjustment and optimization of the energy structure.

In the first half of the year, the power generation of the above-scale industrial enterprises amounted to 4.2 trillion kWh, up by 3.8% year-on-year, and the growth rate increased by 1.4 percentage points compared with that of the first quarter. In particular, thermal power grew by 7.5%; nuclear, wind and solar power generation grew by 6.5%, 16.0% and 7.4% respectively; hydroelectricity decreased by 22.9%. Wind and photovoltaic power continued to grow rapidly and steadily, effectively guaranteeing the safe supply of electricity. At present, the proportion of wind and photovoltaic power generation has exceeded that of hydropower, up 1.2 percentage points over the same period last year.

According to the statistics published by the NEA, from January to June 2023, the national electricity consumption accumulated to 4,307.6 billion kWh, representing a year-on-year increase of 5.0%. From January to June 2023, the nationwide wind power generation installed capacity was approximately 390 million kW, representing a year-on-year increase of 13.7%; and the installed capacity of solar power was approximately 470 million kW, representing an increase of 39.8% year-on-year. The national average utilization hours of wind power generation were 1,237 hours, up 83 hours from the same period of last year with an average utilization rate of 96.7%. The national average utilization rate of photovoltaic power generation was 98.2%.

According to the statistics published by the National Bureau of Statistics (NBS), from January to June 2023, the domestic production of natural gas amounted to 115.5 billion cubic meters, representing a year-on-year increase of 5.4%. Natural gas imports amounted to 56.63 million tons, a year-on-year increase of 5.8%. Natural gas production grew steadily with faster import growth of natural gas. According to the statistics published by the NEA, in the first half of the year, the national apparent consumption of natural gas was 194.9 billion cubic meters, a year-on-year increase of 6.7%.

(II) BUSINESS REVIEW

1. Business review of the wind power business

(1) *Stable power generation of wind farms*

During the Reporting Period, the wind farms controlled by the Group realized a power generation of 7.719 billion kWh, representing a year-on-year increase of 1.91%; the utilization hours of the wind farms controlled by the Group were 1,339.50 hours, representing a decrease of 9.5 hours as compared with the same period of last year, which were 102.5 hours higher than the nationwide average utilization hours; the average availability factor was 97.78%, representing a decrease of 0.53 percentage point over the same period of last year. The curtailment rate was 9.39%, representing an increase of 0.74 percentage point year-on-year.

(2) *Sturdily proceeding with project construction*

During the Reporting Period, the Group added wind power consolidated installed capacity of 278 MW, installed capacity under management of 278 MW and had accumulative consolidated installed capacity of 6,089.85 MW, and accumulative installed capacity under management of 6,350.45 MW. In the first half of the year, the commercial operation project capacity was increased by 92.8 MW, and its accumulated commercial operation project capacity was 5,760.05 MW. As of the end of the Reporting Period, the Group had projects under construction with a total installed capacity of 578.4 MW. In the first half of the year, the Ruoqiang Luobuzhuang wind power project and the Chongli wind power hydrogen production phase II project were all connected to the grid. The construction of Taian Sanglin Wind Farm, Zhangbei Zhanhai Wind Farm and Tangshan Qinghe Wind Farm is progressing according to schedule.

During the Reporting Period, the Group kept optimizing its project construction process, closely monitored the comprehensive management and control of its projects, and improved the efficiency of its project management. The Group 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. Kangbao Yongfeng Project won the Power Industry Quality Engineering Award (電力行業優質工程獎) and the China Installation Engineering Quality Award (中國安裝工程優質獎). Laoting Puti Island Offshore Wind Power 300 MW Demonstration Project won the Hebei Provincial Quality Project (河北省級優質工程) and the China Installation Engineering Quality Award.

(3) *Active expansion in wind resources reserves*

During the Reporting Period, the approved capacity of wind power projects for the Group increased by 100 MW and the total approved capacity of projects yet to be commissioned amounted to 1,861 MW. The wind power construction quota increased by 1,943.25 MW and the accumulative wind power quota capacity reached 10,092.35 MW. During the Reporting Period, the Group signed wind power development agreements in Julu County, Xingtai City, Hebei Province; Gulang County, Wuwei City, Gansu Province; Beizhen County-level City, Jinzhou City, Liaoning Province; Antu County, Yanbian City, Jilin Province; and Nanzhang County, Xiangyang City, Hubei Province. The new wind power capacity under agreements would be 2,300 MW and the total effective capacity of wind power resources under agreements would be 25,550 MW, which are distributed in more than 20 provinces across China.

2. Business review of the natural gas business

(1) *Slightly decrease in natural gas transmission volume*

During the Reporting Period, the Group's total transmission volume of the natural gas business was 2.385 billion cubic meters, representing a decrease of 2.9% as compared with the same period of last year, among which, the sales volume amounted to 2.059 billion cubic meters, representing a decrease of 5.8% as compared with the same period of last year, including (i) wholesale volume amounted to 1,108 million cubic meters, representing a decrease of 4.9% as compared with the corresponding period of the previous year, which was mainly due to the decrease of the volume of gas used by the majority of the wholesale customers as a result of the overall market economic environment; (ii) retail sales volume amounted to 912 million cubic meters, representing a decrease of 6.3% as compared to the corresponding period of the previous year, mainly due to the decrease in the volume of gas used by all end-users as a result of the overall market economic environment; (iii) CNG sales volume amounted to 37 million cubic meters, representing a decrease of 18.2% as compared to the corresponding period of the previous year, mainly due to the decrease in CNG sales volume as a result of the lower LNG price this year; (iv) LNG sales volume amounted 2 million cubic meters, representing a decrease of 17.37% as compared to the corresponding period of the previous year, mainly due to the closure of Shahe LNG filling station; and the gas transmission volume on an agent basis amounted to 326 million cubic meters, representing an increase of 21.3% as compared with the corresponding period of the previous year, mainly attributable to the increase in gas transmission volume on an agent basis as a result of the completion of the acquisition of Shijiazhuang Xin'ao Urban Gas Development Co., Ltd. (石家莊新奧城市燃氣發展有限公司) in 2022.

(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 2023, the aggregate length of the Group's pipelines in operation was 9,327.49 kilometres with 6 CNG primary filling stations, 3 CNG secondary filling stations, 3 LNG filling stations and 2 L-CNG joint filling stations in operation.

The Zhuozhou-Yongqing Transmission Pipeline Project (涿州-永清輸氣管道工程), the Handan Connection Line Project of Erdos-Anping-Cangzhou Gas Pipeline and Jingshihan Gas Pipeline (鄂安滄-京石邯管線邯鄲聯絡線項目) and the "Jingshihan" Dual Track Gas Pipeline Project (「京石邯」輸氣管道複線工程) were commissioned for trial operation. The Beijing-Handan Pipeline LNG Gas Storage Peak Capacity Station Phase I Project (京邯線LNG儲氣調峰站一期工程) has entered the pre-commissioning preparation stage. Welding of some lines was completed for the Central Hebei Pipeline Network Phase IV Project (冀中管網四期工程), the Qinhuangdao-Fengnan Gas Pipeline Project (秦皇島-豐南沿海輸氣管道工程), the Luquan-Jingxing Gas Transmission Pipeline Project (鹿泉-井陘輸氣管線項目) and the South Baoding Connection Line Project (保定南部聯絡線項目), respectively. In-depth market research is underway for the Coastal Gas Transmission Pipeline (Cangzhou section) (沿海-輸氣管線(滄州段)). The approval for the Baoding Qingyuan-Cangzhou Suning Pipeline Project (保定清苑-滄州肅寧管線項目) has been obtained. Upon completion of the above projects, the Company's pipeline network coverage will be further expanded, the gas supply pattern will be optimized, gas sources and pipeline networks will be interconnected and interoperable, and the gas transmission capacity and emergency protection capacity will be enhanced.

(3) Smooth progress of the construction of the Tangshan LNG project

On 18 June 2023, the first shipment of LNG was completed for the phase I of the Tangshan LNG Receiving Station project, and the project entered the commissioning and trial operation stage. The supporting Pier No. 3 Project (配套3#碼頭工程項目) and the Caofeidian-Baodi section (曹妃甸--寶坻段) and Baodi-Yongqing section (寶坻--永清段) of the Outbound Pipelines Project were under commissioning and trial operation. The consolidated progress of Tangshan LNG Project Phase II for Tanks 1#, 2#, 5#, 6# was completed at 62.77%, while the consolidated progress for Tanks 9#, 10#, 15#, 16# was completed at 50.87%.

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

During the Reporting Period, leveraging its newly operating pipelines, the Group vigorously developed its end user base of natural gas and newly acquired 60,368 users of different categories. As of 30 June 2023, the Group had an aggregate of 619,416 users. The Group has been steadily promoting the development of regional markets by acquiring a 60% equity interest in Gaoyi County Fengcheng Natural Gas Co., Ltd., whose operation area mainly covers the administrative area of Gaoyi County.

3. Other businesses

(1) *Photovoltaic power business*

During the Reporting Period, the total capacity of photovoltaic projects filed but yet to be commissioned of the Group amounted to 607.2 MW. The photovoltaic construction quota increased by 30 MW. During the Reporting period, the Group entered into photovoltaic project development agreements in Xishi District, Yingkou City, Liaoning Province and Nanzhang County, Xiangyang City, Hubei Province. The photovoltaic capacity under agreements was increased by 800 MW and the total effective photovoltaic capacity under agreements was 10,758 MW. As of 30 June 2023, the Group operated photovoltaic power generation projects with an accumulative operating capacity of 126.12 MW and accumulative installed capacity under management of 296.12 MW. The utilization hours of photovoltaic projects were 747 hours, up 17 hours from the same period of last year.

(2) *Energy storage business*

The Company participated in an equity investment for the construction of Hebei Fengning Pumped Storage Power Station Project (河北豐寧抽水蓄能電站項目), the designed total installed capacity of which amounted to 3,600 MW, which will be developed in two phases with installed capacity of 1,800 MW each for pumping and water retention functions such as peak load regulation and valley filling. As of 30 June 2023, Units 1-10 of the Hebei Fengning Pumped Storage Power Station Project were commissioned; installation of Unit 11 and Unit 12 is proceeding normally. The capacity tariff for Phase I of the project is RMB547.07/kW and the capacity tariff for Phase II is RMB510.94/kW. During the Reporting Period, the Group's Baoding Laiyuan Huanghuatan 1,400MW Pumped Storage Project (保定涞源黃花灘1,400MW抽水蓄能項目) was included in the second batch of application of the Hebei Province "14th Five-Year Plan" key implementation list and was reported to the NEA for review.

The Group actively attempted to explore investment in new energy storage projects, focusing on the research and development of technologies and projects such as flywheel energy storage, and continued to try to develop new energy storage project investments in Hebei Province and other provinces.

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

During the Reporting Period, the Group's professional and technical teams fully utilized their strengths to identify the root causes of the problems by using advanced data analysis methods and formed a number of mature and reliable technical reform proposals in order to solve the common problems of some imported and old wind turbines. The "Green Energy Industry Innovation Team", with our President as the team leader, was successfully recognized as the Hebei Provincial Science and Technology Innovation Team in 2022.

(III) Business Discussion and Analysis

1. Overview

In the first half of 2023, the Group's operating revenue amounted to RMB10.047 billion, representing a year-on-year decrease of 1.74%, which was mainly attributable to the decrease in the volume of gas sold in the natural gas segment as compared with the corresponding period of last year. The Group's operating costs amounted to RMB7.269 billion, representing a year-on-year increase of 1.17%, which was mainly attributable to the increase in the purchase cost of natural gas per unit as compared with the corresponding period of last year.

2. Net profit

During the Reporting Period, the Group recorded a net profit of RMB1.714 billion, representing a year-on-year decrease of 15.32%. During the Reporting Period, the wind power and photovoltaic power segments realised a net profit of RMB1.333 billion, representing a year-on-year decrease of 7.94%, mainly due to the impact of the decrease in average on-grid tariffs as compared to the corresponding period of last year and the increase in income tax burden. The natural gas business segment realized a net profit of RMB310 million, representing a decrease of 47.72% year-on-year, mainly due to the impact of the decrease in gas sales volume and gross profit per unit as compared with the corresponding period of last year.

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 RMB1.439 billion, representing a decrease of RMB177 million as compared with RMB1.616 billion in the same period of last year, representing a year-on-year decrease of 10.97%, which was mainly due to the decrease in the Group's net profit over the same period of last year.

Basic earnings per share attributable to shareholders of the Company is RMB0.34.

4. Gain or loss attributable to minority interests

During the Reporting Period, net profit attributable to minority interests of the Company amounted to RMB275 million, representing a decrease of RMB133 million as compared with RMB408 million in the corresponding period of last year, which was mainly due to the decrease in the Group's net profit over the same period of last year.

5. Contingent liabilities

As of 30 June 2023, RMB132 million was used as a guarantee provided by the Group for a joint venture, Hebei Suntien Guohua Gas Co., Ltd., for its application to a financial institution for credit line.

As of 30 June 2023, the Group was subject to certain pending litigations/arbitrations with its suppliers, etc., involving RMB80 million. The cases are still under trial.

6. Cash flows

As of 30 June 2023, the Group's net current liabilities were RMB4.788 billion, and the net decrease in cash and cash equivalents was RMB4.034 billion. The Group has obtained credit facilities of a total amount of RMB73.500 billion from various domestic banks, of which an amount of RMB24.183 billion was utilised.

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 RMB4.399 billion, representing an increase of 75.38% as compared with RMB2.508 billion in the corresponding period of last year. A breakdown of capital expenditure is as follows:

Unit: '000 Yuan Currency: RMB

	30 June 2023	30 June 2022	Change (%)
Natural gas	3,161,627	1,519,889	108.02
Wind power and solar energy	1,233,041	986,812	24.95
Unallocated capital expenditures	4,059	1,340	202.91
Total	4,398,727	2,508,041	75.38

8. Borrowings

As of 30 June 2023, the Group's long-term and short-term borrowings totalled RMB36.934 billion, representing a decrease of RMB268 million as compared with the end of 2022. Among all borrowings, the short-term borrowings (including long-term loans due within one year) aggregated to RMB5.314 billion, and the long-term borrowings amounted to RMB31.620 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 2023, the Group's debt-to-asset ratio (the ratio of total liabilities divided by total assets) was 66.71%, representing a decrease of 0.76 percentage point from 67.47% as at 31 December 2022, mainly due to higher interest equity of the Company's shareholders as compared to the beginning of the year.

10. Substantial mortgage

The Group has no material asset pledge during the Reporting Period.

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 of change (%)
Operating revenue	10,047,361,793.42	10,225,309,885.43	-1.74
Operating costs	7,269,426,244.62	7,185,416,025.72	1.17
Selling expenses	1,302,593.94	1,709,640.11	-23.81
Administration expenses	266,194,667.69	254,539,409.30	4.58
Finance costs	535,165,858.14	588,247,100.89	-9.02
R&D expenses	183,330,260.19	37,888,206.99	383.87
Net cash flows from operating activities	1,828,546,420.15	2,089,768,200.22	-12.50
Net cash flows from investing activities	-3,436,880,321.28	-3,716,766,991.84	-7.53
Net cash flows from financing activities	-2,422,738,749.79	-1,379,191,625.25	75.66

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

Explanation on reasons for changes in operating costs: During the Reporting Period, the Group's operating costs increased by 1.17% as compared with the same period of last year, mainly due to the increase in the purchase cost of natural gas per unit as compared to the same period of last year.

Explanation on reasons for changes in selling expenses: During the Reporting Period, the Group's selling expenses were RMB1.3026 million, representing a year-on-year decrease of 23.81%, mainly due to the decrease in the remuneration of sales force as compared with the same period of last year.

Explanation on reasons for changes in administrative expenses: During the Reporting Period, the Group's administrative expenses amounted to RMB266 million, representing an increase of 4.58% year-on-year, which was mainly attributable to the amortization of intangible assets and an increase in consulting fees.

Explanation on reasons for changes in finance costs: During the Reporting Period, the Group's finance costs were RMB535 million, representing a decrease of 9.02% from RMB588 million for the same period of last year, mainly due to the decrease in financing rates during the period and the early repayment of certain loans from financial institutions.

Explanation on reasons for changes in R&D expenses: During the Reporting Period, the Group's R&D expenses were RMB183 million, representing an increase of 383.87% from RMB38 million for the same period of last year, mainly attributable to the increased investment in R&D of technology projects during the period.

Explanation on reasons for changes in net cash flows from operating activities: The net cash inflows from operating activities were RMB1.828 billion, representing a decrease of 12.50% over the same period of last year, mainly due to the increase in cash paid for purchase of goods and acceptance of services as well as tax payments.

Explanation on reasons for changes in net cash flows from investing activities: The net cash outflows from investing activities were RMB3.437 billion, representing a decrease of 7.53% over the same period of last year, mainly due to the combined effect of the redemption and less purchase by the Company of structured wealth management products from banks, as well as an increase in investment in acquisition and construction of fixed assets.

Explanation on reasons for changes in net cash flows from financing activities: The net cash outflows from financing activities amounted to RMB2.423 billion, representing an increase of 75.66% as compared with the same period of last year, mainly attributable to the increase in distribution of dividends and payment of dividends as compared with the same period of last year.

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

Applicable Not applicable

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

Applicable Not applicable

Management Discussion and Analysis

(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 assets (%)	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	3,272,018,550.44	4.24	7,326,059,327.77	9.46	-55.34	This was mainly due to the repayment of loans by the Company and the increase in expenditure on the purchase of long-term assets
Notes receivable	107,294,530.15	0.14	235,764,112.96	0.30	-54.49	This was mainly due to the increase in the amount of notes receivable due for maturity during the period
Receivables financing	413,463,060.61	0.54	169,290,765.51	0.22	144.23	This was due to increase in note repayment during the period
Advance payments	208,306,258.28	0.27	534,453,113.73	0.69	-61.02	This was mainly due to the decrease in prepayments for purchase of natural gas
Other receivables	129,909,015.25	0.17	207,110,462.03	0.27	-37.28	This was mainly due to recovery of performance bonds during the period
Inventories	391,629,012.18	0.51	104,531,171.77	0.14	274.65	This was mainly due to new purchases of liquefied natural gas during the period
Assets held for sale	-	-	12,416,736.35	0.02	-100.00	Disposal of assets held for sale was completed during the period
Non-current assets due within one year	-	-	22,349,480.00	0.03	-100.00	This was due to collection of long-term receivables due within one year during the period
Intangible assets	2,826,038,190.88	3.66	2,121,212,538.58	2.74	33.23	This was mainly due to the acquisition of additional land use rights during the period
Goodwill	166,808,420.87	0.22	96,922,283.74	0.13	72.11	This was mainly attributable to the goodwill arising from the acquisition of additional units through business combinations involving enterprises not under common control during the period
Notes payable	8,863,636.67	0.01	13,649,747.04	0.02	-35.06	This was mainly due to the maturity of the bills payable
Liabilities held for sale	-	-	6,811,269.63	0.01	-100.00	Disposal of liabilities held for sale was completed during the period
Other current liabilities	44,507,984.08	0.06	1,086,927,077.13	1.40	-95.91	This was due to the maturity of ultra-short-term financial debentures and the decrease in pending output tax during the period
Debentures payable	2,200,000,000.00	2.85	1,500,000,000.00	1.94	46.67	This was due to the issuance of new medium-term notes during the period

Other explanations

Nil

2. Information on foreign assets

(1) Size of assets

Of which: foreign assets of 2.62 (Unit: '00 million; Currency: RMB), representing 0.34% of total assets.

(2) Explanation of the high proportion of foreign assets

Applicable Not applicable

Other explanations

Nil

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

Unit: Yuan

Items	Closing carrying value	Reasons for restriction
Cash	140,099,162.02	Land reclamation deposit, risk collateral, government deposit
Accounts receivable	5,358,465,002.02	Financing pledges
Fixed assets	253,170,012.57	Financing pledges
Intangible assets	3,197,368.03	Financing pledges
Total	5,754,931,544.64	

4. Other explanations

Applicable Not applicable

(IV) Analysis of investment status

1. General analysis of external equity investments

During the Reporting Period, the Group's investment income from joint ventures and associates amounted to RMB175 million, representing an increase of RMB44 million as compared with RMB131 million in the corresponding period of last year. This was mainly due to the increase in the profit of joint ventures and associates for the period.

During the Reporting Period, the Group's external investments amounted to RMB37.0802 million, representing an increase of RMB22.3802 million as compared with RMB14.7000 million in the corresponding period of last year. This was mainly due to the increase in additional investments in joint ventures and associates for the period.

Unit: RMB'0,000

Investment amount for the Reporting Period	Investment amount for the corresponding period of last year	Percentage of change
3,708.02	1,470.00	152.25%

(1) *Material equity investments*

Applicable Not applicable

(2) *Material non-equity investments*

Applicable Not applicable

(3) *Financial assets measured at fair value*

Unit: Yuan Currency: RMB

Type of asset	Opening balance	Gains and losses on change in fair value during the period	Cumulative change in fair value included in equity	Impairment provided during the period	Purchase amount during the period	Sales/redemption amount during the period	Other changes	Closing balance
Financial assets for trading	520,000,000.00	-	-	-	610,000,000.00	740,000,000.00	-	390,000,000.00
Receivables financing	169,290,765.51	-	-	-	-	-	244,172,295.10	413,463,060.61
Investments in other equity instruments	218,605,700.00	-	11,805,700.00	-	2,000,000.00	-	-	220,605,700.00
Total	907,896,465.51	-	11,805,700.00	-	612,000,000.00	740,000,000.00	244,172,295.10	1,024,068,760.61

Investment in securities

Applicable Not applicable

Description of investment in securities

Applicable Not applicable

Investment in private equity

At the twenty-ninth extraordinary meeting of the fourth session of the Board of Directors of the Company held on 18 January 2022, it was agreed that HECIC Huineng New Energy Co., Ltd. (“HECIC Huineng”), a wholly-owned subsidiary of the Company, would contribute RMB179 million as a limited partner to establish Hebei Suntien Green Shuifa Carbon Neutrality Equity Investment Fund (Limited Partnership) with a total fund size of RMB360 million, of which HECIC Huineng owns 49.722%. On September 2022, the Suntien Shuifa Fund had completed the filing procedures with the Asset Management Association of China. As at 30 June 2023, HECIC Huineng had an actual capital contribution of RMB1.00 million.

Investment in derivatives

Applicable Not applicable

(V) Material disposal of assets and equity interest

Applicable Not applicable

(VI) Analysis of major subsidiaries and investee companies

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

Unit: RMB'0,000

Company name	Proportion of shareholding	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
HECIC New Energy Co., Ltd.	100%	Wind power generation, wind farm investment and service consulting	534,730.00	2,421,927.34	819,320.81	201,258.30	92,961.18	77,008.90
Hebei Natural Gas Company Limited	55%	Sale of natural gas and appliances, as well as connection and construction of natural gas pipelines	190,000.00	1,259,530.33	379,308.87	662,854.82	42,392.70	33,667.06
Hebei Fengning CIC New Energy Co., Ltd.	100%	Wind power generation	93,483.00	397,254.15	141,891.90	43,960.69	29,282.75	23,588.02

(VII) Structured entities controlled by the Company

Applicable Not applicable

V. OTHER DISCLOSURES

(I) Potential risks

1. Wind power/photovoltaic business

(1) Uncertain wind resources

The major climatic risk faced by the wind power industry is the fluctuation of wind resources between years, as the power generation is at a higher level in years of greater wind resources and at a lower level in years of less wind resources, as compared to normal years. Due to the randomness and uncontrollability of wind resources, there might be a risk of decreasing wind speed in 2023 as compared to 2022. During the project planning phase and before the construction of wind farms, the Group will conduct a comprehensive wind resources test to evaluate the potential installed capacity of such locations in order to reduce the climatic risks.

(2) Continuation of power constraints

As the construction of power grids is lagging behind the construction of wind power and photovoltaic projects, the development of wind power and photovoltaic projects is limited by electricity output, especially in certain regions where wind and photovoltaic resources are concentrated. With the new wind power and photovoltaic projects in regions across the country where wind and photovoltaic resources are relatively concentrated 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 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. 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.

(3) Increase in management difficulty of construction

The obstruction of work at some construction sites and problem of scrambling to plant have become increasingly serious. The issuance of the notice “prohibiting cutting immature wheat” caused the progress of the long-distance pipeline project to come to a standstill before the harvesting of young crops. In some districts, it is difficult to co-ordinate the acquisition and occupation of land, and the requirements for compensation are strict, making it difficult to take forward the projects. The Group will strengthen the coordination efforts at the construction site and make every effort to remove external resistance to ensure that the construction of the project will progress smoothly as scheduled. The Group will sorting out the situation of land along the pipeline, giving priority to the coordination of orchards, nurseries, and part of the land used for woodland. For the land having received compensation, the Group will coordinate the villages and towns to avoid again scrambling to plant fall crops, to ensure the smooth implementation of the project. At the same time, efforts will be stepped up to solve the problem of land acquisition for the project to ensure that the construction project will be put into operation on schedule.

(4) 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 transactions leading to a decrease in electricity prices. The Company will conduct an 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, striving to maximize the interests of the Company.

(5) Surge in project investment due to energy storage requirements

Many provinces across the country successively introduced energy storage solutions for new energy since the start of the 14th Five-Year Plan, with the energy storage installations ancillary to wind power and photovoltaic projects gradually becoming the industry norm, which will inevitably lead to an increase in the initial investment cost for new energy operators. The excessive requirements on ratio and duration of energy storage in some regions may make it difficult for projects to achieve a reasonable rate of return.

2. Natural gas business

(1) Risks of falling pipeline transmission fees and city gas charges

In recent years, the state has continued to promote natural gas price reforms in accordance with the general idea of "enhancing control in the middle and deregulating on both ends". As the reform continues, there is a risk that pipeline transmission fees and city gas charges will decline.

The Company will seize the favourable opportunity of promoting clean energy in China, fully utilize the government's policy guidance of promoting clean energy and strengthening pollution control, give full play to its resources and service advantages, continue to expand the development of natural gas customers, and strive to expand the scope of the Company's operating regions and increase its market share.

(2) *Risk of further increased difficulty for market expansion*

With the gradual availability of the national pipeline network infrastructure in a fair manner, the Group will face direct competition from major upstream enterprises as the major upstream gas source suppliers continue to expand into downstream business, making it more difficult to expand the market in the future.

The Group will firmly adhere to the market-oriented philosophy, further optimize its resource mix, explore cooperation with resources units, improve market layout, formulate sales strategies, 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.

(3) *The risk of incomplete recovery of original accounts receivable*

Due to the downturn in the glass industry in previous years, the business of sale of natural gas of the Company has historically incurred certain receivables for natural gas from customers in the downstream glass industry. In recent years, through the Group's relentless efforts, most of the relevant outstanding amounts have been recovered, but it will still take some time to recover the remaining amounts.

The Group will actively explore new measures and ideas for payment collection, focus on government policies and asset and debt disposal proposals, accelerate the recovery of natural gas arrears, and proactively prevent various risks to safeguard the interests of the Group.

(4) *Risk of natural gas consumption decline*

In the first half of 2023, due to the downturn in overseas demand and the unstable global geopolitical situation, the domestic economic recovery was inhibited to a certain degree. In addition, the weakening of the global economy against the backdrop of sustained interest rate hikes also exerted pressure on the domestic export industry, and the demand for natural gas in the market was sluggish with declined consumption.

The Group will continue to increase its efforts in downstream market development and actively introduce expedient resources and low-cost gas sources to enhance its competitiveness, and proactively formulate targeted promotional policies in an effort to ensure growth in sales volume.

3. Interest rate risk

The Group is principally engaged in investment in domestic wind power, photovoltaic power and natural gas projects, which requires certain amount of capital expenditure. The demand for borrowing funds is high and fluctuation in interest rates 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; expand financing channels in various aspects to achieve financial innovation, and explore means of issuance of debentures, finance lease, foreign financing and trade receivable factoring to ensure the smooth operation of capital chain and a low cost for project construction.

4. Risk of safety

- (1) As for the new energy sector, the operating condition of equipment such as wind turbines in old wind farms that have been in operation for a long time is a major factor that directly affects the sustainable and stable operation of the Company's safety production, and good operations and maintenance work is required in advance for reducing the risk of safety in the new energy sector.
- (2) As for the gas sector, the existing pipeline network has been in operation for a long period of time, and the equipment and facilities of gas stations and gas pipelines are aging to varying degrees, coupled with the impact of possible damage caused by third parties, the risk of safety in the gas sector has been increased from an objective perspective, which has brought greater pressure and difficulty to the safety management of the Company.

(II) Other disclosures

Applicable Not applicable

VI. PROSPECTS FOR THE SECOND HALF OF THE YEAR

The year 2023 is the first year to fully implement the spirit of the 20th Party Congress, and also a critical year for the Company to overcome hardship and achieve success. In the second half of the year, the Company will keep perfecting its work to concentrate positive energy for its high-quality development.

1. Firmly guard against security risks: The Company always puts safety management as the top priority, and clearly defines and classifies safety responsibility. It will continue to develop and promote the implementation of the HSE management system. The Company will establish a digital safety management platform to enhance the level of safety supervision. It will continue to carry out in-depth special rectification of production safety and enhancement of safety quality. The Company has been making good preparations for the winter supply of natural gas, fully implementing the winter supply renovation project, for which it coordinates upstream enterprises in advance to ensure additional resources to realize safe and secure supply.
2. Expedite the progress of approval of new energy projects within the construction quota: The Company will carry out the pre-approval procedures for the Huanghuatan Pumped Storage Project to further enhance the onshore wind and light resources reserves and development, and strive for a certain percentage of new energy quota in the projects of the establishment of energy bases and power channels in and across Hebei Province. It will actively promote the integrated source-grid-load-storage projects, “gas turbines + new energy” multi-energy complementary projects and other integration projects. The Company will focus on tracking the progress of offshore wind power planning approval in Hebei Province and accelerate the progress of offshore wind power project approval.
3. Coordinate the development of the Group’s natural gas industry chain and continue to promote the synergistic development of upstream, midstream and downstream players of natural gas: In terms of the upstream, the Company will strengthen communication with domestic and overseas parties with resources, and resolutely fulfill the established international LNG procurement targets to enrich the domestic low-priced LNG resources procurement as well as the Company’s natural gas resource pool. In terms of the midstream, the Company will accelerate the preliminary work of natural gas pipelines such as the Tangshan LNG Dual Track Gas Pipeline and the Qinxi Industrial Park branch of the Qinfeng Pipeline. In terms of the downstream, the Company will accelerate the progress of quality city gas acquisition projects, actively explore new project resources, focus on promoting the sale of LNG resources, and plan to develop a demonstration project for the joint development of city gas and new energy.

4. Spare no effort to build quality projects and push forward the construction thereof: In the new energy sector, for wind power projects such as Taian Sanglin, Shuangcheng Phase II, Laoting Daqinghe, and Zhangbei Zhanhai, the Company is striving for early connection to the grid. In respect of gas segment, the construction of the Phase II project of the Tangshan LNG project will be carried out according to plan. For the Beijing-Handan Pipeline LNG Gas Storage Peak Capacity Station Project, the Cangzhou Southeast Natural Gas Utilisation Project and other projects, the Company will strive for early fulfilment of commissioning conditions. The Central Hebei Pipeline Network Phase IV Project, the South Baoding Connection Line Project of the Erdos-Anping-Cangzhou Gas Pipeline and the Jingshihan Gas Pipeline and other projects will be implemented in accordance with the construction plan.
5. Firmly implement the strategy of innovation-driven development, and enhance quality and efficiency based on integrity and innovation: Firstly, we will formulate and improve the standard operating procedures and operational guidelines for the management of the whole process of science and technology projects. Secondly, we will optimise the cultivation and innovation platforms and actively strive for national and provincial science and technology projects to obtain more preferential policies and funding support. Thirdly, we will improve the output and transformation capacity of scientific and technological achievements, strengthen the cooperation between industries, universities and research institutes, and fully tap the innovative impetus and potential. Fourthly, we will promote the digitalisation of the Company's system in an orderly manner.
6. Strengthen corporate management and stimulate new vitality in the system and mechanism: Firstly, we will actively promoting the issuance of GDRs, striving for the early completion of the issuance. Secondly, we will make overall arrangements for capital by closely tracking the national monetary policy. We will broaden financing channels and innovate financing products, and reasonably plan for the undertaking of maturing debts to ensure a healthy and smooth capital chain. Thirdly, we will continue to improve the talent selection mechanism and improve the talent cultivation system by focusing on the development needs of emerging businesses and key projects. Fourthly, we will develop comprehensive coordination of all our businesses and fully utilise the synergistic effect of the two major business segments of new energy and natural gas.

I. SUMMARY OF THE GENERAL MEETINGS

Session	Date of general meeting	Enquiry index of the designated website on which the resolutions were published	Publication date of the resolutions	Resolutions
2023 first extraordinary general meeting	14 February 2023	www.sse.com.cn www.hkexnews.hk	15 February 2023 14 February 2023	All resolutions were approved
2022 annual general meeting	16 May 2023	www.sse.com.cn www.hkexnews.hk	17 May 2023 16 May 2023	All resolutions were approved

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

Applicable Not applicable

Descriptions of general meeting

Applicable Not applicable

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

Name	Position	Change
Sun Xintian	Vice President	Dismissed
Lu Shengxin	Vice President	Appointed
Wu Huijiang	Non-executive Director and member of the Strategy and Investment Committee	Resigned
Wang Tao	Non-executive Director and member of the Strategy and Investment Committee	Elected

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

Due to the adjustment of work arrangement, the Company terminated Mr. Sun Xintian's position as vice president on 7 March 2023, and on the same day, the Board of the Company considered and approved the appointment of Mr. Lu Shengxin as vice president of the Company.

Mr. Wu Huijiang, a former non-executive director and member of the Strategy and Investment Committee of the Company, resigned as a non-executive director of the Fifth Session of the Board of Directors of the Company and a member of the Strategy and Investment Committee of the Board on 16 May 2023 due to the adjustment of his work arrangement. On the same day, the Company convened the 2022 annual general meeting and Mr. Wang Tao was elected as a non-executive director of the Fifth Session of the Board of the Company. As considered and approved by the Board of the Company at its meeting held on the same day, Mr. Wang Tao was elected to serve as a member of the Strategy and Investment Committee of the Board.

For details, please refer to the relevant announcements published by the Company on the websites of the SSE (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

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 explanations

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, among others, the PRC Company Law and the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules. During the Reporting Period, the Company has complied with all provisions set out in the CG Code, except for code provision F.2.2 of Part 2 of the CG Code. In accordance with the requirements of provision F.2.2 of Part 2 of the CG Code, the chairman of the Board shall attend the annual general meeting. Dr. Cao Xin, the Chairman of the Company, was not able to attend the 2022 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 physically present at the meeting.

(II) Directors, Supervisors, Senior Management and Employees

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

With effect from 7 March 2023, Mr. Sun Xintian's position as vice president was terminated due to a job transfer. On the same day, the Board the Company considered and approved the appointment of Mr. Lu Shengxin as vice president of the Company for a term commencing from the date of approval at the Board meeting and ending on the date of expiry of the current term of the Board.

With effect from 16 May 2023, Mr. Wu Huijiang ceased to be a non-executive director of the Company. As considered and approved by the Company at its 2022 annual general meeting held on 16 May 2023, Mr. Wang Tao was elected as a non-executive director of the Fifth Session of the Board of the Company. As considered and approved by the Board of the Company at its meeting held on the same day, Mr. Wang Tao was elected to serve as a member of the Strategy and Investment Committee of the Board for a term commencing from the date of the Board's resolution and ending on the date of the expiry of the term of office of the Fifth Session of the Board.

Save for the above, 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 2023, the Group had 2,559 employees under labour contracts.

During the Reporting Period, based on the overall strategic operational objectives in combination with the need in a changing business environment as well as the core business, the Group keeps improving the system and procedures of recruitment, staffing, training, remuneration, performance and labour relationship management, promoting the iteration and improvement in human resources management system of the Group. To cope with the changes, we will continually optimise, 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”. Through the multi-dimensional assessment system, a sound value assessment system was thus put in place to realise scientific assessment of value, rational allocation of value and value creation, which created a virtuous cycle. On such foundation, the management units of the Group developed performance management systems that met the needs of their own development by taking into account their actual situation and continued to conduct performance evaluation for all staff. The Group adopted the “combination of internal recruitment and external recruitment as well as campus recruitment and market recruitment” method, focused on promoting the implementation of recruitment of project personnel, strived to provide more career selection opportunities for staff and also attracted and recruited high calibre talents with strong skills to join the Group to provide human resources support for its business development.

Adhering to the principle of combination of talent development and the enhancement of core capabilities of the Group’s business and organization, the Group has optimized its employee training model. Combining internal, external and online courses can effectively enhance the professional skills of the employees. The Group emphasizes on talent training at different levels including mid to senior management, reserve high potential personnel and professional technicians in order to enhance the core competitiveness and satisfy the talent needs of the existing and future business development of the Group. The Group encourages high quality talents to go to the grass-roots level for training to further stimulates their vitality. The Group effectively promotes the Company’s key projects to facilitate the Company’s various types of management personnel to grow rapidly, with a focus on the cultivation of a large number of high-quality comprehensive talents with grass-roots practical experience and both moral and aptitude.

The Group regulates the labour usage and social insurance management in strict compliance with the relevant laws and regulations, including the Labor Law of the People’s Republic of China and the Labor Contract Law of the People’s Republic of China, 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 labour relations and to enable the continued maintenance of stable and harmonious labour 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 9 meetings of the Board, 2 meetings of the Audit Committee, 2 meetings of the Nomination Committee and 2 general meetings. All Directors have attended all the Board meetings and meetings of the relevant committees. Mr. Mei Chun Xiao attended and chaired the 2022 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 2 Audit Committee meetings, at which the following resolutions were reviewed and approved:

- (1) The seventh meeting of the fifth session of the Audit Committee of the Board was held on 23 March 2023, at which the "Resolution on the Audit Results of the Company for the Year 2022", the "Resolution on the Performance Report of Audit Committee of the Company for 2022", the "Resolution on the 2022 Internal Audit and Risks Management Report of the Company", the "Resolution on the 2022 Annual Report of the Company", the "Resolution on the Internal Audit Plan of the Company for the Year 2023", the "Resolution on the Internal Control Assessment Report for the Year 2022", the "Resolution on the Report on the 2022 Final Accounts of the Company", the "Resolution on the Description of the Operations and Financing of the Company for the Year 2023", the "Resolution on the Provision for Impairment and Recognition of Asset Losses of the Company for the Year 2022", the "Resolution on the 2022 Profit Distribution Proposal of the Company", the "Resolution on the Appointment of Auditors of the Company for the Year 2023", and the "Resolution on the Consideration of Special Audit Reports on Proceeds and Guarantees for the Year 2022" were reviewed and approved, and the above resolutions were submitted to the Board for consideration.
- (2) The seventh meeting of the fifth session of the Audit Committee of the Board was held on 28 April 2023, at which the "Resolution on the 2023 First Quarterly Report of the Company" and the "Resolution on the Consideration of the Risk Assessment Report and the Comprehensive Risk Management Report for the Year 2023" were reviewed and approved, and the above resolutions were 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. Qin Gang (a non-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.

The Remuneration and Appraisal Committee did not convene any meeting during the Reporting Period.

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, 2 meetings were convened by the Nomination Committee, at which the following resolutions were reviewed and approved:

- (1) The second meeting of the fifth session of the Nomination Committee of the Board was held on 7 March 2023, at which the “Resolution on Nomination of Mr. Yu Shengxin as Vice President of the Company” was reviewed and approved, and the above resolution was submitted to the Board for consideration.
- (2) The third meeting of the fifth session of the Nomination Committee of the Board was held on 19 April 2023, at which the “Resolution on Nomination of Non-Executive Directors for the Fifth Session of the Board of the Company” was reviewed and approved, and the above resolution was submitted to the Board for consideration.

4. Strategy 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. Wang Tao (a non-executive Director) and Dr. Cao Xin served as the chairman of the Strategy and Investment Committee.

The Strategy and Investment Committee did not convene any meeting during the Reporting Period.

(IV) Internal Control

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

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

VI. ADDITIONAL INFORMATION

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

In order to further promote the Company's internationalization strategy, further supplement the Company's capital strength, seek external growth opportunities, promote the transformation of internal growth momentum, and comprehensively improve the Company's operating level, on 5 January 2023, the Company announced that it intended to issue Global Depositary Receipts ("GDRs"), and to apply for listing on the SIX Swiss Exchange. The new A shares represented by the GDRs as underlying securities to be issued by the Company shall be no more than 334,967,446 shares (including the securities issued upon the exercise of any over-allotment option, if any) and shall not account for more than 8.00% of the total share capital of ordinary shares and 14.27% of the A shares of the Company prior to the issuance. The GDR issuance plan was approved by the Board and the extraordinary general meeting of the Company. Further details of the GDR issuance are set out in the relevant announcements of the Company on the Hong Kong Stock Exchange and the SSE.

Save for the disclosed above and issuance of bonds as mentioned in "Relevant Information on 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 2023.

(II) Use of Proceeds from the Non-public Issuance of A Shares in 2021

The Company issued 337,182,677 A shares by the non-public issuance in 2021. As at 30 June 2023, the Company has accumulatively used RMB3,865,414,480.17 of the proceeds, of which RMB1,213,398,762.15 was used to replenish working capital and repay bank loans; RMB285,600,000.00 was used for replacement of the Company's preliminary investment in projects with its own funds; RMB2,366,415,718.02 was used for investment in the construction of fundraising projects; the balance of the proceeds was RMB743,547,199.43 (including wealth management products of RMB390,000,000.00).

As at 30 June 2023, the use of proceeds from the Company's A share offering was as follows:

Unit: Yuan

No.	Project	Proceeds to be invested	Actual use of proceeds during the Reporting Period ⁽¹⁾	Unutilised net proceeds as at 30 June 2023 ⁽²⁾	Expected timetable
1	Tangshan LNG Project (Phase I and Phase II)	2,397,971,114.80	550,363,896.25	429,062,889.39	By the end of 2027
2	Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section)	699,029,487.22	194,334,485.24	291,986,534.84	December 2023
3	Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section)	236,797,375.06	52,760,801.99	22,478,450.25	December 2023
4	Replenishment of working capital and repayment of bank loans ⁽²⁾	1,211,257,206.39	872,000.00	19,324.95	–
Total		4,545,055,183.47	798,331,183.48	743,547,199.43	

Notes:

- (1) The amounts set out in these columns are the proceeds and the accrued bank interest (including wealth management income) generated therefrom. The related bank interest was also applied to the corresponding use of the proceeds in accordance with the regulations.
- (2) As at 30 June 2023, interest income (including gain on wealth management) accrued on the proceeds amounted to RMB62.6360 million.

