

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA SUNTIEN GREEN ENERGY CORPORATION LIMITED*
新天綠色能源股份有限公司

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

(Stock Code: 00956)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2021:

- operating revenue was RMB8,404 million, representing an increase of 27.60% as compared with the same period of last year;
- net profit attributable to shareholders of the parent company was RMB1,584 million, representing an increase of 67.15% as compared with the same period of last year;
- basic earnings per share was RMB0.40.

The board of directors is pleased to announce the unaudited interim consolidated results of the Group for the six months ended 30 June 2021. These interim results have been reviewed by the Audit Committee of the board of directors.

For details of the Group's financial performance, please refer to the financial information set out in the appendix to this announcement.

A. MANAGEMENT DISCUSSION AND ANALYSIS

I. Description of Industry in Which the Company Operates and Principal Business During the Reporting Period

(I) Principal business and business model

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

1. Natural gas business

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

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

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

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

(2) Sale of natural gas

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

2. *Wind power business*

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

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

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

(2) Sale of electricity

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

(II) Industry situation

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

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

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

1. Gas segment

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

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

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

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

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

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

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

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

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

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

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

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

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

2. *New energy segment*

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

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

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

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

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

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

(4) Increasingly difficult to develop new quality projects

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

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

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

II. Analysis on the Core Competitiveness During the Reporting Period

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

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

III. Business Discussion and Analysis

(I) Operating Environment

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

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

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

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

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

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

(II) BUSINESS REVIEW

1. Business review of the natural gas business

(1) Steady increase in sales volume of natural gas

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

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

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

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

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

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

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

(5) Prudent development of CNG and LNG projects

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

2. *Business review of the wind power business*

(1) Steady increase in power generation of wind farms

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

(2) Sturdily proceeding with project construction

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

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

(3) Active expansion in wind resources reserves

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

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

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

3. *Other businesses*

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

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

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

(III) Business Discussion and Analysis

1. Overview

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

2. Net profit

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

3. Net profit attributable to shareholders of the listed company

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

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

4. Gain or loss attributable to minority shareholders

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

5. *Contingent liabilities*

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

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

6. *Cash flows*

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

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

7. *Capital expenditure*

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

Unit: '000 Yuan Currency: RMB

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

8. *Borrowings*

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

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

9. *Debt-to-asset ratio*

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

10. *Substantial mortgage*

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

IV. Major Operations During the Reporting Period

(I) ANALYSIS OF PRINCIPAL BUSINESS

1. Analysis of changes in relevant items of financial statements

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

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

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

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

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

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

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

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

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

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

(II) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

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

2. Information on foreign assets

(1) Size of assets

Of which: foreign assets 1.88 (Unit: '00 million Yuan Currency: RMB), representing 0.30% of total assets.

3. RESTRICTIONS ON MAIN ASSETS AS OF THE END OF THE REPORTING PERIOD

Unit: Yuan Currency: RMB

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

(III) Analysis of investment status

1. General analysis of external equity investments

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

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

Unit: '0,000 Yuan Currency: RMB

Investment amount during the Reporting Period	Investment amount of the corresponding period last year	Percentage change
—	<u>980.72</u>	<u>-100.00%</u>

2. *Financial assets measured at fair value*

Unit: Yuan Currency: RMB

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

(IV) 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: '0,000 Yuan Currency: RMB

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

V. Potential risks

1. *Wind power business*

(1) *Risk of market-based electricity trading*

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

(2) *Increase in management difficulty of construction*

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

(3) *Continuation of wind curtailment and power constraints*

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

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

2. Natural gas business

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

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

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

(2) Increased difficulty for payment collection of accounts receivable

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

3. Interest rate risk

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

VI. Prospects for the Second Half of the Year

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

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

VII. Significant Events after the Reporting Period

The Company was approved by the Public Offering Review Committee of the China Securities Regulatory Commission for the non-public issuance of A shares (the “**Issuance**”) on 26 July 2021. On 24 August 2021, written approval was received from the China Securities Regulatory Commission for the Issuance. For details, please refer to the section “C. Purchase, Sale or Redemption of Securities of the Company” below.

B. DIVIDENDS

The board of directors did not make any recommendation on the distribution of an interim dividend for the six months ended 30 June 2021.

C. PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

Save as disclosed in the section headed “D. Particulars of Corporate Bonds” below, neither the Company nor its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

In addition, in order to enhance the profitability and sustainable development capabilities, lower debt-to-asset ratio and enhance risk resistance capacity, on 5 March 2021, the Company made an announcement, per which, a non-public issuance of A shares with a nominal value of RMB1.00 each to not more than 35 investors including HECIC was proposed. The issue price shall be fixed at neither no less than 80% of the average trading price of A shares in the 20 trading days prior to the pricing benchmark date (average trading price of A shares in the 20 trading days before the pricing benchmark date = total trading amount of A shares in the 20 trading days before the pricing benchmark date ÷ total trading volume of A shares in the 20 trading days before the pricing benchmark date) and no less than the latest audited net asset per share attributable to holders of ordinary shares of parent company (if the CSRC made adjustments to the pricing method of the non-public issuance prior to the issuance, the minimum price under the issuance shall be adjusted by the Board, as authorized by the general meeting, pursuant to the requirements of relevant laws and regulations). The net proceeds from the issuance after deducting the relevant issuance expenses will be used for the construction of Tangshan LNG Project (first phase and second phase) and Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section and Baodi-Yongqing section), and it will also be used to replenish working capital and repay bank loan of the Company. The above non-public issuance of A shares was approved by the shareholders of the Company and each class of shareholders at the 2021 second extraordinary general meeting, the second A share class general meeting in 2021 and the second H share class meeting in 2021 held on 23 April 2021, respectively. The written approval for the application for the project has been obtained from the China Securities Regulatory Commission and the subsequent work is in progress. For details, please refer to the announcements and shareholders’ circular of the Company since March 2021.

D. PARTICULARS OF CORPORATE BONDS

All of the Company's corporate bonds, which are publicly issued and listed on a stock exchange and have not yet expired as of the disclosure date of this report, are listed as follows:

(I) Debenture, corporate bonds and debt financing instruments of non-financial enterprises

1. Basic information of corporate bonds

Unit: '00 million Yuan Currency: RMB

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

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

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

3. Description of other information of corporate bond

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

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

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

Unit: '00 million Yuan Currency: RMB

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

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

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

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

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

(III) Principal Accounting Data and Financial Indicators

Unit: Yuan Currency: RMB

Principal Indicators	At the end	At the end of	Increase/ decrease at the end of the Reporting Period as compared to the end of	Reason for changes
	of Reporting Period	previous year	last year (%)	
Current ratio	71.52%	63.79%	12.12	Mainly due to the increase in cash and accounts receivables as compared with last year
Quick Ratio	63.97%	53.78%	18.95	Mainly due to the increase in cash and accounts receivables as compared with last year
Debt-to-asset Ratio (%)	70.35%	70.84%	-0.70	The accumulative increase in operation and the new issuance of perpetual bonds during the period resulted in a slight reduction in the debt-to-asset ratio
Principal Indicators	Reporting	Same period	Increase or decrease over the same period of the previous	Reason for changes
	Period (January- June)	of the previous year	year (%)	
Total debt to EBITDA ratio	0.086	0.075	14.67	Mainly due to an increase in profit for the period
Interest Coverage Ratio	4.02	4.17	-3.60	Mainly due to an increase in borrowings leading to an increase in interest during the year
EBITDA Interest Coverage Ratio	5.41	5.85	-7.52	Mainly due to an increase in borrowings leading to an increase in interest during the year
Loan Repayment Ratio (%)	100.00%	100.00%		
Interest coverage (%)	100.00%	100.00%		

E. USE OF PROCEEDS FROM THE PLACING OF H SHARES IN JANUARY 2014

Reference is made to the 2020 Annual Report published by the Company on 21 April 2021, which discloses the use of proceeds from the Company's placement of H shares in January 2014. The Company has adjusted the disclosure of such utilisation based on the actual utilisation of proceeds as follows.

In the net proceeds of approximately HK\$1,564 million of placing of H shares by the Company in January 2014, the interest income and exchange income generated together with the proceeds were fully utilised in the following projects, of which: approximately HK\$1,147 million in the investment of wind power generation projects in the PRC, approximately HK\$260 million was applied to the development of the Group's natural gas business in the PRC and the remaining amount of approximately HK\$171 million was applied to the replenishment of the Company's working capital (partial interest income and exchange gains derived from the proceeds were used by the Company in the replenishment of working capital). As of 31 December 2020, the proceeds from H shares had been used up.

F. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

G. COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix 10 to the Listing Rules 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.