(III) Audit Committee

The Audit Committee established by the Board is mainly responsible for reviewing and supervising the procedures for financial reporting and internal control. It has reviewed with the management of the Company the accounting principles and practices adopted by the Company and its subsidiaries, and has discussed with the Directors on the internal control and financial reporting matters of the Company, including review of the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2023 and considered that the Group has adopted applicable accounting policies for preparation of relevant results and made adequate disclosures.

(IV) Contact Person for the External Joint Company Secretary

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



I. ENVIRONMENTAL INFORMATION

(I) **Explanation on the environmental protection situation of the companies and their principal subsidiaries which are classified as the key pollutant discharging units announced by the environmental protection authorities**

Applicable Not applicable

(II) **Explanation on the environmental protection situation of the companies which are not classified as the key pollutant discharging units**

1. **Administrative penalties imposed for environmental problems**

Applicable Not applicable

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

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

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

Applicable Not applicable

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

Applicable Not applicable

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

The Company strictly abides by the national and local laws, regulations and provisions concerning environmental protection, always adheres to the concept of green development, and pays attention to ecological and environmental protection. It has established a leading group for ecological and environmental protection headed by the president to coordinate and lead its ecological and environmental protection work, and implement the centralised management for environmental protection function departments. In accordance with the hierarchical control model, the Company's headquarters and each management unit oversee and manage environmental protection work in all aspects of business activities according to different authorities to ensure the full coverage of environmental protection work in business segments. The Company insists on the "three simultaneousness" management for ecological and environmental protection and defines the responsibilities of the "decision maker, person-in-charge, approver and polluter."

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

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

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

Year 2023 is a year of continuously consolidating and developing the achievements in poverty alleviation battle and rural revitalization. During the year, the resident teams of the Company, in accordance with the important task of consolidating and developing the achievements in poverty alleviation, the development planning of rural revitalization and the actual situation of support work, did a good job in village work and ensured that practical results were achieved in terms of village revitalization under the unified leadership of the county and township party committees.

Firstly, we verified and registered the per capita income of the households in Leguo Village that have been documented as poverty-stricken. Our village work team cooperated with the Leguo village team to make registration in the Hebei Province Anti-Return to Poverty Monitoring and Employment Assistance Information System, regularly reporting in the system on a monthly basis the monthly per capita income of the households that have been documented as poverty-stricken, and forecasting the annual per capita income with a focus on whether the per capita income of the households is below the Anti-Return to Poverty Inspection Line and whether there is a negative growth in the income, so as to strictly prevent the occurrence of the return to poverty on a large scale.

Secondly, we commenced data acquisition on rural construction. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and with in-depth implementation of the spirit of the important speech of General Secretary Xi Jinping on his visit to Chengde and the spirit of the Second Plenary Session of the 10th Provincial Party Committee, in accordance with the goal of gradually making the villages basically modernised, our village work team focused on the elements of rural construction such as the accessibility of public infrastructure, the liveability of the rural habitat, and the convenience of the basic public services, with the emphasis of the inclusive, basic, and protective livelihood construction, and of the extension of such elements to the village and to the household. Our village work team cooperated with the Leguo village team to collect data on rural construction of Leguo village with one household as a unit.

Thirdly, our village work team, together with the party branch of Suntien Fengning Company, a subsidiary of the Company, organised voluntary service activities. On 13 February, our village work team together with the party branch of Suntien Fengning Company launched voluntary service activities in Leguo Village. They visited the households enjoying the five guarantees, disabled households and families with special difficulties, and talked with them face to face in their homes to understand their physical conditions, production and living conditions, encouraged them to have confidence and maintain an optimistic attitude towards life, and sent them goods, such as rice, flour and oil.

Fourthly, the leadership team of Suntien Fengning Company visited Huangqi Town and Leguo Village to conduct research, to understand the achievements made in consolidating poverty elimination and policies of village revitalization in Huangqi Town in 2023, as well as the support and planning of industrial projects. The team visited Leguo Village and our village work team, and held discussions and exchanges with the village clerk and members of our village work team.

Fifthly, the Fengning County's "three reductions and three additions" special action was carried out. In order to further deepen the reform of the rural collective property rights system, standardise the management of rural collective assets and resources, and comprehensively safeguard the fundamental interests of the rural collective economic organizations and farmers, in accordance with the relevant requirements of the central, provincial and municipal governments, as well as the relevant laws and regulations, our village work team cooperated with the Leguo village team to carry out on-site investigations and research and sort out the information and procedures, to carry out the regulation and rectification of the village-level assets that cover the government funding and the input of poverty alleviation funds. Through this special action, we identified the actual amount of assets, established a project information account, and at the same time helped Leguo Village to adjust the configuration of assets, improve asset utilisation, and achieve effective asset management.

Sixthly, we studied the construction program of the rural energy revolution. Our village work team conducted in-depth research on the Notice of the National Energy Administration, the Ministry of Ecology and Environment, the Ministry of Agriculture, the Ministry of Agriculture and Rural Affairs, the National Rural Revitalization Administration on Organising the Construction of Rural Energy Revolution Pilot Counties (Guo Neng Fa Xin Neng〔2023〕 No. 23) (《國家能源局生態環境部農業農村部國家鄉村振興局關於組織開展農村能源革命試點縣建設的通知》(國能發新能〔2023〕23號)) issued on 15 March 2023, and had an in-depth understanding of wind and light resources, the terrain, and the electricity input and consumption of Huangqi town. Our team helped realise the revitalization of Leguo Village by seizing the timing of rural energy reform.

Significant Events

I. PERFORMANCE OF UNDERTAKINGS

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

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and period 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	/	/
	Others	HECIC	Complying with the requirements on reduction of shares for the controlling shareholder of the listed company	Long-term validity	No	Yes	/	/
	Others	The Company	True, accurate and complete disclosures in the Prospectus	Long-term validity	No	Yes	/	/
	Others	HECIC	True, accurate and complete disclosures in the Prospectus	Long-term validity	No	Yes	/	/
	Others	Directors, supervisors and senior management	True, accurate and complete disclosures in the Prospectus	Long-term validity	No	Yes	/	/
	Others	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	/	/
	Others	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 validity	No	Yes	/	/
	Others	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 validity	No	Yes	/	/
	Others	The Company	Measures to be taken if undertakings disclosed in the Prospectus fail to be performed	Long-term validity	No	Yes	/	/
	Others	HECIC	Measures to be taken if undertakings disclosed in the Prospectus fail to be performed	Long-term validity	No	Yes	/	/
	Others	Directors, supervisors and senior management	Measures to be taken if undertakings disclosed in the Prospectus fail to be performed	Long-term validity	No	Yes	/	/

Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and period 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
	Others	HECIC	Avoiding horizontal competition	Long-term validity	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 validity	No	Yes	/	/
Undertakings relating to refinancing	Selling restrictions on shares	HECIC	Undertaking in relation to the lock-up period of shares held by the shareholders	Within 36 months from the date of closing of the non-public issuance of A shares	Yes	Yes	/	/
	Selling restrictions on shares	HECIC	Undertaking of not reducing the shares of the Company obtained under the subscription for a specified period	Within 36 months from the date of completion of the non-public issuance of A shares	Yes	Yes	/	/
	Distribution of dividends	The Company	Subject to the distribution of dividends in accordance with the provisions of the Shareholders' Return Plan for the Next Three Years (2021-2023) after the Non-public Issuance, the profits distributed by the Company in the form of cash dividends every year shall not be less than 20% of the distributable profits attributable to the shareholders of the Company realized in that year.	3 years after the non-public issuance of A shares	Yes	Yes	/	/



II. APPROPRIATION OF FUNDS FOR PURPOSES OTHER THAN FOR BUSINESS OPERATION BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Applicable Not applicable

III. NON-COMPLIANT GUARANTEES

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

Applicable Not applicable

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

Applicable Not applicable

(III) Other explanations

1. 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 was made by the Intermediate People’s Court of Xingtai City, Hebei Province, accepting the bankruptcy liquidation application of Yuanhua. 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. (河北渤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, declaring Yuanhua bankrupt. It is still in the bankruptcy liquidation process.

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 Company. The bankruptcy of Yuanhua did not constitute any material adverse effect to the Company.

2. With regard to the case of debt payable by Hebei Daguangming Industrial Group Jiajing Glass Co., Ltd. (“Daguangming Company”) to Hebei Natural Gas, the Xingtai Intermediate People’s Court issued (2018) Ji 05 Zhi No. 198 Execution Order on 4 December 2018, ruling that the relevant properties of Daguangming Company and the jointly liable guarantor Hebei Daguangming Industrial Group Juwuba Carbon Black Co.,Ltd. (“Juwuba Carbon Black Company”) would be sealed up, seized and frozen as Daguangming Company failed to fulfil the obligations set forth in the execution certificate. On 16 May 2019, Hebei Natural Gas entered into the Execution Conciliation Agreement with Daguangming Company and Juwuba Carbon Black Company, pursuant to which the Respondents agreed on a repayment plan for the debt of RMB76.9 million for the purchase of natural gas, which was intended to be repaid in instalments after Daguangming Company resumed production in August 2020. On 14 November 2022, Xingtai Intermediate People’s Court issued (2018) Ji 05 Zhi No. 198 3rd Execution Order, ruling that the relevant properties of Daguangming Company and Juwuba Carbon Black Company would be continuously sealed up.



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

Applicable Not applicable

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

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

X. MATERIAL RELATED PARTY TRANSACTIONS

(I) Related party transactions in relation to ordinary operations

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

Applicable Not applicable

2. Events disclosed in interim announcements but with progress or change in subsequent implementation

(1) *Property Tenancy Framework Agreement In 2022-2024*

HECIC has leased continuously office properties at Yu Yuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, PRC to the Group, with a provision of certain ancillary office support services. In consideration of the Group's intent on continual usage of the office properties and the needs on expansion of office area subject to the future business development plan, the Company and HECIC had entered into a Master Tenancy Agreement on 28 October 2021, subject to a leasing term of three years from 1 January 2022 to 31 December 2024. The Company continued to rent such property from HECIC and its subsidiaries (the "Properties Renting Project"). Under the obligations of the agreement, the annual transaction amount (including rent, property fees and management and office support service fees) is capped at RMB15 million, RMB20 million and RMB27 million in 2022, 2023 and 2024 respectively, which is well within the effective period of the agreement that ends at 31 December 2024. HECIC and/or its subsidiaries shall be responsible for insurance and maintenance of such properties. The Group shall be responsible for utility charges. The annual cap of the Properties Renting Project in 2023 was RMB20 million, and the actual annual transaction amount during the Reporting Period was RMB4.559 million.

HECIC is the controlling shareholder of the Company and a connected person of the Company. The transaction is completely exempted from complying the requirements under the Hong Kong Listing Rules as it does not meet the disclosure requirements for connected transactions under the Hong Kong Listing Rules. For details, please refer to the announcement of the Company disclosed on the website of the SSE and the Hong Kong Stock Exchange dated 29 October 2021.

(2) *Asset Financing Services Framework Agreement In 2020*

Pursuant to the New Asset Financing Services Framework Agreement dated 21 December 2020 entered into between the Company and Huihai Leasing, the Group will, on a voluntary and non-compulsory basis, utilize the asset financing services provided by Huihai Leasing. The agreement came into effect from the date of approval at the extraordinary general meeting, being 8 February 2021, with a term until 31 December 2023.

According to the New Asset Financing Services Framework Agreement, Huihai Company provides asset financing services to the Company and its subsidiaries, including finance leasing services (including direct lease service and sale-and-leaseback service), and other services provided by Huihai Company of which it has obtained regulatory license for operation, including but not limited to the disposal of residual value and maintenance of leased assets, consulting service and provision of guarantees in leasing transactions, etc. For each year ending 31 December during the term of the agreement, newly added direct lease and sale-and-leaseback service shall not be higher than RMB800 million and RMB800 million, respectively. In the first half of 2023, newly added direct lease amounted to RMB124.40 million and there is no newly added sale-and-leaseback service.

The New Asset Financing Services Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more applicable percentage ratio(s) in respect of the annual caps of each of the direct lease and sale-and-leaseback under the finance leasing services exceed(s) 0.1% but is/are lower than 5%, the finance leasing services are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. As all the applicable percentage ratios in respect of other services are lower than 0.1%, other services are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Although the New Asset Financing Services Framework Agreement and the transactions contemplated thereunder are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules, as the amount of the transactions exceeds 5% of the latest audited net assets of the Company, the transactions are still subject to the Company's non-related shareholders' approval at the extraordinary general meeting in accordance with the Rules Governing the Listing of Stocks on SSE.

For details, please refer to the announcement and the shareholders' circular published by the Company in relation to this continuing connected transaction on 21 December 2020 and 15 January 2021, respectively. The transaction was approved at the extraordinary general meeting of the Company on 8 February 2021. On the same day, the Company published the announcement regarding the poll results of the extraordinary general meeting on the websites of the Hong Kong Stock Exchange and the Company.

(3) *Financial Services Framework Agreement*

The Group Finance Company has been providing financial services to the Group since the fourth quarter of 2013. In view of the Group's needs on the relevant financial services, the charges of the Group Finance Company and the service quality of the Group Finance Company, on 28 October 2021, the Company and the Group Finance Company entered into a renewed financial services framework agreement (the "Renewed Financial Services Framework Agreement"), pursuant to which the Group will, on a voluntary and non-compulsory basis, continue to utilize various financial services provided by the Group Finance Company, including (i) the Deposit Service, (ii) the Loan Service, (iii) the Bill Discounting Service, (iv) the Miscellaneous Fee-based Financial Services (including guarantee service, acceptance service, entrusted loan service and other fee-based services), and (v) the Other Permitted Financial Services (including but not limited to the finance lease service and settlement service, financial and financing advisory services, credit authentication and relevant consulting and agency services, insurance agency service and corporate bonds underwriting service).

Under the Renewed Financial Services Framework Agreement, the Group Finance Company has undertaken to the Company that whenever it provides financial services to the Group, the terms thereof shall not be less favourable than those offered by any commercial banks or other financial institutions for comparable financial services. The term of the agreement is effective from 1 January 2022 to 31 December 2023, and the annual caps of the agreed services are as follows: (i) the maximum daily deposit balance (including accrued interests) of the Deposit Service will be RMB3,570 million; (ii) the maximum daily loan balance (including accrued interests) of the Loan Service will be RMB4,000 million; (iii) the maximum daily discounting fund balance (including discounting interests) of the Bill Discounting Service will be RMB500 million; (iv) the annual caps on the handling fees of the Miscellaneous Fee-based Financial Services will be RMB5 million. During the Reporting Period, the proposed maximum daily balance under the deposit service under the agreement was RMB3,570 million and the actual maximum daily balance under the deposit service was RMB3.52 billion.

Details are set out in the announcement and shareholders' circular published by the Company on the SSE and the Stock Exchange in relation to this continuing connected transaction. The transaction was approved at the extraordinary general meeting of the Company on 14 December 2021. On the same day, the Company published the announcement regarding the poll results of the extraordinary general meeting on the websites of the Hong Kong Stock Exchange and the Company.

3. Events not disclosed in interim announcements

Applicable Not applicable



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

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

Applicable Not applicable

2. Events disclosed in interim announcements but with progress or change in subsequent 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 but without subsequent development or changes during implementation

Applicable Not applicable

2. Events disclosed in interim announcements but with progress or change in subsequent 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 but without subsequent development or changes during implementation

Applicable Not applicable

2. Events disclosed in interim announcements but with progress or change in subsequent implementation

Applicable Not applicable

3. Events not disclosed in interim announcements

Applicable Not applicable

(V) Financial businesses between the Company and its affiliated finance companies and between the Company's controlled finance companies and its related parties

1. Deposit business

Unit: '00 million Yuan Currency: RMB

Related party	Related relationship	Maximum daily deposit limit	Range of deposit interest rates	Opening balance	Amount for the current period		Closing balance
					Total amount deposited during the current period	Total amount withdrawn during the current period	
HECIC Group Finance Company Limited (河北建投集團財務有限公司)	Having the same de facto controller	35.70	0.35%-1.21%	35.11	263.89	277.33	21.67
Total	/	/	/	35.11	263.89	277.33	21.67

Significant Events

2. Loan business

Unit: '00 million Yuan Currency: RMB

Related party	Related relationship	Loan facilities	Range of loan interest rates	Opening balance	Amount for the current period		Closing balance
					Total amount of loans granted during the current period	Total amount of loans repaid during the current period	
HECIC Group Finance Company Limited	Having the same de facto controller	35.23	2.60%-3.85%	23.87	12.95	23.17	13.65
Total	/	/	/	23.87	12.95	23.17	13.65

3. Credit business or other financial businesses

Unit: '00 million Yuan Currency: RMB

Related party	Related relationship	Type of business	Total amount	Actual amount
HECIC Group Finance Company Limited	Having the same de facto controller	General credit facility	37.01	26.28

4. Other explanations

Applicable Not applicable

(VI) Other material related party transactions

Applicable Not applicable

(VII) Others

1. Signing of an LNG Terminal Service Contract with a Controlling Subsidiary

On 7 March 2023, HECIC New Energy Supply Chain Management Co., Ltd. (河北建投新能供應鏈管理有限公司) (“New-energy Supply Chain”, as the terminal user), a wholly-owned subsidiary of the Company, entered into a service contract with Caofeidian Suntien Liquefied Natural Gas Co., Ltd. (曹妃甸新天液化天然氣有限公司) (“Caofeidian Company”, as the terminal service provider), a related subsidiary, pursuant to which Caofeidian Company will provide various LNG terminal services to New-energy Supply Chain. The term of the contract is from the signature date of the service contract to 31 December 2025. The Company expects that there will be an annual service volume of 1 million tonnes (equivalent to approximately 1.4 billion cubic metres) from the LNG terminal under the service contract.

Pursuant to the procurement contracts entered into between New-energy Supply Chain and the upstream suppliers, the Company expects that upon the commencement of the commercial operation of the LNG terminal under the Tangshan LNG Project, the annual service volume of the LNG terminal under the service contract will be approximately 1 million tonnes (equivalent to approximately 1.4 billion cubic metres), with a preliminary estimate of the annual service amount (inclusive of tax) of approximately RMB463 million. The Company estimates that the annual caps for each of the three years ending 31 December 2023, 2024 and 2025 will be RMB280 million, RMB510 million and RMB510 million, respectively.

Caofeidian Company is a non-wholly owned subsidiary of the Company. HECIC is the controlling shareholder of the Company, holding 49.17% equity interest in the Company and directly holding 10% or more equity interest in Caofeidian Company, and therefore, Caofeidian Company is a connected subsidiary of the Company. As such, this transaction constitutes a continuing connected transaction for the Group under Chapter 14A of the Hong Kong Listing Rules. As the highest percentage ratio applicable to this transaction exceeds 0.1% but is less than 5%, this transaction is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

This transaction was considered and approved by the Company at the eleventh extraordinary meeting of the fifth session of the Board held on 7 March 2023. For details, please refer to the relevant announcements published by the Company on the websites of the SSE (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

2. Signing of a Supplemental Agreement to the LNG Terminal Service Contract with a Controlling Subsidiary

On 30 June 2023, New-energy Supply Chain and Caofeidian Company entered into a supplemental agreement to the LNG terminal service contract mentioned above, which extends the basic term of the LNG terminal service contract to 31 December 2037, and at the same time, the annual contracted service volume for each of the contract years during the term of the contract was initially determined to be 0.4 million tonnes in 2023 (equivalent to approximately 560 million cubic meters) and 1.0 million tonnes from 2024 to 2037 (equivalent to approximately 1,400 million cubic meters).

This transaction constitutes a continuing connected transaction for the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the percentage ratios applicable to this transaction under the LNG Terminal Service Contract exceeds 0.1% but is less than 5%, this transaction is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

This transaction was considered and approved by the Company at the fifth meeting of the fifth session of the Board held on 30 June 2023. For details, please refer to the relevant announcements published by the Company on the websites of the SSE (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

3. Signing of an LNG Purchase and Sale Contract with a Controlling Subsidiary

On 14 June 2023, New-energy Supply Chain, a wholly-owned subsidiary of the Company, as vendor, entered into an LNG purchase and sale contract with Caofeidian Company, a related subsidiary, as purchaser, pursuant to which New-energy Supply Chain will supply approximately 33,000 tonnes of LNG to Caofeidian Company for commissioning of terminals and the external pipelines, and the actual volume will be subject to approval of the parties at the time of delivery in the manner as stipulated in the purchase and sale contract. With reference to the average listed price of PetroChina Company Limited's natural gas sales Hebei Branch at PetroChina Tangshan LNG Terminal in May 2023, the selling price of LNG ranged from RMB3,700 per tonne to RMB3,900 per tonne, which was ultimately subject to the price confirmation letter provided by New-energy Supply Chain to Caofeidian Company after the arrival of LNG at the designated port. Caofeidian Company will also be responsible for the ancillary costs associated with the LNG procurement. The total transaction amount (including tax) is estimated to be approximately RMB175 million.

HECIC is the controlling shareholder of the Company, holding 10% or more equity interest in Caofeidian Company, and therefore, Caofeidian Company is a connected subsidiary of the Company. As such, this transaction constitutes a connected transaction for the Group under Chapter 14A of the Hong Kong Listing Rules. As the highest percentage ratio applicable to this transaction exceeds 0.1% but is less than 5%, this transaction is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

This transaction was considered and approved by the Company at the fifteenth extraordinary meeting of the fifth session of the Board held on 14 June 2023. For details, please refer to the relevant announcements published by the Company on the websites of the SSE (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

4. Signing of a Framework Agreement with a Controlling Subsidiary

On 30 June 2023, New-energy Supply Chain, a wholly-owned subsidiary of the Company, and Caofeidian Company, a related subsidiary, entered into a framework agreement which provides New-energy Supply Chain with the right to use up to 2.55 million tonnes (equivalent to approximately 3.57 billion cubic metres) of the annual service volume of LNG terminals prior to the commencement of general operation of the Tangshan LNG Project phase II, and up to 5.1 million tonnes (equivalent to approximately 7.14 billion cubic metres) of the annual service volume of LNG terminals after the commencement of general operation of the Tangshan LNG Project phase II during the term of the framework agreement, commencing from the date of approval of the framework agreement and the transaction contemplated thereunder by the independent shareholders of the Company to 31 December 2042. The relevant LNG terminal service fee to be charged by Caofeidian Company shall not be higher than the price (including tax) approved by the competent pricing authority and shall not be higher than the price offered by Caofeidian Company to other LNG terminal users under the same conditions. The annual caps for each of the three years ending 31 December 2023, 2024 and 2025 will be RMB330 million, RMB790 million and RMB1,190 million, respectively.

As Caofeidian Company is a connected subsidiary of the Company, this transaction constitutes a continuing connected transaction for the Group under Chapter 14A of the Hong Kong Listing Rules. As one or more of the percentage ratios applicable to this transaction (having regard to the annual caps for the transactions under the LNG Terminal Service Contract) exceeds 5%, the framework agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

This transaction was approved by the shareholders at the extraordinary general meeting held by the Company on 8 August 2023. For details, please refer to the relevant announcements published by the Company on the websites of the SSE (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

Significant Events

XI. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

1. Trusteeship, contracting and leasing

Applicable Not applicable

2. Performing and outstanding significant guarantees during the Report Period

Unit: '0,000 Yuan Currency: RMB

Guarantor	Relationship between guarantor and the Company	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.	14,000	27-09-2021	27-09-2021	27-06-2033	Joint liability guarantee	Fixed asset loan from the Qi County Sub-branch of China Construction Bank Corporation	Nil	No	No	0	Nil	Yes	Joint venture

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

Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries) 13,150

Guarantees provided by the Company for its 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) 30,024.04

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

Total amount of guarantees (A+B) 43,174.04



Significant Events

Total amount of guarantees as a percentage of the net assets of the Company (%)	1.68
Of which:	
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 gearing ratio exceeding 70% (D)	0
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)	0
Statement on the potential joint liability in connection with unexpired guarantees	Nil
Details of guarantees	N/A

3. Other Material Contracts

Applicable Not applicable

XII. EXPLANATION ON OTHER MAJOR EVENTS

Applicable Not applicable

Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(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

Unit: Share(s)

Name of the shareholders	Number of restricted shares at the beginning of the period	Number of shares released from restrictions on sales during the Reporting Period	Increase in the number of restricted shares during the Reporting Period	Number of restricted shares at the end of the Reporting Period	Reason for restrictions on sales	Date of release from restrictions on sales
HECIC	2,058,841,253	1,876,156,000	0	182,685,253	Initial public offering of A shares	29 June 2023
Total	2,058,841,253	1,876,156,000	0	182,685,253	/	/

II. SHAREHOLDERS

(I) Total number of shareholders

As at 30 June 2023, the number of shareholders of the Company was: 57,557 A shareholders and 1,208 H shareholders, totalling 58,765 shareholders.

Total number of holders of ordinary shares as at the end of the Reporting Period (person)	58,765
Total number of holders of preferred shares with restored voting right as at the end of the Reporting Period (person)	0

(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: Shares

Name of the shareholders (Full name)	Increase/decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Shareholding of the top 10 shareholders			Nature of shareholder
				Number of restricted shares held	Status of shares	Shares pledged, marked or frozen Quantity	
HECIC	0	2,058,841,253	49.17	182,685,253	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED ⁽¹⁾	32,000	1,835,750,285	43.84	0	Unknown	0	Overseas legal person
Wang Yulan	0	5,209,830	0.12	0	Frozen	4,160,000	Domestic natural person
Southern Industrial Assets Management Co., Ltd.	0	5,020,957	0.12	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	1,377,371	4,195,324	0.10	0	Nil	0	Overseas legal person
Nanfang Tianchen (Beijing) Investment Management Co., Ltd. – Nanfang Tianchen Jingsheng First Tranche Private Securities Investment Fund (南方天辰景晟1期私募證券投資基金)	0	3,902,310	0.09	0	Nil	0	Others

Changes in Shares and Particulars of Shareholders

Shareholding of the top 10 shareholders

Name of the shareholders (Full name)	Increase/ decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of restricted shares held	Shares pledged, marked or frozen		Nature of shareholder
					Status of shares	Quantity	
China Construction Bank Corporation – Qianhai Kaiyuan Public Utilities Equity Securities Investment Fund	0	2,170,100	0.05	0	Nil	0	Others
Agricultural Bank of China Limited – CSI 500 Exchange-traded and Open-ended Index Securities Investment Fund	154,400	1,736,276	0.04	0	Nil	0	Others
Li Pengyong	0	1,642,627	0.04	0	Nil	0	Domestic natural person
Caitong Fund-Huazhang Tiandi Media Investment Co., Ltd.-Caitong Fund Yu Quan 1018 Single Asset Management Plan (財通基金玉泉 1018號單一資產管理計劃)	0	1,501,027	0.04	0	Nil	0	Others

Shareholding of the top 10 shareholders holding non-restricted shares

Name of the shareholders	Number of tradable non- restricted shares	Class and number of shares	
		Class	Quantity
HKSCC NOMINEES LIMITED ⁽¹⁾	1,835,750,285	Overseas listed foreign shares	1,835,750,285
Wang Yulan	5,209,830	RMB ordinary shares	5,209,830
Southern Industrial Assets Management Co., Ltd.	5,020,957	RMB ordinary shares	5,020,957
Hong Kong Securities Clearing Company Limited	4,195,324	RMB ordinary shares	4,195,324
Nanfang Tianchen (Beijing) Investment Management Co., Ltd. – Nanfang Tianchen Jingsheng First Tranche Private Securities Investment Fund (南 方天辰景晟1期私募證券投資基金)	3,902,310	RMB ordinary shares	3,902,310

Changes in Shares and Particulars of Shareholders

Shareholding of the top 10 shareholders holding non-restricted shares

Name of the shareholders	Number of tradable non-restricted shares	Class and number of shares	
		Class	Quantity
China Construction Bank Corporation – Qianhai Kaiyuan Public Utilities Equity Securities Investment Fund	2,170,100	RMB ordinary shares	2,170,100
Agricultural Bank of China Limited – CSI 500 Exchange-traded and Open-ended Index Securities Investment Fund	1,736,276	RMB ordinary shares	1,736,276
Li Pengyong	1,642,627	RMB ordinary shares	1,642,627
Caitong Fund-Huazhang Tiandi Media Investment Co., Ltd.-Caitong Fund Yu Quan 1018 Single Asset Management Plan (財通基金玉泉1018號單一資產管理計劃)	1,501,027	RMB ordinary shares	1,501,027
China Universal Asset Management Co., Ltd.-Social Security Fund One Hundred and Fifty-two Portfolio (匯添富基金管理股份有限公司—社保基金一五零二組合)	1,472,550	RMB ordinary shares	1,472,550
Description of designated accounts for repurchase 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 preferred 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 restricted shares held by top 10 shareholders and the term of selling restrictions

Unit: Shares

No.	Name of shareholder holding restricted shares	Number of restricted shares held	Tradable status of restricted shares		Term of selling restriction
			Date of being tradable	Number of additional tradable shares	
1	HECIC	182,685,253	6 January 2025	182,685,253	36 months from the closing date of the non-public offering of A shares
	Description of connected relationship or acting in concert among the above shareholders	Nil			

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

Applicable Not applicable

III. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

Applicable Not applicable

Other information

Applicable Not applicable

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

Applicable Not applicable

(III) Other explanations

Applicable Not applicable

IV. CHANGE IN CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLER

Applicable Not applicable

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

As at 30 June 2023, the interests of Directors, supervisors and senior management of the Company in the shares of the Company are as follows:

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

Saved as disclosed above, as at 30 June 2023, 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).

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

As at 30 June 2023, 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 held (shares)	Percentage in the relevant class of share equity (%)	Percentage in the total share equity (%)
HECIC	A shares	Beneficial owner	2,058,841,253	87.68	49.17
Brown Brothers Harriman & Co.	H shares	Approved lending agent	133,138,033 (Long position)	7.24	3.18
			133,138,033 (Shares available for lending)	7.24	3.18
Citigroup Inc. ⁽¹⁾	H shares	Interest of a controlled corporation	129,472,202 (Long position)	7.04	3.09
			13,147,239 (Short position)	0.71	0.31
		Approved lending agent	116,218,274 (Shares available for lending)	6.31	2.78
Shanghai Ningquan Asset Management Co., Ltd. (上海寧泉資 產管理有限公司)	H shares	Investment manager	128,811,000 (Long position)	7.00	3.08
GIC Private Limited	H shares	Investment manager	110,171,000 (Long position)	5.99	2.63
FIL Limited ⁽²⁾	H shares	Interest of a controlled corporation	92,314,000 (Long position)	5.02	2.20
Pandanus Associates Inc. ⁽²⁾	H shares	Interest of a controlled corporation	92,314,000 (Long position)	5.02	2.20
Pandanus Partners L.P. ⁽²⁾	H shares	Interest of a controlled corporation	92,314,000 (Long position)	5.02	2.20

Notes:

- (1) Citigroup Inc. holds the interests of the Company through its controlled entities Citibank N.A. and Citigroup Global Markets Limited. In particular, 86,000 and 415,000 H shares are a long position and a short position under unlisted derivatives – cash settled, respectively.
- (2) Pandanus Associates Inc. is in control of Pandanus Partners L.P. and is thus in control of FIL Limited. FIL Limited further directly holds the interests of the Company through its controlled entities FIL Investment Management (Hong Kong) Limited, FIL Investment Management (Singapore) Limited and FIL Fund Management (Ireland) Limited.

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 recommendation on the distribution of an interim dividend for the six months ended 30 June 2023.

Relevant Information on Bonds

I. DEBENTURES, CORPORATE BONDS AND NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

(I) Debentures

Applicable Not applicable

(II) Corporate Bonds

1. Basic information of corporate bonds

Unit: '00 million Yuan Currency: RMB

Name of bond	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
2021 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G21 New Y1	175805	8 March 2021	10 March 2021	9 March 2024	10.4	5.15	3+N, interest to be paid annually	SSE	For professional investors	Listed	No

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

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Description of overdue debts

Applicable Not applicable

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

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

3. Adjustment to credit rating result

Applicable Not applicable

Other explanations

Nil

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

Current status	Implementation	Whether changes occur	After change	Reason for change	Whether the changes have been approved by competent authorities	Impact of the changes on the rights and interests of bond investors
Joint liability guarantee provided by Hebei Construction & Investment Group Co., Ltd.	In progress	No	Nil	Nil	No	N/A

Other explanations

Nil

5. Description of other information of corporate bonds

Progress and environmental benefits of green projects for which funds were raised: During the Reporting Period, the Company's consolidated wind farms realised a power generation of 7.719 billion kWh and photovoltaic power generation of 94 million kWh. With reference to the conversion factors in the "2023 Annual Development Report of the Chinese Electricity Industry" published by the China Electricity Council in July 2023, in comparison with the use of conventional energy, the total electricity from wind power and photovoltaic generation is equivalent to a reduction of 6.4381 million tonnes of carbon dioxide emissions (approximately 824 grams of carbon dioxide per kWh of thermal power generation nationwide), 648.49 tonnes of sulphur dioxide emissions (approximately 0.083 gram of sulphur dioxide per kWh of thermal power generation nationwide), 1,039.15 tonnes of nitrogen oxide emissions (approximately 0.133 gram of nitrogen oxide per kWh of thermal power generation nationwide) and 132.82 tonnes of dust (0.017 gram of smoke and dust per kWh of thermal power generation nationwide).

During the Reporting Period, the first phase project and outbound pipelines projects for Caofeidian-Baodi section and Baodi-Yongqing section under the Tangshan LNG Project were commissioned for trial operation. Other green projects were progressing smoothly.

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

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

Unit: '00 million Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate (%)	Means to repay principal and interest	Trading place	Trading mechanism	Risk of termination of listing and trading
2020 First Tranche of Medium-Term Notes of China Suntien Green Energy Corporation Limited	20 Suntien Green	102001005	2020/05/13-2020/05/14	2020/05/15	2025/05/15	10	3.86	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No
2022 First Tranche of Super Short-Term Commercial Papers of HECIC New Energy Co., Ltd.	22 HECIC New Energy	012282461	2022/07/14	2022/07/15	2023/04/11	7	2.45	Interest and principal payable at maturity	Inter-bank Market	Listed	No
2022 Second Tranche of Super Short-Term Commercial Papers of HECIC New Energy Co., Ltd.	22 HECIC New Energy	012283059	2022/08/26	2022/08/29	2023/02/25	3	2.1	Interest and principal payable at maturity	Inter-bank Market	Listed	No
2022 First Tranche of Medium-Term Notes of HECIC New Energy Co., Ltd.	22 HECIC New Energy	102282558	2022/11/18	2022/11/21	2024/11/20	5	3.37	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No
2023 First Tranche of Medium-Term Notes of HECIC New Energy Co., Ltd.	23 HECIC New Energy	102380781	2023/04/03-2023/04/04	2023/04/06	2025/04/06	7	3.23	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No

Relevant Information on 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

Other explanations

Nil

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

Applicable Not applicable

Other explanations

Nil

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

Applicable Not applicable

(IV) Loss exceeding 10% of the net assets at the end of the previous year in the consolidated statements of the Company for the Reporting Period

Applicable Not applicable

(V) Principal Accounting Data and Financial Indicators

Unit: Yuan Currency: RMB

Major indicators	As at the end of the Reporting Period	As at the end of previous year (Restated)	Increase/decrease at the end of the Reporting Period as compared with the end of previous year (%)	Reason for changes
Current ratio	70.98%	78.53%	-9.61	This was mainly due to the decrease in cash as a result of the Company's loan repayments and expenditure on the purchase of long-term assets.
Quick Ratio	63.85%	71.86%	-11.15	This was mainly due to the decrease in cash as a result of the Company's loan repayments and expenditure on the purchase of long-term assets.
Debt-to-asset ratio (%)	66.71	67.47	-1.13	This was mainly due to the increase in interest equity of the Company's shareholders.

Relevant Information on Bonds

	During the Reporting Period (January-June)	The same period of the previous year (Restated)	Increase/ decrease during the Reporting Period as compared with the same period of the previous year (%)	Reason for changes
Net profit attributable to shareholders of the Company after deducting non-recurring gain or loss	1,418,776,041.03	1,608,225,561.02	-11.78	This was mainly due to the decrease in the net profit of the Company as compared to the same period of the previous year.
Total debt to EBITDA ratio	0.075	0.086	-12.79	This was mainly due to the decrease in the total profit of the Company as compared to the same period of the previous year.
Interest coverage ratio	3.56	3.98	-10.55	This was mainly due to the decrease in the total profit of the Company as compared to the same period of the previous year.
Cash interest coverage ratio	2.97	3.21	-7.48	This was mainly due to the decrease in net cash flows from operating activities.
EBITDA interest coverage ratio	5.27	5.52	-4.53	This was mainly due to the decrease in the total profit of the Company as compared to the same period of the previous year.
Loan repayment ratio (%)	100.00	100.00		
Interest coverage (%)	100.00	100.00		

II. CONVERTIBLE CORPORATE BONDS

Applicable Not applicable

I. AUDITOR'S REPORT

Applicable Not applicable

II. FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET

30 June 2023

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2023	31 December 2022 (Restated)
CURRENT ASSETS:			
Cash	1	3,272,018,550.44	7,326,059,327.77
Including: Deposits with finance companies		2,167,029,145.01	3,510,955,880.39
Provision of settlement fund			
Lending to banks and other financial institutions			
Financial assets for trading	2	390,000,000.00	520,000,000.00
Derivative financial assets			
Bills receivable	4	107,294,530.15	235,764,112.96
Accounts receivable	5	6,221,928,500.97	5,345,149,228.28
Receivables financing	6	413,463,060.61	169,290,765.51
Prepayments	7	208,306,258.28	534,453,113.73
Premium receivable			
Receivables from reinsurers			
Reinsurance deposits receivable			
Other receivables	8	129,909,015.25	207,110,462.03
Including: Interest receivable			
Dividend receivables		98,713,891.44	71,598,016.20
Financial assets purchased under resale agreements			
Inventories	9	391,629,012.18	104,531,171.77
Contract assets			
Assets held for sale	11		12,416,736.35
Non-current assets due within one year	12		22,349,480.00
Other current assets	13	576,650,461.62	608,218,206.11
Total current assets		11,711,199,389.50	15,085,342,604.51

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

30 June 2023

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2023	31 December 2022 (Restated)
NON-CURRENT ASSETS:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables	16	1,664,186.71	1,664,186.71
Long-term equity investments	17	3,548,781,690.34	3,393,719,280.52
Investments in other equity instruments	18	220,605,700.00	218,605,700.00
Other non-current financial assets			
Investment properties	20	24,374,448.82	24,927,033.04
Fixed assets	21	32,431,991,964.83	32,773,611,789.39
Construction in progress	22	21,865,209,619.52	19,162,911,804.71
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	25	1,910,572,395.32	1,839,279,154.79
Intangible assets	26	2,826,038,190.88	2,121,212,538.58
Development expenses	27	33,801,160.36	28,425,706.04
Goodwill	28	166,808,420.87	96,922,283.74
Long-term deferred expenses	29	38,778,445.50	41,926,286.06
Deferred income tax assets	30	199,949,635.69	194,692,094.09
Other non-current assets	31	2,225,878,096.67	2,429,308,472.48
Total non-current assets		65,494,453,955.51	62,327,206,330.15
Total assets		77,205,653,345.01	77,412,548,934.66

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

30 June 2023

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2023	31 December 2022 (Restated)
CURRENT LIABILITIES:			
Short-term borrowings	32	2,044,491,322.19	2,698,366,568.48
Loans from central bank			
Loans from banks and other financial institutions			
Financial liabilities for trading			
Derivative financial liabilities			
Bills payable	35	8,863,636.67	13,649,747.04
Accounts payable	36	383,701,602.13	402,815,261.78
Advances from customers	37	1,161,061,946.88	1,161,061,946.88
Contract liabilities	38	1,087,012,411.86	1,539,750,992.89
Financial assets sold under repurchase agreements			
Customer and inter-bank deposits			
Customer deposits for trading in securities			
Amount due to issuer for securities underwriting			
Employee benefits payable	39	49,458,170.51	68,100,777.09
Taxes payable	40	158,814,334.34	203,392,348.56
Other payables	41	8,077,655,560.07	7,719,969,496.64
Including: Interest payable			
Dividend payable		125,311,550.36	142,109,925.35
Handling charges and commission payable			
Amount payable for reinsurance			
Liabilities held for sale	42		6,811,269.63
Non-current liabilities due within one year	43	3,483,576,439.74	4,308,241,110.09
Other current liabilities	44	44,507,984.08	1,086,927,077.13
Total current liabilities		16,499,143,408.47	19,209,086,596.21

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

30 June 2023

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2023	31 December 2022 (Restated)
NON-CURRENT LIABILITIES:			
Provisions for insurance contracts			
Long-term borrowings	45	31,619,608,476.93	30,429,352,611.21
Debentures payables	46	2,200,000,000.00	1,500,000,000.00
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	47	733,607,428.84	644,603,458.18
Long-term payables	48	165,518,266.37	186,079,230.66
Long-term employee benefits payable			
Accrued liabilities	50	77,531,149.68	77,531,149.68
Deferred income	51	136,759,395.13	118,408,005.13
Deferred income tax liabilities	30	72,138,612.15	66,230,823.41
Other non-current liabilities			
Total non-current liabilities		35,005,163,329.10	33,022,205,278.27
Total liabilities		51,504,306,737.57	52,231,291,874.48
Owners' equity (or shareholders' equity):			
Paid-up capital (or share capital)	53	4,187,093,073.00	4,187,093,073.00
Other equity instruments	54	1,039,376,000.00	1,039,376,000.00
Including: Preferred shares			
Perpetual bonds	54	1,039,376,000.00	1,039,376,000.00
Capital reserve	55	6,610,311,122.01	6,581,326,328.75
Less: Treasury stocks			
Other comprehensive income	57	6,493,135.00	6,493,135.00
Special reserve	58	44,177,291.54	4,380,136.92
Surplus reserve	59	1,036,839,922.17	822,928,444.78
General risk provision			
Undistributed profits	60	8,182,851,629.45	7,819,835,341.28
Total equity attributable to owners of the parent company (or shareholders' equity)		21,107,142,173.17	20,461,432,459.73
Minority interests		4,594,204,434.27	4,719,824,600.45
Total owners' equity (or shareholders' equity)		25,701,346,607.44	25,181,257,060.18
Total liabilities and owners' equity (or shareholders' equity)		77,205,653,345.01	77,412,548,934.66

Person in charge of the Company:
Cao Xin

Person in charge of accounting:
Fan Weihong

Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE PARENT COMPANY

30 June 2023

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2023	31 December 2022 (Restated)
CURRENT ASSETS:			
Cash		1,101,198,087.95	1,775,168,909.70
Including: Deposits with finance companies		565,380,318.68	164,126,197.80
Financial assets for trading		390,000,000.00	520,000,000.00
Derivative financial assets			
Bills receivable			
Accounts receivable	1	27,253,755.87	46,307,994.06
Receivables financing			
Prepayments		2,991,532.01	757,471.54
Other receivables	2	3,735,983,247.67	2,207,594,279.34
Including: Interest receivable			
Dividend receivables		1,236,960,900.40	424,311,740.40
Inventories			
Contract assets			
Assets held for sale			2,174,706.49
Non-current assets due within one year		8,851,136.18	19,171,506.48
Other current assets		3,825,851.97	4,172,162.36
Total current assets		5,270,103,611.65	4,575,347,029.97

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE PARENT COMPANY (continued)

30 June 2023

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2023	31 December 2022 (Restated)
NON-CURRENT ASSETS:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	3	13,169,088,625.77	13,034,433,071.23
Investments in other equity instruments		202,000,000.00	200,000,000.00
Other non-current financial assets			
Investment properties			
Fixed assets		7,457,248.73	8,291,575.14
Construction in progress		16,826,022.50	14,993,464.46
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		15,441,022.13	17,864,441.51
Intangible assets		6,283,236.79	6,285,576.40
Development expenses			
Goodwill			
Long-term deferred expenses		341,793.66	420,531.84
Deferred income tax assets			
Other non-current assets		3,233,320,600.00	3,589,564,600.00
Total non-current assets		16,650,758,549.58	16,871,853,260.58
Total assets		21,920,862,161.23	21,447,200,290.55

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE PARENT COMPANY (continued)

30 June 2023

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2023	31 December 2022 (Restated)
CURRENT LIABILITIES:			
Short-term borrowings			400,354,444.45
Financial liabilities for trading			
Derivative financial liabilities			
Bills payable			
Accounts payable			
Advances from customers			
Contract liabilities			
Employee benefits payable		1,977,238.38	2,046,832.26
Taxes payable		355,675.80	1,282,866.59
Other payables		77,736,989.36	102,374,411.19
Including: Interest payable			
Dividends payable		53,560,000.00	53,560,000.00
Liabilities held for sale			
Non-current liabilities due within one year		488,603,667.17	529,426,321.89
Other current liabilities			
Total current liabilities		568,673,570.71	1,035,484,876.38

II. FINANCIAL STATEMENT (continued)

BALANCE SHEET OF THE PARENT COMPANY (continued)

30 June 2023

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	30 June 2023	31 December 2022 (Restated)
NON-CURRENT LIABILITIES:			
Long-term borrowings		2,759,020,600.00	3,090,990,600.00
Debentures payable		1,000,000,000.00	1,000,000,000.00
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		9,471,355.44	13,750,528.83
Long-term payable			
Long-term employee benefits payable			
Accrued liabilities			
Deferred income		524,639.76	524,639.76
Deferred income tax liabilities		304,366.48	616,246.29
Other non-current liabilities			
Total non-current liabilities		3,769,320,961.68	4,105,882,014.88
Total liabilities		4,337,994,532.39	5,141,366,891.26
Owners' equity (or shareholders' equity):			
Paid-up capital (or share capital)		4,187,093,073.00	4,187,093,073.00
Other equity instruments		1,039,376,000.00	1,039,376,000.00
Including: Preferred shares			
Perpetual bonds		1,039,376,000.00	1,039,376,000.00
Capital reserve		6,674,576,517.89	6,672,081,610.44
Less: Treasury stocks			
Other comprehensive income			
Special reserve			
Surplus reserve		1,036,839,922.17	822,928,444.78
Undistributed profits		4,644,982,115.78	3,584,354,271.07
Total owners' equity (or shareholders' equity)		17,582,867,628.84	16,305,833,399.29
Total liabilities and owners' equity (or shareholders' equity)		21,920,862,161.23	21,447,200,290.55

Person in charge of the Company:
Cao Xin

Person in charge of accounting:
Fan Weihong

Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED INCOME STATEMENT

January-June 2023

Unit: Yuan Currency: RMB

Items	Note	Half year of 2023	Half year of 2022 (Restated)
I. Total operating revenue		10,047,361,793.42	10,225,309,885.43
Including: Operating revenue	61	10,047,361,793.42	10,225,309,885.43
Interest income			
Premiums earned			
Handling charges and commission income			
II. Total operating costs		8,304,522,002.19	8,105,073,134.31
Including: Operating costs	61	7,269,426,244.62	7,185,416,025.72
Interest expense			
Handling charges and commission expenses			
Surrender payment			
Net compensation expense			
Net provisions for insurance contract			
Insurance policy dividend payment			
Reinsurance cost			
Taxes and surcharges	62	49,102,377.61	37,272,751.30
Selling expenses	63	1,302,593.94	1,709,640.11
Administration expenses	64	266,194,667.69	254,539,409.30
R&D expenses	65	183,330,260.19	37,888,206.99
Finance costs	66	535,165,858.14	588,247,100.89
Including: Interest expenses		544,064,703.26	618,874,448.70
Interest income		22,202,096.30	34,310,866.79
Add: Other gains	67	145,046,639.90	105,946,430.99
Investment gains (losses are indicated with "-")	68	198,677,018.69	148,007,463.44
Including: Gains from investment in associates and joint ventures		175,166,004.80	131,217,378.53
Gains on derecognition of financial assets measured at amortised cost (losses are indicated with "-")			
Foreign exchange gains (losses are indicated with "-")			
Gain on net exposure hedging (losses are indicated with "-")			
Gains from changes in fair value (losses are indicated with "-")			
Credit impairment losses (losses are indicated with "-")	71	-10,292,778.12	-13,951,636.26
Asset impairment losses (losses are indicated with "-")	72	-2,512,078.24	
Asset disposal gains (losses are indicated with "-")	73	-1,780,306.54	1,288,034.57

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED INCOME STATEMENT (continued)

January-June 2023

Unit: Yuan Currency: RMB

Items	Note	Half year of 2023	Half year of 2022 (Restated)
III. Operating profit (losses are indicated with “-”)		2,071,978,286.92	2,361,527,043.86
Add: Non-operating income	74	8,052,716.53	3,178,024.62
Less: Non-operating expenses	75	3,054,877.78	2,036,470.33
IV. Gross profit (total losses are indicated with “-”)		2,076,976,125.67	2,362,668,598.15
Less: Income tax expenses	76	362,929,349.60	338,941,211.83
V. Net profit (net losses are indicated with “-”)		1,714,046,776.07	2,023,727,386.32
(I) By continuity as a going concern			
1. Net profit from continuing operations (net losses are indicated with “-”)		1,714,046,776.07	2,023,727,386.32
2. Net profit from discontinued operations (net losses are indicated with “-”)			
(II) By ownership			
1. Net profit attributable to shareholders of the parent company (net losses are indicated with “-”)		1,438,596,728.65	1,615,869,815.04
2. Gain or loss attributable to minority interests (net losses are indicated with “-”)		275,450,047.42	407,857,571.28
VI. 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 transferred to profit or loss under equity method			
(3) Change in fair value of 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 transferred 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			

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED INCOME STATEMENT (continued)

January-June 2023

Unit: Yuan Currency: RMB

Items	Note	Half year of 2023	Half year of 2022 (Restated)
(II) Net other comprehensive income after tax attributable to minority interests			
VII. Total comprehensive income		1,714,046,776.07	2,023,727,386.32
(I) Total comprehensive income attributable to owners of the parent company		1,438,596,728.65	1,615,869,815.04
(II) Total comprehensive income attributable to minority interests		275,450,047.42	407,857,571.28
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)		0.34	0.38
(II) Diluted earnings per share (Yuan/share)		0.34	0.38

In case of business combination involving enterprises under common control in the current period, the net profit realised by the combining entities before the combination was RMB0.00, and the net profit realised by the combining entities in the previous period was RMB0.00.

Person in charge of the Company:
Cao Xin

Person in charge of accounting:
Fan Weihong

Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

INCOME STATEMENT OF THE PARENT COMPANY

January-June 2023

Unit: Yuan Currency: RMB

Items	Note	Half year of 2023	Half year of 2022 (Restated)
I. Operating revenue		28,114,134.85	75,000.00
Less: Operating costs		1,363,812.89	
Taxes and surcharges		100,353.28	172,994.30
Selling expenses			
Administration expenses		26,628,551.43	30,204,547.17
R&D expenses		13,061,561.69	7,574,419.60
Finance costs		-12,460,533.23	-3,944,591.99
Including: Interest expenses		17,814,610.29	18,036,409.11
Interest income		-39,969,046.79	-22,576,996.43
Add: Other gains		388,109.81	561,143.37
Investment gains (losses are indicated with "-")	5	2,136,458,500.08	1,575,205,516.21
Including: Gains from investment in associates and joint ventures		82,214,068.50	12,948,211.41
Gains on derecognition of financial assets measured at amortised cost (losses are indicated with "-")			
Gain on net exposure hedging (losses are indicated with "-")			
Gains from changes in fair value (losses are indicated with "-")			
Credit impairment losses (losses are indicated with "-")		251,401.00	-490,293.80
Asset impairment losses (losses are indicated with "-")			
Asset disposal gains (losses are indicated with "-")		16,750.35	214,430.54
II. Operating profit (losses are indicated with "-")		2,136,535,150.03	1,541,558,427.24
Add: Non-operating income			
Less: Non-operating expenses			28,614.16
III. Gross profit (total losses are indicated with "-")		2,136,535,150.03	1,541,529,813.08
Less: Income tax expenses		-311,879.81	253,767.54
IV. Net profit (net losses are indicated with "-")		2,136,847,029.84	1,541,276,045.54
(I) Net profit from continuing operations (net losses are indicated with "-")		2,136,847,029.84	1,541,276,045.54
(II) Net profit from discontinued operations (net losses are indicated with "-")			

II. FINANCIAL STATEMENT (continued)

INCOME STATEMENT OF THE PARENT COMPANY (continued)

January-June 2023

Unit: Yuan Currency: RMB

Items	Note	Half year of 2023	Half year of 2022 (Restated)
V. 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 transferred to profit or loss under equity method			
3. Change in fair value of 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 transferred 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			
VI. Total comprehensive income		2,136,847,029.84	1,541,276,045.54
VII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)			
(II) Diluted earnings per share (Yuan/share)			

Person in charge of the Company:
Cao Xin

Person in charge of accounting:
Fan Weihong

Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED CASH FLOW STATEMENT

January-June 2023

Unit: Yuan Currency: RMB

Items	Note	Half year of 2023	Half year of 2022
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		9,467,562,137.61	9,220,787,895.34
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 loans 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		118,891,344.39	287,264,326.22
Cash received from other operating activities	78	76,397,472.14	48,300,264.35
Sub-total of cash inflows from operating activities		9,662,850,954.14	9,556,352,485.91
Cash paid for goods and services		6,642,132,068.54	6,486,160,247.98
Net increase in loans and advances to customers			
Net increase in deposits 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		338,593,975.47	328,793,764.20
Payments of taxes and surcharges		733,663,944.77	546,251,536.13
Cash paid relating to other operating activities	78	119,914,545.21	105,378,737.38
Sub-total of cash outflows from operating activities		7,834,304,533.99	7,466,584,285.69
Net cash flows from operating activities	79	1,828,546,420.15	2,089,768,200.22

II. FINANCIAL STATEMENT (continued)
CONSOLIDATED CASH FLOW STATEMENT (continued)

January-June 2023

Unit: Yuan Currency: RMB

Items	Note	Half year of 2023	Half year of 2022
II. Cash flows from investing activities:			
Cash received from investment		740,000,000.00	
Cash received from investment income		45,092,875.43	181,868,773.82
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		7,486,553.15	10,594,711.07
Net cash received from disposal of subsidiaries and other business units			7,807,272.86
Cash received from other investing activities	78	21,044,907.84	
Sub-total of cash inflows from investing activities		813,624,336.42	200,270,757.75
Cash paid to acquire fixed assets, intangible assets and other long-term assets		3,611,544,769.80	2,509,743,701.00
Cash paid for investments		610,000,000.00	1,349,000,000.00
Net increase in secured loans			
Net cash paid to acquire subsidiaries and other business units		28,310,633.00	42,103,992.73
Cash paid relating to other investing activities	78	649,254.90	16,190,055.86
Sub-total of cash outflows from investing activities		4,250,504,657.70	3,917,037,749.59
Net cash flows from investing activities		-3,436,880,321.28	-3,716,766,991.84
III. Cash flows from financing activities:			
Cash received from investment absorbed		48,045,900.00	17,017,074.90
Including: Cash received by subsidiaries from minority Shareholders' investment		48,045,900.00	17,017,074.90
Cash received from borrowings		6,920,473,573.38	4,524,382,832.93
Cash received from other financing activities	78		40,000,000.00
Sub-total of cash inflows from financing activities		6,968,519,473.38	4,581,399,907.83
Cash paid for loan repayments		7,432,105,851.30	4,213,529,919.13
Cash paid for dividends, profits appropriation or payments of interest		1,862,034,718.92	711,141,861.01
Including: Dividends and profits paid by subsidiaries to minority shareholders		448,111,656.56	52,053,031.73
Cash paid for redemption of other equity instruments			910,000,000.00
Cash paid relating to other financing activities	78	97,117,652.95	125,919,752.94
Sub-total of cash outflows from financing activities		9,391,258,223.17	5,960,591,533.08
Net cash flows from financing activities		-2,422,738,749.79	-1,379,191,625.25
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		-2,696,978.10	328,126.24
V. Net increase in cash and cash equivalents	79	-4,033,769,629.02	-3,005,862,290.63
Add: Cash and cash equivalents at the beginning of the period	79	7,165,689,017.44	7,533,084,715.56
VI. Cash and cash equivalents at the end of the period	79	3,131,919,388.42	4,527,222,424.93

 Person in charge of the Company:
Cao Xin

 Person in charge of accounting:
Fan Weihong

 Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

CASH FLOW STATEMENT OF THE PARENT COMPANY

January-June 2023

Unit: Yuan Currency: RMB

Items	Note	Half year of 2023	Half year of 2022
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		46,663,681.84	79,500.00
Cash received from tax refund			
Cash received from other operating activities		795,701,225.63	705,978,118.67
Sub-total of cash inflows from operating activities		842,364,907.47	706,057,618.67
Cash paid for goods and services			1,719,201.03
Cash paid to and on behalf of employees		20,309,681.57	22,652,002.17
Payments of taxes and surcharges		216,497.88	1,334,185.00
Cash paid relating to other operating activities		1,108,860,099.74	944,221,507.94
Sub-total of cash outflows from operating activities		1,129,386,279.19	969,926,896.14
Net cash flows from operating activities		-287,021,371.72	-263,869,277.47
II. Cash flows from investing activities:			
Cash received from investment		740,000,000.00	7,807,272.86
Cash received from investment income		1,289,523,687.83	815,343,055.14
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		31,946.90	3,726,281.00
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		2,029,555,634.73	826,876,609.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets		3,847,301.22	1,339,602.64
Cash paid for investments		727,204,569.70	1,349,000,000.00
Net cash paid to acquire subsidiaries and other business units			179,089,400.00
Cash paid relating to other investing activities			
Sub-total of cash outflows from investing activities		731,051,870.92	1,529,429,002.64
Net cash flows from investing activities		1,298,503,763.81	-702,552,393.64

II. FINANCIAL STATEMENT (continued)

CASH FLOW STATEMENT OF THE PARENT COMPANY (continued)

January-June 2023

Unit: Yuan Currency: RMB

Items	Note	Half year of 2023	Half year of 2022
III. Cash flows from financing activities:			
Cash received from investment absorbed			
Cash received from borrowings		61,300,000.00	975,215,000.00
Cash received from other financing activities			
Sub-total of cash inflows from financing activities		61,300,000.00	975,215,000.00
Cash paid for loan repayments		817,410,000.00	1,135,260,000.00
Cash paid for dividends, profits appropriation or payments of interest		927,542,429.93	207,979,552.14
Cash paid for redemption of other equity instruments			910,000,000.00
Cash paid relating to other financing activities		1,833,187.68	1,016,678.00
Sub-total of cash outflows from financing activities		1,746,785,617.61	2,254,256,230.14
Net cash flows from financing activities		-1,685,485,617.61	-1,279,041,230.14
IV. Effect of changes in foreign exchange rate on cash and cash equivalents			
		32,403.77	43,410.82
V. Net increase in cash and cash equivalents			
		-673,970,821.75	-2,245,419,490.43
Add: Cash and cash equivalents at the beginning of the period		1,775,168,909.70	4,955,847,636.66
VI. Cash and cash equivalents at the end of the period			
		1,101,198,087.95	2,710,428,146.23

Person in charge of the Company:
Cao Xin

Person in charge of accounting:
Fan Weihong

Head of accounting department:
Yang Zhanqing

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

January-June 2023

Unit: Yuan Currency: RMB

Items	Half year of 2023															
	Paid-up capital (or share capital)	Preferred share	Perpetual bonds	Others	Capital reserve	Treasury stocks	Less: comprehensive income	Other	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Sub-total	Minority interests	Total owners' equity
(V) Internal transfer of owners' equity																
1. Conversion of capital reserve into capital (or share capital)																
2. Conversion of surplus reserve into capital (or share capital)																
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 period																
2. Application for the period																
(VII) Others																
IV. Balance at the end of the current period	4,187,080,073.00		1,038,576,000.00		6,610,311,122.01		6,493,135.00	44,177,291.54	1,038,889,922.17	21,107,142,173.17	4,594,204,434.27	25,701,346,607.44		38,797,154.62	-5,434.01	38,791,720.61
														49,893,957.85	9,396,356.70	59,390,314.55
														10,196,803.23	9,407,993.71	19,604,796.94

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

January-June 2022

Unit: Yuan Currency: RMB

Items	Half year of 2022															
	(Restated)					(Restated)										
	Equity attributable to owners of the parent company															
	Other equity instruments															
	Paid-up capital (or share capital)	Preferred share	Perpetual bonds	Others	Capital reserve	Treasury stocks	Less: comprehensive income	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Sub-total	Minority interests	Total owners' equity
(V) Internal transfer of owners' equity																
1. Conversion of capital reserve into capital (or share capital)																
2. Conversion of surplus reserve into capital (or share capital)																
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 period									30,441,331.24					30,441,331.24		30,441,331.24
2. Application for the period									30,441,331.24					30,441,331.24		30,441,331.24
(VII) Others																
IV. Balance at the end of the current period	4,137,030,073.00		1,039,376,000.00		6,388,154,821.92		6,493,135.00	6,493,135.00	792,220,167.74	19,787,119,871.36	7,173,682,683.70	4,391,525,167.12	24,178,645,038.46	30,441,331.24	24,178,645,038.46	30,441,331.24

Person in charge of the Company:

Cao Xin

Person in charge of accounting:

Fan Weihong

Head of accounting department:

Yang Zhangqing

II. FINANCIAL STATEMENT (continued)

STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY

January-June 2023

Unit: Yuan Currency: RMB

Items	Half year of 2023										
	Paid-up capital (or share capital)	Preferred share	Perpetual bonds	Others	Capital reserve	Treasury stocks	Less: comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
I. Balance at the end of the same period of the previous year	4,187,093,073.00		1,039,376,000.00		6,672,091,610.44			822,928,444.78	3,584,970,517.36	-616,246.29	16,306,449,645.58
Add: Effects of changes in accounting policies											
Effects of correction of prior year errors											
Others											
II. Increase/decrease during the period	4,187,093,073.00		1,039,376,000.00		6,672,091,610.44			822,928,444.78	3,584,354,271.07	-616,246.29	16,306,833,399.29
III. (decrease is indicated with "-")					2,494,907.45			213,911,477.39	1,060,627,844.71		1,277,034,229.55
(I) Total comprehensive income					2,494,907.45			213,911,477.39	2,136,847,029.84		2,136,847,029.84
(II) Owners' contribution and decrease in capital											
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equity instruments					2,494,907.45				-638,744.65		1,856,162.80
3. Share-based payments credited to owners' equity											
4. Others					2,494,907.45						1,856,162.80
(III) Profit distribution								213,911,477.39	-1,075,560,440.46		-861,668,963.09
1. Withdrawal from surplus reserves								213,911,477.39	-213,911,477.39		
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserve into capital (or share capital)											
3. Making good of loss with surplus reserve											
4. Change in defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special reserve											
1. Appropriation for the period											
2. Application for the period											
(VI) Others											
IV. Balance at the end of the current period	4,187,093,073.00		1,039,376,000.00		6,674,576,517.89			1,036,839,922.17	4,644,982,115.78	-616,246.29	17,592,867,628.84

II. FINANCIAL STATEMENT (continued)

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

January-June 2022

Unit: Yuan Currency: RMB

Items	Half year of 2022						(Restated)		(Restated)				
	Other equity instruments						Capital reserve	Treasury stocks	Less: comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
I. Balance at the end of the same period of the previous year	4,187,093,073.00	1,945,736,000.00	6,673,646,098.38				638,241,006.48	2,675,588,115.87	16,120,304,293.73				
Add: Effects of changes in accounting policies													
Effects of correction of prior year errors													
Others													
II. Balance at the beginning of the year	4,187,093,073.00	1,945,736,000.00	6,673,646,098.38				638,241,006.48	2,675,588,115.87	16,120,304,293.73				
III. Increase/decrease during the period (decrease is indicated with "-")													
(I) Total comprehensive income													
(II) Owners' contribution and decrease in capital													
1. Ordinary shares contributed by owners													
2. Others													
(III) Profit distribution													
1. Withdrawal from surplus reserves													
2. Distribution to owners (or shareholders)													
3. Others													
(IV) Internal transfer of owners' equity													
1. Conversion of capital reserve into capital (or share capital)													
2. Conversion of surplus reserve into capital (or share capital)													
3. Making good of loss with surplus reserve													
4. Change in defined benefit plan transferred to retained earnings													
5. Other comprehensive income transferred to retained earnings													
6. Others													
(V) Special reserve													
1. Appropriation for the period													
2. Application for the period													
(VI) Others													
IV. Balance at the end of the current period	4,187,093,073.00	1,036,376,000.00	6,671,061,465.34				792,320,157.74	3,309,980,466.96	15,999,831,194.04				

Person in charge of the Company:

Cao Xin

Person in charge of accounting:

Fan Weihong

Head of accounting department:

Yang Zhangqing

III. BASIC INFORMATION OF THE COMPANY

1. Company Overview

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

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

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

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

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

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

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

III. BASIC INFORMATION OF THE COMPANY (continued)

1. Company Overview (continued)

As at 30 June 2023, the total accumulated issued share capital of the Company amounted to RMB4,187,093,073.00, of which 49.17% was held by HECIC, 43.92% was held by H shareholders and 6.91% was held by A shareholders.

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

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

The financial statements have been approved and authorised for issue by the Company’s Board of Directors on 29 August 2023.

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 in this Section for the change of scope for the period.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of Preparation

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

The financial statements are prepared on a going concern basis.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2. Going Concern

As at 30 June 2023, the Group's current liabilities exceeded its current assets by approximately RMB4.788 billion. 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 2023 of approximately RMB49.317 billion;
- (3) The Group registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in October 2022. Such facilities were approved for revolving use before October 2024. As at 30 June 2023, the unutilised facilities amounted to RMB2.0 billion.

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Reminders of specific accounting policies and accounting estimates:

The Group has developed specific accounting policies and accounting estimates based on the characteristics of its actual production and operation, mainly reflected in the provision for impairment of financial assets, depreciation of fixed assets, amortisation of intangible assets, capitalisation conditions for research and development expenses, and revenue recognition and measurement.

1. Statement of Compliance with Accounting Standards for Business Enterprises (ASBE)

These financial statements have conformed with the requirements of the ASBEs, and presented the Company's and the Group's financial position as at 30 June 2023 and the operating results and cash flow for the six months ended 30 June 2023 truly and completely.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

2. Accounting Period

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

3. Operating Cycle

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

4. Functional Currency

The Company adopts Renminbi as its functional currency and to prepare its financial statements. 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 involving enterprises not 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.

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 involving enterprises not under common control

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

The acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination involving entities not under common control are measured at fair value at the acquisition date. The excess of the fair value of the sum of the combination consideration paid (or the fair value of equities securities issued) and equity interests in the acquiree held prior to the acquisition date over the fair value of the acquiree's identifiable net assets acquired in combination, measured at fair value, was recognised 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 recognised in the current profit or loss.

6. Preparation of Consolidated Financial Statements

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation of Consolidated Financial Statements (continued)

For subsidiaries acquired through business combinations involving enterprises 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.

7. Classification of Joint Arrangements and Accounting for Joint Ventures

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

A joint operator recognises 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

8. Criteria for Determining Cash and Cash Equivalents

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

9. 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 capitalised in accordance with the principle of capitalisation 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 recognised in profit or loss for the current period or as other comprehensive income based on the nature of the non-monetary items.

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments

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 recognised when the Group becomes a party to the contractual provisions of the instrument.

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

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

If the underlying obligation of a financial liability has been discharged or cancelled or has expired, the financial liability is derecognised. 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 recognised in profit or loss for the current period.

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

Changes in Contracts Due to Benchmark Rate Reform

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

Changes in Contracts Due to Benchmark Rate Reform (continued)

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

Classification and Measurement of Financial Assets

The Group's financial assets are, on initial recognition, classified into the following categories based on the business model of the Group's financial asset management and the characteristics of the financial assets' contractual cash flows: financial assets measured at amortised cost, financial assets at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. 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:

Debt instrument investments measured at amortised cost

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

Classification and Measurement of Financial Assets (continued)

Debt instrument investments measured at fair value through other comprehensive income

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

Equity instrument investments measured 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 recognises relevant dividend incomes in profit or loss for the current period, while subsequent changes in fair value are recognised in other comprehensive income (except for the dividend income recovered as investment costs), without needing to withdraw impairment provision. When the financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than those measured at amortised 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 recognised in profit or loss for the current period.

In accordance with the above conditions, such financial assets determined by the Group mainly include investment in other equity instruments and held-for-trading financial assets.

Classification and Measurement of Financial Liabilities

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

Subsequent measurement of a financial liability is determined by its category:



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

Classification and Measurement of Financial Assets (continued)

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

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

Impairment of Financial Instruments

The Group performs impairment treatment on financial assets measured at amortised cost and financial guarantee contracts 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.

In addition to the financial assets 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 aging portfolio.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

Impairment of Financial Instruments (continued)

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

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

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

Offsetting of Financial Instruments

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

Financial Guarantee Contracts

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

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

Transfer of Financial Assets

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

Transfer of Financial Assets (continued)

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 expected credit losses of notes receivable

For details, please refer to Note V.10. Financial Instruments in this Section.

12. Accounts Receivable

Determination and accounting treatment of expected credit losses of accounts receivable

For details, please refer to Note V.10. Financial Instruments in this Section.

13. Receivables Financing

For details, please refer to Note V.10. Financial Instruments in this Section.

14. Other Receivables

Determination and accounting treatment of expected credit losses of other receivables

For details, please refer to Note V.10. Financial Instruments in this Section.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

15. Inventories

Inventories include raw materials, goods in stock and turnover materials.

Inventories are initially measured at cost. Inventory costs include purchase costs, processing costs and other costs. The actual cost of inventories is calculated using the FIFO 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 realisable value. If the cost is higher than the new realisable value, provision for impairment of inventories is made and recognised 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 standards of contract assets

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between the completion of performance obligations and customer payments. The Group offsets contract assets and contract liabilities under the same contract and presents in net amount.

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.

(2). Determination method and accounting treatment of expected credit losses of contract assets

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



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 the sale is highly probable. That is to say, a company commits to a plan to sell the asset and receives a firm commitment on the acquisition of the asset, and the sale is expected to close within 1 year (where the relevant provisions require the approval of the relevant authority or regulatory department, the approval has been obtained). The company that loses control over the subsidiary due to the sale of its investment in the subsidiary that qualifies for held-for-sale classification classifies its investment in the subsidiary in its entirety as held for sale in the separate financial statements and all assets and liabilities of the subsidiary as held for sale in the consolidated financial statements, even if the company will retain a portion of equity investment 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 recognised 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 amortised and not accounted for under equity method.

18. Debt Investments

Determination and accounting treatment of expected credit losses of debt investments

Applicable Not applicable

19. Other Debt Investments

Determination and accounting treatment of expected credit losses of other debt investments

Applicable Not applicable

20. Long-term Receivables

Determination and accounting treatment of expected credit losses of long-term receivables

For details, please refer to Note V.10. Financial Instruments in this Section.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Long-term Equity Investments

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Long-term Equity Investments (continued)

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

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Long-term Equity Investments (continued)

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

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

22. Investment Properties

(1). Where the cost measurement method is adopted

Depreciation or amortisation method

Investment property is property held to earn rentals or for capital appreciation or for both purposes. It includes leased land use rights, land use rights held for transfer after appreciation and leased buildings.

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Investment Properties (continued)

(1). Where the cost measurement method is adopted (continued)

Depreciation or amortisation method (continued)

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

Category	Useful life	Estimated residual value rate	Annual depreciation rate
Houses and buildings	30 years	5%	3.17%

23. Fixed Assets

(1). Conditions of recognition

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

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

(2). Depreciation method

Category	Depreciation method	Depreciation period (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	20-40	5%	2.38%-4.75%
Mechanical equipment	Straight-line method	5-40	5%	2.38%-19.00%
Transportation equipment	Straight-line method	5-8	5%	11.88%-19.00%
Electronic equipment and office equipment	Straight-line method	3-5	5%	19.00%-31.67%
Other equipment	Straight-line method	10	5%	9.50%

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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Fixed Assets (continued)

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

Applicable Not applicable

24. Construction in Progress

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

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

25. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised, and other borrowing costs are recognised 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 capitalised 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.

Capitalisation 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 recognised in the current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

25. Borrowing Costs (continued)

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

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

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

26. Biological Assets

Applicable Not applicable

27. Oil and Gas Assets

Applicable Not applicable

28. Right-of-use Assets

On the date of commencement of the lease term, the Group recognises its right to use the leased asset during the lease term as a right-of-use asset.

The cost of right-of-use assets includes:

- (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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Right-of-use Assets (continued)

If the Group remeasures the lease liability due to changes in lease payments, the carrying amount of the right-of-use assets is adjusted accordingly. The 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.

29. Intangible Assets

(1). Measurement, useful life and impairment test

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

Intangible assets may be recognised 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 recognised 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 years
Proprietary technologies	10 years
Software	10 years

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Intangible Assets (continued)

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

Concession rights

Intangible assets (concession rights) are recognised to the extent that the Group receives a right to charge users of the infrastructure.

The concession rights are based on the above policy. Revenues and costs related to operating services are detailed in Note V-38 of this Section.

The Group has contractual obligations it must fulfil as a condition of its right to restore the infrastructure to a specified condition at the end of the service concession arrangement. Contractual obligations to restore the infrastructure are detailed in Note V-43 of this Section.

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

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

(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 of Assets

The impairment of assets other than inventories, contract assets and assets relating to contract costs, deferred income tax, financial assets and assets held for sale is determined using the following methods: The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs testing for impairment. Goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not been ready for intended use are tested for impairment at least once at the end of each year, irrespective of whether there is any indication that the asset may be impaired.

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

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Long-term Deferred Expenses

Long-term deferred 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 deferred 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

Contract liabilities represent the obligation to transfer goods or services to a customer for the consideration received or due from the customer, such as the amounts received prior to the transfer of the goods or services undertaken by the enterprise.

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 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 benefits

The liabilities of employee benefits are recognised 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 (defined contribution plan)

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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

33. Employee Benefits (continued)

(3). Accounting treatment for termination benefits

Applicable Not applicable

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

Applicable Not applicable

34. Lease Liabilities

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Accrued Liabilities

An obligation related to a contingency shall be recognised 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;
- (3) A reliable estimate can be made of the amount of the obligation.

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

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

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

36. Share-based Payment

Applicable Not applicable

37. Other Equity Instruments

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

38. Revenue

(1). Accounting policies adopted for revenue recognition and measurement

Revenue from sale of goods and revenue from the connection and construction of gas pipeline network

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.

Contracts on 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.

Contracts on provision of services relating to 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 adopted for 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.

(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 Costs

Applicable Not applicable

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

40. Government Grants (continued)

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

Where the interest subsidies are appropriated from the fiscal funds to the lending bank and the bank in turn provides loans to the Group at a policy-based preferential interest rate, the Group measures the amount of borrowings received as the initial value and calculates the relevant borrowing costs according to the principal amount and the policy-based preferential interest rate.

41. Deferred Tax Assets/Deferred Tax Liabilities

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.

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.

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 realise 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

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

As lessee

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

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

Short-term lease and low-value asset lease

The Group recognises 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 recognises 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 recognised as a low-value asset lease. The Group does not recognise 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. If a contract contains both lease and non-lease components, the Group apportions the contract consideration according to the relative proportion of the separate prices of each component.

As lessor of an operating lease

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

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 in this Section.

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 in this Section.

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 in this Section.

43. Significant Accounting Policies and Accounting Estimates

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

43. Significant Accounting Policies and Accounting Estimates (continued)

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

HECIC New Energy Co., Ltd. (“HECIC New Energy”), a subsidiary of the Company, entered into an acting-in-concert agreement with Beijing Tenglong Xinda Technology Co., Ltd. (“Beijing Tenglong”) (48% shareholding) and Langfang Longxin Power Automation Control Technology Co., Ltd. (“Langfang Longxin”) (3% shareholding), two other shareholders of its subsidiary, Zhangbei Huashi HECIC Wind Energy Co., Ltd. (“Zhangbei Huashi”), pursuant to which Beijing Tenglong and Langfang Longxin will act in concert with HECIC New Energy in exercising their proposal rights and voting rights in respect of operation and financial policy matters of Zhangbei Huashi, and HECIC New Energy has control over Zhangbei Huashi.

HECIC New Energy, a subsidiary of the Company, entered into an acting-in-concert agreement with China Longyuan Power Group Corporation Limited (“Longyuan Power”), another shareholder of its subsidiary, HECIC Longyuan Chongli Wind energy Co., Ltd. (“Longyuan Chongli”) (50% shareholding), pursuant to which Longyuan Power will act in concert with HECIC New Energy in exercising its proposal rights and voting rights in respect of operation and financial policy matters of Longyuan Chongli, and HECIC New Energy has control over Longyuan Chongli.

HECIC New Energy, a subsidiary of the Company, entered into an acting-in-concert agreement with Hebei Huiya Energy Investment Management Co., Ltd. (“Hebei Huiya”) (37.5% shareholding) and Chengde State-Controlled Investment Group Co., Ltd. (“Chengde State-Controlled”) (2.5% shareholding), two shareholders of Chengde Yuyuan Wind Energy Co., Ltd. (“Chengde Yuyuan”), pursuant to which Hebei Huiya and Chengde State-Controlled will act in concert with HECIC New Energy in exercising their rights to propose and vote on the operation and financial policy matters of Chengde Yuyuan. Accordingly, HECIC New Energy can have control over Chengde Yuyuan.

The Company entered into an acting-in-concert agreement with Yao Junjue (36.5% shareholding) and Yao Yongpeng (12.5% shareholding), natural person shareholders of Xinjiang Yusheng of New Energy Development Co., Ltd. (“Xinjiang Yusheng”), a subsidiary of the Company, pursuant to which Yao Junjue and Yao Yongpeng will act in concert with the Company in exercising their rights to propose and vote on the operation and financial policy matters of Xinjiang Yusheng. Accordingly, the Company can have control over Xinjiang Yusheng.

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

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. For details, please refer to Notes VII. 5, VII. 8, and VII. 16 in this Section.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

43. Significant 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. Non-current assets, other than financial assets, are tested for impairment when there is an indication that the carrying amount may not be recoverable. An impairment is indicated when the carrying amount of an asset or a group of assets exceeds its recoverable amount, being the higher of the net fair value less costs of disposal and the present value of estimated future cash flows. The net fair value less costs of disposal is determined by reference to the agreed price in a sales agreement of a similar asset in an arm's length transaction or an observable market price, less incremental costs directly attributable to the disposal of the asset. In estimating the present value of future cash flows, the management must estimate the estimated future cash flows of the asset or group of assets and determine the present value of the future cash flows at an appropriate discount rate. For details, please refer to Notes VII. 21 and VII. 22 in this Section.

Fair value of unlisted equity investments

The Group uses the market approach to determine the fair value of unlisted equity investments. This requires the Group to, among others, identify comparable listed companies, select market multipliers, make estimates of liquidity discounts, so there are uncertainties.

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.

Depreciation of fixed assets

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

43. Significant Accounting Policies and Accounting Estimates (continued)

Estimation uncertainties (continued)

Incremental borrowing rate of lessee

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

Quality assurance

For a portfolio of contracts with similar characteristics, the Group reasonably estimates the warranty rate based on historical warranty data, current warranty situation, product improvement, market changes and other relevant information. The estimated warranty rate may not equal actual warranty rate in the future. The Group reassesses the warranty rate at least at each balance sheet date and determines estimated liabilities based on the reassessed warranty rate.

Provision for restoration of the infrastructure to a specified service level

The Group has contractual obligations it must fulfil as a condition of its right to restore the infrastructure to a specified condition at the end of the service concession arrangement. Contractual obligations to restore the infrastructure are recognised and measured at the best estimate of the expenditure required to settle the present obligation at the end of the Reporting Period in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Estimating expenditure requires the Group to take into account its obligations during the service concession period to project future cash outflows and to select an appropriate discount rate to calculate the present value of such cash flows.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)
44. Changes in Significant Accounting Policies and Accounting Estimates
(1). Change in significant accounting policies

Changes in accounting policies and their reasons	Approval procedure	Note (Name and amount of statement items materially affected)
Implementation of ASBE Interpretation No. 16	Approved by the Company's management	See Explanation 1 for details

Other explanations:

Explanation 1:

According to the provisions of the ASBE Interpretation No. 16 ("Interpretation No. 16")-accounting treatment that exemption from initial recognition does not apply to deferred income tax associated with assets and liabilities arising from a single transaction, the provisions of Articles 11(2) and 13 of the ASBE No. 18 – Income Taxes in relation to exemption from initial recognition of deferred income tax liabilities and deferred income tax assets do not apply to single transactions that are not business combinations and do not affect either accounting profits or taxable income (or deductible losses) at the time of the transactions, nor do such provisions apply to single transactions whose assets and liabilities initially recognised result in taxable temporary differences and deductible temporary differences of equal amounts (including lease transactions in which lease liabilities are initially recognised by the lessee on the lease commencement date and accounted for as the right-of-use assets, and transactions in which estimated liabilities are recognised and accounted for as the cost of the underlying assets due to asset retirement obligations, such as fixed assets). For taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in transactions, the corresponding accounting treatment of deferred income tax liabilities and deferred income tax assets should be recognised separately at the time of the transactions in accordance with the ASBE No. 18-Income Taxes.

The Group adjusts the opening retained earnings and other related financial statement items for the earliest period presented in the financial statements for the cumulative effects on individual transactions in accordance with the Interpretation No. 16.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

44. Changes in Significant Accounting Policies and Accounting Estimates (continued)

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

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

The Group

2023

Items	Before changes in accounting policies Opening balance	Changes in accounting policies Adjustments due to changes in accounting policies	After changes in accounting policies Opening balance
Deferred income tax assets	190,809,767.50	3,882,326.59	194,692,094.09
Deferred income tax liabilities	58,366,245.54	7,864,577.87	66,230,823.41
Undistributed profits	7,823,373,780.42	-3,538,439.14	7,819,835,341.28
Minority interests	4,720,268,412.59	-443,812.14	4,719,824,600.45

2022

Items	Before changes in accounting policies Opening balance	Changes in accounting policies Adjustments due to changes in accounting policies	After changes in accounting policies Opening balance
Deferred income tax assets	186,877,995.35	2,436,119.35	189,314,114.70
Deferred income tax liabilities	3,530,522,147.30	5,154,749.31	3,535,676,896.61
Undistributed profits	6,466,749,439.53	-2,052,876.42	6,464,696,563.11
Minority interests	4,088,960,704.20	-665,753.54	4,088,294,950.66

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)
44. Changes in Significant Accounting Policies and Accounting Estimates (continued)
(1). Change in significant accounting policies (continued)
January-June 2022

Items	Before changes in accounting policies Amount for the current period	Changes in accounting policies Adjustments due to changes in accounting policies	After changes in accounting policies Amount for the current period
Income tax expenses	338,309,401.17	631,810.66	338,941,211.83
Net profit	2,024,359,196.98	-631,810.66	2,023,727,386.32
Net profit attributable to shareholders of the parent company	1,616,612,596.40	-742,781.36	1,615,869,815.04
Gain or loss attributable to minority shareholders	407,746,600.58	110,970.70	407,857,571.28

The Company
2023

Items	Before changes in accounting policies Opening balance	Changes in accounting policies Adjustments due to changes in accounting policies	After changes in accounting policies Opening balance
Deferred income tax liabilities		616,246.29	616,246.29
Undistributed profits	3,584,970,517.36	-616,246.29	3,584,354,271.07

January-June 2022

Items	Before changes in accounting policies Amount for the current period	Changes in accounting policies Adjustments due to changes in accounting policies	After changes in accounting policies Amount for the current period
Income tax expenses		253,767.54	253,767.54

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

44. Changes in Significant Accounting Policies and Accounting Estimates (continued)

(2). Change in significant accounting estimates

Applicable Not applicable

(3). Adjustments to financial statements at the beginning of the year in which the new accounting standards or interpretations were implemented for the first time since 2023

Applicable Not applicable

45. Others

(1) Profit distribution

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

(2) Safety production fee

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

(3) Fair value measurement

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

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

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

VI. TAXATION

1. Major Categories of Taxes and Respective Tax Rates

Major categories of taxes and tax rates

Tax category	Taxation basis	Tax rate
Value-added tax (VAT)	Output VAT is calculated by applying to 6%, 9% or 13% of the taxable income less deductible input VAT of the current period.	13%, 9% and 6%
City maintenance and construction tax	7% or 5% of the turnover taxes paid	7% and 5%
Education surcharges	3% of the turnover taxes paid	3%
Local educational surcharges	2% of the turnover taxes paid	2%
Enterprise income tax	It is levied at 25% on the taxable profit, except for certain subsidiaries established in Mainland China which enjoy tax preferences and those subsidiaries incorporated outside Mainland China which are subject to local income tax regulations. Each of the Company and its subsidiaries calculates and pays enterprise income tax as a legal entity at the location where it is registered.	25%

Explanations on the disclosure of the entities paying taxes being entitled to different enterprise income tax rates

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

All overseas subsidiaries of the Company (including the Hong Kong Special Administrative Region and the Macau Special Administrative Region of the People's Republic of China) calculate and pay taxes according to the applicable tax categories and tax rates in accordance with the requirements of local tax laws.