H. REVIEW OF THE INTERIM RESULTS BY THE AUDIT COMMITTEE

The financial data contained in this announcement and its appendix for the six months ended 30 June 2020 and the six months ended 30 June 2021 are unaudited, but the data for the year ended 31 December 2020 have been audited.

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

I. PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2021 will be published on the HKExnews website of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.suntien.com) in accordance with the regulations of the Listing Rules and will be despatched to the shareholders of the Company in due course.

By order of the Board of
China Suntien Green Energy Corporation Limited
Mei Chun Xiao
Executive Director/President

Shijiazhuang City, Hebei Province, the PRC, 25 August 2021

As at the date of this announcement, the non-executive directors of the Company are Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang; the executive directors of the Company are Mr. Mei Chun Xiao and Mr. Wang Hong Jun; and the independent non-executive directors of the Company are Mr. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao.

* *For identification purpose only*

APPENDIX – FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEET

Unit: Yuan Currency: RMB

Items	<i>Notes</i>	30 June 2021	31 December 2020
CURRENT ASSETS:			
Cash	<i>1</i>	3,056,083,399.59	1,898,492,786.13
Clearing settlement funds			
Lending to banks and other financial institutions			
Financial assets for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable	<i>2</i>	6,131,421,768.86	4,866,274,731.98
Receivables financing	<i>3</i>	584,879,058.68	420,392,697.68
Advances to suppliers	<i>4</i>	193,563,087.94	380,771,646.27
Premium receivable			
Receivables from reinsurers			
Reinsurance deposits receivable			
Other receivables	<i>5</i>	171,159,074.69	94,391,151.51
Including: Interest receivable			
Dividends receivable		127,354,972.35	44,158,212.59
Financial assets purchased under agreements to resell			
Inventories	<i>6</i>	55,030,557.69	58,109,933.28
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		924,589,667.31	915,759,257.54
Total current assets		<u>11,116,726,614.76</u>	<u>8,634,192,204.39</u>

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

Items	<i>Notes</i>	30 June 2021	31 December 2020
CURRENT LIABILITIES:			
Short-term loans		1,819,550,000.00	1,220,742,600.37
Loans from central bank			
Deposits and amounts due to banks			
Financial liabilities for trading			
Derivative financial liabilities			
Notes payable	7	8,393,752.38	4,516,529.53
Accounts payable	8	150,722,409.55	176,947,893.06
Advances from customers			
Contract liabilities	9	1,411,260,315.88	1,580,107,357.02
Financial assets sold for repurchase			
Customer and inter-bank deposits			
Customer deposits for trading in securities			
Amount due to issuer for securities underwriting			
Wages payable		54,371,703.51	92,086,286.31
Taxes payable		145,868,168.44	136,079,970.92
Other payables	10	7,338,817,401.08	6,133,744,755.20
Including: Interest payable		118,568,527.38	90,122,972.40
Dividends payable		239,779,587.65	172,358,689.75
Handling charges and commission payable			
Amount payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year		4,114,572,798.43	3,691,634,649.12
Other current liabilities		500,000,000.00	500,000,000.00
		<hr/>	<hr/>
Total current liabilities		15,543,556,549.27	13,535,860,041.53

Items	<i>Notes</i>	30 June 2021	31 December 2020
NON-CURRENT LIABILITIES:			
Provisions for insurance contracts			
Long-term loans		25,635,210,430.47	23,837,385,993.66
Debentures payable	<i>11</i>	2,085,000,000.00	2,085,000,000.00
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		723,341,175.14	738,279,841.86
Long-term payables	<i>12</i>	304,153,887.55	204,163,944.97
Long-term salaries payable			
Accrued liabilities		52,760,727.00	52,760,727.00
Deferred income		59,727,084.71	59,142,565.63
Deferred income tax liabilities		51,087,673.75	49,632,336.35
Other non-current liabilities			
		<hr/>	<hr/>
Total non-current liabilities		<u>28,911,280,978.62</u>	<u>27,026,365,409.47</u>
Total liabilities		<u>44,454,837,527.89</u>	<u>40,562,225,451.00</u>