VI. TAXATION (continued)

2. Tax Preference

Enterprise income tax

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

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

According to the Announcement on continuation of preferential enterprise income tax policies in the western region (Announcement No. 23 [2020]) released by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission, between 1 January 2021 and 31 December 2030, enterprise income tax will be levied at a reduced rate of 15% on enterprises engaged in the encouraged industries in the western region. Enterprises engaged in the encouraged industries refer to enterprises whose main business belongs to the industries specified in the Catalogue of Encouraged Industries in the Western Region and the main business income accounts for over 60% of their gross revenues.

Value-added tax

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.

VI. TAXATION (continued)

2. Tax Preference (continued)

Value-added tax (continued)

Pursuant to the provision of the Circular on Value-added Tax Policy for Wind Power Generation (Cai Shui [2015] No. 74) jointly released 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 by taxpayers of self-produced power products produced by wind with effect from 1 July 2015”, the wind power business subsidiaries controlled by the Company enjoy the policy of refund of 50% VAT upon collection.

Pursuant to the Announcement on Clarifying VAT Exemption and Other Policies for Small-Scale VAT Taxpayers [MOF SAT Announcement [2023] No. 1], taxpayers engaged in producer services are allowed to offset the tax payable by an additional 5% of the deductible input tax amount for the current period from 1 January 2023 to 31 December 2023. Hebei Suntien Kechuang New Energy Technology Co., Ltd., a subsidiary of the Company, enjoys the preferential policy of deduction of taxes payable plus additional amount based on deductible input tax since January 2023.

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		
Bank deposits	3,135,937,636.52	7,186,243,490.65
Other deposits	136,080,913.92	139,815,837.12
Total	3,272,018,550.44	7,326,059,327.77
Including: Total amounts deposited abroad	9,182,147.62	9,588,388.32

Other explanations:

As at 30 June 2023, other deposits overseas of the Group amounted to RMB9,182,147.62 (31 December 2022: RMB9,588,388.32).

Demand deposits bear interest at the bank demand deposit interest rate.

As at 30 June 2023, restricted cash due to mortgage, pledge or freeze (Note VII. 81 in this section) amounted to RMB140,099,162.02 (31 December 2022: RMB160,370,310.33).

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

2. Financial Assets for Trading

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	390,000,000.00	520,000,000.00
Of which:		
Structured deposits	390,000,000.00	520,000,000.00
Financial assets designated at fair value through profit or loss		
Of which:		
Total	390,000,000.00	520,000,000.00

Other explanations:

Applicable Not applicable

3. Derivative Financial Assets

Applicable Not applicable

4. Notes Receivable

(1). Categories of notes receivable presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bank acceptance notes	107,294,530.15	235,764,112.96
Commercial acceptance notes		
Total	107,294,530.15	235,764,112.96

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

4. Notes Receivable (continued)

(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

Unit: Yuan Currency: RMB

Items	Closing derecognised amount	Closing non-derecognised amount
Bank acceptance notes		40,844,530.15
Commercial acceptance notes		
Total		40,844,530.15

(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). Provision for bad debts

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 aging

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	
Including: Sub-items within 1 year	
Within 6 months	1,808,514,544.29
6 months to 1 year	1,050,387,361.95
Sub-total within 1 year	2,858,901,906.24
1 year to 2 years	2,103,535,865.89
2 to 3 years	922,156,042.50
Over 3 years	817,983,037.97
Total	6,702,576,852.60

The Group's accounts receivable are mainly accounts receivable from wind power generation and natural gas sales, and the aging is calculated from the date of recognition of the accounts receivable. The credit period for accounts receivable is usually one month. The accounts receivable are not interest-bearing.

(2). Disclosure by classification of bad debt provisions

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Book value	Amount	Percentage (%)	Amount	Percentage of provision (%)	Book value
Bad debt provision on an individual basis	399,037,330.81	5.95	399,037,330.81	100.00	0.00	399,037,330.81	6.86	399,037,330.81	100.00	0.00
Of which:										
Bad debt provision on a group basis	6,303,539,521.79	94.05	81,611,020.82	1.29	6,221,928,500.97	5,416,218,258.37	93.14	71,069,030.09	1.31	5,345,149,228.28
Of which:										
Provision for bad debts made on the credit risk characteristics grouping basis	6,303,539,521.79	94.05	81,611,020.82	1.29	6,221,928,500.97	5,416,218,258.37	93.14	71,069,030.09	1.31	5,345,149,228.28
Total	6,702,576,852.60	/	480,648,351.63	/	6,221,928,500.97	5,815,255,589.18	/	470,106,360.90	/	5,345,149,228.28

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

5. Accounts Receivable (continued)

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

Provision for bad debts on individual basis:

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance		Reasons for provision
		Provision for bad debts	Percentage of provision (%)	
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
Receivables for carbon emission reduction	11,149,907.12	11,149,907.12	100.00	Expected unrecoverable
Hebei Daguangming Industrial Group Juwuba Tanhei Co., Ltd.	5,998,717.59	5,998,717.59	100.00	Expected unrecoverable
Total	399,037,330.81	399,037,330.81	100.00	/

Explanation on provision for bad debts on an individual basis:

Nil

Provision for bad debts on a group basis:

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

5. Accounts Receivable (continued)

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

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

Unit: Yuan Currency: RMB

Name	Closing balance		Percentage of provision (%)
	Accounts receivable	Provision for bad debts	
Renewable energy subsidies and benchmark tariffs	6,160,343,079.62	61,603,430.89	1.00
Other items based on the credit risk characteristics grouping	143,196,442.17	20,007,589.93	13.97
Total	6,303,539,521.79	81,611,020.82	1.29

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

Other accounts receivable with provision for bad debts made on the credit risk characteristics grouping basis are as follows:

Name	Closing balance		Percentage of provision (%)
	Accounts receivable	Provision for bad debts	
Within 6 months	103,900,732.04	5,195,036.64	5.00
6 months to 1 year	17,819,681.09	1,781,968.11	10.00
1 to 2 years	10,347,894.01	3,104,368.20	30.00
2 to 3 years	2,403,836.11	1,201,918.06	50.00
Over 3 years	8,724,298.92	8,724,298.92	100.00
Total	143,196,442.17	20,007,589.93	

If the provision for bad debts 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). Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Change for the Period			Closing balance
			Recovered or reversed	Transfer out or write-off	Other changes	
Provision for bad debts of accounts receivable	470,106,360.90	26,996,116.26	16,454,125.53			480,648,351.63
Total	470,106,360.90	26,996,116.26	16,454,125.53			480,648,351.63

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

 Applicable Not applicable

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

 Applicable Not applicable

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

Name of entity	Relationship with the Group	Closing balance	Percentage of the closing balance of total accounts receivable (%)	Closing balance of provision for bad debts
State Grid Jibei Electric Power Co., Ltd. (國網冀北電力有限公司)	A third party	3,210,935,235.73	47.91	32,109,352.36
State Grid Hebei Electric Power Co., Ltd. (國網河北省電力有限公司)	A third party	582,441,827.35	8.68	5,824,418.27
Yunnan Power Grid Co., Ltd. (雲南電網 有限責任公司)	A third party	749,920,953.25	11.19	7,499,209.53
State Grid East Inner Mongolia Electric Power Co., Ltd. (國網內蒙古東部電力有限公司)	A third party	316,131,604.70	4.72	3,161,316.05
Bazhou Power Supply Company of State Grid Xinjiang Electric Power Co., Ltd. (國網新疆電力有限公司巴州供電公司)	A third party	314,120,574.93	4.69	3,141,205.75
Total		5,173,550,195.96	77.19	51,735,501.96

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

5. Accounts Receivable (continued)

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

Applicable Not applicable

(7). Amount of assets or liabilities incurred by continuing involvement with transferred accounts receivable

Applicable Not applicable

Other explanations:

As at 30 June 2023, the corresponding accounts receivable in relation to the Group's long-term borrowings secured by part of the right of collection of future electricity fees amounted to RMB5,358,465,002.02 (31 December 2022: RMB4,459,760,109.54). Please refer to Note VII. 81 to this Section.

6. Receivables Financing

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bank acceptance bills	413,463,060.61	169,290,765.51
Total	413,463,060.61	169,290,765.51

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

Applicable Not applicable

If the provision for bad debts 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)

6. Receivables Financing (continued)

Other explanations:

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

Items	30 June 2023		31 December 2022	
	Derecognised	Not yet derecognised	Derecognised	Not yet derecognised
Bank acceptance bills	435,106,157.05		494,313,731.87	

As at 30 June 2023 and 31 December 2022, the Group had no bank acceptance bills transferred to accounts receivable due to non-performance of drawers. For the transfer of bills receivable, please refer to Note X. 2 in this Section.

As at 30 June 2023 and 31 December 2022, the Group had no pledged notes.

7. Advances to Suppliers

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

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 6 months	191,548,696.54	91.96	516,112,978.07	96.57
6 to 12 months	7,165,578.21	3.44	8,430,667.65	1.58
1 to 2 years	4,691,198.71	2.25	6,884,078.51	1.29
2 to 3 years	3,783,952.41	1.81	725,408.20	0.13
3 to 4 years	303,458.43	0.15	1,084,743.97	0.20
4 to 5 years	469,108.90	0.23	98,802.56	0.02
Over 5 years	344,265.08	0.16	1,116,434.77	0.21
Total	208,306,258.28	100.00	534,453,113.73	100.00

Explanation on the reasons for significant advances to suppliers over 1 year and not settled in time:

Nil

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

7. Advances to Suppliers (continued)

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

Name of entity	Relationship with the Group	Closing balance	Percentage of the closing balance of total advances to suppliers (%)
PipeChina Tianjin Liquefied Natural Gas Co., Ltd. (國家管網集團天津液化天然氣有限責任公司)	A third party	50,895,000.00	24.43
Sinopec Natural Gas Company, 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)	A third party	43,060,332.71	20.67
Shanghai branch of Top Resource Energy Co., Ltd. (天壕環境股份有限公司上海分公司)	A third party	17,342,550.89	8.33
North China branch of China Petroleum Engineering & Construction Corp. (中國石油工程建設有限公司華北分公司)	A third party	9,654,119.70	4.63
Shanxi Huaxin Gas Sales Co., Ltd. (山西華新燃氣銷售有限公司)	A third party	9,095,787.90	4.37
Total		130,047,791.20	62.43

Other explanations

Applicable Not applicable

8. Other Receivables

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividend receivables	98,713,891.44	71,598,016.20
Other receivables	31,195,123.81	135,512,445.83
Total	129,909,015.25	207,110,462.03

Other explanations:

Applicable Not applicable

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

8. Other Receivables (continued)

Interest receivable

(1). Classification of interest receivable

 Applicable Not applicable

(2). Significant overdue interest

 Applicable Not applicable

(3). Provision for bad debts

 Applicable Not applicable

Other explanations:

 Applicable Not applicable

Dividends receivable

(1). Dividends receivable

Unit: Yuan Currency: RMB

Projects (or Invested unit)	Closing balance	Opening balance
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司) ("Chengde Dayuan")	37,011,839.21	
Longyuan Construction & Investment (Chengde) Wind Power Co., Ltd. (龍源建投(承德)風力發電有限公司) ("Chengde Wind Power")	23,171,956.55	23,171,956.55
Hebei Weichang Longyuan Construction & Investment Wind Power Co., Ltd. (河北圍場龍源建投風力發電有限公司) ("Hebei Weichang")	21,576,317.17	21,576,317.17
Hebei Construction & Investment Group Finance Co., Ltd. (河北建投集團財務有限公司) ("HECIC Finance")	15,700,106.37	
Huihai Financial Leasing Co., Ltd. (滙海融資租賃股份有限公司) ("Huihai Leasing")	1,253,672.14	2,153,672.14
Zhangbei Construction & Investment Huashi Wind Energy Co., Ltd. (張北建投華實風能有限公司) ("Zhangbei Construction & Investment")		22,117,561.12
Chongli Construction & Investment Huashi Wind Energy Co., Ltd. (崇禮建投華實風能有限公司) ("Chongli Construction & Investment")		2,578,509.22
Total	98,713,891.44	71,598,016.20

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

8. Other Receivables (continued)

Dividends receivable (continued)

(2). Significant dividends receivable aging over 1 year

Applicable Not applicable

(3). Provision for bad debts

Applicable Not applicable

Other explanations:

Applicable Not applicable

Other receivables

(4). Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	
Including: Sub-items within 1 year	
Within 6 months	4,585,647.46
6 months to 1 year	5,730,574.31
Sub-total within 1 year	10,316,221.77
1 year to 2 years	23,878,291.46
2 to 3 years	9,932,875.64
Over 3 years	57,752,668.04
Total	101,880,056.91

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
8. Other Receivables (continued)
Other receivables (continued)

(5). *Classification by nature*

Unit: Yuan Currency: RMB

Nature	Closing book balance	Opening book balance
Deposits	59,595,180.19	135,928,823.25
Advances	22,590,976.38	25,218,740.27
Reserves	274,800.00	819,174.52
Others	19,419,100.34	46,866,952.48
Total	101,880,056.91	208,833,690.52

(6). *Provision for bad debts*

Unit: Yuan Currency: RMB

Provision for bad debts	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 2023	17,429,748.28	41,458,657.17	14,432,839.24	73,321,244.69
Balance at 1 January 2023 during the period				
– Transfer into the second stage	-43,800.00	43,800.00		
– Transfer into the third stage				
– Reversal to the second stage				
– Reversal to the first stage				
Provision during the period	4,378,538.35	2,043,800.00		6,422,338.35
Reversal during the period	-6,445,122.59	-226,428.37		-6,671,550.96
Transfer out during the period	-2,387,098.98			-2,387,098.98
Write-off during the period				
Other changes				
Balance as at 30 June 2023	12,932,265.06	43,319,828.80	14,432,839.24	70,684,933.10

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

8. Other Receivables (continued)

Other receivables (continued)

(6). *Provision for bad debts (continued)*

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

(7). *Provision for bad debts*

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Change for the period		Other changes	Closing balance
			Recovered or reversed	Transfer out or write-off		
Provision for bad debts of						
other receivables	73,321,244.69	6,422,338.35	6,671,550.96	2,387,098.98		70,684,933.10
Total	73,321,244.69	6,422,338.35	6,671,550.96	2,387,098.98		70,684,933.10

Among them, significant amounts of provision for bad debts during the period have been reversed or recovered:

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 receivables from the top five debtors by closing balance

Unit: Yuan Currency: RMB

Name of entity	Nature of the amount	Closing balance	Aging	Percentage of the total closing balance of other receivables (%)	Closing balance of provision for bad debts
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	Advances	13,421,959.24	Over 3 years	13.17	13,421,959.24
Shuangqiao District Land Acquisition and Reserve Center (雙橋區土地收購儲備中心)	Others	10,014,277.25	1-3 years and over 3 years	9.83	6,064,434.34
Bank of Communications Financial Leasing Co., Ltd. (交銀金融租賃有限責任公司)	Deposits	9,540,000.00	1-3 years	9.36	3,922,000.00
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)	Deposits	8,000,000.00	Over 3 years	7.85	8,000,000.00
Weichang Manchu and Mongolian Autonomous County Development and Reform Bureau (圍場滿族蒙古自治縣發展改革局)	Deposits	6,157,000.00	Over 3 years	6.04	6,157,000.00
Total	/	47,133,236.49	/	46.25	37,565,393.58

(10). Receivables related to government grants

 Applicable Not applicable

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

 Applicable Not applicable

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

8. Other Receivables (continued)

Other receivables (continued)

(12). Amount of assets or liabilities incurred by continuing involvement with transferred other receivables

Applicable Not applicable

Other explanations:

Changes in impairment allowance recognised for the 12-month expected credit losses and lifetime expected credit losses on other receivables are as follows:

Items	Carrying		30 June 2023		Book value
	balance	Percentage (%)	Provision for bad debts	Percentage of provision (%)	
Provision made for bad debts for individual assessment of expected credit losses	14,432,839.24	14.17	14,432,839.24	100.00	0.00
Provision for bad debts for expected credit losses based on credit risk characteristics grouping	87,447,217.67	85.83	56,252,093.86	64.33	31,195,123.81
Total	101,880,056.91	100.00	70,684,933.10	/	31,195,123.81

As at 30 June 2023, other receivables with provision made for bad debts on an individual basis are as follows:

Name of entity	Book balance	Provision for bad debts	Percentage (%)	Reasons for provision
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	13,421,959.24	13,421,959.24	100.00	Expected unrecoverable
Gamesa Wind Power (Tianjian) Co., Ltd. (歌美颯風電(天津)有限公司)	1,010,880.00	1,010,880.00	100.00	Expected unrecoverable
Total	14,432,839.24	14,432,839.24	/	/

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

9. Inventories

(1). Classification of inventories

Unit: Yuan Currency: RMB

Items	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	53,447,623.23	2,512,078.24	50,935,544.99	46,222,266.82		46,222,266.82
Products in process						
Goods in stock	340,693,467.19		340,693,467.19	58,308,904.95		58,308,904.95
Circulating materials						
Consumable biological assets						
Contract performance cost						
Total	394,141,090.42	2,512,078.24	391,629,012.18	104,531,171.77		104,531,171.77

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

9. Inventories (continued)

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

Unit: Yuan Currency: RMB

Items	Opening balance	Addition during the period		Decrease during the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials		2,512,078.24				2,512,078.24
Products in process						
Goods in stock						
Circulating materials						
Consumable biological assets						
Contract performance cost						
Total		2,512,078.24				2,512,078.24

(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). Contract assets

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

11. Assets Held for Sale

Unit: Yuan Currency: RMB

Items	Closing balance	Impairment provisions	Carrying amount at the end of the period	Fair value	Expected disposal costs	Expected disposal timeline
Assets held for sale	0.00		0.00			
Total	0.00		0.00			/

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

11. Assets Held for Sale (continued)

Other explanations:

On 10 August 2021, the Group entered into the Equity Transfer Agreement with Longkou Hongkong and China Gas Company Limited and agreed to transfer 10% of equity interests held by the Group in Huludao Gas. As at 30 June 2023, the transfer of 10% equity interest in Huludao Gas was completed. The Group lost control over Huludao Gas and accounted for it as an investment in an associate.

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

Items	31 December 2022
Cash	649,254.90
Prepayments	36,200.00
Other receivables	1,252.96
Other current assets	197,301.49
Fixed assets	7,857,306.74
Construction in progress	3,675,420.26
Assets held for sale	12,416,736.35
Accounts payable	2,536,439.86
Advances from customers	190,608.10
Other payables	3,093,430.38
Employee benefits payable	367,767.08
Long-term borrowings due within one year	229,998.79
Long-term borrowings	393,025.42
Liabilities held for sale	6,811,269.63
Accumulated other comprehensive income related to held-for-sale assets	0.00

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

12. Non-current Assets Due within One Year

Unit: Yuan Currency: RMB

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

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

 Applicable Not applicable

Other explanations:

Nil

13. Other Current Assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Contract obtainment cost		
Cost of goods returned		
VAT to be deducted	571,023,906.35	596,355,367.07
Enterprise income tax prepaid	5,626,555.27	11,862,839.04
Total	576,650,461.62	608,218,206.11

Other explanations:

Nil



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

14. Debt Investments

(1). Debt investments

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 Investments

(1). Other debt investments

Applicable Not applicable

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

Applicable Not applicable

(3). Provision for impairment

Applicable Not applicable

Other explanations:

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
16. Long-term Receivables
(1) Long-term receivables

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance			Range of discounted rates
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Including: Unrealised financing income							
Sale of goods with amounts receivable by installments							
Rendering of services with amounts receivable by installments	1,664,186.71		1,664,186.71	1,664,186.71		1,664,186.71	4.35%
Total	1,664,186.71		1,664,186.71	1,664,186.71		1,664,186.71	/

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

(2) Provision for bad debts
 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 continuing involvement with transferred long-term receivables
 Applicable Not applicable

Other explanations:

 Applicable Not applicable

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

17. Long-term Equity Investments

Unit: Yuan Currency: RMB

Investee	Opening balance	Additional investments	Decrease in investments	Increase/decrease during the period						Closing balance	Closing balance of impairment provisions	
				Gain or loss of investment recognised using equity approach	Adjustments to other comprehensive income	Changes in other equity	Declaration of payment of cash dividend or profit	Impairment provisions	Others			
I. Joint ventures												
Hebei Suntien Guohua Gas Co., Ltd. (河北新天國化燃氣有限責任公司) ("Suntien Guohua")	47,625,725.52			946,220.53		1,587,342.08					50,159,288.13	
Chengde Dayuan	202,018,110.91			31,157,745.95			-51,423,603.21				161,752,253.65	
Chongli Construction & Investment	109,041,217.86			-1,927,394.66							107,113,823.20	
Zhangbei Construction & Investment	79,764,123.32			3,778,186.93							83,542,310.25	
Harbin Qingfeng New Energy Co., Ltd. (哈爾濱慶風新能源有限公司) ("Harbin Qingfeng") (Note 1)	2,000,000.00	19,000,000.00									21,000,000.00	
Dongning Xinfeng New Energy Co., Ltd. ("Dongning Xinfeng") (Note 5)		5,000,000.00									5,000,000.00	
Sub-total	440,449,177.61	24,000,000.00		33,954,758.75		1,587,342.08	-51,423,603.21				448,567,675.23	
II. Associates												
HECIC Rongtan Asset Management Co., Ltd. (河北建投融碳資產管理有限公司) ("HECIC Rongtan") (Note 2)	20,878,192.55			1,247,705.70							22,125,898.25	
HECIC Zhonghang Saihan Green Energy Technology Development Co., Ltd. (河北建投中樞平綠能科技開發有限公司) ("Zhonghang Saihan") (Note 3)	11,373,759.58			-621,100.81							10,752,658.77	
Hebei Fengning Pumped Storage Co., Ltd. (河北豐寧抽水蓄能有限公司) ("Fengning Pumped Storage")	578,494,071.94			49,259,236.19		907,565.37					628,650,873.50	
Hebei Jinjianjia Natural Gas Co., Ltd. (河北金建佳天然氣有限公司) ("Jinjianjia")	15,500,000.00	2,310,633.00									17,810,633.00	
Chengde Wind Energy	261,727,866.00			16,919,208.89		495,822.16					279,142,917.05	
Hebei Weichang	140,748,921.85			9,353,697.51		422,734.56					150,525,353.92	
Huihai Leasing	206,155,667.43			3,110,059.93							209,265,727.36	

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

17. Long-term Equity Investments (continued)

Unit: Yuan Currency: RMB

Investee	Opening balance	Additional investments	Decrease in investments	Increase/decrease during the period						Closing balance	Closing balance of impairment provisions
				Gain or loss of investment recognised using equity approach	Adjustments to other comprehensive income	Changes in other equity	Declaration of payment of cash dividend or profit	Impairment provisions	Others		
Hebei Sunten Green Shuita Carbon Neutrality Equity Investment Fund (Limited Partnership) (河北新天綠色水發碳中和股權投資基金(有限合夥)) ("Sunten Shuita Fund") (Note 4)	1,000,000.00									1,000,000.00	
Hengshui Honghua Gas Co., Ltd. (衡水鴻華燃氣有限公司) ("Hengshui Honghua")	10,267,038.30			-227,379.97						10,039,658.33	
PipeChina North China Natural Gas Pipeline Co., Ltd. (國家管網集團華北天然氣管道有限公司) ("PipeChina Pipeline")	563,583,289.57			-21,669,023.13						541,914,266.44	
PetroChina Jingtang LNG Co., Ltd. (中石油京唐液化天然氣有限公司) ("Jingtang LNG")	1,143,551,275.69			83,614,580.80		486,362.26				1,227,652,218.75	
Chengde Shuanglun District HECIC LNG Co., Ltd. (承德市雙溝區建設液化天然氣有限責任公司) ("Chengde Shuanglun")	3,164,390.70									3,164,390.70	-3,164,390.70
Huludao Gas (Note 6)		1,109,548.80		224,260.94						1,333,809.74	
Sub-total	2,956,434,493.61	3,420,181.80		141,211,246.05		2,312,484.35				3,103,378,405.81	-3,164,390.70
Total	3,396,883,671.22	27,420,181.80		175,166,004.80		3,899,826.43	-51,423,603.21			3,551,946,061.04	-3,164,390.70

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

17. Long-term Equity Investments (continued)

Other explanations

Note 1: In September 2022, the Group and Harbin Electric Co., Ltd. jointly established Harbin Qingfeng, with each holding a 50% equity interest in Harbin Qingfeng. According to the Articles of Association, the financial and operating decisions of Harbin Qingfeng must be made jointly by the two investors, and therefore Harbin Qingfeng is accounted for as a joint venture of the Group. During the period, the Group injected an additional RMB19,000,000.00 in accordance with its shareholding ratio.

Note 2: On 22 July 2022, the Group newly acquired a 24% equity interest in HECIC Rongtan. In accordance with the Articles of Association and the representation of directors, the Group can exert significant influence over HECIC Rongtan and account for it as an associate.

Note 3: On 1 July 2022, the Group entered into a joint venture agreement with HECIC, HECIC Energy Investment Co., Ltd., Chengde Guoqing Energy Co., Ltd. and Lianhe Boge Energy Technology (Anhui) Co., Ltd. to establish Zhonghang Saihan. The Group holds a 25% equity interest in Zhonghang Saihan and accounts for it as an associate in accordance with the Articles of Association and the representation of directors.

Note 4: In August 2022, HECIC Huineng New Energy Co., Ltd. ("HECIC Huineng"), a subsidiary of the Group, became a limited partner of Suntien Shuifa with a subscribed capital contribution of 49.72%. Pursuant to the partnership agreement, the Group may exert significant influence over HECIC Huineng and account for it as an associate.

Note 5: In March 2023, Suntien Green Energy (Hong Kong) Co., Ltd. ("Hong Kong Suntien"), a subsidiary of the Group, entered into a joint venture agreement with Harbin Electric Machinery Company Limited for to establish Dongning Xinfeng, in which each party holds a 50% equity interest. According to the Articles of Association, the financial and operating decisions of Harbin Xinfeng must be made jointly by the two investors, and therefore Harbin Xinfeng is accounted for as a joint venture of the Group.

Note 6: On 31 January 2023, the Group transferred a 10% equity interest in Huludao Gas to Longkou Hongkong and China Gas Company Limited. Its remaining stake in Huludao Gas is 41%. After the amendment of the articles of association and the representation of directors, the Group lost control over the company but still exerted significant influence over it. The company has been accounted for as an associate since then.

18. Investments in Other Equity Instruments

(1). Investments in other equity instruments

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Hebei Construction & Investment Group Finance Company Limited (河北建投集團財務有限公司) ("HECIC Finance")	200,000,000.00	200,000,000.00
Baoding PetroChina Kunlun Gas Co., Ltd. (保定中石油崑崙燃氣有限公司)	18,605,700.00	18,605,700.00
HECIC Health and Elderly Care Industry Investment Co., Ltd. (河北建投康養產業投資有限公司) (Note 1)	2,000,000.00	
Total	220,605,700.00	218,605,700.00

Note 1: The Group contributed RMB2,000,000.00 during the period to participate in the establishment of HECIC Health and Elderly Care Industry Investment Co., Ltd., in which the Group holds 10% of the shares.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**18. Investments in Other Equity Instruments (continued)****(2). Non-trading equity instrument investment**

Applicable Not applicable

Other explanations:

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

The dividend income of HECIC Finance in the first half of 2023 amounted to RMB15,700,106.37, and the fair value changes in accumulated other comprehensive income of Baoding PetroChina Kunlun Gas Co., Ltd. as at 30 June 2023 amounted to RMB11,805,700.00.

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

Items	Houses and buildings	Land use rights	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 combinations				
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 amortisation				
1. Opening balance	12,483,817.81			12,483,817.81
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	13,036,402.03			13,036,402.03
III. Impairment provisions				
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. Book value				
1. Carrying amount at the end of the period	24,374,448.82			24,374,448.82
2. Carrying amount at the beginning of the period	24,927,033.04			24,927,033.04

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 title certificates:

Applicable Not applicable

Other explanations

As at 30 June 2023 and 31 December 2022, the Group had no investment property with restricted ownership, and all investment properties had obtained the relevant title certificates.

The investment properties of the Group are commercial buildings located 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 2023, the fair value of these investment properties was RMB46,762,835.94 (31 December 2022: RMB41,271,422.68).

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

21. Fixed Assets

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	32,431,991,964.83	32,773,611,789.39
Fixed assets in liquidation		
Total	32,431,991,964.83	32,773,611,789.39

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	Other equipment	Total
I. Original carrying amount:						
1. Opening balance	2,479,296,737.42	40,618,926,999.03	101,624,655.21	292,394,818.87	190,794,891.73	43,683,038,102.26
2. Addition during the period	149,781,651.62	579,433,512.04	13,828,940.77	10,226,601.06	6,026,058.18	759,296,763.67
(1) Acquisition	188,479.43	13,265,513.83	13,454,490.53	7,887,706.16	5,486,235.16	40,282,425.11
(2) Transfer from construction in progress	147,954,280.67	448,143,901.56		1,991,353.98	539,823.02	598,629,359.23
(3) Increase in business combinations	1,638,891.52	118,024,096.65	374,450.24	347,540.92		120,384,979.33
3. Decrease during the period	221,177.52	22,348,144.69	3,645,852.13	2,751,752.64	305,400.00	29,272,326.98
(1) Disposal or scrapping	221,177.52	22,348,144.69	3,645,852.13	2,751,752.64	305,400.00	29,272,326.98
4. Closing balance	2,628,857,211.52	41,176,012,366.38	111,807,743.85	299,869,667.29	196,515,549.91	44,413,062,538.95
II. Accumulated depreciation						
1. Opening balance	673,095,871.42	9,802,538,587.29	77,304,541.55	151,146,066.66	116,511,512.47	10,820,596,579.39
2. Addition during the period	65,232,459.93	1,002,157,936.12	2,145,393.59	18,259,011.84	6,117,971.24	1,093,912,772.72
(1) Provision	65,232,459.93	1,002,157,936.12	2,145,393.59	18,259,011.84	6,117,971.24	1,093,912,772.72
3. Decrease during the period	128,596.40	15,990,182.44	3,463,558.64	2,396,043.99	290,130.00	22,268,511.47
(1) Disposal or scrapping	128,596.40	15,990,182.44	3,463,558.64	2,396,043.99	290,130.00	22,268,511.47
4. Closing balance	738,199,734.95	10,788,706,340.97	75,986,376.50	167,009,034.51	122,339,353.71	11,892,240,840.64
III. Impairment provisions						
1. Opening balance		88,829,733.48				88,829,733.48
2. Addition during the period						
(1) Provision						
3. Decrease during the period						
(1) Disposal or scrapping						
4. Closing balance		88,829,733.48				88,829,733.48
IV. Book value						
1. Carrying amount at the end of the period	1,890,657,476.57	30,298,476,291.93	35,821,367.35	132,860,632.78	74,176,196.20	32,431,991,964.83
2. Carrying amount at the beginning of the period	1,806,200,866.00	30,727,558,678.26	24,320,113.66	141,248,752.21	74,283,379.26	32,773,611,789.39

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
21. Fixed Assets (continued)
Fixed assets (continued)

(2). *Temporarily idle fixed assets*

Applicable Not applicable

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

Applicable Not applicable

(4). *Fixed assets rented out under operating leases*

Applicable Not applicable

(5). *Fixed assets with pending title certificates*

Unit: Yuan Currency: RMB

Items	Book value	Reasons for fixed assets with pending title certificates
Central control building in Caoniangou Wind Farm	2,943,401.09	Pending title certificate
Power distribution room in Caoniangou Wind Farm	894,966.49	Pending title certificate
Garage in Caoniangou Wind Farm	497,947.64	Pending title certificate
Weichang master control building	2,315,481.95	Pending title certificate
Weichang complex	9,223,275.82	Pending title certificate
Weichang reactive compensation room	1,479,888.12	Pending title certificate
Weichang garage	583,803.72	Pending title certificate
Weichang joint pump house	316,341.60	Pending title certificate
Weichang deep-well pump house	42,536.03	Pending title certificate
Multipurpose room in Bafang station	988,302.58	Pending title certificate
Complex in Gaoyi station	2,721,076.14	Pending title certificate
Multipurpose room in Gaobeidian metering station	224,994.16	Pending title certificate
Station house in Gaoyi station	587,906.00	Pending title certificate
Station house in Laiyuan filling station	710,466.10	Pending title certificate
Office building in southern gate station of Phase II Shahe project	2,349,749.18	Pending title certificate
Auxiliary production room in southern gate station of Phase II Shahe project	3,108,300.38	Pending title certificate
Building 10 in Zhaodu project	2,689,555.19	Pending title certificate
Auxiliary room in Chengde gate station	1,021,334.66	Pending title certificate
Office building in Xishizhuang	6,128,401.86	Pending title certificate

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

21. Fixed Assets (continued)

Fixed Assets (continued)

(5). Fixed assets with pending title certificates (continued)

Unit: Yuan Currency: RMB

Items	Book value	Reasons for fixed assets with pending title certificates
Public room in the station area of Feixiang gas unloading station	1,511,376.00	Pending title certificate
Auxiliary room of Feixiang gas unloading station	531,153.80	Pending title certificate
Hebei natural gas multipurpose room	1,413,470.86	Pending title certificate
Hebei natural gas auxiliary room	225,669.32	Pending title certificate
Hebei natural gas auxiliary room	387,278.35	Pending title certificate
Production room of Shahe Branch	623,123.96	Pending title certificate
A8-6, Jingzhou International City, Xinji HECIC	1,428,255.52	Pending title certificate
Master control building in Changli Datan Wind Farm	1,756,856.31	Pending title certificate
Power distribution building in Changli Datan Wind Farm	1,899,902.07	Pending title certificate
Joint pump house in Changli Datan Wind Farm	2,163,411.21	Pending title certificate
Julu County complex	1,174,712.78	Pending title certificate
Production room in Putidao Wind Farm	2,016,229.95	Pending title certificate
Ruifeng Xinxing Village complex	125,246,042.38	Pending title certificate
Production room in Daqinghe Wind Farm	18,182,975.29	Pending title certificate
Complex in Shimen Town, Lulong	1,061,738.94	Pending title certificate
35kv power distribution room in Shimen Town, Lulong	245,778.80	Pending title certificate
Water supply pump house in Shimen Town, Lulong	155,884.66	Pending title certificate
101, 1/F, Zichenyuan, Shijiazhuang Jiyan	3,284,361.05	Pending title certificate
102, 1/F, Zichenyuan, Shijiazhuang Jiyan	1,258,786.33	Pending title certificate
Complex in Chongli Suntien Wind Energy	2,638,984.28	Pending title certificate
Auxiliary production room in Chongli Suntien Wind Energy	1,332,430.92	Pending title certificate
Step-up substation in Kangzhuang Wind Farm	15,894,908.37	Pending title certificate
Fangchenggang production room	4,536,868.57	Pending title certificate
Total	227,797,928.43	

Management of the Group 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 material and adverse impacts on the Group's overall financial position as at 30 June 2023.

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

21. Fixed Assets (continued)

Fixed assets (continued)

Other explanations:

As at 30 June 2023, the ownership of the Group's fixed assets with carrying value of RMB253,170,012.57 (31 December 2022: RMB261,713,427.79) was restricted. Please refer to Note VII. 81 in this Section.

Fixed assets in liquidation

Applicable Not applicable

22. Construction in Progress

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Construction in progress	21,779,610,703.08	19,078,613,885.04
Construction materials	85,598,916.44	84,297,919.67
Total	21,865,209,619.52	19,162,911,804.71

Other explanations:

Nil

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

22. Construction in Progress (continued)

Construction in progress

(1). Construction in progress

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provisions	Book value	Book balance	Impairment provisions	Book value
Construction in progress	21,796,174,382.24	16,563,679.16	21,779,610,703.08	19,095,177,564.20	16,563,679.16	19,078,613,885.04
Total	21,796,174,382.24	16,563,679.16	21,779,610,703.08	19,095,177,564.20	16,563,679.16	19,078,613,885.04

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

Unit: Yuan Currency: RMB

Name of project	Budget	Opening balance	Addition during the period	Business combinations involving enterprises not under common control	Amount transferred into fixed assets during the period	Amount transferred into intangible assets during the period	Other decreases during the period	Closing balance	Percentage of accumulated investment in project to budget (%)	Project progress	Accumulated amount of interest capitalised during the period	Including: Amount of interest capitalised during the period	Interest rate for the period (%)	Source of the fund
Tangshan LNG Receiving Station Construction Project	25,380,000,000.00	6,958,563,942.01	1,360,106,274.98					8,319,670,216.99	32.77	32.77%	169,880,544.94	65,334,608.71	3.32	Self-raising and borrowing
Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section)	5,360,486,700.00	3,527,049,547.57	192,243,241.29					3,719,292,788.86	69.38	69.38%	135,893,032.89	33,052,281.06	3.40	Self-raising and borrowing
Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongying section)	2,712,762,900.00	2,329,379,530.35	60,155,018.88					2,389,534,549.23	88.08	88.08%	100,044,675.37	24,449,057.45	3.36	Self-raising and borrowing
Zhuozhou-Yongqing Gas Pipeline Construction Project	1,322,529,100.00	1,221,725,235.79	62,362,395.58					1,284,087,631.37	97.09	97.09%	78,057,084.49	15,438,916.43	3.58	Self-raising and borrowing
"Jingshitan" Dual Track Gas Pipeline Construction Project	1,821,365,900.00	1,248,005,534.09	78,944,268.65					1,326,949,822.74	72.65	72.65%	59,021,070.05	16,167,649.68	3.52	Self-raising and borrowing
Zhangbei Zhanhai 200MW Wind Farm Project	1,370,368,200.00	695,711,794.88	167,099,058.20					862,810,853.08	62.96	62.96%	70,395,527.32	13,173,299.03	3.59	Self-raising and borrowing
Qinhuangdao-Fengnan Coastal Gas Pipeline Project	1,784,607,015.00	117,563,538.77	370,880,193.50					488,453,732.27	27.22	27.22%	3,472,795.77	2,878,598.46	3.37	Self-raising and borrowing
Shuangcheng Phase II 100MW Wind Power Project	833,241,500.00	271,647,359.76	117,863,876.81					389,511,236.57	46.75	46.75%	7,423,595.08	3,712,836.59	3.25	Self-raising and borrowing

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 (continued)

Unit: Yuan Currency: RMB

Name of project	Budget	Opening balance	Addition during the period	Business combinations involving enterprises not under common control	Amount transferred into fixed assets during the period	Amount transferred into intangible assets during the period	Other decreases during the period	Closing balance	Percentage of accumulated investment in project to budget (%)	Project progress	Accumulated amount of interest capitalised	Including: Amount of interest capitalised during the period	Interest capitalisation rate for the period (%)	Source of the fund
Suntien Pucogiang County Lucobuzhuang 100,000kW Wind Power Project	418,040,000.00	242,601,085.74	79,617,445.83					322,218,531.57	77.08	77.08%	2,122,921.27	1,717,890.76	2.90	Self-raising and borrowing
Tai'an Sanglin 49MW Wind Power Project	398,280,000.00	259,724,834.46	15,783,727.65					275,508,562.11	69.17	69.17%	7,256,080.01	3,198,586.93	3.53	Self-raising and borrowing
Jizhong Pipe Network Phase IV Project	434,981,577.40	112,258,892.26	54,492,118.98					166,751,011.24	38.34	38.34%	2,244,059.33	1,719,211.57	3.39	Self-raising and borrowing
Beijing Handan LNG Storage and Load Levelling Station Project	298,326,400.00	174,052,411.50	5,949,086.95					180,001,488.45	60.34	60.34%				Self-raising
Bazhou Bailuzhou 31.5MW Distributed Wind Power Project	161,680,300.00	141,062,689.53	7,285,264.59					148,357,954.12	91.76	91.76%	2,688,711.86	1,624,638.87	2.97	Self-raising and borrowing
Guyuan Hydrogen Production Station Integrated Utilisation Demonstration Project	212,480,000.00	142,500,995.19	988,474.81					143,489,470.00	67.53	67.53%	698,969.32	49,815.33	3.00	Self-raising and borrowing
Chongji 100MW Wind-to-Hydrogen Project (Hydrogen Production Section)	210,250,000.00	123,855,898.92	11,391,920.40					135,947,819.32	64.37	64.37%	8,797,301.12	1,942,712.80	3.69	Self-raising and borrowing
Other wind power and photovoltaic construction in progress		707,464,672.12	531,141,022.01		560,218,661.00	5,033,174.89		673,353,858.24						
Other natural gas pipeline construction projects		820,809,601.26	183,789,569.38	4,536,373.67	38,410,698.23			970,834,846.08						
Total	42,738,398,582.40	19,095,177,564.20	3,300,122,978.49	4,536,373.67	598,629,358.23	5,033,174.89		21,796,174,382.24	/	/	647,996,368.82	184,460,103.67	/	/

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

22. Construction in Progress (continued)

Construction in Progress (continued)

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

Applicable Not applicable

Other explanations

The changes in the provision for impairment of construction in progress are as follows:

For the six months ended 30 June 2023

Items	Opening balance	Increase during the year	Decrease during the year	Closing balance	Reasons
Natural gas pipeline construction projects					
Handan Langtuo	6,988,135.40			6,988,135.40	Recoverable amount is lower than its carrying amount
Wind power and photovoltaic construction in progress					
Zhangjiakou Wind Energy	276,502.09			276,502.09	Recoverable amount is lower than its carrying amount
Chengde Yujing	2,258,549.29			2,258,549.29	Recoverable amount is lower than its carrying amount
Xingyang Suntien	7,040,492.38			7,040,492.38	Recoverable amount is lower than its carrying amount
Total	16,563,679.16			16,563,679.16	

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

22. Construction in Progress (continued)

Construction in Progress (continued)

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

2022

Items	Opening balance	Increase during the year	Decrease during the year	Closing balance	Reasons
Natural gas pipeline construction projects					
Yunnan Pushi Natural Gas Co., Ltd. (雲南普適天然氣有限公司) ("Yunnan Pushi")	4,325,756.20		4,325,756.20		Disposal of subsidiaries
Handan Langtuo	6,988,135.40			6,988,135.40	Recoverable amount is lower than its carrying amount
Wind power and photovoltaic construction in progress					
Zhangjiakou Wind Energy	276,502.09			276,502.09	Recoverable amount is lower than its carrying amount
Chengde Yujing	2,258,549.29			2,258,549.29	Recoverable amount is lower than its carrying amount
Xingyang Suntien	7,040,492.38			7,040,492.38	Recoverable amount is lower than its carrying amount
Total	20,889,435.36		4,325,756.20	16,563,679.16	

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 provisions	Book value	Book balance	Impairment provisions	Book value
Specialised materials	92,712,726.75	7,113,810.31	85,598,916.44	91,411,729.98	7,113,810.31	84,297,919.67
Total	92,712,726.75	7,113,810.31	85,598,916.44	91,411,729.98	7,113,810.31	84,297,919.67

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	Houses and buildings	Wind turbines and relevant equipment	Transportation equipment	Total
I. Original carrying amount					
1. Opening balance	83,156,233.07	84,388,275.07	2,332,385,591.62	23,549,410.99	2,523,479,510.75
2. Addition during the period	4,696,783.42	3,105,725.11	124,107,155.20	18,316,119.66	150,225,783.39
(1) Acquisition	4,696,783.42	3,105,725.11	124,107,155.20	18,316,119.66	150,225,783.39
3. Decrease during the period	2,460,379.07	3,643,850.55		15,350,791.37	21,455,020.99
(1) Disposal	2,460,379.07	3,643,850.55		15,350,791.37	21,455,020.99
4. Closing balance	85,392,637.42	83,850,149.63	2,456,492,746.82	26,514,739.28	2,652,250,273.15
II. Accumulated depreciation					
1. Opening balance	14,932,450.94	27,455,206.39	622,280,139.96	19,532,558.67	684,200,355.96
2. Addition during the period	3,342,191.91	10,692,487.39	58,312,597.18	5,285,442.96	77,632,719.44
(1) Provision	3,342,191.91	10,692,487.39	58,312,597.18	5,285,442.96	77,632,719.44
3. Decrease during the period	1,230,189.55	3,643,850.55		15,281,157.47	20,155,197.57
(1) Disposal	1,230,189.55	3,643,850.55		15,281,157.47	20,155,197.57
4. Closing balance	17,044,453.30	34,503,843.23	680,592,737.14	9,536,844.16	741,677,877.83
III. Impairment provisions					
1. Opening balance					
2. Addition during the period					
(1) Provision					
3. Decrease during the period					
(1) Disposal					
4. Closing balance					
IV. Book value					
1. Carrying amount at the end of the period	68,348,184.12	49,346,306.40	1,775,900,009.68	16,977,895.12	1,910,572,395.32
2. Carrying amount at the beginning of the period	68,223,782.13	56,933,068.68	1,710,105,451.66	4,016,852.32	1,839,279,154.79

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	Concession rights	Proprietary technologies	Software	Total
I. Original carrying amount					
1. Opening balance	799,973,737.03	2,644,654,893.82	8,585,846.22	96,354,859.62	3,549,569,336.69
2. Addition during the period	780,026,503.92			1,283,845.75	781,310,349.67
(1) Acquisition	775,204,373.76			875,549.02	776,079,922.78
(2) Transfer from construction in progress	4,700,000.00			333,174.89	5,033,174.89
(3) Increase in business combinations	122,130.16			75,121.84	197,252.00
3. Decrease during the period				18,103.92	18,103.92
(1) Disposal				18,103.92	18,103.92
4. Closing balance	1,580,000,240.95	2,644,654,893.82	8,585,846.22	97,620,601.45	4,330,861,582.44
II. Accumulated amortisation					
1. Opening balance	138,082,649.81	1,238,895,741.96	749,835.20	50,628,571.14	1,428,356,798.11
2. Addition during the period	12,506,565.00	56,489,132.44	309,804.48	7,170,778.13	76,476,280.05
(1) Provision	12,506,565.00	56,489,132.44	309,804.48	7,170,778.13	76,476,280.05
3. Decrease during the period				9,686.60	9,686.60
(1) Disposal				9,686.60	9,686.60
4. Closing balance	150,589,214.81	1,295,384,874.40	1,059,639.68	57,789,662.67	1,504,823,391.56
III. Impairment provisions					
1. Opening balance					
2. Addition during the period					
(1) Provision					
3. Decrease during the period					
(1) Disposal					
4. Closing balance					
IV. Book value					
1. Carrying amount at the end of the period	1,429,411,026.14	1,349,270,019.42	7,526,206.54	39,830,938.78	2,826,038,190.88
2. Carrying amount at the beginning of the period	661,891,087.22	1,405,759,151.86	7,836,011.02	45,726,288.48	2,121,212,538.58

At the end of the period, intangible assets formed through internal research and development of the Company account for 0.14% of the balance of intangible assets (31 December 2022: 0.21%).

As at 30 June 2023, the Group had restricted land use rights of RMB3,197,368.03 (31 December 2022: RMB3,228,776.38). Please refer to Note VII. 81 of this Section.

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

26. Intangible Assets (continued)

(2). Land use rights with pending title certificates

Unit: Yuan Currency: RMB

Items	Book value	Reasons for fixed assets with pending title certificates
Shahe South Gate Mountain Land	1,760,387.40	Pending title certificate
Weichang Ruyihe Land	13,780,954.65	Pending title certificate
Harbin Shuangcheng Land	10,593,397.29	Pending title certificate
Weihui Dongshuanma Wind Power Land	5,568,255.29	Pending title certificate
Suntien Ruoqiang County Luobuzhuang Land	2,403,925.66	Pending title certificate
Korla Tianhui Land	5,685,912.09	Pending title certificate
Guyuan Xiba Project Land	9,574,845.39	Pending title certificate
Total	49,367,677.77	

Management of the Group believes that the Group is entitled to lawfully and effectively occupy and use the above land, and believes that the above matters will not have any material and adverse impacts on the Group's overall financial position as at 30 June 2023.

Other explanations:

Applicable Not applicable

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

27. Development Expenditure

Unit: Yuan Currency: RMB

Items	Opening balance	Addition during the period		Decrease during the period		Closing balance
		Internal development expenditure	Others	Recognised as intangible assets	Transfer to current profit and loss	
Chongli 100MW Wind-to-Hydrogen Project (Hydrogen Production Section)	28,425,706.04	5,375,454.32				33,801,160.36
Total	28,425,706.04	5,375,454.32				33,801,160.36

Other explanations:

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: 1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; 2) the intention to complete the intangible asset and use or sell it; 3) how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; 4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and 5) the expenditure attributable to the intangible asset during its development can be measured reliably.

As at 30 June 2023, Chongli 100MW Wind-to-Hydrogen Project (Hydrogen Production Section) was in the development phase and have not been completed.

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

28. Goodwill

(1). Original carrying amount of goodwill

Unit: Yuan Currency: RMB

Name of the investee or item resulting in goodwill	Opening balance	Increase during the period Formed through business combinations	Decrease during the period Disposal	Closing balance
Gaoyi Fengcheng Natural Gas Co., Ltd. (高邑縣鳳城天然氣有限責任公司) ("Gaoyi Fengcheng")		69,886,137.13		69,886,137.13
Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd. (石家莊市捷誠天然氣貿易有限公司) ("Jiecheng Natural Gas")	38,560,035.89			38,560,035.89
Xingtai Tianhongxiang Gas Co., Ltd. (邢台天宏祥燃氣有限公司) ("Tianhongxiang")	18,411,275.29			18,411,275.29
Anguo Huagang Gas Co., Ltd. (安國市華港燃氣有限公司) ("Anguo Huagang")	14,882,681.29			14,882,681.29
Linxi County Xinneng Natural Gas Engineering Co., Ltd. (臨西縣新能天然氣工程有限公司) ("Linxi Xinneng")	9,468,410.69			9,468,410.69
Pingshan County Huajian Gas Co., Ltd. (平山縣華建燃氣有限公司) ("Pingshan Huajian")	5,846,078.90			5,846,078.90
Jinzhou Construction & Investment Gas Co., Ltd. (晉州市建設燃氣有限公司) ("Jinzhou Gas")	4,857,585.19			4,857,585.19
Shijiazhuang Xin'ao Urban Gas Development Co., Ltd. (石家莊新奧城市燃氣發展有限公司) ("Xin'ao Urban Gas")	2,910,972.51			2,910,972.51
Xinji Construction & Investment Gas Co., Ltd. (辛集市建設燃氣有限公司) ("Xinji Gas")	1,964,386.00			1,964,386.00
Shenzhou Construction & Investment Gas Co., Ltd. (深州市建設燃氣有限公司) ("Shenzhou Gas")	20,461.18			20,461.18
Xinjiang Yusheng New Energy Development Co., Ltd. (新疆宇晟新能源開發有限公司) ("Xinjiang Yusheng")	396.80			396.80
Total	96,922,283.74	69,886,137.13		166,808,420.87

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

28. Goodwill (continued)

(2). Impairment provision for goodwill

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

(5). Impact of goodwill impairment test

Applicable Not applicable

Other explanations:

The Group acquired Gaoyi Fengcheng in 2023, which resulted in a goodwill of RMB69,886,137.13. Please refer to Note VIII. 1. Business combinations involving enterprises not under common control.

29. Long-term Deferred Expenses

Unit: Yuan Currency: RMB

Items	Opening balance	Addition during the period	Amortisation during the period	Other decreases	Closing balance
Prepaid lease payments	11,495,148.81		383,223.06		11,111,925.75
Reform of fixed assets rented under operating leases	14,057,216.21	768,061.40	2,617,892.84		12,207,384.77
Project road reconstruction cost	8,707,427.07		330,661.80		8,376,765.27
Others	7,666,493.97	753,276.11	1,337,400.37		7,082,369.71
Total	41,926,286.06	1,521,337.51	4,669,178.07		38,778,445.50

Other explanations:

Nil

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

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	548,941,581.94	135,478,434.63	540,290,940.61	129,270,071.90
Unrealised profit from internal transactions				
Deductible loss				
Offsetting of internal capitalised interest	35,002,657.16	8,750,664.29	37,498,041.16	9,374,510.29
Differences in tax basis of fixed assets	148,139,848.52	32,066,805.08	150,864,701.16	32,748,018.24
Deferred income	77,018,525.80	19,254,631.45	77,668,668.28	19,417,167.07
Differences in the tax basis of lease liabilities	130,086,408.12	32,521,602.03	125,375,153.92	31,343,788.48
Differences in the tax basis of estimated liabilities	52,733,021.72	13,183,255.43	52,733,021.72	13,183,255.43
Total	991,922,043.26	241,255,392.91	984,430,526.85	235,336,811.41

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
Gains on valuation of assets under business combinations involving enterprises not under common control	18,602,303.08	4,650,575.77	19,001,189.76	4,750,297.44
Changes in fair value of other debt investments				
Changes in fair value of other equity instruments				
One-off pre-tax deduction of fixed assets	237,047,626.28	59,261,906.57	214,463,792.40	53,615,948.10
Differences in the tax basis of right-of-use assets	157,093,097.12	39,273,274.28	152,032,599.52	38,008,149.88
Differences in the tax basis of concessions	41,034,451.00	10,258,612.75	42,004,581.24	10,501,145.31
Total	453,777,477.48	113,444,369.37	427,502,162.92	106,875,540.73

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
30. Deferred Tax Assets/Deferred Tax Liabilities (continued)
(3). Deferred income tax assets or liabilities presented on a net basis after offsetting

Unit: Yuan Currency: RMB

Items	Amount of deferred income tax assets and liabilities offset each other at the end of the period	Closing balance of deferred income tax assets or liabilities after offsetting	Amount	
			of deferred income tax assets and liabilities offset each other at beginning of the period	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets	41,305,757.22	199,949,635.69	40,644,717.32	194,692,094.09
Deferred income tax liabilities	41,305,757.22	72,138,612.15	40,644,717.32	66,230,823.41

(4). Details of unrecognised deferred income tax assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Deductible temporary difference	120,694,749.61	111,694,468.32
Deductible loss	1,279,511,426.49	1,192,777,428.74
Total	1,400,206,176.10	1,304,471,897.06

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

30. Deferred Tax Assets/Deferred Tax Liabilities (continued)

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

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Notes
31 December 2023	147,402,253.61	172,173,974.32	
31 December 2024	219,261,178.47	220,162,655.54	
31 December 2025	265,862,774.46	268,252,211.38	
31 December 2026	303,507,650.13	305,167,955.89	
31 December 2027	226,989,998.57	227,020,631.61	
31 December 2028	116,487,571.25		
Total	1,279,511,426.49	1,192,777,428.74	/

The management of the Company believes that it is probable that there may not be sufficient taxable income that can be utilised to offset the above deductible losses before their expiry.

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		
	Book balance	Impairment provisions	Book value	Book balance	Impairment provisions	Book value
Contract obtainment cost						
Contract performance cost						
Cost of goods returned						
Contract assets						
Input tax to be deducted	1,473,891,958.04		1,473,891,958.04	1,404,672,905.28		1,404,672,905.28
Prepayment for equipment	301,854,571.45		301,854,571.45	299,055,589.29		299,055,589.29
Prepayment for construction cost	279,469,513.48		279,469,513.48	284,822,522.49		284,822,522.49
Prepayment for others	170,662,053.70		170,662,053.70	440,757,455.42		440,757,455.42
Total	2,225,878,096.67		2,225,878,096.67	2,429,308,472.48		2,429,308,472.48

Other explanations:

Nil

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

32. Short-term Borrowings

(1). Classification of short-term borrowings

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged borrowings (Note 1)	33,000,000.00	42,280,000.00
Secured borrowings		
Guaranteed borrowings		
Credit borrowings	2,011,491,322.19	2,656,086,568.48
Total	2,044,491,322.19	2,698,366,568.48

Explanation on classification of short-term borrowings:

Note 1: As at 30 June 2023, the Group discounted bank acceptance bills of RMB33,000,000.00 (31 December 2022: RMB42,280,000.00). The Group considered that substantially all of the risks and rewards associated with bills, including related default risks, have been retained by the Group. Therefore, it continued to recognise in full the bills and liabilities related thereto (bank borrowings of RMB33,000,000.00 (31 December 2022: RMB42,280,000.00)).

As at 30 June 2023, the interest rates per annum of the above-mentioned short-term borrowings were 2.45%-4.35% (31 December 2022: 2.80%-6.08%).

As at 30 June 2023 and 31 December 2022, the Group had no overdue short-term borrowings.

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

33. Financial Liabilities for Trading

Applicable Not applicable

34. Derivative Financial Liabilities

Applicable Not applicable

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

35. Notes Payable

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Commercial acceptance bills		
Bank acceptance bills	8,863,636.67	13,649,747.04
Total	8,863,636.67	13,649,747.04

As at the end of the period, the total bills payable that are due but unpaid amounted to RMB0.

36. Accounts Payable

(1). Presentation of accounts payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Within 6 months	200,195,902.60	327,976,682.79
6 months to 1 year	157,324,679.32	25,254,025.99
1 to 2 years	24,738,443.28	47,826,185.58
2 to 3 years	762,376.00	1,011,027.94
Over 3 years	680,200.93	747,339.48
Total	383,701,602.13	402,815,261.78

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

Applicable Not applicable

Other explanations:

As at 30 June 2023 and 31 December 2022, the Group had no significant accounts payable aged over 1 year.

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

37. Advances from Customers

(1). Advances from customers presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Advances received for the costs of entrusted construction of storage tanks	1,161,061,946.88	1,161,061,946.88
Total	1,161,061,946.88	1,161,061,946.88

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

38. Contract Liabilities

(1). Contract liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Advances received for natural gas sales	342,978,356.49	832,070,761.03
Advances received for services during the window period	396,460,176.98	396,460,176.98
Advances received for construction of pipeline projects	291,731,123.71	250,942,673.55
Advances received for pipeline transmission fees	3,140,831.19	7,431,567.96
Other advances received	52,701,923.49	52,845,813.37
Total	1,087,012,411.86	1,539,750,992.89

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

38. Contract Liabilities (continued)

(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. Employee Benefits Payable

(1). Employee benefits payable presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term benefits	68,080,796.91	280,537,113.44	299,340,256.44	49,277,653.91
II. Post-employment benefits – defined contribution plan	19,980.18	52,757,836.53	52,597,300.11	180,516.60
III. Termination benefits				
IV. Other benefits due within one year				
Total	68,100,777.09	333,294,949.97	351,937,556.55	49,458,170.51

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

39. Employee Benefits Payable (continued)

(2). Short-term benefits presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonus, allowances and subsidies	43,917,382.28	196,146,272.63	213,329,009.89	26,734,645.02
II. Employee welfare		18,377,481.41	18,311,481.41	66,000.00
III. Social insurance premiums	1,702,461.48	32,702,071.88	32,402,145.42	2,002,387.94
Including: Medical insurance premiums	1,702,461.48	30,162,904.75	29,865,399.35	1,999,966.88
Work injury compensation insurance premiums		2,301,013.44	2,298,592.38	2,421.06
Maternity insurance premiums		238,153.69	238,153.69	
IV. Housing fund	4,310.70	25,383,064.85	25,314,961.85	72,413.70
V. Union expenses and employees education expenses	22,376,642.45	7,327,870.23	9,302,305.43	20,402,207.25
VI. Short-term paid leave				
VII. Short-term profit sharing plan				
VIII. Others	80,000.00	600,352.44	680,352.44	
Total	68,080,796.91	280,537,113.44	299,340,256.44	49,277,653.91

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

39. Employee Benefits Payable (continued)

(3). Defined contribution plan

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic retirement insurance	2,333.13	31,824,570.01	31,668,898.33	158,004.81
2. Unemployment insurance premiums	43.40	1,737,354.31	1,732,489.57	4,908.14
3. Enterprise annuity payment	17,603.65	19,195,912.21	19,195,912.21	17,603.65
Total	19,980.18	52,757,836.53	52,597,300.11	180,516.60

Other explanations:

Full-time employees of the Group are covered by various government-sponsored pension plans. These government agencies are responsible for the pension liability to these employees upon retirement. The Group contributes on a monthly basis to these pension plans. The contribution rate of basic pension insurance is 16%-20% of total wages, the contribution rate of unemployment insurance is 0.5%-0.7% of total wages, and the contribution rate of enterprise annuity is 8% of total wages. The pension insurance is capped at three times the average social wage in the social security area, and there is no upper limit on the contribution rate for unemployment insurance and enterprise annuity. All contributions made under the government-sponsored pension plans described above are fully attributable to employees at the time of the payment and the Group is unable to forfeit any amounts contributed by it to such plans. Contributions made by the Company under the annuity fund plan that is forfeited in respect of those employees who resign from their positions prior to the full vesting of the contributions will be recorded in the public account of the annuity fund and shall not be used to offset any contributions to be made by the Company in the future. All funds in the public account will be attributed to the employees whose accounts are in normal status after the approval procedures are completed as required. Under these plans, the Group has no obligation for retirement benefit beyond the contributions made.

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

40. Taxes Payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
VAT	16,100,131.58	52,399,856.76
Consumption tax		
Business tax		
Enterprise income tax	139,067,097.82	132,935,383.17
Individual income tax	913,834.21	11,870,626.22
City maintenance and construction tax	1,084,581.07	2,681,093.01
Stamp duty	486,188.72	794,805.98
Others	1,162,500.94	2,710,583.42
Total	158,814,334.34	203,392,348.56

Other explanations:

Nil

41. Other Payables

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest payable		
Dividends payable	125,311,550.36	142,109,925.35
Other payables	7,952,344,009.71	7,577,859,571.29
Total	8,077,655,560.07	7,719,969,496.64

Other explanations:

Nil

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

41. Other Payables (continued)

Interest payable

Applicable Not applicable

Dividends payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Ordinary share dividends		
Preferred share/perpetual bond dividends classified as equity instruments	53,560,000.00	53,560,000.00
Preferred share/perpetual bond dividends – dividends payable to other equity holders	53,560,000.00	53,560,000.00
Dividends payable – minority shareholder dividends	71,751,550.36	88,549,925.35
Total	125,311,550.36	142,109,925.35

Other explanations, including significant unpaid dividends outstanding for more than 1 year and the reason for the non-payment:

Nil

Other Payables

(1). Other payables presented by nature of amount

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payables for construction and materials	5,990,906,546.87	5,610,586,027.49
Payables for equipment	1,606,009,236.05	1,644,889,680.13
Others	355,428,226.79	322,383,863.67
Total	7,952,344,009.71	7,577,859,571.29

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

41. Other Payables (continued)

Other payables (continued)

(2). Significant other payables aged over 1 year

Unit: Yuan Currency: RMB

Items	Closing balance	Reasons for outstanding or carry-forward
Shanghai Electric Wind Power Group Company Limited (上海電氣風電集團股份有限公司)	231,946,185.10	Unpaid costs for equipment
PowerChina Northwest Engineering Corporation Limited (中國電建集團西北勘測設計研究院有限公司)	106,592,920.35	Unpaid costs for construction and equipment
Xinjiang Goldwind Science & Technology Co., Ltd. (新疆金風科技股份有限公司)	90,039,389.62	Unpaid costs for equipment and construction materials
Siemens Gamesa Renewable Energy Technology (China) Co., Ltd. (西門子歌美颯可再生能源科技(中國)有限公司)	86,051,773.22	Unpaid costs for equipment and construction materials
CNPC Baoshishun (Qinhuangdao) Steel Pipe Co., Ltd. (中油寶世順(秦皇島)鋼管有限公司)	64,081,859.55	Unpaid costs for construction materials
Harbin Electric Corporation Wind Power Co., Ltd. (哈電風能有限公司)	49,483,425.64	Unpaid costs for equipment
Mingyang Smart Energy Group Limited (明陽智慧能源集團股份公司)	45,700,450.00	Unpaid costs for equipment
Huadian Heavy Industries Co., Ltd. (華電重工股份有限公司)	44,920,491.59	Unpaid costs for construction and equipment
Hebei Huabei Petroleum Engineering Construction Co., Ltd. (河北華北石油工程建設有限公司)	43,566,861.82	Unpaid costs for construction and equipment
Beijing Baosteel Northern Trading Co., Ltd. (北京寶鋼北方貿易有限公司)	27,865,370.11	Unpaid costs for construction and construction materials
Total	790,248,727.00	/

Other explanations:

Applicable Not applicable

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

42. Liabilities Held for Sale

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Liabilities held for sale		6,811,269.63
Total		6,811,269.63

Other explanations:

For details, please refer to Note VII. 11 of this Section.

43. Non-current Liabilities Due within 1 Year

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	3,270,098,306.61	4,074,938,038.05
Debentures payable due within 1 year	20,546,191.74	26,321,780.79
Long-term payable due within one year	69,546,762.52	69,284,426.02
Lease liabilities due within one year	123,385,178.87	136,496,865.23
Others		1,200,000.00
Total	3,483,576,439.74	4,308,241,110.09

Other explanations:

Nil

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

44. Other Current Liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Short-term debentures payable (Note)		1,010,192,910.93
Payable return payment		
Output tax to be transferred	44,507,984.08	76,734,166.20
Total	44,507,984.08	1,086,927,077.13

Note: HECIC New Energy, a subsidiary of the Company, registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in March 2021. Such facilities were approved for revolving use before March 2023.

HECIC New Energy issued super short-term commercial papers of RMB700 million in July 2022, with a term of 270 days and a coupon rate of 2.45%. The super-short term facility was repaid in 7 April 2023. HECIC New Energy issued super short-term commercial papers of RMB300 million in August 2022, with a term of 180 days and a coupon rate of 2.1%. The super short-term facility was repaid on 20 February 2023 and 21 February 2023.

The Company registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in October 2022. Such facilities were approved for revolving use before October 2024. As at 30 June 2023, the unutilised facilities amounted to RMB2.0 billion.

Change in short-term bonds payable:

Unit: Yuan Currency: RMB

Name of bond	Par value	Issuance date	Term of bond	Issuance amount	Opening balance	Issued during the period	Accrued interest at par value	Amortisation of premium or discount	Repaid during the period	Closing balance
22 HECIC New Energy SCP001	100.00	2022-7-15	270 days	700,000,000.00	707,135,037.65		3,920,167.82		711,055,205.47	
22 HECIC New Energy SCP002	100.00	2022-8-29	180 days	300,000,000.00	303,057,873.28		1,680,071.93		304,737,945.21	
Total	/	/	/	1,000,000,000.00	1,010,192,910.93		5,600,239.75		1,015,793,150.68	

Other explanations:

Applicable Not applicable

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

45. Long-term Borrowings

(1). Classification of long-term borrowings

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged borrowings (Note 1)	8,968,659,809.36	9,593,284,803.63
Secured borrowings (Note 2)	73,639,690.00	78,830,000.00
Guaranteed borrowings (Note 3)	300,240,371.38	332,133,053.95
Credit borrowings	25,440,608,521.29	24,387,319,606.44
Pledged and secured borrowings (Note 1, Note 2)	106,558,391.51	112,723,185.24
Less: Long-term borrowings due within one year	-3,270,098,306.61	-4,074,938,038.05
Total	31,619,608,476.93	30,429,352,611.21

Description of classification of long-term borrowings:

Note 1: As at 30 June 2023 and 31 December 2022, the Group pledged its subsidiary's right to electricity tariff for a long-term bank borrowing. Please refer to note 2 to Note VII. 81 in this Section.

Note 2: As at 30 June 2023, the Group secured fixed assets and intangible assets with carrying values of RMB256,367,380.60 (31 December 2022: RMB264,942,201.17) for long-term bank borrowings. Please refer to notes 3 and 4 to Note VII. 81 in this Section.

Note 3: As at 30 June 2023, the long-term borrowing of the Group's subsidiary with a carrying value of RMB91,250,000.00 (31 December 2022: RMB112,500,000.00) was secured by an irrevocable joint and several guarantee provided by the parent company HECIC New Energy.

As at 30 June 2023, the long-term borrowing of the Group's subsidiary with a carrying value of RMB208,990,371.38 (31 December 2022: RMB219,633,053.95) was secured by an irrevocable joint and several guarantee provided by the Company.

Other explanations, including range of interest rates:

As at 30 June 2023, the interest rate per annum of the above-mentioned borrowings was 1.20%-5.65% (31 December 2022: 1.20%-5.88%).

As at 30 June 2023 and 31 December 2022, the Group had no overdue long-term borrowings.

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

46. Debentures Payable

(1). Debentures payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Medium-term notes	2,220,546,191.74	1,526,321,780.79
Less: Debentures payable due within one year (Note VII. 43)	20,546,191.74	26,321,780.79
Total	2,200,000,000.00	1,500,000,000.00

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

Unit: Yuan Currency: RMB

Name of bond	Par value	Issuance date	Term of bond	Annual interest rate	Issuance amount	Opening balance	Issued during the period	Accrued interest at par value	Amortisation of premium or discount	Repayment during the period	Closing balance
Medium-term notes	100.00	2022-11-18	2 years	3.37%	500,000,000.00	501,892,739.73		8,355,753.43			510,248,493.16
Medium-term notes	100.00	2020-5-15	5 years	3.86%	1,000,000,000.00	1,024,429,041.06		19,141,369.85		38,600,000.00	1,004,970,410.91
Medium-term notes	100.00	2023-4-6	2 years	3.23%	700,000,000.00		700,000,000.00	5,327,287.67			705,327,287.67
Total	/	/	/	/	2,200,000,000.00	1,526,321,780.79	700,000,000.00	32,824,410.95		38,600,000.00	2,220,546,191.74

Note: HECIC, the parent company of the Group, provided full, unconditional and irrevocable joint and several liability guarantees for the corporate bonds issued by the Group.

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

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
46. Debentures Payable (continued)
(4). Description of the other financial instruments 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

47. Lease Liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Lease liabilities	856,992,607.71	781,100,323.41
Less: Lease liabilities due within one year	123,385,178.87	136,496,865.23
Total	733,607,428.84	644,603,458.18

Other explanations:

The carrying amount of lease liabilities and changes during the year are as follows:

Items	For the six months ended 30 June 2023	2022
Opening balance	781,100,323.41	898,773,414.68
Addition during the year	124,828,016.61	28,543,507.61
Interest expenses	23,845,368.39	30,917,496.70
Decrease during the year	72,781,100.70	177,134,095.58
Closing balance	856,992,607.71	781,100,323.41

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

48. Long-term payables

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term payables	165,518,266.37	186,079,230.66
Special payables		
Total	165,518,266.37	186,079,230.66

Other explanations:

Nil

Long-term payables

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Compensation for woodlands	86,207,981.67	86,207,981.67
Sale-leaseback borrowings	148,857,047.22	169,155,675.01
Less: Long-term payables due within one year	69,546,762.52	69,284,426.02
Total	165,518,266.37	186,079,230.66

Other explanations:

Nil

Special payables

Applicable Not applicable

49. Long-term employee benefits payable

Applicable Not applicable

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

50. Accrued Liabilities

Unit: Yuan Currency: RMB

Items	Opening balance	Closing balance	Reasons for arising
Provision of external guarantees			
Pending litigations			
Product quality assurance			
Restructuring obligations			
Pending loss contracts			
Payable return payment			
Others			
Pending litigations or arbitrations	24,798,127.94	24,798,127.94	Amounts payable for construction costs
Retirement obligations	52,733,021.74	52,733,021.74	
Total	77,531,149.68	77,531,149.68	/

Other explanations, including the relevant significant assumptions and estimates related to significant accrued liabilities:

Note: A supplier of Jianshui Suntien Wind Energy Co., Ltd. (hereinafter referred to as "Jianshui Suntien"), a subsidiary of the Company, filed an arbitration application with Shijiazhuang Arbitration Commission in relation to the amount of a construction cost. The Arbitration Commission issued an arbitration decision on 27 August 2021, pursuant to which Jianshui Suntien was required to pay the construction cost of RMB24,798,127.94 to the constructor. In September 2021, Jianshui Suntien applied for the cancellation of the arbitration award to Shijiazhuang Intermediate People's Court, and the application was accepted. In January 2023, the award related to the cancellation of the arbitration was received and the Shijiazhuang Intermediate People's Court issued a decision to reopen the arbitration. As at 31 December 2022 and 30 June 2023, the Group recorded estimated liabilities of RMB24,798,127.94 according to the results of the first arbitration. As at 30 June 2023, the results of the second arbitration have not yet been issued.

51. Deferred Income

Deferred income

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reasons for arising
Government grants	118,408,005.13	20,231,092.43	1,879,702.43	136,759,395.13	Government grants
Total	118,408,005.13	20,231,092.43	1,879,702.43	136,759,395.13	/

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

51. Deferred Income (continued)

Deferred income (continued)

Projects involving government grants:

Unit: Yuan Currency: RMB

Indebted projects	Opening balance	Additional grants during the period	Current amount recognised in non-operating income	Current amount recognised in other income	Other changes	Closing balance	Relating to assets/income
Construction costs of LNG Gas Storage Peak Capacity Station remitted from the Financial and Centralised Payment Center of Shahe City	25,620,000.00					25,620,000.00	Relating to assets
Subsidies for Xingtai Xingdong New District Rerouting Project	30,744,491.55			1,550,142.44		29,194,349.11	Relating to assets
Compensation for the relocation in relation to natural gas pipeline along Beijing Handan Line	6,815,000.00					6,815,000.00	Relating to assets
First Batch of 2021 Dedicated Funds for Provincial Industrial Transformation and Upgrading	100,000.00					100,000.00	Relating to income
Strategic Emerging Industry Fund	2,368,421.55			131,578.92		2,236,842.63	Relating to assets
Jiran Pipeline Coal-to-Gas Project	1,712,365.24					1,712,365.24	Relating to assets
Dedicated Funds Designated for Science and Technology Projects (Dedicated Project of the Department of Science and Technology of Hebei Province)	1,593,999.84			52,000.02		1,541,999.82	Relating to assets
Intellectual Property Bonus		500,000.00				500,000.00	Relating to income
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	86,666.51			40,000.02		46,666.49	Relating to assets
Receipt of subsidies from the Hebei Provincial Department of Science and Technology	300,000.00					300,000.00	Relating to income
Investment Subsidies within 2018 Central Budget for Renewable Energy Demonstration Zone Industrial Innovation Development Special Project	38,500,000.00					38,500,000.00	Relating to assets
Key Technologies and Application Demonstration for Large-Scale Renewable Energy Coupling with Hydrogen Production	524,639.76					524,639.76	Relating to assets
Subsidies from NDRC for Hydrogen Stations	7,000,000.00					7,000,000.00	Relating to assets

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
51. Deferred Income (continued)
Deferred income (continued)

Unit: Yuan Currency: RMB

Indebted projects	Opening balance	Additional grants during the period	Current amount recognised in non-operating income	Current amount recognised in other income	Other changes	Closing balance	Relating to assets/income
Chongji Scale-up Wind-Power-Storage Hydrogen Technology Integration and Application Demonstration Grants		900,000.00				900,000.00	Relating to assets
Receipt of subsidies from Keyouqianqi Finance Bureau in relation to Wind Power Clean Heating Project (Cai Tou 2018 No. 41) undertaken by Keyouqianqi Suntien Wind Energy Co., Ltd.	2,920,223.79			90,784.14		2,829,439.65	Relating to assets
Receipt of subsidies from Caofeidian Port Logistics Park Management Committee for office buildings/apartments, etc.		18,831,092.43				18,831,092.43	Relating to assets
Research and application of key technologies for the construction of ultra-deep salt cavern gas reservoirs in Ningjin (small-scale caving pilot project of salt cavern underground gas reservoirs in Ningjin)	122,196.89			15,196.89		107,000.00	Relating to assets
Total	118,408,005.13	20,231,092.43		1,879,702.43		136,759,395.13	

Other explanations:

 Applicable Not applicable

52. Other Non-current Liabilities
 Applicable Not applicable

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

53. Share Capital

Unit: Yuan Currency: RMB

	Opening balance	Issuance of new shares	Increase or decrease during the period (+,-)			Sub-total	Closing balance
			Bonus share	Transfer of capital reserve to ordinary shares	Others		
Total shares	4,187,093,073.00						4,187,093,073.00
HECIC	2,058,841,253.00						2,058,841,253.00
Shareholders of overseas listed foreign H shares	1,839,004,396.00						1,839,004,396.00
Shareholders of domestic A shares	289,247,424.00						289,247,424.00

Other explanations:

Nil

54. Other Equity Instruments

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

On 10 March 2021, the Company issued 2021 Renewable Green Corporate Bonds (First Tranche) with an initial interest rate of 5.15% in the aggregate amount of RMB1,040 million, and after deducting the underwriting expense and other related trading fees, the Company actually received cash of RMB1,039,376,000.

On 7 March 2022, the Company redeemed 2019 Renewable Green Corporate Bonds (First Tranche). The difference between the redemption price of RMB910 million and the carrying value of the investment in equity instruments of RMB906,360,000.00, being RMB3,640,000.00, was offset against capital surplus.

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

Outstanding financial instruments	Beginning of the period		Increase during the period		Decrease during the period		End of the period	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Perpetual bonds	10,400,000.00	1,039,376,000.00					10,400,000.00	1,039,376,000.00
Total	10,400,000.00	1,039,376,000.00					10,400,000.00	1,039,376,000.00

Change in other equity instruments during 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 term of the bonds by three years at the end of every three years or to redeem the bonds in full at the end of that period and there is no limit on the number of times of extension; the annual interest rate is reset every three years, and the coupon rate of the subsequent cycle is the current benchmark interest rate plus the initial spread plus 300 basis points, and the initial spread is the coupon rate of the first cycle minus the initial benchmark interest rate. There is an option available to defer the payment of 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 interest payment deferral. 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 principal and interest of bonds take precedence over the issuer's ordinary debts in the payout order in case of a bankruptcy liquidation. The Company has no contractual obligation to repay the principal or pay interest on schedule. The Company classifies it as other equity instruments.

Other explanations:

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 (continued)

As at 30 June 2023, the Group's outstanding perpetual bonds are detailed as follows:

Items	Issuance date	Accounting categories	Dividend rate or interest rate	Issue price	Quantity	Amount	Maturity date or renewal
2021 Renewable Green Corporate Bonds (First Tranche)	10 March 2021	Equity instrument	5.15%	RMB1.04 billion	10,400,000.00	1,039,376,000.00	The bonds were issued with the option for the issuer to renew the bonds

As at 31 December 2022, the Group's outstanding perpetual bonds are detailed as follows:

Items	Issuance date	Accounting categories	Dividend rate or interest rate	Issue price	Quantity	Amount	Maturity date or renewal
2021 Renewable Green Corporate Bonds (First Tranche)	10 March 2021	Equity instrument	5.15%	RMB1.04 billion	10,400,000.00	1,039,376,000.00	The bonds were issued with the option for the issuer to renew the bonds

55. Capital Reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium (share premium)	6,574,521,677.12	25,303,829.85		6,599,825,506.97
Other capital reserve	6,804,651.63	3,680,963.41		10,485,615.04
Total	6,581,326,328.75	28,984,793.26		6,610,311,122.01

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

Note 1: In May 2023, the Group acquired the equity interest held by the minority shareholder of HECIC Zhongxing Wind Energy Co., Ltd. without change in control, resulting in an increase in capital reserve of RMB25,303,829.85. Please refer to Note IX. 2 to this Section.

During the six months ended June 30 2023, the Group's joint venture made a special reserve to increase the capital reserve by RMB3,680,963.41.

Note 2: In 2022, the Company redeemed the Renewable Green Corporate Bonds (First Tranche) issued in 2019 by the Company, and the difference between the redemption price and the carrying value of the investment in equity instruments of RMB3,640,000.00 was written down to the capital reserve. Please refer to Note VII. 54 in this Section.

In October 2022, the Group acquired the equity interest held by the minority shareholder of Zhangbei Suntien Wind Energy Co., Ltd. without change in control, resulting in a reduction in capital reserve of RMB6,010,100.00. Please refer to Note IX. 2 in this Section.

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

56. Treasury Stocks

Applicable Not applicable

57. Other Comprehensive Income

Unit: Yuan Currency: RMB

Items	Opening balance	Amount for the period					Attributable to the parent company after tax	Attributable to minority shareholders after tax	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				
I. Other comprehensive income that may not be reclassified to profit or loss	6,493,135.00							6,493,135.00	
Including: Change in re-measurement of defined benefit plans									
Other comprehensive income that may not be transferred 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 transferred to profit or loss under the equity method									
Changes in fair value of other debt investments									
Amount included in other comprehensive income on reclassification of financial assets									
Provision for credit impairment of other debt investments									
Cash flows hedging reserve									
Exchange differences arising from translation of foreign currency financial statements									
Total other comprehensive income	6,493,135.00							6,493,135.00	

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

Nil

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

58. Special Reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
Safety production fee	4,380,136.92	49,993,957.85	10,196,803.23	44,177,291.54
Total	4,380,136.92	49,993,957.85	10,196,803.23	44,177,291.54

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

Note: The special reserve refers to the production safety expenses accrued by the Group for the natural gas industry and electricity industry in accordance with the regulations. In accordance with the Measures for the Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds (Cai Zi [2022] No. 136) (《企業安全生產費用提取和使用管理辦法》(財資[2022]136號)) issued by the Ministry of Finance and the Ministry of Emergency Response in November 2022, the accrued amounts for the current year were determined using the regression method based on the operating revenue of the previous year.

59. Surplus Reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus reserve	822,928,444.78	213,911,477.39		1,036,839,922.17
Discretionary surplus reserve				
Reserve funds				
Enterprise expansion fund				
Others				
Total	822,928,444.78	213,911,477.39		1,036,839,922.17

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

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

The Company may make discretionary provision for the surplus reserve beyond the provision for the statutory surplus reserve. Subject to approval, the discretionary provision for the surplus reserve may be used to offset loss in the previous years or increase capital.

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

60. Undistributed Profit

Unit: Yuan Currency: RMB

Items	Current period	Previous year
Undistributed profits at the end of the previous period before adjustment	7,823,373,780.42	6,466,749,439.53
Total increase or decrease in undistributed profits at the beginning of the period (increase represented by "+", and decrease represented by "-")	-3,538,439.14	-2,052,876.42
Undistributed profits at the beginning of the period after adjustment	7,819,835,341.28	6,464,696,563.11
Add: Net profit attributable to owners of the parent company in the period	1,438,596,728.65	2,292,630,759.66
Less: Extract for statutory surplus reserves	213,911,477.39	184,687,438.30
Extract for discretionary surplus reserve		
Extract for general risk reserve		
Ordinary shares dividend payable	808,108,963.09	699,244,543.19
Dividend of ordinary shares converted to share capital		
Dividends payable to holders of other equity instruments	53,560,000.00	53,560,000.00
Undistributed profits at the end of the period	8,182,851,629.45	7,819,835,341.28

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

1. Due to the retrospective adjustments made in accordance with the ASBE and its 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 RMB-3,538,439.14.
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 combinations under common 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)

60. Undistributed Profit (continued)

According to the resolution adopted by the shareholders of the Company on 16 May 2023, it was agreed that the Company declared a tax-inclusive cash dividend of RMB1.93 per 10 shares for the year 2022, totaling RMB808,108,963.09.

According to the resolution adopted by the shareholders of the Company on 14 June 2022, it was agreed that the Company declared a tax-inclusive cash dividend of RMB0.167 per share for the year 2021, totaling RMB699,244,543.19.

According to the prospectus of 2021 Renewable Green Corporate Bonds (First Tranche) of the Company, the Company declared a dividend to ordinary shareholders on 24 March 2023, which triggered a mandatory interest payment and no current interest shall be deferred. The principal of 2021 Renewable Green Corporate Bonds (First Tranche) was RMB1,040,000,000.00 with an initial interest rate of 5.15% per annum and accrued interest of RMB53,560,000.00 for the current interest payment period (10 March 2023 to 9 March 2024).

According to the prospectus of 2019 Renewable Green Corporate Bonds (First Tranche) and 2021 Renewable Green Corporate Bonds (First Tranche) of the Company, the Company declared a dividend to ordinary shareholders on 14 June 2022, which triggered a mandatory interest payment and no current interest shall be deferred. The principal of 2021 Renewable Green Corporate Bonds (First Tranche) was RMB1,040,000,000.00 with an initial interest rate of 5.15% per annum and accrued interest of RMB53,560,000.00 for the current interest payment period (10 March 2022 to 9 March 2023).