Items	Notes	30 June 2021	31 December 2020
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	13	3,849,910,396.00	3,849,910,396.00
Other equity instruments	14	1,945,736,000.00	1,494,000,000.00
Including: Preferred shares			
Perpetual bonds		1,945,736,000.00	1,494,000,000.00
Capital surplus		2,398,531,780.72	2,400,024,673.73
Less: Treasury stocks			
Other Comprehensive Income	15	6,493,135.00	6,493,135.00
Special reserves			
Surplus reserves		622,509,093.94	486,035,679.01
Provision for general risks			
Undistributed profit	16	5,755,697,920.47	4,928,503,066.37
Total equity attributable to owners of the parent company (or shareholders)		<u>14,578,878,326.13</u>	<u>13,164,966,950.11</u>
Minority interests		4,159,728,542.06	3,530,522,147.30
Total owners' equity (or shareholders' equity)		<u>18,738,606,868.19</u>	<u>16,695,489,097.41</u>
Total liabilities and owners' equity (or shareholders' equity)		<u><u>63,193,444,396.08</u></u>	<u><u>57,257,714,548.41</u></u>
Company representative: Cao Xin	Person in charge of accounting: Fan Wei Hong	Head of accounting department: Yang Zhanqing	

CONSOLIDATED INCOME STATEMENT

		<i>Unit: Yuan Currency: RMB</i>	
Items	Notes	Half year of 2021	Half year of 2020
1. Total operating revenue		8,404,374,325.14	6,586,684,345.15
Including: Operating revenue	17	8,404,374,325.14	6,586,684,345.15
Interest income			
Premiums earned			
Handling charges and commission income			
2. Total operating costs		6,341,572,328.98	5,340,602,453.80
Including: Operating costs	17	5,494,086,439.78	4,687,326,648.06
Interest expenses			
Handling charges and commission expenses			
Surrender payment			
Net compensation expense			
Net provisions for insurance contract			
Insurance policy dividend payment			
Reinsurance cost			
Taxes and surcharges	18	30,044,167.02	18,483,133.05
Selling expenses	19	1,180,879.25	361,914.26
Administration expenses	20	247,375,629.63	178,676,293.36
R&D expenses	21	16,451,004.15	7,348,412.56
Finance costs	22	552,434,209.15	448,406,052.51
Including: Interest expenses		558,949,337.20	450,101,263.08
Interest income		11,401,157.20	9,128,320.62
Add: other gains	23	72,949,078.57	36,201,226.10
Investment gains (losses are indicated with “-”)	24	144,574,433.25	116,492,450.20
Including: Gains from investment in associated companies and joint ventures		132,631,426.33	104,104,494.00
Gains on derecognition of financial assets measured at amortized cost (losses are indicated with “-”)			-62,600.00
Foreign exchange gains (losses are indicated with “-”)			
Net gain on exposure hedging (losses are indicated with “-”)			
Gains from changes in fair value (losses are indicated with “-”)			
Credit impairment losses (losses are indicated with “-”)	25	-8,401,881.86	28,223,775.85
Asset impairment losses (losses are indicated with “-”)			
Asset disposal gains (losses are indicated with “-”)	26	-659.03	262,523.14

Items	Notes	Half year of 2021	Half year of 2020
3. Operating profit (losses are indicated with“-”)		2,271,922,967.09	1,427,261,866.64
Add: Non-operating income	27	5,777,740.33	1,518,249.50
Less: Non-operating expenses	28	367,738.39	734,169.59
4. Gross profit (total losses are indicated with “-”)		2,277,332,969.03	1,428,045,946.55
Less: Income tax expenses	29	306,738,742.08	231,382,914.55
5. Net profit (net losses are indicated with “-”)		1,970,594,226.95	1,196,663,032.00
(i) By continuity as a going concern			
1. Net profit from continuing operations (net losses are indicated with “-”)		1,970,594,226.95	1,196,663,032.00
2. Net profit from discontinued operations (net losses are indicated with “-”)		0	
(ii) By ownership			
1. Net profit attributable to owners of the parent company (net losses are indicated with “-”)		1,583,586,082.89	947,432,343.02
2. Gain or loss attributable to minority interests (net losses are indicated with “-”)		387,008,144.06	249,230,688.98
6. Net other comprehensive income after tax			
(i) Net other comprehensive income after tax attributable to owners of the parent company			
1. Other comprehensive income that may not be reclassified to profit or loss			
(1) Change in re-measurement of defined benefit plans			
(2) Other comprehensive income that may not be reclassified to profit or loss under equity method			
(3) Change in fair value of investments in other equity instruments			
(4) Change in fair value of own credit risk			
2. Other comprehensive income that may be reclassified to profit or loss			
(1) Other comprehensive income that may be reclassified to profit or loss under equity method			
(2) Change in fair value of other debt investments			
(3) Amount included in other comprehensive income on reclassification of financial assets			
(4) Provision for credit impairment of other debt investment			
(5) Cash flows hedging reserve			
(6) Exchange differences arising from translation of foreign currency financial statements			
(7) Others			
(ii) Net other comprehensive income after tax attributable to minority interests			