61. Operating Revenue and Operating Costs

(1). Operating revenue and operating costs

Unit: Yuan Currency: RMB

Items	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Principal operations	10,023,571,828.32	7,251,967,136.65	10,162,845,082.83	7,131,073,362.95
Other operations	23,789,965.10	17,459,107.97	62,464,802.60	54,342,662.77
Total	10,047,361,793.42	7,269,426,244.62	10,225,309,885.43	7,185,416,025.72

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
61. Operating Revenue and Operating Costs (continued)
(2). Revenue from contracts

Unit: Yuan Currency: RMB

Contract Classification	Wind and photovoltaic generation	Natural gas	Others	Total
Operating revenue from contracts with customers				
Transferred at a point in time	3,409,142,664.06	6,577,395,653.83	860,378.98	9,987,398,696.87
Rendered over time	8,360,232.16	51,152,590.10		59,512,822.26
Total	3,417,502,896.22	6,628,548,243.93	860,378.98	10,046,911,519.13

Description of revenue from contracts:

Operating revenue by segments is presented as follows:

Items	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Revenue from natural gas sales	6,518,772,918.01	6,684,300,822.90
Revenue from wind/photovoltaic power generation	3,396,516,110.37	3,384,728,473.55
Revenue from connection and construction of gas pipeline network	50,666,376.24	30,184,010.18
Others	74,480,056.90	118,731,899.72
Revenue from rental and related services	6,926,331.90	7,364,679.08
Total	10,047,361,793.42	10,225,309,885.43

Items	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Operating revenue from contracts with customers	10,046,911,519.13	10,224,961,336.87
Rental income	450,274.29	348,548.56
Total	10,047,361,793.42	10,225,309,885.43

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

61. Operating Revenue and Operating Costs (continued)

(2). Revenue from contracts (continued)

The breakdown of operating revenue from contracts with customers is as follows:

For the six months ended 30 June 2022

Reportable segments	Wind and photovoltaic generation	Natural gas	Others	Total
Operating revenue from contracts with customers				
Transferred at a point in time	3,390,914,177.96	6,789,901,107.01		10,180,815,284.97
Rendered over time	12,520,415.00	31,625,636.90		44,146,051.90
Total	3,403,434,592.96	6,821,526,743.91		10,224,961,336.87

Revenue recognised in the current year and included in the carrying amount of contract liabilities at the beginning of the year is as follows:

Items	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Advances received for natural gas sales	774,962,909.85	960,859,621.66
Advances received for construction of pipeline projects	50,666,376.24	30,184,010.18
Other advances received	33,211,833.56	7,090,037.04
Total	858,841,119.65	998,133,668.88

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

61. Operating Revenue and Operating Costs (continued)

(3). Description on performance obligations

The information relating to the Group's performance obligations is as follows:

Wind and photovoltaic power generation business

The performance obligations of the electricity sales contract are fulfilled when the power is supplied to the provincial power grid company where each electric field is located. The benchmark tariff under the contract terms will be partially recovered within 30 days after settlement. The renewable energy subsidies will be paid in batches from the renewable energy fund by the Ministry of Finance and there is no fixed period for amounts collection. There are no sales returns and variable consideration.

Natural gas sales business

The natural gas sales contract usually requires the receipt of advances from a customer, and performance obligations are fulfilled when the natural gas enters the customer's natural gas pipeline through the grounding point. There are no sales returns and variable consideration.

Natural gas pipeline connection and construction services

Performance obligations are fulfilled during the provision of services. Service contracts have a term of one year (or shorter) or are billed as occurred, and customers are usually required to pay in advance before services are provided.

(4). Description on allocation to 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	11,909,938.85	8,437,164.07
Education surcharges	11,944,426.00	8,630,488.77
Resources tax		
Property tax	2,115,383.04	2,494,647.48
Land use tax	2,940,499.59	2,720,479.62
Vehicle and vessel use tax		
Stamp duty	14,211,253.49	6,775,635.04
Others	5,980,876.64	8,214,336.32
Total	49,102,377.61	37,272,751.30

Other explanations:

Nil

63. Selling Expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Employee remuneration	922,185.22	1,193,693.53
Advertising and promotion fees	180,766.20	130,682.19
Others	199,642.52	385,264.39
Total	1,302,593.94	1,709,640.11

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
Employee remuneration	135,114,072.27	136,350,278.80
Depreciation expense	16,310,550.99	16,096,740.87
Vehicle, transportation and travelling expenses	9,135,181.88	5,763,600.14
Amortisation of intangible assets	15,066,797.80	13,798,046.33
Rental fees	6,469,409.35	6,368,282.16
Business entertainment fees	7,188,974.27	5,330,575.54
Office expenses	12,902,761.56	14,749,997.64
Audit and evaluation consulting fees (note)	14,629,901.34	14,519,165.90
Amortisation of long-term deferred expenses	3,036,339.19	3,385,795.18
Others	46,340,679.04	38,176,926.74
Total	266,194,667.69	254,539,409.30

Other explanations:

Note: For the six months ended 30 June 2023, the above administration expenses include remuneration of auditors of RMB3,494,318.09 (for the six months ended 30 June 2022: RMB1,300,000.00).

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

65. R&D Expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Depreciation and amortisation	129,264,805.89	1,973,704.77
Labour costs	33,391,794.28	18,088,200.13
Outsourcing development fees	6,363,387.46	12,052,981.11
Others	14,310,272.56	5,773,320.98
Total	183,330,260.19	37,888,206.99

Other explanations:

Nil

66. Finance Costs

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Interest expense	735,465,143.72	749,900,060.65
Less: Interest income	-22,202,096.30	-34,310,866.79
Less: Capitalised interest	-191,400,440.46	-131,025,611.95
Exchange gain or loss	10,503,738.50	914,616.32
Bank charges	1,874,909.73	670,182.40
Others	924,602.95	2,098,720.26
Total	535,165,858.14	588,247,100.89

Other explanations:

Capitalised amount of borrowing costs was included in construction in progress.

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

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Government grants relating to daily activities	143,654,472.62	103,109,595.01
Provision of additional credit for input tax	524,318.18	2,123,113.97
Refund of personal income tax handling fee	867,849.10	713,722.01
Total	145,046,639.90	105,946,430.99

Other explanations:

Below sets forth the government grants relating to daily activities:

Items	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Relating to assets/income
Strategic Emerging Industry Fund	131,578.92	131,578.92	Relating to assets
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D Project funded by the Department of Science and Technology	40,000.02	40,000.02	Relating to assets
Xingdong New District Rerouting	1,550,142.44	1,550,142.44	Relating to assets
Special fund for prevention and control of air pollution	1,163,749.55		Relating to income
Subsidies for operation	20,746,270.10		Relating to income
Incentive from the Finance Bureau of Shijiazhuang Zhengding New District	8,872,620.47		Relating to income
Subsidies for Wind Power Clean Heating Project	90,784.14	3,056,400.00	Relating to assets
Receipt of special funds for industrial transformation and upgrades		100,000.00	Relating to income
VAT refund	110,707,390.83	96,381,769.49	Relating to income
Others	299,936.13	1,797,704.12	Relating to assets/income
Total	143,654,472.62	103,109,595.01	

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	175,166,004.80	131,217,378.53
Investment gain on disposal of long-term equity investment		2,045,442.72
Investment gain of held-for-trading financial assets during the period of holding	5,085,041.10	
Dividend income from investment in other equity instruments during the period of holding	15,700,106.37	14,744,642.19
Interest income from debt investment in the period of holding		
Interest income from other debt investment in the period of holding		
Investment gain on disposal of held-for-trading financial assets		
Investment gain on disposal of investment in other equity instruments		
Investment gain on disposal of debt investment		
Investment gain on disposal of other debt investment		
Gain on debt restructuring		
Disposal of subsidiaries	2,725,866.42	
Total	198,677,018.69	148,007,463.44

Other explanations:

Nil

69. Gain on Net Exposure Hedging

Applicable Not applicable

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

70. Gain on Change in Fair Value

Applicable Not applicable

71. Credit Impairment Losses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Loss on bad debts of bills receivable		
Loss on bad debts of accounts receivable	10,541,990.73	11,880,186.01
Loss on bad debts of other receivables	-249,212.61	2,071,450.25
Impairment losses on debt investments		
Impairment losses on other debt investments		
Bad debt loss on long-term receivables		
Impairment losses on contract assets		
Total	10,292,778.12	13,951,636.26

Other explanations:

Nil

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

72. Impairment Losses on Assets

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
I. Bad debt losses		
II. Inventory depreciation loss and impairment loss on contract performance cost	2,512,078.24	
III. Impairment losses on long-term equity investments		
IV. Impairment losses on investment properties		
V. Impairment losses on fixed assets		
VI. Impairment losses on construction materials		
VII. Impairment losses on construction in progress		
VIII. Impairment losses on bearer biological assets		
IX. Impairment losses on oil and gas assets		
X. Impairment losses on intangible assets		
XI. Impairment losses on goodwill		
XII. Others		
Total	2,512,078.24	

Other explanations:

Nil

73. Gain on Disposal of Assets

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
(Loss)/gain on disposal of fixed assets	-1,780,306.54	1,288,034.57
Total	-1,780,306.54	1,288,034.57

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 gain or loss
Total gains on disposal of non-current assets	120,573.91	108,534.41	120,573.91
Including: Gain on disposal of fixed assets	120,573.91	108,534.41	120,573.91
Gain on disposal of intangible assets			
Gain on debt restructuring			
Gain on exchange of non-monetary assets			
Income from donations			
Government grants	323,022.33	2,090,954.43	323,022.33
Unpayable amounts	371,320.30	476,996.90	371,320.30
Net gain from penalties	5,000.00	17,500.00	5,000.00
Others	7,232,799.99	484,038.88	7,232,799.99
Total	8,052,716.53	3,178,024.62	8,052,716.53

Government grants included in the current profit or loss

Unit: Yuan Currency: RMB

Projects funded by the grants	Amount for the period	Amount for the previous period	Relating to assets/income
2022 Foreign Enterprise Investment Incentives of Development and Reform Bureau of Qiaoxi District		1,892,000.00	Relating to income
Receipt of technology innovation incentive		100,000.00	Relating to income
Receipt of incentive from Bureau of Industry and Information Technology of Fangchenggang	200,000.00		Relating to income
Others	123,022.33	98,954.43	Relating to income
Total	323,022.33	2,090,954.43	

Other explanations:

 Applicable Not applicable

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

75. Non-operating Expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period	Amount included in current non-recurring gain or loss
Total losses on disposal of non-current assets	901,797.53	758,002.24	901,797.53
Including: Loss on disposal of fixed assets	901,797.53	758,002.24	901,797.53
Loss on disposal of intangible assets			
Loss on debt restructuring			
Loss on exchange of non-monetary assets			
Donations	2,000.00		2,000.00
Expenses on compensation, penalties and others		49,000.00	
Expenses on fines	844,705.96		844,705.96
Other expenses	1,306,374.29	1,229,468.09	1,306,374.29
Total	3,054,877.78	2,036,470.33	3,054,877.78

Other explanations:

Nil

76. Income Tax Expenses

(1) Table of income tax expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Current income tax expense	362,279,102.46	339,951,707.01
Deferred income tax expense	650,247.14	-1,010,495.18
Total	362,929,349.60	338,941,211.83

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

76. Income Tax Expenses (continued)

(2) Reconciliation of accounting profits and income tax expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period
Total profits	2,076,976,125.67
Income tax expense calculated at statutory/applicable tax rate	519,244,031.42
Impact of different tax rates applied to subsidiaries	-135,622,947.43
Impact of adjustment of income tax of previous periods	1,264,629.80
Impact of non-taxable income	-3,925,026.59
Impact of non-deductible costs, expenses and losses	1,743,093.98
Impact of utilising deductible loss of deferred tax assets unrecognised in previous periods	-5,861,392.83
Impact of deductible temporary difference or deductible loss of deferred tax assets unrecognised in current period	29,878,462.45
Profit and loss attributable to joint ventures and associates	-43,791,501.20
Income tax expenses	362,929,349.60

Other explanations:

Note: Income tax of the Group is calculated based on the estimated taxable income generated within the PRC and applicable tax rate. Tax arising from the taxable income generated in other regions is calculated at applicable tax rate according to the prevailing laws, interpretations and practices of the jurisdiction in which the Group operates.

77. Other Comprehensive Income

For details, please refer to the related content set out in Note VII. 57 Other Comprehensive Income in this Section.

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

78. Items in the Cash Flow Statement

(1). Cash received from other operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Interest income	22,202,096.30	34,310,866.79
Resale income of carbon emission allowances	881,778.31	288,250.52
Government grants	51,621,494.12	13,564,144.15
Others	1,692,103.41	137,002.89
Total	76,397,472.14	48,300,264.35

Explanation on the cash received from other operating activities:

Nil

(2). Cash paid for other operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Fees paid for outsourced research	11,209,244.57	19,168,045.01
Professional organization fee	11,603,169.93	14,332,581.21
Office expenses	14,073,163.49	15,688,884.06
Vehicle, transportation and travelling expenses	10,972,359.83	7,282,614.55
Others	72,056,607.39	48,906,612.55
Total	119,914,545.21	105,378,737.38

Explanation on cash paid for other operating activities:

Nil

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

78. Items in the Cash Flow Statement (continued)

(3). Cash received from other investing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Net cash received from acquisition of subsidiaries	773,759.53	
Cash with restricted use rights	20,271,148.31	
Total	21,044,907.84	

Explanation on the cash received from other investing activities:

Nil

(4). Cash paid for other investing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Cash with restricted use rights		16,190,055.86
Net cash paid for disposal of subsidiaries	649,254.90	
Total	649,254.90	16,190,055.86

Explanation on the cash paid for other investing activities:

Nil

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

78. Items in the Cash Flow Statement (continued)

(5). Cash received from other financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Discounted bills receivable		40,000,000.00
Total		40,000,000.00

Explanation on the cash received from other financing activities:

Nil

(6). Cash paid for other financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Cash outflows related to leasing	72,781,100.70	125,919,752.94
Cash paid for purchase of minority interests	24,336,552.25	
Total	97,117,652.95	125,919,752.94

Explanation on the cash paid for other financing activities:

Nil

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

79. Supplementary Information of the Cash Flow Statement

(1) Supplementary information of the cash flow statement

Unit: Yuan Currency: RMB

Supplementary information	Amount for the period	Amount for the previous period
1. Net profit adjusted to cash flows of operating activities:		
Net profit	1,714,046,776.07	2,023,727,386.32
Add: Provision for asset impairment	2,512,078.24	
Credit impairment losses	10,292,778.12	13,951,636.26
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of bearer biological assets	1,094,465,356.94	1,008,729,803.13
Amortisation of right-of-use assets	77,632,719.44	72,522,821.83
Amortisation of intangible assets	76,476,280.05	72,833,040.60
Amortisation of long-term deferred expenses	4,669,178.07	3,723,903.17
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	1,780,306.54	-1,288,034.57
Losses from scrapping of fixed assets ("-" for gains)	781,223.62	649,467.83
Losses from changes in fair value ("-" for gains)		
Finance costs ("-" for gains)	554,568,441.76	619,789,065.02
Investment losses ("-" for gains)	-198,677,018.69	-148,007,463.44
Decrease in deferred income tax assets ("-" for increase)	-5,257,541.60	-1,944,827.99
Increase in deferred income tax liabilities ("-" for decrease)	5,907,788.74	161,741.45
Decrease in inventories ("-" for increase)	-285,955,067.68	-124,874,405.96
Decrease in operating receivables ("-" for increase)	-583,405,272.73	-1,359,465,798.36
Increase in operating payables ("-" for decrease)	-681,088,761.36	-90,740,135.07
Others	39,797,154.62	
Net cash flows from operating activities	1,828,546,420.15	2,089,768,200.22
2. Significant investing and financing activities that do not involve cash receipts and payment:		
Right-of-use assets acquired by committing lease liabilities	124,828,016.61	21,152,293.61
Transfer of bank acceptance bills by endorsement	581,226,249.85	315,271,847.94
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	3,131,919,388.42	4,527,222,424.93
Less: Opening balance of cash	7,165,689,017.44	7,533,084,715.56
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-4,033,769,629.02	-3,005,862,290.63

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
Cash or cash equivalents paid during the current period for the business combination occurred during the current period	17,100,000.00
Less: Cash and cash equivalents held by subsidiaries on the date of acquisition	17,873,759.53
Add: Cash or cash equivalents paid during the current period for the business combination occurred during previous periods	
Net cash paid for acquisition of subsidiaries	-773,759.53

Other explanations:

Note: Net cash paid for acquisition of subsidiaries is presented in "Cash received from other investing activities".

For the six months
ended 30 June
2022

Cash or cash equivalents paid during the current period for the business combination occurred during the current period	39,200,000.00
Less: Cash and cash equivalents held by subsidiaries on the date of acquisition	11,796,007.27
Add: Cash or cash equivalents paid during the current period for the business combination occurred during previous periods	
Net cash paid for acquisition of subsidiaries	27,403,992.73

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

79. Supplementary Information of the Cash Flow Statement (continued)

(3) Net cash received from disposal of subsidiaries during the current period

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents received during the current period from disposal of subsidiaries during the current period	
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	649,254.90
Add: Cash or cash equivalents received during the current period from disposal of subsidiaries during previous periods	
Net cash received from disposal of subsidiaries	-649,254.90

Other explanations:

Note: Net cash received from disposal of subsidiaries is presented in "Cash paid to other investing activities".

For the six months
ended 30 June
2022

Cash or cash equivalents received during the current period from disposal of subsidiaries during the current period	7,807,272.86
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	
Add: Cash or cash equivalents received during the current period from disposal of subsidiaries during previous periods	
Net cash received from disposal of subsidiaries	7,807,272.86

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

79. Supplementary Information of the Cash Flow Statement (continued)

(4) Cash and cash equivalents composition

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	3,131,919,388.42	4,527,222,424.93
Including: Cash on hand		
Bank deposit that can be used for payment at any time	3,131,919,388.42	4,527,222,424.93
Other cash 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 three months		
III. Balance of cash and cash equivalents at the end of the period	3,131,919,388.42	4,527,222,424.93
Including: Restricted cash and cash equivalents used by the parent company or subsidiaries of the Group		

Other explanations:

Applicable Not applicable

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

80. Notes to the Statement of Changes in 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. Assets with Restricted Ownership or Right-of-use

Unit: Yuan Currency: RMB

Items	Carrying amount at the end of the period	Reasons for restriction
Cash	140,099,162.02	Note 1
Bills receivable		
Inventories		
Accounts receivable	5,358,465,002.02	Note 2
Fixed assets	253,170,012.57	Note 3
Intangible assets	3,197,368.03	Note 4
Total	5,754,931,544.64	/

Other explanations:

Note 1: Cash with restricted ownership represents mainly the land reclamation deposit, risk collateral, government deposit, among others. Please refer to Note VII. 1 to this Section.

Note 2: As at 30 June 2023, the corresponding accounts receivable in relation to the Group's long-term borrowings secured by part of the right of collection of future electricity fees amounted to RMB5,358,465,002.02 (31 December 2022: RMB4,459,760,109.54). Please refer to Note VII. 5 to this Section.

Note 3: As at 30 June 2023, the Group secured fixed assets with carrying value of RMB253,170,012.57 (31 December 2022: RMB261,713,427.79) for long-term bank borrowings. Please refer to Note VII. 21 to this Section.

Note 4: As at 30 June 2023, the Group secured intangible assets with carrying value of RMB3,197,368.03 (31 December 2022: RMB3,228,776.38) for long-term bank borrowings. Please refer to Note VII. 26 to this Section.

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

82. Monetary Item in Foreign Currency

(1). Monetary item in foreign currency

Unit: Yuan

Items	Balance of foreign currency at the end of the period	Exchange rate	Balance of RMB converted at the end of the period
Cash	–	–	–
Including: USD	1,476,858.52	7.2258	10,671,484.29
HKD	3,919,354.89	0.9220	3,613,645.21
Other receivables	–	–	–
Including: HKD	1,257,408.36	0.9220	1,159,330.51
Accounts payable	–	–	–
Including: USD	3,500,000.00	7.2258	25,290,300.00
HKD	89,908.48	0.9220	82,895.62
Other payables	–	–	–
Including: HKD	93,021.25	0.9220	85,765.59
Non-current liabilities due within one year	–	–	–
Including: HKD	33,993,731.02	0.9220	31,342,220.00

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 Grants

(1). Information about government grants

Unit: Yuan Currency: RMB

Category	Amount	Item presented	Amount included in the current profit or loss
Strategic Emerging Industry Fund	131,578.92	Other income	131,578.92
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	40,000.02	Other income	40,000.02
Project funded by the Department of Science and Technology	52,000.02	Other income	52,000.02
Xingdong New District Rerouting	1,550,142.44	Other income	1,550,142.44
Special fund for prevention and control of air pollution	1,163,749.55	Other income	1,163,749.55
Subsidies for operation	20,746,270.10	Other income	20,746,270.10
Incentive from the Finance Bureau of Shijiazhuang Zhengding New District	8,872,620.47	Other income	8,872,620.47
Subsidies for Wind Power Clean Heating Project	90,784.14	Other income	90,784.14
VAT refund	110,707,390.83	Other income	110,707,390.83
Others	299,936.13	Other income	299,936.13
Receipt of incentive from Bureau of of Industry and Information Technology of Fangchenggang	200,000.00	Non-operating income	200,000.00
Others	123,022.33	Non-operating income	123,022.33

(2). Refund of government grants

Applicable Not applicable

Other explanations

Nil

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

85. Others

The supplementary information about the operating costs, selling expenses, administration expenses and R&D expenses of the Group is presented by nature as follows:

Items	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Raw materials used	5,953,372,594.87	5,803,548,671.84
Employee remuneration	302,074,959.39	302,823,583.91
Depreciation and amortisation	1,253,243,534.50	1,157,809,568.73
Others	211,562,677.68	215,371,457.64
Total	7,720,253,766.44	7,479,553,282.12

Trial sales

The profit and loss items related to the external sale of products produced before the fixed assets reach their intended useable state are presented as follows:

Items	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Operating revenue	18,683,568.33	45,423,710.64
Operating costs	540,610.86	2,558,961.18

VIII. CHANGES IN SCOPE OF CONSOLIDATION

1. Business Combination Involving Enterprises not under Common Control

(1). Business combinations involving enterprises not under common control that occurred during the current period

Unit: Yuan Currency: RMB

Name of acquiree	Time of acquisition of equity interests	Consideration for 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
Gaoyi Fengcheng Natural Gas Co., Ltd.	29 May 2023	114,000,000.00	60.00	Acquisition settled by cash	29 May 2023	Transfer of control	36,804,912.79	-679,329.54

Other explanations:

On 24 March 2023, Hebei Natural Gas Co., Ltd. (“Hebei Natural Gas”) entered into an equity transfer agreement and a supplemental agreement with Hebei Wankun Investment Co., Ltd. (“Hebei Wankun”), a third party, to acquire its 60% equity interest in Gaoyi Fengcheng. Gaoyi Fengcheng was established in Gaoyi County, Shijiazhuang City, Hebei Province on 22 September 2004, with 100% equity interest held by Hebei Wankun and a registered capital of RMB100 million. The change of the articles of association was made on 29 May 2023, and since then Hebei Natural Gas has held 60% of the shares of Gaoyi Fengcheng and Hebei Wankun has held 40% of its shares. The consideration for the acquisition is RMB114,000,000.00 and the date of acquisition was determined as 29 May 2023. The acquisition was accounted for as a business combination involving enterprises not under common control.

VIII. CHANGES IN SCOPE OF CONSOLIDATION (continued)

1. Business Combination Involving Enterprises not under Common Control (continued)

(2). Cost of combination and goodwill

Unit: Yuan Currency: RMB

Cost of combination	Gaoyi Fengcheng
– Cash	114,000,000.00
– Fair value of non-cash assets	
– Fair value of debts issued or assumed	
– Fair value of equity securities issued	
– Fair value of contingent consideration	
– Fair value on the date of acquisition of equity interests held prior to the date of acquisition	
– Others	
Total cost of combination	114,000,000.00
Less: Share of fair value of identifiable net assets acquired	44,113,862.87
Goodwill/cost of combination fell short from share of fair value of identifiable net assets acquired	69,886,137.13

Explanation on determination of fair value of cost of combination, contingent consideration and its changes:

The Group engaged an independent third-party appraiser to evaluate the fair value of the identifiable assets and liabilities at the acquisition date using the asset-based approach. As at the date of this report, the evaluation is still in progress. Upon completion of the evaluation, the provisional value of the underlying assets and liabilities will be further adjusted based on the evaluation results.

Major reason for a huge amount of goodwill:

As Gaoyi Fengcheng is considered to have great potential for future development, the acquisition price was higher than the share based on the fair value of the net assets of the acquired company.

Other explanations:

Nil

VIII. CHANGES IN SCOPE OF CONSOLIDATION (continued)

1. Business Combination Involving Enterprises not under Common Control (continued)

(3). Identifiable assets and liabilities of the acquiree on the date of acquisition

Unit: Yuan Currency: RMB

	Gaoyi Fengcheng	
	Fair value at the date of acquisition	Carrying amount at the date of acquisition
Assets:	178,299,252.01	178,299,252.01
Cash	17,873,759.53	17,873,759.53
Bills receivable	1,298,100.00	1,298,100.00
Receivables	17,536,790.80	17,536,790.80
Prepayments	10,856,859.87	10,856,859.87
Other receivables	1,954,452.51	1,954,452.51
Inventories	3,654,850.97	3,654,850.97
Fixed assets (note VII. 21)	120,384,979.33	120,384,979.33
Construction in progress (note VII. 22)	4,536,373.67	4,536,373.67
Intangible assets (note VII. 26)	197,252.00	197,252.00
Long-term deferred expenses (note VII. 29)	5,833.33	5,833.33
Liabilities:	104,776,147.22	104,776,147.22
Payables	22,549,149.45	22,549,149.45
Contract liabilities	15,136,957.36	15,136,957.36
Other payables	67,090,040.41	67,090,040.41
Net assets	73,523,104.79	73,523,104.79
Less: Minority interests	29,409,241.92	29,409,241.92
Net assets acquired	44,113,862.87	44,113,862.87

Determination of the fair value of identifiable assets and liabilities:

The fair value at the acquisition date was provisional. The Group appointed an independent third party valuer to evaluate the fair value of identifiable assets and liabilities at the acquisition date using the asset-based approach. As at the date of this report, the evaluation is still in progress. Upon completion of the evaluation, the provisional value of the underlying assets and liabilities will be further adjusted based on the evaluation results.

Contingent liabilities of the acquiree assumed in business combination:

Nil

Other explanations:

Note: The Group paid an actual consideration of RMB114,000,000.00 in the business combination.

VIII. CHANGES IN SCOPE OF CONSOLIDATION (continued)

1. Business Combination Involving Enterprises not under Common Control (continued)

(4). Gain or loss on fair value remeasurement of the equity interests held before the date of acquisition

Whether there was transaction achieving business combination through several transactions that acquired control during the reporting period

Applicable Not applicable

(5). Explanation on the incapability for reasonable determination of the consideration of combination or fair value of identifiable assets and liabilities of the acquiree on the date of acquisition or at the end of the current period in which the combination occurred

Applicable Not applicable

(6). Other explanations

The operating results and cash flows from the date of acquisition to the end of the current period for Gaoyi Fengcheng are presented as follows:

	29 May 2023 to 30 June 2023
Operating revenue	36,804,912.79
Net profit	-679,329.54
Net cash flows	38,040,957.34

2. Business Combinations Involving Enterprises under Common Control

Applicable Not applicable

3. Reverse Acquisition

Applicable Not applicable

VIII. CHANGES IN SCOPE OF CONSOLIDATION (continued)

4. Disposal of Subsidiaries

Whether there is a single disposal of investments in subsidiaries that results in the loss of control

Unit: Yuan Currency: RMB

Name of subsidiaries	Consideration for the disposal of the subsidiary	Percentage of equity interests disposed (%)	Method of the disposal of equity interests	Date of loss of control	Basis for the determination of the date of loss of control	In which the financial statements disposed investments presented	Percentage of remaining equity interests on the date of loss of control (%)	Carrying amount of remaining equity interests on the date of loss of control	Fair value of remaining equity interests on the date of loss of control	Gain or loss on fair value remeasurement of remaining equity interests	Determination method and major assumptions of the fair value of remaining equity interests on the date of loss of control	Amount transferred into investment gain or loss from other comprehensive income relating to the equity investment in the former subsidiary
Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司)	3,921,600.00	10.00	Equity transfer	31 January 2023	Transfer of control	2,725,866.42	41.00	1,746,293.45	1,109,548.80	-638,744.65	Evaluation and confirmation	

Other explanations:

VIII. CHANGES IN SCOPE OF CONSOLIDATION (continued)

4. Disposal of Subsidiaries (continued)

Disposal of subsidiaries:

Name of subsidiary	Place of incorporation	Business nature	Percentage of	Percentage	Reasons for ceasing to be a subsidiary
			total shares held by the Group (%)	of total voting rights enjoyed by the Group (%)	
Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司)	Huludao City	R&D design and consulting	51.00	51.00	Note

Note: Huludao Gas, a subsidiary of the Group, entered into an equity transfer agreement with Longkou Hong Kong and China Gas Co., Ltd. on 10 August 2021 to sell its 10% equity interest at a consideration of RMB3,921,600.00. The date of disposal is 31 January 2023. Therefore, the Group will no longer include Huludao Gas in the scope of consolidation starting from 31 January 2023. The relevant financial information of Huludao Gas is set out below:

Items	31 January 2023	31 December 2022
	Book value	Book value
Current assets	884,009.35	884,009.35
Non-current assets	11,532,727.00	11,283,268.49
Current liabilities	7,503,549.41	7,503,549.41
Non-current liabilities	393,025.42	393,025.42
Owners' equity	4,520,161.52	4,270,703.01
Minority interests	2,214,879.14	
Fair value of remaining equity interests	1,109,548.80	
Gain or loss on disposal	2,725,866.42	
Consideration for disposal	3,921,600.00	

VIII. CHANGES IN SCOPE OF CONSOLIDATION (continued)

5. Changes in the Scope of Consolidation Due to Other Reasons

Explanation on the changes in the scope of consolidation due to other reasons (e.g. establishment of new subsidiaries and liquidation of subsidiaries, etc.) and the related conditions:

New subsidiaries

For the six months ended 30 June 2023	Principal place of operation	Place of incorporation	Business nature	Registered	Shareholding percentage (%)	
				capital (RMB'0,000)	Direct	Indirect
Tangshan Shunhuan Energy Development Co., Ltd. (唐山順桓能源開發有限公司)	PRC	Tangshan City	Power generation, heat generation and supply industry	1,000.00		70.00
Construction Tangshan Wind Power Co., Ltd. (建設唐山風力發電有限公司)	PRC	Tangshan City	Power generation, heat generation and supply industry	1,000.00		100.00
Shanghai Geluoli Technology Co., Ltd. (上海戈洛立科技有限公司)	PRC	Shanghai	Professional technical services	3,000.00	51.00	
Suntien Green Energy Qinhuangdao Beidaihe New District Co., Ltd. (新天綠色能源秦皇島北戴河新區有限公司)	PRC	Qinhuangdao City	Gas production and supply	2,000.00	70.00	30.00
Julu County Construction & Investment New-energy Wind Power Co., Ltd. (巨鹿縣建設新能風力發電有限公司)	PRC	Xingtai City	Power generation, heat generation and supply industry	100.00	55.00	45.00

Deregistration of subsidiaries

For the six months ended 30 June 2023	Principal place of operation	Place of incorporation	Business nature	Registered	Shareholding percentage (%)	
				capital (RMB'0,000)	Direct	Indirect
Tibet Suntien Green Energy Co., Ltd. (西藏新天綠色能源有限公司)	PRC	Gongga County	Power generation, heat generation and supply industry	1,000.00	100.00	

6. Others

Applicable Not applicable

IX. INTERESTS IN OTHER ENTITIES

1. Interests in Subsidiaries

(1). Composition of the Group

Subsidiaries	Principal place of operation	Place of incorporation	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Method of acquisition
					Direct	Indirect	
HECIC New Energy	PRC	Shijiazhuang City	Wind power generation, wind farm investment and service consulting	534,730.00	100.00		Business combinations involving enterprises under common control
Hebei Natural Gas	PRC	Shijiazhuang City	Sale of natural gas and appliances, as well as connection and construction of natural gas pipelines	190,000.00	55.00		Business combinations involving enterprises under common 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	18,669.57	92.00		Establishment by investment
Jianshui Suntien Wind Energy Co., Ltd. (建水新天風能有限公司)	PRC	Honghe Hani and Yi autonomous prefecture Harbin City	Wind power generation	33,300.00	49.00	51.00	Establishment by investment
Heilongjiang Suntien Hadian New Energy Investment Co., Ltd. (黑龍江新天哈電新能源投資有限公司)	PRC	Harbin City	Wind power generation	26,660.00	99.08		Establishment by investment
Suntien Hong Kong	Hong Kong, PRC	Hong Kong	Project investment and investment management	USD 8,290,7139	100.00		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	Leasing and commercial service industry	6,000.00	100.00		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	20,930.00	100.00		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	100.00		Establishment by investment
Weihui Suntien Green Energy Co., Ltd. (衛輝新天綠色能源有限公司)	PRC	Weihui City	Wind power generation	8,400.00	100.00		Establishment by investment
Tangshan Shunhuan Energy Development Co., Ltd. (唐山順桓能源開發有限公司)	PRC	Tangshan City	Power generation, heat generation and supply industry	1,000.00		100.00	Establishment by investment
Junan Suntien Wind Energy Co., Ltd. (莒南新天風能有限公司)	PRC	Junan County	Power supply services; power generation business, transmission business, and electricity supply (distribution) business	10,300.00	100.00		Establishment by investment
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	100.00		Establishment by investment
Hebei Fengning CIC New Energy Co., Ltd. (河北豐寧建投新能源有限公司)	PRC	Fengning Manchu Autonomous County	Wind power generation	93,485.00	100.00		Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in Subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiaries	Principal place of operation	Place of incorporation	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Method of acquisition
					Direct	Indirect	
Suntien Liquefied Natural Gas Shahe Co., Ltd. (新天液化天然气沙河有限公司)	PRC	Xingtai City	LNG clean fuel technology, development, utilization, promotion, LNG storage, transportation and sales	5,000.00		100.00	Establishment by investment
Suntien Hebei Solar Energy Development Co., Ltd. (新天河北太阳能开发有限公司)	PRC	Shijiazhuang City	Investment and sale of solar energy appliances and service consultancy	10,000.00	69.00		Establishment by investment
Guangxi Suntien Green Energy Co., Ltd. (广西新天绿色能源有限公司)	PRC	Nanning City	Wind power generation	11,450.00	100.00		Establishment by investment
Tongdao Suntien Green Energy Co., Ltd. (通道新天绿色能源有限公司)	PRC	Tongdao Dong Autonomous County	Wind power and solar energy generation, relevant technical consultation	15,887.00	100.00		Establishment by investment
Chaoyang Suntien New Energy Co., Ltd. (朝阳新天新能源有限公司)	PRC	Chaoyang City	Solar energy generation	3,200.00	100.00		Establishment by investment
HEGIC New Energy (Tangshan) Co., Ltd. (建投新能源(唐山)有限公司)	PRC	Tangshan City	Power generation business, transmission business, and electricity supply (distribution) business	8,600.00	100.00		Establishment by investment
Shanghai Geuoli Technology Co., Ltd. (上海戈洛立科技有限公司)	PRC	Shanghai	Professional technical services	3,000.00	51.00		Establishment by investment
Fuliang Zhongjing Suntien Green Energy Co., Ltd. (浮梁中景新天绿色能源有限公司)	PRC	Jingdezhen City	Wind power, water power and solar power generation and relevant technical consultation	17,430.00	100.00		Establishment by investment
Suntien Green Energy Xuyi Co., Ltd. (新天绿色能源研略有限公司)	PRC	Huai'an City	Wind power and solar energy generation, relevant technical consultation	23,400.00		100.00	Establishment by investment
Suntien Hebei Electricity Sales Co., Ltd. (新天河北电力销售有限公司)	PRC	Shijiazhuang City	Electricity sales and electric power transmission and distribution engineering construction and electric power technology consulting	21,000.00	100.00		Establishment by investment
Tangshan Suntien New Energy Co., Ltd. (唐山新天新能源有限公司)	PRC	Tangshan City	Wind power and solar energy generation, relevant technical consultation	1,500.00		100.00	Establishment by investment
Fangchenggang Suntien Green Energy Co., Ltd. (防城港新天绿色能源有限公司)	PRC	Fangchenggang City	Wind power and solar energy generation, relevant technical consultation	9,330.00	100.00		Establishment by investment
Fuping Jixin Suntien Green Energy Co., Ltd. (雷平冀新天绿色能源有限公司)	PRC	Weinan City	Wind power generation	16,560.00	100.00		Establishment by investment
HEGIC Zhangjiakou Wind Energy Co., Ltd. (河北建投张家口风能有限公司)	PRC	Kangbao County	Wind power generation	69,275.00		100.00	Establishment by investment
HEGIC Zhongying Wind Energy Co., Ltd. (河北建投中营风能有限公司)	PRC	Haixing County	Wind power generation	16,300.00		100.00	Establishment by investment
HEGIC Weizhou Wind Energy Co., Ltd. (河北建投蔚州风能有限公司)	PRC	Yu County	Wind power generation	36,400.00		55.92	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in Subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiaries	Principal place of operation	Place of incorporation	Business nature	Registered capital (RMB 0,000)	Shareholding percentage (%)		Method of acquisition
					Direct	Indirect	
Longyuan Chongli (Note 1)	PRC	Zhangjiakou City	Wind power generation	9,500.00		50.00	Establishment by investment
Lingjiu Construction & Investment Hengguan Wind Energy Co., Ltd. (靈丘建設新冠風能有限公司)	PRC	Lingjiu County	Wind power generation	33,860.00		55.00	Establishment by investment
HECIC Yanshan (Guyuan) Wind Power Co., Ltd. (建投燕山(沽源)風能有限公司)	PRC	Guyuan County	Wind power generation	83,977.55		94.43	Establishment by investment
Zhangbei Huashi (Note 1)	PRC	Zhangbei County	Wind power generation	8,000.00		49.00	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	Zhangjiakou City	Provision of maintenance and consulting services for wind farms and other new energy	10,880.00		100.00	Establishment by investment
Chengde Yuyuan Wind Energy Co., Ltd. (承德靈源風能有限公司)	PRC	Chengde City	Wind power generation	17,000.00		60.00	Establishment by investment
Keyouqiangqi Suntien Wind Energy Co., Ltd. (科右前旗新天風能有限公司)	PRC	Horqin Right Wing Front Banner	Wind power generation	21,300.00		100.00	Establishment by investment
Laiyuan Suntien Wind Energy Co., Ltd. (洮源新天風能有限公司)	PRC	Laiyuan County	Wind and solar power generation	20,460.00		100.00	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	76,400.00		100.00	Establishment by investment
Wuchuan County Mengtian Wind Energy Co., Ltd. (武川縣天風能有限公司)	PRC	Wuchuan County	Wind power generation	15,000.00		100.00	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		100.00	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		100.00	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		75.00	Establishment by investment
Suntien Green Energy Weichang Co., Ltd. (新天綠色能源豐場有限公司)	PRC	Weichang Manchu and Mongolian Autonomous County	Power generation business, transmission business, and electricity supply (distribution) business	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	38,200.00		100.00	Establishment by investment
Lulong County Luyin Photovoltaic Power Co., Ltd. (龍龍縣六音光伏電力有限公司)	PRC	Qinhuangdao City	Investment and sale of solar energy appliances and service consultancy	3,000.00		100.00	Establishment by investment
Suntien Green Energy Qinhuangdao Beidaihe New District Co., Ltd. (新天綠色能源秦皇島北戴河新區有限公司)	PRC	Qinhuangdao City	Gas production and supply	2,000.00	70.00	30.00	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in Subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiaries	Principal place of operation	Place of incorporation	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Method of acquisition
					Direct	Indirect	
Zhangjiakou Fuchen Photovoltaic Power Co., Ltd. (張家口豐辰光伏發電有限公司)	PRC	Zhangjiakou City	Photovoltaic power generation project development, design, construction and management services	100.00	100.00	100.00	Establishment by investment
Datong Yunzhou District Suniten Wind Energy Co., Ltd. (大同市雲州區新天風能有限公司)	PRC	Datong City	Wind power generation	400.00	100.00	100.00	Establishment by investment
Chengde Yujing New Energy Co., Ltd. (承德御景新能源有限公司)	PRC	Weichang Marchu and Mongolian Autonomous County	Wind power generation	41,000.00	60.00	60.00	Establishment by investment
Chengde Yufeng Wind Energy Co., Ltd. (承德御風風能有限公司)	PRC	Weichang Marchu and Mongolian Autonomous County	Wind power generation	8,300.00	60.00	60.00	Establishment by investment
Gu County Construction & Investment Wind Energy Co., Ltd. (古縣建設投資風能有限公司)	PRC	Gu County	Wind power generation and transmission business	560.00	100.00	100.00	Establishment by investment
Offshore Wind	PRC	Leiqing County	Wind power generation	111,111.00	51.40	51.40	Establishment by investment
Taijai Suniten Green Energy Co., Ltd. (泰萊新天綠色能源有限公司)	PRC	Taijai County	Wind power generation	6,000.00	100.00	100.00	Establishment by investment
Hejing Suniten 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	100.00	100.00	Establishment by investment
Baoding Construction & Investment Natural Gas Co., Ltd. (保定建設天然氣有限公司)	PRC	Baoding City	Natural gas project investment, development and construction, and sale of natural gas appliances	2,000.00	100.00	100.00	Establishment by investment
Li County Construction & Investment Natural Gas Co., Ltd. (隴縣建設天然氣有限公司)	PRC	Li County	Connection and construction of natural gas pipelines	1,000.00	60.00	60.00	Establishment by investment
Shijiazhuang Construction & Investment Natural Gas Co., Ltd. (石家莊建設天然氣有限公司)	PRC	Shijiazhuang City	Sale of natural gas and natural gas appliances and the connection and construction of natural gas pipelines	5,710.00	100.00	100.00	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 natural gas appliances and the connection and construction of natural gas pipelines	500.00	100.00	100.00	Establishment by investment
Hebei Zhaoduo Natural Gas Co., Ltd. (河北趙都天然氣有限責任公司)	PRC	Handan City	Sale of natural gas and natural gas appliances and the connection and construction of natural gas pipelines	2,000.00	52.50	52.50	Establishment by investment
Handan Langtuo Natural Gas Sale Co., Ltd. (邯鄲市郎陶天然氣銷售有限公司)	PRC	Handan City	Sale of natural gas appliances	400.00	100.00	100.00	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in Subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiaries	Principal place of operation	Place of incorporation	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Method of acquisition
					Direct	Indirect	
Chengde Construction & Investment Natural Gas Co., Ltd. (承德市建投天然气有限责任公司)	PRC	Chengde City	Sale of natural gas and natural gas appliances and the connection and construction of natural gas pipelines	21,000.00		90.00	Establishment by investment
Ningjin Construction & Investment Natural Gas Co., Ltd. (宁晋縣建投天然气有限责任公司)	PRC	Ningjin County	Sale of natural gas and natural gas appliances and the connection and construction of natural gas pipelines	3,000.00		51.00	Establishment by investment
Shijiazhuang Huabao Nature Gas Co., Ltd. (石家庄華博天然气有限公司)	PRC	Shijiazhuang City	Sale of natural gas and natural gas appliances and the connection and construction of natural gas pipelines	4,500.00		55.00	Establishment by investment
Shijiazhuang Jiran Pipeline Engineering Co., Ltd. (石家庄冀然管道工程有限公司)	PRC	Shijiazhuang City	Connection and construction of natural gas pipelines	6,375.00		60.00	Establishment by investment
Xingtai Jiran Natural Gas Co., Ltd. (邢臺冀然天然气有限公司)	PRC	Xingtai City	Sale of natural gas and natural gas appliances, connection and construction of natural gas pipelines and natural gas engineering technical consulting service	2,000.00		55.00	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	19,730.09	75.00	25.00	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	2,000.00		60.00	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	24,260.00		80.00	Establishment by investment
Qinghe HECIC Natural Gas Co., Ltd. (清河縣建投天然气有限公司)	PRC	Qinghe County	Sale of natural gas and natural gas appliances and the connection and construction of natural gas pipelines	2,387.25		80.00	Establishment by investment
Julu County Construction & Investment Wind Energy Co., Ltd. (巨鹿縣建投風能有限公司)	PRC	Julu County	Wind power generation	7,500.00		100.00	Establishment by investment
Caofeidian Suntien Liquefied Natural Gas Co., Ltd. ("Caofeidian Company")	PRC	Cao Feidian	Construction of LNG receiving station and pipeline supply projects	260,000.00	51.00		Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in Subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiaries	Principal place of operation	Place of incorporation	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Method of acquisition
					Direct	Indirect	
Hebei Natural Gas Company Ltd. (河北燃氣有限公司)	PRC	Shijiazhuang City	Sale of natural gas and natural gas appliances; installation and maintenance of gas appliances; power supply and heat supply; energy-saving technology, new energy technology development, technical consulting, technology promotion services; municipal engineering design and construction; self-operation and distribution of import and export of various commodities and technologies.	15,500.00	55.00		Establishment by investment
Suntien Green Energy (Shangjin) Co., Ltd. (新天綠色能源(上林)有限公司)	PRC	Shangjin 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	100.00		Establishment by investment
HECIC New Energy Supply Chain Management Co., Ltd. (河北建誠新能供應鏈管理有限公司)	PRC	Tangshan City	Supply chain management service and new energy technology promotion service	10,000.00	100.00		Establishment by investment
S&T International Natural Gas Trading Company Limited	Hong Kong	Hong Kong	LNG trading and related businesses	HKD2,100.00		51.00	Establishment by investment
Suntien Green Energy (Tianjin) Co., Ltd. (新天綠色能源(天津)有限公司)	PRC	Tianjin City	Wind power generation	1,000.00	100.00		Establishment by investment
Cangzhou Suntien Green Energy Co., Ltd. (滄州新天綠色能源有限公司)	PRC	Cangzhou City	Power generation business, transmission business, and electricity supply (distribution) business	5,000.00	100.00		Establishment by investment
Liquan Jisheng Green Energy Co., Ltd. (禮泉冀盛綠色能源有限公司)	PRC	Xianyang City	Wind power generation	1,000.00	100.00		Establishment by investment
Julu County Construction & Investment New-energy Wind Power Co., Ltd. (巨鹿縣建設新能風力發電有限公司)	PRC	Xingtai City	Power generation, heat generation and supply industry	100.00	55.00	45.00	Establishment by investment
Cangzhou Suntien Botou Energy Co., Ltd. (滄州新天渤投能源有限公司)	PRC	Cangzhou City	Power generation business and transmission business	1,000.00	66.00		Establishment by investment
Suntien Offshore Wind Power (Qinhuangdao) Co., Ltd. (新天海上風電(秦皇島)有限公司)	PRC	Qinhuangdao City	Power generation business and transmission business	2,000.00	70.00	30.00	Establishment by investment
HECIC Huneng New Energy Co., Ltd. (河北建誠新能能源有限公司)	PRC	Shijiazhuang City	Power generation, heat generation and supply industry	28,000.00	100.00		Establishment by investment
Baoding Construction & Investment Huisheng New Energy Co., Ltd. (保定建設匯豐新能能源有限公司)	PRC	Baoding City	Power generation, heat generation and supply industry	462.00		90.00	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in Subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiaries	Principal place of operation	Place of incorporation	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Method of acquisition
					Direct	Indirect	
Xingtai Nanhe District Construction & Investment Xinjing Wind Power Co., Ltd. (邢台南和區建新景風力發電有限公司)	PRC	Xingtai City	Wind power generation	100.00	55.00		Establishment by investment
Ningjin County Construction & Investment Xinze Wind Power Co., Ltd. (寧晉縣建新澤風力發電有限公司)	PRC	Xingtai City	Power generation business	100.00	51.00		Establishment by investment
Jinzhong Construction & Investment Wind Power Co., Ltd. (晉中市建投風力發電有限公司)	PRC	Shijiazhuang City	Power generation business	100.00	51.00		Establishment by investment
Shenzhou Construction & Investment Wind Power Co., Ltd. (深州市建投風力發電有限公司)	PRC	Hengshui City	Power generation, heat generation and supply industry	100.00		51.00	Establishment by investment
Zhangbei Xinze New Energy Co., Ltd. (張北新澤新能源有限公司)	PRC	Zhangjiakou City	Natural gas production and supply	100.00		51.00	Establishment by investment
Kangbao Construction & Investment Funong New Energy Co., Ltd. (康保建投農新能源有限公司)	PRC	Zhangjiakou City	Power generation, heat generation and supply industry	24,000.00		51.00	Establishment by investment
HECIC Tangshan Wind Power Co., Ltd. (陡坡唐山風力發電有限公司)	PRC	Tangshan City	Power generation, heat generation and supply industry	1,000.00		100.00	Establishment by investment
Raoyang Gas	PRC	Raoyang County	Sale of natural gas and natural gas appliances	1,000.00		60.00	Business combinations involving enterprises not under common control
Linxi Xineng	PRC	Linxi County	Piped gas (natural gas), gas vehicle refueling station, gas vehicle refueling mother station operation; natural gas project management services, gas stove equipment sales, maintenance and services	4,000.00		60.00	Business combinations involving enterprises not under common control
Anguo Huagang	PRC	Anguo City	Sale of natural gas and gas vehicles as well as natural gas appliances	2,000.00		51.00	Business combinations involving enterprises not under common control
Pingshan Hualian	PRC	Pingshan County	Sale of natural gas and gas vehicles	615.00		100.00	Business combinations involving enterprises not under common control
Jinzhong Gas	PRC	Jinzhong City	Sale of natural gas and natural gas appliances and the connection and construction of natural gas pipelines	1,815.99		100.00	Business combinations involving enterprises not under common control

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in Subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiaries	Principal place of operation	Place of incorporation	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Method of acquisition
					Direct	Indirect	
Xinjiang Yusheng New Energy Development Co., Ltd. (新疆宇晟新能源開發有限公司)	PRC	Urumqi City	Technological development of wind, solar, water, geothermal and renewable energy projects; technological development of solar energy products;	3,194.00	51.00		Business combinations involving enterprises not under common control
Shijiazhuang Jiecheng Natural Gas Trading Co. Ltd. (石家莊市捷誠天然氣貿易有限公司)	PRC	Shijiazhuang City	Sale of piped gas (compressed natural gas); gas pipeline maintenance and repair services	4,000.00		80.00	Business combinations involving enterprises not under common control
Kulu Tianhui Dongshan Wind Power Co., Ltd. (庫爾勒天匯東山風力發電有限公司)	PRC	Korla, Bayingolin	Wind power generation	100.00		100.00	Business combinations involving enterprises not under common control
Shenzhen Gas	PRC	Shenzhen City	Sale of natural gas and natural gas appliances and the connection and construction of natural gas pipelines	1,175.81		100.00	Business combinations involving enterprises not under common control
Xinji Gas	PRC	Xinji City	Sale of natural gas and natural gas appliances and the connection and construction of natural gas pipelines	1,500.00		100.00	Business combinations involving enterprises not under common control
Hengshui HEIC	PRC	Hengshui City	Investment in the construction of urban piped natural gas, liquefied natural gas, and compressed natural gas engineering projects; piped gas sales;	2,000.00		51.00	Business combinations involving enterprises not under common control
International Wind Farm Development V Limited (國際風電開發五有限公司)	Hong Kong	Hong Kong	Wind farm investment, construction and operation	HKD1.00		100.00	Business combinations involving enterprises not under common 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	12,644.00		100.00	Business combinations involving enterprises not under common control
Tianhongxiang	PRC	Xingjai City	Piping and equipment installation	1,000.00		67.00	Business combinations involving enterprises not under common control

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in Subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiaries	Principal place of operation	Place of incorporation	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Method of acquisition
					Direct	Indirect	
Geoyi Fengcheng	PRC	Shijiazhuang City	Natural gas supply and sale of stove equipment	10,000.00	60.00		Business combinations involving enterprises not under common control
Shijiazhuang Xin'ao Urban Gas Development Co., Ltd. (石家庄新奥城市燃气发展有限公司)	PRC	Shijiazhuang City	Piping and equipment installation	10,000.00	51.00		Business combinations involving enterprises not under common control
Hebei Jianrong Photovoltaic Technology Co., Ltd. (河北建融光伏科技有限公司)	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	90.00		Business combinations involving enterprises under common control

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:

Note 1: HECIC New Energy, a subsidiary of the Company, entered into an acting-in-concert agreement with the other shareholders of Zhangbei Huashi and Longyuan Chongli, pursuant to which HECIC New Energy has control over Zhangbei Huashi and Longyuan Chongli on major operational matters. Please refer to Note V. 43 in this Section for details.

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:

Nil

Other explanations:

Nil

(2). Significant non-wholly-owned subsidiaries

Unit: Yuan Currency: RMB

Name of subsidiaries	Shareholding ratio of minority shareholders (%)	Profits and loss attributable to the minority shareholders in the current period	Dividends declared to distribute to the minority shareholders in the current period	Balance of minority shareholders' equity at the end of the period
Hebei Natural Gas	45.00	151,501,781.67	290,688,950.75	1,706,889,931.27
Offshore Wind Power	48.90	42,659,761.56	68,192,733.46	539,167,597.05
Caofeidian Company	49.00	-335,033.05		1,206,047,482.01

Explanation of the difference between the proportion of minority shareholders' shareholding in subsidiaries and the percentage of voting rights:

Applicable Not applicable

Other explanations:

Applicable Not applicable

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in Subsidiaries (continued)

(4). Significant restrictions for using the Company's assets and settling the Company's liabilities:

Applicable Not applicable

(5). Financial support or other support provided to structuring subject in the range of consolidated financial statements:

Applicable Not applicable

Other explanations:

Applicable Not applicable

2. Transactions for Which the Share of Owners' Equity in Subsidiaries Changes While Control over the Subsidiaries Remaining Unchanged

(1). Explanation on change in the share of owners' equity in subsidiaries

In May 2023, the Company acquired a 30% equity interest in a minority shareholder of HECIC Zhongxing Wind Energy Co., Ltd. ("Zhongxing Wind Energy"), its subsidiary, resulting in Zhongxing Wind Energy to be a wholly-owned subsidiary of the Company. The consideration paid for the acquisition of the equity interest was RMB24,336,552.25. The transaction resulted in a decrease of RMB49,640,382.10 in minority interests and an increase of RMB25,303,829.85 in capital reserve in the consolidated financial statements.

In October 2022, HECIC New Energy acquired the 49% equity interest in Zhangbei Suntien Wind Energy Co., Ltd. ("Zhangbei Suntien") held by Hainan Fengsheng New Energy Technology Development Co., Ltd. ("Hainan Fengsheng"). Zhangbei Suntien completed the signing of the new articles of association and the registration of change with the relevant industry and commerce authority. Accordingly, Zhangbei Suntien became a wholly-owned subsidiary of HECIC New Energy. At the same time, the transaction resulted in a decrease of RMB49,000,000.00 in minority interests in the Group's consolidated financial statements. The difference between the disposal consideration and the fair value share of the acquiree's identifiable net assets was included in capital reserve, resulting in a decrease of RMB6,010,100.00 in capital surplus-share premium.

(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: 0'000 Yuan Currency: RMB

Name of the joint venture or associate	Principal place of operation	Place of incorporation	Business nature	Registered capital	Shareholding percentage (%)		Accounting treatment for investments in joint venture or associates
					Direct	Indirect	
Suntien Guohua	Handan City	Handan City	Natural gas pipeline construction	12,000.00	50		Equity method
Chengde Dayuan	Chengde City	Chengde City	Solar, wind power generation	28,727.51	49		Equity method
Chongli Construction & Investment (Note 1)	Chongli County	Chongli County	Build, own, operate and manage wind farms	17,860.00	51		Equity method
Zhangbei Construction & Investment (Note 1)	Zhangbei County	Zhangbei County	Build, operate and manage wind farms	90,000.00	51		Equity method
Harbin Qingfeng	Harbin City	Harbin City	Power generation business and transmission business	20,000.00	50		Equity method
Dongning Xinfeng	Mudanjiang City	Mudanjiang City	General projects related to power generation business, transmission business, and electricity supply (distribution) business	1,000.00		50	Equity method
Shuanglan LNG	Chengde City	Chengde City	Natural gas pipeline construction	800.00		41	Equity method
Jingtang LNG	Tangshan City	Tangshan City	Natural gas storage and production	315,000.00		20	Equity method
Hebei Weichang (Note 2)	Chengde City	Chengde City	Wind power generation	20,980.00		50	Equity method
Chengde Wind Energy	Chengde City	Chengde City	Wind power generation	44,617.00		45	Equity method
Jimianjia	Cangzhou City	Cangzhou City	Storage and gasification of clean energy	9,000.00	35		Equity method
Fengning Pumped Storage	Chengde City	Chengde City	Pumped storage	320,000.00	20		Equity method
Hulhai Leasing	Shenzhen City	Shenzhen City	Lease, purchase, and maintain leased property	65,000.00		30	Equity method
PipeChina Pipeline	Tianjin City	Tianjin City	Natural gas pipeline construction, operation and transportation	231,721.00		34	Equity method
Hengshui Honghua	Hengshui City	Hengshui City	Gas production and supply	4,000.00		30	Equity method
HECIC Rongtian	Shijiazhuang City	Shijiazhuang City	Asset management services	2,448.10	23.66		Equity method
Zhonghang Sehan	Chengde City	Chengde City	Research and development of new energy technologies	10,000.00	25		Equity method
Suntien Shuita	Shijiazhuang City	Shijiazhuang City	Other capital market services	36,000.00		49.72	Equity method
Huludao Gas	Huludao City	Huludao City	Wholesale of LPG and natural gas; gas utilisation technology development services; gas equipment sales	2,040.82	41		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:

Note 1: HECIC New Energy, a subsidiary of the Company, holds 51% equity interest in Chongli Construction & Investment and Zhangbei Construction & Investment, respectively. Pursuant to the Articles of Association of the Company, resolutions of the shareholders' meetings are required to be passed by shareholders representing more than two-thirds of the voting rights, and the shareholders' meetings are to be held by shareholders exercising their voting rights in accordance with their capital contributions. Accordingly, HECIC New Energy does not have control over Chongli Construction & Investment and Zhangbei Construction & Investment, and Chongli Construction & Investment and Zhangbei Construction & Investment are excluded from the scope of this consolidation and accounted for as joint ventures.

Note 2: HECIC New Energy, a subsidiary of the Company, entered into an acting-in-concert agreement with China Longyuan Power Group Corporation Limited (another shareholder of Hebei Weichang, holding 50% stake in Hebei Weichang), under which Longyuan Power Group Corporation Limited would decide on important operational affairs of Hebei Weichang, and have control over Hebei Weichang. HECIC New Energy appointed 3 directors and had significant impact 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

(2). Main financial information of significant joint ventures

Applicable Not applicable

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in Joint Ventures or Associates (continued)

(3). Main financial information for significant associates

Unit: Yuan Currency: RMB

	As at 30 June 2023/ for the six months ended 30 June 2023 Jingtang LNG	As at 31 December 2022/ for the year 2022 Jingtang LNG
Current assets	537,013,250.09	546,496,615.78
Non-current assets	5,734,336,461.75	5,481,020,816.97
Total assets	6,271,349,711.84	6,027,517,432.75
Current liabilities	133,088,618.11	308,052,037.37
Non-current liabilities		1,709,016.93
Total liabilities	133,088,618.11	309,761,054.30
Minority interests		
Equity attributable to shareholders of the parent company	6,138,261,093.73	5,717,756,378.45
Share of net assets calculated by proportion of shareholding	1,227,652,218.75	1,143,551,275.69
Adjusting items		
– Goodwill		
– Unrealised profit from internal transactions		
– Others		
Book value of equity investment in associates	1,227,652,218.75	1,143,551,275.69
Fair value of equity investments in associates with public offer		
Operating revenue	960,172,421.31	1,732,511,361.90
Net profit	418,072,903.95	708,141,646.27
Net profit of discontinued operations		
Other comprehensive income		
Total comprehensive income	418,072,903.95	708,141,646.27
Dividends received from associates in the current year		160,000,000.00

Other explanations

The Group's significant associate PetroChina Jingtang LNG Co., Ltd., a strategic partner of the Group which engages in natural gas storage and production business, is accounted for using the equity method. Such investment is strategic to the Group's business activities.

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

	Closing balance/ amount for the current period	Opening balance/ amount for the previous period
Joint ventures:		
Total of investment book value	448,567,675.23	440,449,177.61
Total amount calculated by the following proportion of shareholding		
– Net profit	33,954,758.75	68,782,042.10
– Other comprehensive income		
– Total comprehensive income	33,954,758.75	68,782,042.10
Associates:		
Total of investment book value	1,872,561,796.36	1,809,718,827.22
Total amount calculated by the following proportion of shareholding		
– Net profit	57,596,665.25	14,224,742.85
– Other comprehensive income		
– Total comprehensive income	57,596,665.25	14,224,742.85

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). Unrecognised 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 Consolidated Financial Statements

Information for structuring subject out of the range of the consolidated financial statements:

Applicable Not applicable

6. Others

Applicable Not applicable

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

1. Classification of Financial Instruments

The carrying amount of each class of financial instruments at the balance sheet date are as follows:

For the six months ended 30 June 2023

Financial assets

Items	Measured at fair value through profit or loss		Measured at fair value through other comprehensive income	Total
	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through other comprehensive income	
Cash		3,272,018,550.44		3,272,018,550.44
Financial assets for trading	390,000,000.00			390,000,000.00
Bills receivable		107,294,530.15		107,294,530.15
Accounts receivable		6,221,928,500.97		6,221,928,500.97
Receivables financing		–	413,463,060.61	413,463,060.61
Other receivables		129,909,015.25		129,909,015.25
Long-term receivables		1,664,186.71		1,664,186.71
Investments in other equity instruments			220,605,700.00	220,605,700.00
Total	390,000,000.00	9,732,814,783.52	634,068,760.61	10,756,883,544.13

Financial liabilities

Items	Financial liabilities measured at amortised cost
Short-term borrowings	2,044,491,322.19
Accounts payable	383,701,602.13
Bills payable	8,863,636.67
Other payables	8,077,655,560.07
Financial liabilities of non-current liabilities due within one year	3,360,191,260.87
Long-term borrowings	31,619,608,476.93
Debentures payable	2,200,000,000.00
Long-term payable	165,518,266.37
Accrued liabilities	77,531,149.68
Total	47,937,561,274.91

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Classification of Financial Instruments (continued)

31 December 2022

Financial assets

Items	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through other comprehensive income	Total
Cash		7,326,059,327.77		7,326,059,327.77
Financial assets for trading	520,000,000.00			520,000,000.00
Bills receivable		235,764,112.96		235,764,112.96
Accounts receivable		5,345,149,228.28		5,345,149,228.28
Receivables financing			169,290,765.51	169,290,765.51
Other receivables		207,110,462.03		207,110,462.03
Non-current assets due within one year		22,349,480.00		22,349,480.00
Long-term receivables		1,664,186.71		1,664,186.71
Investments in other equity instruments			218,605,700.00	218,605,700.00
Total	520,000,000.00	13,138,096,797.75	387,896,465.51	14,045,993,263.26

Financial liabilities

Items	Financial liabilities measured at amortised cost
Short-term borrowings	2,698,366,568.48
Accounts payable	402,815,261.78
Bills payable	13,649,747.04
Other payables	7,719,969,496.64
Financial liabilities of other current liabilities	1,010,192,910.93
Financial liabilities of non-current liabilities due within one year	4,170,544,244.86
Long-term borrowings	30,429,352,611.21
Debentures payable	1,500,000,000.00
Long-term payable	186,079,230.66
Accrued liabilities	77,531,149.68
Total	48,208,501,221.28

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Transfer of Financial Assets

Transferred financial assets that are not derecognised in their entirety

As at 30 June 2023, the carrying amount of banker's acceptances that the Group has endorsed to suppliers for settlement of accounts payable was RMB7,844,530.15 (31 December 2022: RMB28,318,746.96). The carrying amount of borrowings obtained by the Group by way of discounting amounted to RMB33,000,000.00 (31 December 2022: RMB42,280,000.00). The Group considered that substantially all of the risks and rewards associated with bills, including related default risks, have been retained by the Group. Therefore, it continued to recognise in full the bills and liabilities related thereto (accounts payable and bank borrowings). Subsequent to the endorsement, the Group no longer retains the right of use, including the right to sell, transfer or pledge to other third parties. As at 30 June 2023, the aggregate carrying amount of the accounts payable settled or borrowings acquired by the Group was RMB40,844,530.15 (31 December 2022: RMB70,598,746.96).

Transferred financial assets that have been derecognised in their entirety with continuing involvement

As at 30 June 2023, the carrying amount of banker's acceptances that the Group has endorsed to suppliers for settlement of accounts payable was RMB435,106,157.05 (31 December 2022: RMB494,313,731.87). As at 30 June 2023, the maturity date was 1 to 12 months. According to the Law on Negotiable Instruments, where the accepting bank refuses to pay the acceptances, the holder may exercise the right of recourse against any or several or all of the debtors liable for the acceptances, including the Group, in disregard of the order of precedence ("Continuing Involvement"). The Group considered that it has transferred substantially all of the risks and rewards. Therefore, it derecognised the carrying amount of the acceptances and the associated settled accounts payable. The maximum exposure to loss and undiscounted cash flows from the Continuing Involvement and repurchases are equal to the carrying amount. The Group considered that the Continuing Involvement with fair value is not material.

3. Financial Instrument Risks

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (including exchange rate risk and interest rate risk). The Group's principal financial instruments comprise cash, financial assets held for trading, equity instrument investments, loans, notes receivable, accounts receivable, accounts receivable financing, other accounts receivable, notes payable, accounts payable, bonds payable, other payables, long-term payables, lease liabilities, etc. In this regard, risks arising from financial instruments and the Group's risk management policies which aim at mitigating these risks are outlined below.

The board of directors is responsible for planning and establishing the Group's risk management framework, developing the Group's risk management policies and related guidelines and overseeing the implementation of risk management measures. The Group has developed risk management policies to identify and analyse the risks faced by the Group. These risk management policies define specific risks which cover many aspects such as market risk, credit risk and liquidity risk management. The Group evaluates the market environment and changes in the Group's operations to determine whether or not to update the risk management policies and systems on a regular basis. The risk management of the Group is carried out by the Audit Committee in accordance with the policy approved by the Board. The Audit Committee adopted the Work closely with other business units to identify, evaluate and evade risks. The Group's internal audit department conducts periodic reviews on the risk management system and procedures, and the audit results are reported to the Group's Audit Committee.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Financial Instrument Risks (continued)

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.

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 cash 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 in this Section.

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/counter-parties, 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 2023 and 31 December 2022, the Group had certain concentrations of credit risk as 47.91% and 47.46%, and 77.19% and 75.19% of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. The Group is committed to expanding its customer base by continuously expanding its business network in other cities in China, attracting new customers, and diversifying the customer base, and it is expected to reduce its dependence on existing customers in the future.

Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group, and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Financial Instrument Risks (continued)

Credit risk (continued)

Criteria for judging significant increases in credit risk (continued)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative and qualitative criteria have been met:

- (1) Quantitative criteria are mainly the situation that the increase in probability of default for remaining lifetime at the reporting date is considered to be significant comparing with the one at initial recognition;
- (2) Qualitative criteria are the significant adverse change in the debtor's operation or financial status, the watch-list, etc.

Definition of credit-impaired financial assets

The standard adopted by the Group to determine whether a credit impairment occurs is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Group assesses whether the credit impairment of a debtor occurred, the following factors are mainly considered:

- (1) Significant financial difficulty of the issuer or debtor;
- (2) the breach of contract by the debtor, such as default or overdue payments for interest or principal;
- (3) the creditor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- (4) it is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- (5) the disappearance of an active market for that financial asset because of financial difficulty of the issuer or debtor;
- (6) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Credit impairment of financial assets might be caused by the combined action of multiple events, and not necessarily by separately identifiable events.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Financial Instrument Risks (continued)

Credit risk (continued)

Credit risk exposure

As at 30 June 2023 and 31 December 2022, the credit risk exposure of accounts receivable, receivables financing, notes receivable, other receivables and long-term receivables based on the internal credit risk assessment is as follows:

For the six months ended 30 June 2023

Items	Book balance (unsecured)	
	Expected credit losses over the next 12 months	Lifetime expected credit losses
Accounts receivable		6,702,576,852.60
Receivables financing		413,463,060.61
Bills receivable		107,294,530.15
Other receivables	200,593,948.35	
Long-term receivables		1,664,186.71
Total	200,593,948.35	7,224,998,630.07

2022

Items	Book balance (unsecured)	
	Expected credit losses over the next 12 months	Lifetime expected credit losses
Accounts receivable		5,815,255,589.18
Receivables financing		169,290,765.51
Bills receivable		235,764,112.96
Other receivables	280,431,706.72	
Non-current assets due within one year		22,349,480.00
Long-term receivables		1,664,186.71
Total	280,431,706.72	6,244,324,134.36

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Financial Instrument Risks (continued)

Liquidity risk

The Group's net current liabilities amounted to approximately RMB4,787,944,018.97 as at 30 June 2023, net cash inflows from operating activities amounted to approximately RMB1,828,546,420.15 and net cash inflows from financing activities amounted to approximately RMB2,422,738,749.79. Its net cash outflows used in investing activities were approximately RMB3,436,880,321.28, and its net cash outflow caused by exchange rate changes amounted to RMB2,696,978.10 for the period then ended. The Group recorded a decrease in cash and cash equivalents of approximately RMB4,033,769,629.02 as at 30 June 2023.

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. In view of the Group's future capital expenditure and other financing needs, as at 30 June 2023 and 31 December 2022, the Group had obtained banking facilities amounting to RMB73,500,237,246.26 and RMB81,838,807,588.37 from various banks in the PRC. Of which, as at 30 June 2023 and 31 December 2022, the Group had utilised RMB24,183,151,449.44 and RMB23,270,964,118.16 respectively.

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. Financial Instrument Risks (continued)

Liquidity risk (continued)

The following table summarises the maturity analysis of financial liabilities based on undiscounted contractual cash flows:

For the six months ended 30 June 2023	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	2,142,436,097.07				2,142,436,097.07
Bills payable	8,863,636.67				8,863,636.67
Accounts payable	383,701,602.13				383,701,602.13
Other payables	8,077,655,560.07				8,077,655,560.07
Non-current liabilities due within one year	3,542,543,080.70				3,542,543,080.70
Long-term borrowings		2,713,442,698.90	8,114,591,883.00	34,933,311,054.06	45,761,345,635.96
Debentures payable		2,258,020,277.78			2,258,020,277.78
Lease liabilities		129,903,048.69	328,212,933.36	382,143,226.13	840,259,208.18
Long-term payable		59,380,765.72	108,871,332.57	2,657,676.36	170,909,774.65
Total	14,155,199,976.64	5,160,746,791.09	8,551,676,148.93	35,318,111,956.55	63,185,734,873.21

2022

2022	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	2,965,348,410.56				2,965,348,410.56
Bills payable	13,649,747.04				13,649,747.04
Accounts payable	402,815,261.78				402,815,261.78
Other payables	7,719,969,496.64				7,719,969,496.64
Other current liabilities	1,010,192,910.93				1,010,192,910.93
Non-current liabilities due within one year	4,356,613,111.81				4,356,613,111.81
Long-term borrowings		2,869,589,786.90	7,218,602,089.35	34,863,006,864.96	44,951,198,741.21
Debentures payable		553,577,777.78	1,014,475,000.00		1,568,052,777.78
Lease liabilities		180,202,712.64	287,539,175.63	410,463,115.00	878,205,003.27
Long-term payable		58,128,663.22	167,144,742.80	12,017,347.20	237,290,753.22
Total	16,468,588,938.76	3,661,498,940.54	8,687,761,007.78	35,285,487,327.16	64,103,336,214.24

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Financial Instrument Risks (continued)

Market risk

Interest rate risk

The risk of changes in market interest rates faced by the Group is mainly related to the Group's long-term borrowings 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. Borrowings and monetary funds are measured at amortised 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 2023 and 31 December 2022, the loans of RMB34,487,839,471.84 and RMB34,149,040,649.26 of the Group were floating interest rate loans.

The table below is a sensitivity analysis of interest rate risk, which reflects the impact on net profit or loss (through the impact on floating-rate borrowings) and other comprehensive income after tax, when there are reasonable and potential changes in interest rates, under the presumption that all other variables remain unchanged.

	Increase/ (decrease) in basis point	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
For the six months ended 30 June 2023			
Renminbi	100.00	-172,439,197.36	-172,439,197.36
Renminbi	-100.00	172,439,197.36	172,439,197.36
	Increase/ (decrease) in basis point	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
2022			
Renminbi	100.00	-341,490,406.49	-341,490,406.49
Renminbi	-100.00	341,490,406.49	341,490,406.49

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on Imports of Liquefied Natural Gas (LNG) to overseas suppliers, loans to banks and certain expenses settled in foreign currencies. The Directors do not anticipate any significant impact resulting from the changes in foreign exchange rates because the majority of the Group's business is transacted in RMB, which is the Group's functional currency. RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Financial Instrument Risks (continued)

Market risk (continued)

Foreign currency risk (continued)

The table below is a sensitivity analysis of exchange rate risk, which reflects the impact on net profit or loss after tax, when there are reasonable and potential changes in HKD exchange rates, under the presumption that all other variables remain unchanged.

	Increase/ (decrease) in exchange rates (%)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
For the six months ended 30 June 2023			
Depreciation of RMB against USD	5.00	533,574.21	533,574.21
Appreciation of RMB against USD	-5.00	-533,574.21	-533,574.21

	Increase/ (decrease) in exchange rates (%)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
For the six months ended 30 June 2023			
Depreciation of RMB against HKD	5.00	1,337,709.41	1,337,709.41
Appreciation of RMB against HKD	-5.00	-1,337,709.41	-1,337,709.41

	Increase/ (decrease) in exchange rates (%)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
2022			
Depreciation of RMB against USD	5.00	6,833.16	6,833.16
Appreciation of RMB against USD	-5.00	-6,833.16	-6,833.16

	Increase/ (decrease) in exchange rates (%)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholders' equity
2022			
Depreciation of RMB against HKD	5.00	2,922,260.25	2,922,260.25
Appreciation of RMB against HKD	-5.00	-2,922,260.25	-2,922,260.25

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

4. Capital Management

The primary objective of the Group's capital management is to ensure the group's ability to continue operations and to maintain healthy capital ratios to support business development and maximise shareholder value.

The Group manages and adjusts its capital structure in accordance with changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, or issue new shares. The Group is not subject to external mandatory capital requirements. During the six months ended 30 June 2023 and in 2022, there was no change in capital management objectives, policies or procedures.

The Group manages its capital with the gearing ratio, which refers to net liabilities divided by the sum of capital and net liabilities. Net liabilities include all borrowings, accounts payable and other payables (net of cash), and capital is the equity attributable to shareholders. Capital refers to shareholders' equity. The gearing ratio of the Group as at the balance sheet date is as follows:

Items	30 June 2023	31 December 2022
Short-term borrowings	2,044,491,322.19	2,698,366,568.48
Bills payable	8,863,636.67	13,649,747.04
Accounts payable	383,701,602.13	402,815,261.78
Contract liabilities	1,087,012,411.86	1,539,750,992.89
Advances from customers	1,161,061,946.88	1,161,061,946.88
Wages payable	49,458,170.51	68,100,777.09
Taxes payable	158,814,334.34	203,392,348.56
Other payables	8,077,655,560.07	7,719,969,496.64
Non-current liabilities due within one year	3,483,576,439.74	4,308,241,110.09
Other current liabilities	44,507,984.08	1,086,927,077.13
Long-term borrowings	31,619,608,476.93	30,429,352,611.21
Lease liabilities	733,607,428.84	644,603,458.18
Debentures payable	2,200,000,000.00	1,500,000,000.00
Less: Cash	3,272,018,550.44	7,326,059,327.77
Net liabilities	47,780,340,763.80	44,450,172,068.20
Shareholders' equity	25,701,346,607.44	25,181,257,060.18
Capital and net liabilities	73,481,687,371.24	69,631,429,128.38
Leverage ratio	65.02%	63.84%

XI. DISCLOSURE OF FAIR VALUE

1. Fair Value of Assets and Liabilities Measured at Fair Value at the End of the Period

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) Financial assets for trading		390,000,000.00		390,000,000.00
1. Financial assets at fair value through profit or loss				
(1) Investment in debt instruments		390,000,000.00		390,000,000.00
(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) Investments in other equity instruments			220,605,700.00	220,605,700.00
(IV) Investment properties				
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			413,463,060.61	413,463,060.61
Total assets measured at fair value on a recurring basis		390,000,000.00	634,068,760.61	1,024,068,760.61

XI. DISCLOSURE OF FAIR VALUE (continued)

1. Fair Value of Assets and Liabilities Measured at Fair Value at the End of the Period (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	
(VII) Financial liabilities for trading				
1. Financial liabilities at fair value through profit or loss				
Including: Debentures issued for trading				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value through profit or loss				
(VIII) Long-term borrowings		34,878,299,157.37		34,878,299,157.37
(IX) Debentures payable		2,173,120,480.67		2,173,120,480.67
(X) Long-term payable		235,065,028.89		235,065,028.89
(XI) Lease liabilities		856,992,607.71		856,992,607.71
Total liabilities measured at fair value on a recurring basis		38,143,477,274.64		38,143,477,274.64
II. Non-recurring fair value measurement				
(I) Assets held for sale				
Total assets measured at fair value on a non-recurring basis				
Total liabilities measured at fair value on a non-recurring basis				



XI. DISCLOSURE OF FAIR VALUE (continued)

2. Basis for determination of the market value of level 1 fair value measuring items measured on recurring and non-recurring basis

Applicable Not applicable

3. Qualitative and quantitative information of valuation techniques and important parameters used in level 2 fair value measuring items measured on recurring and non-recurring basis

Applicable Not applicable

4. Qualitative and quantitative information of valuation techniques and important parameters used in level 3 fair value measuring items measured on recurring and non-recurring basis

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 recurring level 3 fair value measuring items

Applicable Not applicable

6. Conversion reasons and policies to determine the conversion time for recurring fair value measuring items to which a conversion between hierarchies occurs in the period

Applicable Not applicable

7. Changes in valuation techniques in the period and reasons therefor

Applicable Not applicable

8. Fair value of the financial assets and financial liabilities not measured at fair value

Applicable Not applicable

XI. DISCLOSURE OF FAIR VALUE (continued)

9. Others

Fair value measurement

Fair value of financial instruments

The following is the comparison on the book value and fair value of various types of financial instruments other than financial instruments with small differences between book value and fair value:

	Book value		Fair value	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Long-term borrowings	34,889,706,783.54	34,504,290,649.26	34,878,299,157.37	34,494,131,099.31
Debentures payable	2,220,546,191.74	1,526,321,780.79	2,173,120,480.67	1,491,432,960.06
Total	37,110,252,975.28	36,030,612,430.05	37,051,419,638.04	35,985,564,059.37

Note: Long-term borrowings and bonds payables include the portion due within one year.

Management has assessed cash, accounts receivable, notes receivable, accounts receivable financing, other accounts receivable, short-term borrowings, bills payable, accounts payable, other payables, non-current liabilities due within one year, etc., and considers that their fair values approximate to their carrying amounts due to the short-term maturities of these instruments.

The Group's finance team is led by the finance manager, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The financial manager reports directly to the Chief Accountant. On each balance sheet date, the finance team analyses movements in the fair value of financial instruments and determines the major inputs applicable to the valuation. The valuation must be reviewed and approved by the Chief Accountant.

The fair value of financial assets and financial liabilities is determined based on the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value.

For the fair value of investment in unlisted equity instruments, the Group uses a discounted valuation model to estimate the fair value, using assumptions that are not directly supported by observable market prices or interest rates. The Group believes that the fair value and its changes estimated by assessment techniques are reasonable and are also the most appropriate value on the balance sheet date. The difference between the fair value and the book value after assessment is not significant.

The fair value of long-term borrowings and debentures payable is determined by the discounted future cash flow method, and the market rate of return of other financial instruments with similar contractual terms, credit risks and remaining maturities is used as the discount rate. As at 30 June 2023 and 31 December 2022, the risk of own non-performance against short and long-term borrowings etc. is assessed as insignificant.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the Company's Parent Company

Unit: '0,000 Yuan Currency: RMB

Parent	Place of incorporation	Business nature	Registered capital	Parent's shareholding percentage in this entity (%)	Parent's voting power percentage in this entity (%)
HECIC	Hebei province	Investment in and development of projects in the foundation, infrastructures and provincial pillar industries, such as energy, transportation, water supply, tourism and commercial real estates	1,500,000.00	49.17	49.17

Information on the Company's parent company

The parent and ultimate parent of the Company is a Chinese state-owned enterprise – Hebei Construction & Investment Group Co., Ltd..

The ultimate controlling party of the Company is Hebei Construction & Investment Group Co., Ltd..

Other explanations:

Nil

2. Information on the Company's Subsidiaries

The Company's subsidiaries are detailed in the notes

For details of the Company's subsidiaries, please refer to Note IX. 1 to this Section.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Information on the Company's Joint Ventures and Associates

For details of the Company's significant joint ventures or associates, please refer to the notes

For details of joint ventures and associates, please refer to Note IX. 3 to this Section.

Information on other joint ventures or associates, 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
HECIC Finance	Company controlled by the parent company
HECIC Guo Rong Energy Service Co., Ltd. ("HECIC Guorong")	Company controlled by the parent company
HECIC Rongtan	Company controlled by the parent company
Hong Kong & China Gas (Hebei) Limited	Investors who exercise significant influence over subsidiaries
HECIC Mingjia Property Service Co., Ltd. ("Mingjia Property")	Company controlled by the parent company
HECIC Intelligent Financial Service Co., Ltd. ("Intelligent Financial")	Company controlled by the parent company
Yanzhao Property and Casualty Insurance Company Limited ("Yanzhao Property Insurance")	Companies in which the Company's non-executive directors serve as directors
Tangshan Haohua Trading Co., Ltd. [#] ("Tangshan Haohua")	Wholly-owned subsidiary of a minority shareholder of a significant subsidiary of the Group

Other explanations

[#] Recognised as a connected person under Chapter 14A of the Hong Kong Listing Rules.

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 receipt of services

Table on purchase of goods/receipt of services

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the current period	Approved transaction limit (if applicable)	Whether the transaction limit is exceeded (if applicable)	Amount for the previous period
Yanzhao Property Insurance	Receipt of labour/services	6,710,843.07			9,430,852.03
Intelligent Financial	Receipt of labour/services	4,910,824.47			4,770,052.97
Mingjia Property	Receipt of labour/services	297,511.30			840,691.53
Hengshui Honghua	Receipt of labour/services	93,626.61			
HECIC Rongtan	Receipt of labour/services	524,850.90			

Table on sale of goods/provision of services

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the current period	Amount for the previous period
Suntien Guohua	Provision of labour/services	555,488.17	687,015.35
Zhangbei Construction & Investment	Provision of labour/services	2,357,232.36	2,368,787.48
Chongli Construction & Investment	Provision of labour/services	7,859,383.06	5,947,199.43

Explanations on related party transactions on purchase or sale of goods and provision or acceptance of services

Pricing policy

The prices of selling products to related parties, providing services to related parties, purchasing raw materials from related parties and receiving services from related parties by the Group are determined based on ordinary commercial terms. Considerations for leases and asset transfer with related parties are determined based on the fair value of assets. Interest rates of accepting deposits and providing loans are determined by both parties through negotiation with reference to the bank deposit and loan interest rates for the same period.

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 entrusted management/contracting business of the Company:

Applicable Not applicable

Explanations on related entrusting/contracting 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 during the current period	Rental income recognised during the previous period
HECIC Rongtan	Houses	5,245.71	10,491.42

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 charges for short-term leases and leases of low-value assets with simplified approach (as applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rentals paid		Interest expense on lease liabilities assumed		Increased right-of-use assets	
		Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period
HECIC (a)	Houses					4,558,974.65	3,464,711.40	389,162.42	124,888.53		9,500,210.01
Huihai Leasing (b)(c)	Mechanical equipment					58,701,229.51	241,912,554.55	12,792,315.85	16,585,713.81	124,396,534.21	

Explanations on leases with related parties

a. Operating leases:

For the six months ended 30 June 2023 and the six months ended 30 June 2022, the Group entered into property tenancy contracts with HECIC for office use. The monthly rent was RMB427,955.50 and RMB577,451.90, respectively, for a term from 1-3 years. For the six months ended 30 June 2023 and the six months ended 30 June 2022, the Group paid aggregate rents of RMB4,558,974.65 and RMB3,464,711.40, respectively.