Items	Notes	Half year of 2021	Half year of 2020
7. Total comprehensive income		1,970,594,226.95	1,196,663,032.00
(i) Total comprehensive income attributable to owners of the parent company		1,583,586,082.89	947,432,343.02
(ii) Total comprehensive income attributable to minority interests		387,008,144.06	249,230,688.98
8. Earnings per share:			
(i) Basic earnings per share (RMB/share)	31	0.40	0.24
(ii) Diluted earnings per share (RMB/share)	31	0.40	0.24

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

CONSOLIDATED CASH FLOW STATEMENT

Unit: Yuan Currency: RMB

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

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

Items	Half year of 2021	Half year of 2020
5. Net increase in cash and cash equivalents	1,163,153,482.36	389,972,222.98
Add: Cash and cash equivalents at the beginning of the year	1,863,441,446.73	2,334,208,228.57
6. Cash and cash equivalents at the end of the year	3,026,594,929.09	2,724,180,451.55

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January to June 2021

Unit: Yuan Currency: RMB

Items	Half year of 2021														
	Paid-up capital (or Share capital)	Preference Share	Other equity instruments	Others	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Surplus reserve	Undistributed profit	Others	Subtotal	Minority interest	Total owners' equity
I. Balance at the end of last year	3,849,910,396.00	1,494,000,000.00	1,494,000,000.00	2,400,024,673.73	2,400,024,673.73		6,493,135.00	48,613,679.01	48,613,679.01	4,928,516,166.37	13,164,966,950.11	3,530,522,147.30	16,095,489,097.41		
Add: Effects of changes in accounting policies															
Effects of correction of prior year errors															
Business combination involving enterprises under common control															
Others															
II. Balance at the beginning of the year	3,849,910,396.00	1,494,000,000.00	1,494,000,000.00	2,400,024,673.73	2,400,024,673.73		6,493,135.00	48,613,679.01	48,613,679.01	4,928,516,166.37	13,164,966,950.11	3,530,522,147.30	16,095,489,097.41		
III. Increase/decrease in the period (decrease is represented by "-")															
(I) Other comprehensive income															
(II) Owners' contribution and decrease in capital															
1. Ordinary shares contributed by owners															
2. Capital invested by owners of other equity instruments															
3. Share-based payments credited to owners' equity															
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserve															
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)															
4. Others															

Half year of 2021

Items	Paid-up capital (or Share capital)		Preference Share		Other equity instruments		Capital reserve		Less: treasury stock		Other comprehensive income		Special reserve	Surplus reserve	Surplus reserve	Undistributed profit	Others	Subtotal	Minority interest	Total owners' equity	
(IV) Internal transfer of owners' equity																					
1. Conversion of capital reserve into capital (or shares)																					
2. Conversion of surplus reserve into capital (or shares)																					
3. Making good of loss with surplus reserve																					
4. Change in defined benefit plan transferred to retained earnings																					
5. Other comprehensive income transferred to retained earnings																					
6. Others																					
(V) Special reserve																					
1. Appropriation for the current period																					
2. Application for the current period																					
(VI) Others																					
IV. Balance at the end of the current period	3,849,910,396.00		1,945,736,000.00		2,398,531,700.72		622,509,093.94		6,493,135.00		5,735,697,920.47		14,578,878,326.13	4,159,728,542.06	18,738,606,868.19						