The price at which the Group rented property from the related party was determined by the parties through negotiation with reference to the market rate.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(3). Leases with related parties (continued)

The Company acts as a lessee: (continued)

b. Finance leases*:

For the six months ended 30 June 2023, the Group entered into a new lease agreement with Huihai Leasing primarily on the lease of wind turbine equipment (for the six months ended 30 June 2022: Nil). For the six months ended 30 June 2023, the Group paid principal of RMB43,846,413.66 (for the six months ended 30 June 2022: RMB81,126,840.74) and interest expenses of RMB11,912,957.52 (for the six months ended 30 June 2022: RMB13,634,833.15) to Huihai Leasing under the direct leasing transaction arrangement.

c. Sale and leaseback transactions*:

The Group entered into a sale-and-leaseback agreement with Huihai Leasing, pursuant to which Huihai Leasing agreed to purchase fixed assets (primarily including wind turbine units related equipment), of which the Group undertook to own the legal property rights without any defects, and lease the fixed-assets equipment to the Group for use. In the sale and leaseback arrangement between the Group and Huihai Leasing, the control over the relevant assets has not been transferred and the Group has agreed to pay the principal and interest to Huihai Leasing. For the six months ended 30 June 2023, the Group repaid the principal of RMB2,062,500.00 (for the six months ended 30 June 2022: RMB144,200,000.00) and paid interest of RMB879,358.33 (for six months ended 30 June 2022: RMB2,950,880.66) under the arrangement.

(4). Related party guarantees

The Company acts as a guarantor

Unit: Yuan Currency: RMB

Guaranteed party	Amount guaranteed	Commencement date	Expiration date	Whether fully performed
Suntien Guohua (Note 1)	131,500,000.00	27 September 2021	27 June 2033	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

Guarantor	Amount guaranteed	Commencement date	Expiration date	Whether fully performed
HECIC (Note 3)	300,000,000.00	26 December 2019	26 June 2023	Yes

Explanations on related party guarantees

The Company acts as a guarantor in 2022

Guaranteed party	Amount guaranteed	Commencement date	Expiration date	Whether fully performed
Suntien Guohua (Note 1)	136,500,000.00	27 September 2021	27 June 2033	No

Note 1: In September 2021, the Company provided a guarantee with nil consideration for the fixed asset borrowing of Suntien Guohua from Sinopec Finance Co., Ltd., for a guarantee period of 3 years from the effective date of the contract to the expiry of the term of performance of the obligations under the contract. The borrowing contract will expire on 27 June 2030.

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 in 2022

Guarantor	Amount guaranteed	Commencement date	Expiration date	Whether fully performed
HECIC (Note 2)	910,000,000.00	5 March 2019	Two years after the maturity date of the bond	Yes
HECIC (Note 3)	300,000,000.00	26 December 2019	26 June 2023	Yes
HECIC Finance (Note 4)	30,000,000.00	8 March 2019	Two years after the maturity date of the bond	Yes
HECIC Finance (Note 5)	20,000,000.00	1 March 2021	28 February 2022	Yes
HECIC Finance (Note 6)	55,796,000.00	8 December 2021	31 December 2022	Yes

Note 2: HECIC provided guarantees for the renewable green corporate bonds in the amount of RMB910 million issued by the Company in March 2019, for a guarantee period from 5 March 2019 to 4 March 2022. For details, please refer to Note VII. 54 in this Section. The guarantee fee was RMB145,187.31 in the six months ended 30 June 2022. As at 4 March 2022, the guarantee was fulfilled as the bonds were repaid upon maturity.

Note 3: HECIC provided guarantees for the Ping An-HECIC New Energy No. 1 Renewable Energy Additional Electricity Subsidy Green Asset-backed Special Programme in the amount of RMB285 million issued by the Company in December 2019, for a guarantee period from 26 December 2019 to 26 June 2023. The guarantee fee was RMB900,000.00 and RMB900,000.00 in the six months ended 30 June 2023 and the six months ended 30 June 2022 respectively. As at 26 December 2022, the guarantee was fulfilled as the bonds were repaid upon maturity.

Note 4: HECIC Finance provided guarantees for the long-term borrowing contract in the amount of RMB30,000,000.00 signed in March 2019 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 from 8 March 2019 to 7 March 2022. The guarantee fee was RMB27,083.33 in the six months ended 30 June 2022. As at 7 March 2022, the guarantee was fulfilled as the loan were repaid upon maturity.

Note 5: HECIC Finance provided a guarantee of RMB20,000,000.00 for electricity and deviation assessment fees paid by the Group to State Grid Hebei Electric Power Co., Ltd., for a guarantee period from 1 March 2021 to 28 February 2022. The guarantee fee was RMB16,164.38 for the six months ended 30 June 2022. The guarantee was fulfilled as of 8 February 2022.

Note 6: HECIC Finance provided a guarantee of RMB55,796,000.00 for liquefied natural gas receiving terminal charges paid by the Group to PipeChina Tianjin Liquefied Natural Gas Co., Ltd., for a guarantee period from 8 December 2021 to 31 December 2022. The guarantee fee was RMB209,459.51 for the six months ended 30 June 2022. The guarantee was fulfilled as of 31 December 2022.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(5). Capital lending/borrowing between related parties

Unit: Yuan Currency: RMB

Related party	Amount of lending/borrowing	Commencement date	Expiration date	Explanation
Borrowing				
HECIC Finance	1,295,000,000.00	22 February 2023 to 29 June 2023	21 February 2024 to 28 June 2024	Notes
Lending				
Nil				

Capital borrowing between related parties in 2022:

Related party	Amount of lending/borrowing	Commencement date	Expiration date	Description
HECIC Finance	1,197,321,971.69	25 January 2022 to 30 June 2022	21 September 2022 to 23 July 2048	Note

Note: For the six months ended 30 June 2023, the Group obtained a loan of RMB1,295,000,000.00 from HECIC Finance with an interest rate of 2.60%-5.15% per annum (for the six months ended 30 June 2022: RMB1,197,321,971.69, interest rate of 2.90%-4.20% per annum).

As at 30 June 2023, the balance of bills payable issued by the Group at HECIC Finance amounted to RMB8,863,636.67 (31 December 2022: RMB13,649,747.04), new bills payable amounted to RMB8,863,636.67 for the six months ended 30 June 2022 (for the six months ended 30 June 2022: RMB36,120,147.34), and RMB4,255.55 (for the six months ended 30 June 2022: RMB23,172.35) was paid as handling fee for this transaction.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)
5. Information on Related Party Transactions (continued)
(5). Capital lending/borrowing between related parties (continued)

Interest expense on capital borrowing and lending

Name	For the six months ended 30 June 2023	For the six months ended 30 June 2022
HECIC Finance	20,815,860.30	12,924,332.95

*Interest income**

Name	For the six months ended 30 June 2023	For the six months ended 30 June 2022
HECIC Finance	11,199,717.61	11,136,373.82

(6). Asset transfer and debt restructuring of related parties

Applicable Not applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(7). Emolument of key management

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Emolument of key management	3,385,942.27	3,543,052.11
Fees	194,636.47	145,792.50
Salaries, allowances and benefits in kind	2,957,903.40	3,186,308.97
Performance related incentive payments		
Contribution to pension plans	233,402.40	210,950.64

Key management includes executive Directors, supervisors, independent non-executive Directors and senior management.

Remuneration of Directors and supervisors

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Remuneration of Directors and supervisors	1,401,749.64	1,376,846.37

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(8). Other related party transactions

Capital increase and equity transfer by related parties

Capital increase by related parties

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
HECIC	11,250,000.00	

The aforesaid amount is the additional capital of Hebei Gas, a subsidiary of the Company, injected by HECIC.

Other related party transactions

Provision and use of credit by related parties*

As at 30 June 2023 and 31 December 2022, HECIC Finance granted to the Group credit facilities of RMB3.701 billion and RMB4.265 billion, respectively. The Group used RMB2.628 billion and RMB3.890 billion, respectively, and the remaining facilities were RMB1.073 billion and RMB375 million, respectively.

*Trademark license**

On 19 September 2010, the Company entered into the Trademark License Agreement with HECIC, pursuant to which HECIC has granted the Company a license to use two figurative marks registered by HECIC in HKSAR for a term of ten years with retrospective effect from 9 February 2010 at an annual license fee of RMB1. Prior to one month before the expiry of the agreement, the agreement was renewed automatically for three years upon serving of a notice in writing by the Company to HECIC. The above principle shall apply to future renewal. As at 30 June 2023, the effective expiration date of the Agreement is 9 February 2026.

On 4 March 2019, the Company entered into the Trademark License Agreement with HECIC, pursuant to which HECIC has granted the Company a license to use 6 of the 12 domestic trademarks in relation to the Company's principal business at nil consideration, and it was agreed for the exclusive use within the scope of the Company's principal business.

During the Reporting Period, besides the six trademarks licensed by HECIC, the Company had four valid registered trademarks in total.

* Related party transactions in connection with the above items also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

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 balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Chongli Construction & Investment	9,739,787.03	486,989.35	24,638,314.65	3,276,182.34
Accounts receivable	Zhangbei Construction & Investment	2,551,702.84	127,585.14	3,471,154.85	173,557.74
Prepayments	Yanzhao Property Insurance	31,252.03		32,949.55	
Other receivables	HECIC	874,500.35	874,500.35	874,500.35	874,500.35
Other receivables	Chongli Construction & Investment			18,044,687.12	1,302,234.36
Other receivables	Suntien Guohua			201,497.08	10,074.85
Other receivables	Chengde Wind Energy			15,090.08	754.50
Other receivables	HECIC Southeast Asia Investment Co., Ltd.			710,000.00	213,000.00
Dividend receivables	Chengde Wind Energy	23,171,956.55		23,171,956.55	
Dividend receivables	Weichang Longyuan	21,576,317.17		21,576,317.17	
Dividend receivables	Chongli Construction & Investment			2,578,509.22	
Dividend receivables	Zhangbei Construction & Investment			22,117,561.12	
Dividend receivables	Huihai Leasing	1,253,672.14		2,153,672.14	
Dividend receivables	HECIC Finance	15,700,106.37			
Dividend receivables	Chengde Dayuan	37,011,839.21			

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

Name of project	Related party	Closing book balance	Opening book balance
Advances from customers	Tangshan Haohua	1,161,061,946.88	1,161,061,946.88
Contract liabilities	Suntien Guohua	138,726.14	87,027.76
Contract liabilities	Tangshan Haohua	396,460,176.98	396,460,176.98
Other payables	Mingjia Property	200,600.00	200,600.00
Other payables	HECIC	137,248.65	32,969.49
Other payables	HECIC Rongtan	296,577.49	801,685.55
Other payables	Yanzhao Property Insurance	3,581,760.78	56,499.17
Other payables	Intelligent Financial	1,041,665.74	5,926,462.21
Dividend payable	HECIC	3,571,339.54	
Short-term borrowings	HECIC Finance	1,266,441,636.13	2,306,490,423.91
Long-term payable	Huihai Leasing	25,987,500.00	28,875,000.00
Long-term payables due within one year	Huihai Leasing	4,950,000.00	4,644,873.28
Lease liabilities	Huihai Leasing	424,144,188.44	457,453,176.84
Lease liabilities	HECIC		7,922,310.57
Lease liabilities due within one year	Huihai Leasing	82,127,340.93	89,727,492.09
Lease liabilities due within one year	HECIC	5,061,674.23	1,111,721.57
Long-term borrowings	HECIC Finance	99,440,000.00	82,440,000.00

Bills payable: as at 30 June 2023, the balance of bills payable issued by the Group with HECIC Finance as the acceptor amounted to RMB8,863,636.67 (31 December 2022: RMB13,649,747.04).

Related party receivables and payables, except short-term borrowings, long-term borrowings, long-term payables, long-term payables due within one year, lease liabilities, and lease liabilities due within one year, are non-interest bearing, unsecured and have no fixed repayment period.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

7. Commitments of related parties

Applicable Not applicable

8. Others

Centralised management of funds

Name	30 June 2023	31 December 2022
HECIC Finance	2,167,029,145.01	3,510,955,880.39

The Group entered into a financial services framework agreement with HECIC Finance to implement centralised management of funds. All funds were on demand, with the interest rate of 0.35%-1.21% and no fixed term. The drawdown of funds under centralised management was not restricted.

XIII. SHARE-BASED PAYMENT

1. General Information of Share-based Payment

Applicable Not applicable

2. Equity-settled Share-based Payment

Applicable Not applicable

3. Cash-settled Share-based Payment

Applicable Not applicable

4. Modifications and Termination of Share-based Payment

Applicable Not applicable

5. Others

Applicable Not applicable

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant Commitments

Significant external commitments, nature, and amount as at the balance sheet date

	30 June 2023	31 December 2022
Contracted, but not provided for		
Capital commitment	10,975,215,942.63	10,965,887,079.70
Investment commitment	374,536,831.40	359,236,831.40
Total	11,349,752,774.03	11,325,123,911.10

2. Contingencies

(1). Significant contingencies as at the balance sheet date

Items	30 June 2023	31 December 2022	
Contingent liabilities arising from guarantees given to external parties	131,500,000.00	136,500,000.00	Note 1
Contingent liabilities arising from pending litigation or arbitration	79,735,852.23	63,656,409.50	Note 2
Total	211,235,852.23	200,156,409.50	

Note 1: The Group provided guarantees for a credit line applied by Suntien Guohua, a joint venture. The above amount represents the maximum losses the Group would incur in case of default by the guaranteed party. The above guaranteed party has normal operation with sound asset conditions, therefore no significant default risk is expected and the Group did not recognise any expected liabilities in relation to the financial guarantee.

Note 2: The Group may be involved in disputes, lawsuits or claims with customers, suppliers and other parties in the ordinary course of business. Following the consultation with a legal counsel and reasonable estimation of the outcome of the pending disputes, lawsuits or claims by the management of the Company, the Group made provisions for those disputes, lawsuits or claims that are likely to cause losses to the Group. No provision has been made for these pending disputes, lawsuits and claims for which the final outcome cannot be reasonably estimated at this time or which, in the opinion of the Company's management, will not have a material adverse effect on the Group's results of operations or financial position.



XIV. COMMITMENTS AND CONTINGENCIES (continued)

2. Contingencies (continued)

(2). Please explain if no significant contingencies is required to be disclosed by the Company:

Applicable Not applicable

3. Others

Applicable Not applicable

XV. EVENTS AFTER BALANCE SHEET DATE

1. Significant Non-adjustment Events

Applicable Not applicable

2. Profit Distribution

Applicable Not applicable

3. Sales Return

Applicable Not applicable

4. Explanation on Other Events after Balance Sheet Date

Applicable Not applicable

XVI. OTHER SIGNIFICANT EVENTS

1. Correction of Previous Accounting Errors

(1). Retrospective restatement

Applicable Not applicable

(2). Prospective application method

Applicable Not applicable

2. Debt Restructuring

Applicable Not applicable

3. Asset Replacement

(1). Exchange of non-monetary assets

Applicable Not applicable

(2). Other asset replacement

Applicable Not applicable

4. Annuity Plan

Full-time employees of the Group are covered by various government-sponsored pension plans. These government agencies are responsible for the pension liability to these employees upon retirement. The Group contributes on a monthly basis to these pension plans. The contribution rate of basic pension insurance is 16%-20% of total wages, the contribution rate of unemployment insurance is 0.5%-0.7% of total wages, and the contribution rate of enterprise annuity is 8% of total wages. The pension insurance is capped at three times the average social wage in the social security area, and there is no upper limit on the contribution rate for unemployment insurance and enterprise annuity. All contributions made under the government-sponsored pension plans described above are fully attributable to employees at the time of the payment and the Group is unable to forfeit any amounts contributed by it to such plans. Contributions made by the Company under the annuity fund plan that is forfeited in respect of those employees who resign from their positions prior to the full vesting of the contributions will be recorded in the public account of the annuity fund and shall not be used to offset any contributions to be made by the Company in the future. All funds in the public account will be attributed to the employees whose accounts are in normal status after the approval procedures are completed as required. Under these plans, the Group has no obligation for retirement benefit beyond the contributions made.



XVI. OTHER SIGNIFICANT EVENTS (continued)

5. Termination of Business

Applicable Not applicable

6. Segment Information

(1). Determination criteria and accounting policies of the reporting segments

Operating segments

For management purposes, the Group organises its business units by product and service and has 3 reportable segments as follows:

The natural gas segment mainly provides the sale of natural gas and natural gas appliances and the provision of services for the construction and connection of natural gas pipelines.

The wind power and solar energy segment is mainly engaged in the development, management and operation of wind farms, solar power plants and the sale of electricity to external power grid companies.

Other segments are mainly engaged in management and property leasing business, etc.

Management monitors the operating results of each of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment results are evaluated based on reported segment profit after tax.

Internal transfer prices shall be determined by reference to the prices of sales or services to third parties.

XVI. OTHER SIGNIFICANT EVENTS (continued)

6. Segment Information (continued)

(2). Financial information of the reporting segments

Unit: Yuan Currency: RMB

Items	Natural gas	Wind and photovoltaic power generation	Others	Elimination upon consolidation	Total
Operating revenue	6,628,548,243.93	3,420,279,759.88	32,042,004.19	-33,508,214.58	10,047,361,793.42
Operating costs	6,124,299,854.13	1,158,502,219.23	2,481,853.91	-15,857,682.65	7,269,426,244.62
Total assets	29,809,183,132.19	45,064,502,277.69	9,841,633,241.77	-7,509,665,306.64	77,205,653,345.01
Total liabilities	23,509,794,156.98	30,928,014,846.01	4,347,795,601.26	-7,281,297,866.68	51,504,306,737.57
Investment income from joint ventures and associates	61,718,177.70	39,566,159.19	73,881,667.91		175,166,004.80
Credit impairment losses/(-reversals)	4,821,882.76	5,640,649.65	-169,754.29		10,292,778.12
Depreciation and amortisation expense	120,742,945.71	1,125,626,275.11	6,874,313.68		1,253,243,534.50
Total profit/(-loss)	408,788,197.41	1,596,468,584.94	103,029,399.86	-31,310,056.54	2,076,976,125.67
Income tax expenses	99,224,260.81	263,444,656.77	103,773.92	156,658.10	362,929,349.60
Non-cash expenses other than depreciation and amortisation expenses	4,821,882.76	8,152,727.89	-169,754.29		12,804,856.36
Capital expenditure	3,161,626,858.98	1,233,040,833.44	4,058,814.18		4,398,726,506.60

Note: Capital expenditures included the increase in investment property, fixed assets, construction in progress, right-of-use assets, intangible assets, development costs and long-term deferred expenses for the current year.

(3). Please explain if the Company has no reporting segments or is unable to disclose the total assets and total liabilities of each reporting segment

Applicable Not applicable

XVI. OTHER SIGNIFICANT EVENTS (continued)

6. Segment Information (continued)

(4). Other explanations

More than 90% of the Group's revenue was derived from Northern China, which is managed in a unified and centralised manner by the management. Therefore, the Group had only one regional segment.

Geographical information

Revenue from external customers

Name	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Mainland China	10,047,361,793.42	10,225,309,885.43

Revenue from external customers was attributable to the regions where the customers were located, and all customers were located in Mainland China.

Total non-current assets

Name	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Mainland China (excluding Hong Kong, Macao and Taiwan regions)	65,068,547,959.02	61,907,282,282.04
Hong Kong, Macao and Taiwan regions	3,686,474.09	4,962,067.31
Total	65,072,234,433.11	61,912,244,349.35

The non-current assets were attributable to the regions where such assets were located, and excluded financial assets and deferred income tax assets.

Information about major customers

Operating revenue of RMB3,118,691,721.90 (for the six months ended 30 June 2022: RMB3,127,331,075.71) was the revenue generated from a single customer (including all entities known to be under the control of the customer) under the operating segments.

XVI. OTHER SIGNIFICANT EVENTS (continued)

7. Other Significant Transactions and Events Affecting Investors' Decision-making

Applicable Not applicable

8. Others

Leases

(1) As lessor

The Group leases out certain of its houses and buildings for a lease term of 1-2 years, which constitute operating leases. For the six months ended 30 June 2023, the income generated from the leased houses and buildings amounted to RMB450,274.29 (for the six months ended 30 June 2022: RMB348,548.56). Leased houses and buildings are presented under investment properties. For details, please refer to Note VII. 20 in this Section.

Operating leases

Gains or losses related to operating leases are presented as follows:

Items	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Rental income	450,274.29	348,548.56

Pursuant to the lease contracts entered into with the lessees, the minimum lease receivables under non-cancellable leases are as follows:

Items	30 June 2023	30 June 2022
Within 1 year (inclusive)	1,761,120.00	2,059,920.00
1 to 2 years (inclusive)	1,230,960.00	1,209,920.00
2 to 3 years (inclusive)		1,209,920.00
3 to 4 years (inclusive)		500,000.00
Total	2,992,080.00	4,979,760.00

XVI. OTHER SIGNIFICANT EVENTS (continued)

8. Others (continued)

(2) As lessee

Items	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Interest expense on lease liabilities	23,845,368.39	17,093,963.55
Expenses on short-term leases and leases of low-value assets included in profit or loss accounted for under the simplified approach	6,469,409.35	6,368,282.16
Total cash outflows relating to leases	79,250,510.05	132,200,619.85
Relevant profit or loss arisen from leaseback transactions	1,882,470.06	5,185,410.32
Cash outflows from leaseback transactions	21,778,056.94	168,715,152.82

The Group leases several parcels of land, wind turbines and related equipment, buildings and transportation equipment. Right-of-use assets are depreciated on a straight-line basis.

The lease assets leased by the Group include the houses and buildings, machinery and equipment, transportation equipment and other equipment used during the course of operation. The houses and buildings and machinery and equipment are usually leased for a term of 2-20 years, while the transportation equipment and other equipment are usually leased for a term of 2-5 years. Lease contracts usually stipulate that the Group cannot sublease the lease assets, and some lease contracts require the Group to maintain a certain level of financial indicators. A few lease contracts contain terms for renewal options, termination options, and variable rentals.

Other leasing information

For right-of-use assets, see Note VII. 25 in this Section; for simplified treatment of short-term leases and leases of low-value assets, see Note V. 34 in this Section; and for lease liabilities, see Note VII. 47 in this Section.

XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts Receivable

(1). Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	
Including: Sub-items within 1 year	
Within 6 months	27,253,755.87
6 months to 1 year	
Sub-total within 1 year	27,253,755.87
1 year to 2 years	
2 to 3 years	
Over 3 years	
Total	27,253,755.87

XVII.NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

1. Accounts Receivable (continued)

(2). Disclosure by classification of bad debt provisions

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Book value	Amount	Percentage (%)	Amount	Percentage of provision (%)	Book value
Bad debt provision on an individual basis										
Of which:										
Bad debt provision on a group basis	27,253,755.87	100.00			27,253,755.87	46,659,528.74	100.00	351,534.68	/	46,307,994.06
Of which:										
No recovery risk	27,253,755.87	100.00			27,253,755.87	39,628,835.16	84.93			39,628,835.16
Aging group						7,030,693.58	15.07	351,534.68	5.00	6,679,158.90
Total	27,253,755.87	/	/	/	27,253,755.87	46,659,528.74	/	351,534.68	/	46,307,994.06

Provision for bad debts on an individual basis:

Applicable Not applicable

Provision for bad debts on a group basis:

XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

1. Accounts Receivable (continued)

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

Item provision on a group basis: No recovery risk

Unit: Yuan Currency: RMB

Name	Accounts receivable	Closing balance	
		Provision for bad debts	Percentage of provision (%)
Receivables of the Company within the scope of the consolidated financial statements of the Group	27,253,755.87		
Total	27,253,755.87		

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

Applicable Not applicable

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

Applicable Not applicable

(3). Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Change for the Period			Closing balance
			Recovered or reversed	Transfer out or write-off	Other changes	
Aging analysis	351,534.68		351,534.68			
Total	351,534.68		351,534.68			

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

Applicable Not applicable

XVII.NOTES TO 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

Name of entity	Closing balance	Percentage of the closing balance of total accounts receivable (%)	Nature	Aging	Closing balance of provision for bad debts
Hebei Fengning Construction & Investment New Energy Co., Ltd. (河北豐寧建投新能源有限公司)	12,505,073.21	45.88	Service fee	Within 6 months	
Jianshui Suntien Wind Energy Co., Ltd. (建水新天風能有限公司)	2,342,169.18	8.59	Service fee	Within 6 months	
Wei County Suntien Wind Energy Co., Ltd. (蔚縣新天風能有限公司)	1,809,391.07	6.64	Service fee	Within 6 months	
Tongdao Suntien Green Energy Co., Ltd. (通道新天綠色能源有限公司)	1,400,734.09	5.14	Service fee	Within 6 months	
Suntien Green Energy (Fengning) Co., Ltd. (新天綠色能源(豐寧)有限公司)	1,300,580.79	4.77	Service fee	Within 6 months	
Total	19,357,948.34	71.02			

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

Applicable Not applicable

(7). Amount of assets or liabilities incurred by continuing involvement with transferred accounts receivable

Applicable Not applicable

Other explanations:

Applicable Not applicable

XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other Receivables

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividend receivables	1,236,960,900.40	424,311,740.40
Other receivables	2,499,022,347.27	1,783,282,538.94
Total	3,735,983,247.67	2,207,594,279.34

Other explanations:

Applicable Not applicable

Interest receivable

(1). *Classification of interest receivable*

Applicable Not applicable

(2). *Significant overdue interest*

Applicable Not applicable

(3). *Provision for bad debts*

Applicable Not applicable

Other explanations:

Applicable Not applicable

XVII.NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other Receivables (continued)

Dividend receivables

(4). Dividend receivables

Unit: Yuan Currency: RMB

Projects (or Invested unit)	Closing balance	Opening balance
HECIC New Energy Co., Ltd.	602,269,719.36	
Hebei Fengning Construction & Investment New Energy Co., Ltd. (河北豐寧建投新能源有限公司)	437,490,195.07	320,149,960.84
Suntien Green Energy (Fengning) Co., Ltd. (新天綠色能源(豐寧)有限公司)	117,471,080.45	104,161,779.56
Chengdedayuan New Energy Co., Ltd.	37,011,839.21	
Hebei Construction & Investment Group Finance Co., Ltd.	15,700,106.37	
Fuping Jixin Suntien Green Energy Co., Ltd.	14,231,092.42	
Heilongjiang Suntien Hadian New Energy Investment Co., Ltd.	12,786,867.52	
Total	1,236,960,900.40	424,311,740.40

(5). Significant dividends receivable aging over 1 year

Applicable Not applicable

(6). Provision for bad debts

Applicable Not applicable

Other explanations:

Applicable Not applicable

**XVII.NOTES TO 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 book balance
Within 1 year	
Including: Sub-items within 1 year	
Within 6 months	977,882,197.13
6 months to 1 year	1,129,975,000.00
Sub-total within 1 year	2,107,857,197.13
1 year to 2 years	66,738.62
2 to 3 years	4,178,704.10
Over 3 years	386,993,109.00
Total	2,499,095,748.85

(8). *Classification by nature*

Unit: Yuan Currency: RMB

Nature	Closing book balance	Opening book balance
Internal borrowings (Note 1)	2,303,360,000.00	1,624,520,000.00
Intercompany amount	195,069,410.23	152,508,122.21
Advances	46,338.62	1,386,898.51
Deposits	620,000.00	5,620,000.00
Others		1,607,885.10
Total	2,499,095,748.85	1,785,642,905.82

Note 1: The interest rates of the Company's internal borrowings with its subsidiaries range from 3.86% to 5.15%.

XVII.NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other Receivables (continued)

Other receivables (continued)

(9). Provision for bad debts

Unit: Yuan Currency: RMB

Provision for bad debts	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 2023	2,360,366.88			2,360,366.88
Balance at 1 January 2023 during the period				
-Transfer into the second stage				
-Transfer into the third stage				
-Reversal to the second stage				
-Reversal to the first stage				
Provision during the period	2,425,866.70			2,425,866.70
Reversal during the period	-2,325,733.02			-2,325,733.02
Transfer out during the period	-2,387,098.98			-2,387,098.98
Write-off during the period				
Other changes				
Balance as at 30 June 2023	73,401.58			73,401.58

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. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other Receivables (continued)

Other receivables (continued)

(10). Provision for bad debts

Unit: Yuan Currency: RMB

Items	Opening balance	Provision	Change for the Period		Other changes	Closing balance
			Recovered or reversed	Transfer out or write-off		
Provision for bad debts of other receivables	2,360,366.88	2,425,866.70	2,325,733.02	2,387,098.98		73,401.58
Total	2,360,366.88	2,425,866.70	2,325,733.02	2,387,098.98		73,401.58

Among them, significant amounts of provision 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 write-off:

Applicable Not applicable

XVII.NOTES TO 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	Aging	Percentage of the total closing balance of other receivables (%)	Provision for bad debts Closing balance
Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	Internal borrowings and current accounts	1,892,440,000.00	Within 1 year	75.72	
HECIC New Energy Co., Ltd.	Internal borrowings	176,000,000.00	Over 3 years	7.04	
Ruoqiang Suntien Green Energy Co., Ltd.	Internal borrowings and current accounts	102,385,400.00	Within 1 year, 1-2 years and over 3 years	4.10	
Fuping Jixin Suntien Green Energy Co., Ltd.	Intercompany	72,341,403.53	Within 6 months and over 2 years	2.89	
Guangxi Suntien Green Energy Co., Ltd.	Intercompany	51,500,000.00	Within 6 months and over 3 years	2.06	
Total	/	2,294,666,803.53	/	91.81	

(13). Receivables related to government grants

Applicable Not applicable

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

Applicable Not applicable

**XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
(continued)**
2. Other Receivables (continued)
Other receivables (continued)

(15). Amount of assets or liabilities incurred by continuing involvement with transferred other receivables

Applicable Not applicable

Other explanations:

At the balance sheet date, the accounts receivable with provision for bad debts made on credit risk characteristics grouping basis are as follows:

Items	30 June 2023			Book value
	Book balance		Provision for	
	Amount	Percentage (%)	bad debts Amount	
Provision for bad debts for expected credit losses based on credit risk characteristics grouping	2,499,095,748.85	100.00	73,401.58	2,499,022,347.27

Items	31 December 2022			Book value
	Book balance		Provision for	
	Amount	Percentage (%)	bad debts Amount	
Provision for bad debts for expected credit losses based on credit risk characteristics grouping	1,785,642,905.82	100.00	2,360,366.88	1,783,282,538.94

XVII.NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other Receivables (continued)

Other receivables (continued)

(15). Amount of assets or liabilities incurred by continuing involvement with transferred other receivables (continued)

No recovery risk:

Items	30 June 2023		Provision for bad debts Amount
	Book balance		
	Amount	Percentage (%)	
Receivables of the Company within the scope of the consolidated financial statements of the Group	2,498,429,410.23	100.00	

Items	31 December 2022		Provision for bad debts Amount
	Book balance		
	Amount	Percentage (%)	
Receivables of the Company within the scope of the consolidated financial statements of the Group	1,777,028,122.21	100.00	

**XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
(continued)**
2. Other Receivables (continued)
Other receivables (continued)

(15). Amount of assets or liabilities incurred by continuing involvement with transferred other receivables (continued)

Other receivables for which the provision for bad debts was made using an aging analysis on a grouping basis are as follows:

Items	Carrying balance estimated to be in default	30 June 2023	
		Expected credit loss rate (%)	Expected credit losses
Within 6 months	10,000.00	5.00	500.00
6 months to 1 year	620,000.00	10.00	62,000.00
1 to 2 years	36,338.62	30.00	10,901.59
Total	666,338.62	/	73,401.58

Items	Carrying balance estimated to be in default	31 December 2022	
		Expected credit loss rate (%)	Expected credit losses
Within 6 months	976,492.14	5.00	48,824.60
6 months to 1 year	690,589.56	10.00	69,058.96
1 to 2 years	6,156,838.19	30.00	1,847,051.46
2 to 3 years	790,863.72	50.00	395,431.86
Total	8,614,783.61	/	2,360,366.88

XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term Equity Investments

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance			
	Book balance	Impairment provisions	Book value	Book balance	Impairment provisions	Book value
Investments in subsidiaries	12,235,503,210.73		12,235,503,210.73	12,176,553,210.73	20,000,000.00	12,156,553,210.73
Investments in associates and joint ventures	933,585,415.04		933,585,415.04	877,879,860.50		877,879,860.50
Total	13,169,088,625.77		13,169,088,625.77	13,054,433,071.23	20,000,000.00	13,034,433,071.23

(1) Investments in subsidiaries

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Impairment provisions during the period	Closing balance of impairment provisions
HECIC New Energy	5,140,262,260.98			5,140,262,260.98		
Hebei Natural Gas	1,268,486,574.46			1,268,486,574.46		
Suntien Green Energy (Fengning) Co., Ltd. (新天綠色能源(豐寧)有限公司)	173,600,000.00			173,600,000.00		
Jianshui Suntien Wind Energy Co., Ltd. (建水新天風能有限公司)	163,170,000.00			163,170,000.00		
Heilongjiang Suntien Hadian New Energy Investment Co., Ltd.	244,138,300.00	15,800,000.00		259,938,300.00		
Suntien Green Energy Investment (Beijing) Co., Ltd. (新天綠色能源投資(北京)有限公司)	60,000,000.00			60,000,000.00		
Suntien Green Hong Kong	509,203,023.00			509,203,023.00		
Ruoqiang Suntien Green Energy Co., Ltd.	178,100,000.00	31,200,000.00		209,300,000.00		
Xinyang Suntien Wind Energy Co., Ltd.	90,000,000.00			90,000,000.00		
Junan Suntien Wind Energy Co., Ltd.	103,000,000.00			103,000,000.00		
Suntien Shenzhen	194,500,000.00			194,500,000.00		
Suntien Hebei Solar Energy Development Co., Ltd.	33,060,900.00			33,060,900.00		
Hebei Fengning Construction & Investment New Energy Co., Ltd. (河北豐寧建設新能源有限公司)	934,830,000.00			934,830,000.00		
Guangxi Suntien Green Energy Co., Ltd.	114,500,000.00			114,500,000.00		

XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Impairment provisions during the period	Closing balance of impairment provisions
Weihui Suntien Green Energy Co., Ltd.	84,000,000.00			84,000,000.00		
Tongdao Suntien Green Energy Co., Ltd. (通道新天綠色能源有限公司)	158,870,000.00			158,870,000.00		
Chaoyang Suntien New Energy Co., Ltd.	32,000,000.00			32,000,000.00		
Offshore Wind Power	491,900,000.00	7,340,000.00		499,240,000.00		
HECIC New Energy (Tangshan) Co., Ltd. (建投新能源(唐山)有限公司)	86,000,000.00			86,000,000.00		
Fuliang Zhongling Suntien Green Energy Co., Ltd.	168,000,000.00			168,000,000.00		
Suntien Hebei Power Sale Co., Ltd.	38,000,000.00			38,000,000.00		
Fangchenggang Suntien Green Energy Co., Ltd.	93,300,000.00			93,300,000.00		
Fuping Jixin Suntien Green Energy Co., Ltd.	165,800,000.00			165,800,000.00		
Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	1,326,031,100.00			1,326,031,100.00		
Suntien Green Energy Lianyungang Co., Ltd.	138,000,000.00			138,000,000.00		
Hebei Gas Co., Ltd.	68,750,000.00	16,500,000.00		85,250,000.00		
Jianrong Photovoltaic Technology Company	22,777,752.29			22,777,752.29		
HECIC New Energy Supply Chain Management Co., Ltd.	10,000,000.00	10,000,000.00		20,000,000.00		
Suntien Green Energy (Tianjin) Co., Ltd. (新天綠色能源(天津)有限公司)	10,000,000.00			10,000,000.00		
Xinjiang Yusheng New Energy Development Co., Ltd. (新疆宇晟新能源開發有限公司)	16,289,400.00			16,289,400.00		
Suntien Green Energy Qinhuangdao Beidaihe New District Co., Ltd. (新天綠色能源秦皇島北戴河新區有限公司)		2,100,000.00		2,100,000.00		
Others	39,983,900.00	11,010,000.00	15,000,000.00	35,993,900.00		
Total	12,156,553,210.73	93,950,000.00	15,000,000.00	12,235,503,210.73		

XVII.NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term Equity Investments (continued)

(2) Investments in associates and joint ventures

Unit: Yuan Currency: RMB

Investee	Opening balance	Additional investments	Decrease in investments	Increase/decrease during the period				Closing balance	Closing balance of impairment provisions
				Gain or loss of investment recognised using equity approach	Adjustments to other comprehensive income	Changes in other equity	Declaration of payment of cash dividend or profit		
I. Joint ventures									
Harbin Qingfeng New Energy	2,000,000.00	19,000,000.00							21,000,000.00
Suntien Guohua	47,625,725.52			946,220.53		1,587,342.08			50,159,288.13
Chengde Dayuan	202,018,110.91			31,157,745.95			51,423,603.21		181,752,253.65
Sub-total	251,643,836.43	19,000,000.00		32,103,966.48		1,587,342.08	51,423,603.21		252,911,541.78
II. Associates									
HECIC Rongtan	20,878,192.55			1,247,705.70					22,125,898.25
Zhonghang Sehan Green Energy	11,373,759.58			-621,100.81					10,752,658.77
Fengning Pumped Storage	578,484,071.94			49,259,236.19				907,565.37	628,650,873.50
Jinjianjia	15,500,000.00	2,310,633.00							17,810,633.00
Huludao Gas				224,260.94				1,109,548.80	1,333,809.74
Sub-total	626,236,024.07	2,310,633.00		50,110,102.02				2,017,114.17	680,673,873.26
Total	878,879,860.50	21,310,633.00		82,214,068.50		1,587,342.08	51,423,603.21	2,017,114.17	933,585,415.04

Other explanations:

Applicable Not applicable

XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

4. 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	
	Revenue	Cost	Revenue	Cost
Principal operations				
Other operations	28,114,134.85	1,363,812.89	75,000.00	
Total	28,114,134.85	1,363,812.89	75,000.00	

(2). Revenue from contracts

Applicable Not applicable

(3). Description on performance obligations

Applicable Not applicable

(4). Description on allocation to remaining performance obligations

Applicable Not applicable

Other explanations:

Nil

XVII.NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

5. Investment Gains

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	2,029,964,097.15	1,547,512,662.61
Long-term equity investment income accounted for under the equity method	82,214,068.50	12,948,211.41
Investment gain on disposal of long-term equity investment	3,495,186.96	
Investment gain of held-for-trading financial assets during the period of holding	5,085,041.10	
Dividend income from investment in other equity instruments during the period of holding	15,700,106.37	14,744,642.19
Interest income from debt investment in the period of holding		
Interest income from other debt investment in the period of holding		
Investment gain on disposal of held-for-trading financial assets		
Investment gain on disposal of investment in other equity instruments		
Investment gain on disposal of debt investment		
Investment gain on disposal of other debt investment		
Gain on debt restructuring		
Total	2,136,458,500.08	1,575,205,516.21

Other explanations:

Nil

6. Others

Other non-current assets

Items	Closing balance	Opening balance
Capital lending/borrowing	3,233,320,600.00	3,589,430,600.00
Others		134,000.00
Total	3,233,320,600.00	3,589,564,600.00

XVIII. SUPPLEMENTARY INFORMATION

1. Non-recurring Gain or Loss Statement of the Period

Unit: Yuan Currency: RMB

Items	Amount	Description
Gain or loss on disposal of non-current assets	-2,561,530.16	
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	33,270,104.12	
Fund possession cost levied on non-financial enterprises and included in the current profit or loss		
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	5,085,041.10	
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test		
Gain or loss from external entrusted loans		
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurement		
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	5,456,040.04	
Other items of non-recurring gains or losses	1,392,167.28	
Less: Effect of income tax	6,661,955.06	
Effect of minority interests (after taxation)	16,159,179.70	
Total	19,820,687.62	

XVIII. SUPPLEMENTARY INFORMATION (continued)

1. Non-recurring Gain or Loss Statement of the Period (continued)

Explanation on the reasons for the Company's identification of non-recurring gain or loss items according to the definition under the "Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Gain or Loss", and the identification of non-recurring gain or loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Gain or Loss" as recurring gain or loss items.

Unit: Yuan Currency: RMB

Items	Amount involved	Reasons
VAT refund	110,707,390.83	Government subsidies 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 are defined as recurring profit or loss.

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	7.05	0.34	0.34
Net profit attributable to ordinary shareholders of the Company, net of non-recurring gain or loss	6.95	0.33	0.33

For the six months ended 30 June 2022 (Restated)

Profit generated during the Reporting Period	Weighted average net return rate of assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	8.47	0.38	0.38
Net profit attributable to ordinary shareholders of the Company, net of non-recurring gain or loss	8.43	0.38	0.38

The Group has no dilutive potential ordinary shares.

XVIII. SUPPLEMENTARY INFORMATION (continued)

2. Net Return Rate of Assets and Earnings Per Share (continued)

	For the six months ended 30 June 2023 (RMB/share)	For the six months ended 30 June 2022 (RMB/share) (Restated)
Basic earnings per share		
Continuing operations	0.34	0.38
Diluted earnings per share		
Continuing operations	0.34	0.38

The basic earnings per share was calculated by dividing the net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares. The number of new ordinary shares issued was determined according to the specific terms of the issuance contract and calculated from the date of consideration receivable (normally the stock issuance date).

The calculation of basic earnings per share and diluted earnings per share is detailed as follows:

Earnings	For the six months ended 30 June 2023	For the six months ended 30 June 2022 (Restated)
Net profit for the current period attributable to ordinary shareholders of the Company		
Continuing operations	1,438,596,728.65	1,615,869,815.04
Less: Distribution related to the first tranche of perpetual bonds in 2019		7,484,750.00
Less: Distribution related to the first tranche of perpetual bonds in 2021	26,928,777.78	26,928,777.78
Adjusted net profit for the period attributable to ordinary shareholders of the Company	1,411,667,950.87	1,581,456,287.26
Shares		
Adjusted weighted average number of outstanding ordinary shares of the Company	4,187,093,073.00	4,187,093,073.00

The Group has no dilutive potential ordinary shares.



XVIII. SUPPLEMENTARY INFORMATION (continued)

3. Differences in Accounting Data under Domestic and Foreign Accounting Standards

Applicable Not applicable

4. Others

Applicable Not applicable

Chairman: **Cao Xin**

Date Approved by the Board for Submission: 29 August 2023

Information Revision

Applicable Not applicable

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