Half year of 2020

Items	Other equity instruments				Equity attributable to owners of the Company				Subtotal	Minority interest	Total owners' equity	
	Preference Share	Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve				General risk provision
I. Balance at the end of last year	3,715,160,396.00	1,494,000,000.00		2,135,846,057.21		6,493,135.00	361,971,365.19	361,971,365.19	4,102,915,107.78	11,816,388,061.18	2,936,267,312.93	14,749,655,374.11
Add: Effects of changes in accounting policies												
Effects of correction of prior year errors				99,741,763.47					-1,730,285.25	38,011,498.22	3,059,238.30	41,070,236.52
Business combination involving enterprises under common control												
Others												
II. Balance at the beginning of the year	3,715,160,396.00	1,494,000,000.00		2,175,589,840.68		6,493,135.00	361,971,365.19	361,971,365.19	4,101,184,822.53	11,854,399,559.40	2,936,326,551.23	14,790,726,110.63
III. Increase/decrease in the period (decrease is represented by "-")	134,750,000.00			217,210,806.36			53,778,789.21	53,778,789.21	891,633,333.81	1,299,393,149.38	304,363,453.17	1,603,756,602.55
(I) Other comprehensive income									947,432,343.02	947,432,343.02	249,250,688.98	1,196,663,032.00
(II) Owners' contribution and decrease in capital	134,750,000.00			217,210,806.36								
1. Ordinary shares contributed by owners	134,750,000.00			217,210,806.36								
2. Capital invested by owners of other equity instruments				255,079,265.47								
3. Share-based payments credited to owners' equity												
4. Others				-37,868,459.11								
(III) Profit distribution												
1. Appropriation to surplus reserve												
2. Appropriation to general risk provision												
3. Distribution to owners (or shareholders)												
4. Others												
(IV) Internal transfer of owners' equity												
1. Conversion of capital reserve into capital (or shares)												
2. Conversion of surplus reserve into capital (or shares)												
3. Making good of loss with surplus reserve												
4. Change in defined benefit plan transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriation for the current period												
2. Application for the current period												
(VI) Others												
IV. Balance at the end of the current period	3,849,910,396.00	1,494,000,000.00		2,392,800,647.04		6,493,135.00	417,750,154.40	417,750,154.40	4,992,838,376.34	13,153,792,708.78	3,240,690,004.40	16,394,482,713.18

Company representative: Cao Xin

Person in charge of accounting: Fan Wei Hung

Head of accounting: Yang Zhanqing

BALANCE SHEET

Unit: Yuan Currency: RMB

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

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

Items	30 June 2021	31 December 2020
CURRENT LIABILITIES:		
Short-term loans	700,000,000.00	
Financial liabilities for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advances from customers		
Contract liabilities		
Wages payable	12,245,793.12	2,565,703.98
Taxes payable	21,216,354.64	1,666,861.82
Other payables	189,912,961.64	147,822,366.13
Including: Interest payable	12,140,649.97	37,204,855.73
Dividends payable	138,867,808.00	77,934,000.00
Liabilities held for sale		
Non-current liabilities due within one year	266,708,108.85	234,119,001.88
Other current liabilities	500,000,000.00	500,000,000.00
	<hr/>	<hr/>
Total current liabilities	1,690,083,218.25	886,173,933.81
NON-CURRENT LIABILITIES:		
Long-term loans	2,888,175,600.00	3,018,710,600.00
Debentures payable	1,000,000,000.00	1,000,000,000.00
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term salaries payable		
Accrued liabilities		
Deferred income	2,400,000.00	1,500,000.00
Deferred income tax liabilities		
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	3,890,575,600.00	4,020,210,600.00
	<hr/>	<hr/>
Total liabilities	5,580,658,818.25	4,906,384,533.81

Items	30 June 2021	31 December 2020
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	3,849,910,396.00	3,849,910,396.00
Other equity instruments	1,945,736,000.00	1,494,000,000.00
Including: Preferred shares		
Perpetual bonds	1,945,736,000.00	1,494,000,000.00
Capital surplus	2,465,759,201.99	2,467,638,320.02
Less: Treasury stocks		
Other comprehensive income		
Special reserves		
Surplus reserves	622,509,093.94	486,035,679.01
Undistributed profit	2,534,000,903.03	1,925,657,982.54
	<u>11,417,915,594.96</u>	<u>10,223,242,377.57</u>
Total owners' equity (or shareholders' equity)		
	<u>11,417,915,594.96</u>	<u>10,223,242,377.57</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>16,998,574,413.21</u>	<u>15,129,626,911.38</u>

Company representative :
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

INCOME STATEMENT

Unit: Yuan Currency: RMB

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

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

Company representative:
Cao Xin

Person in charge of accounting:
Fan Wei Hong

Head of accounting department:
Yang Zhanqing

CASH FLOW STATEMENT

Unit: Yuan Currency: RMB

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

Items	Half year of 2021	Half year of 2020
3. Cash flows from financing activities:		
Cash received from investment	1,039,376,000.00	400,201,981.13
Cash received from borrowings	1,939,750,000.00	2,535,127,777.78
Cash received from issuing bonds		0
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	2,979,126,000.00	2,935,329,758.91
Cash paid for loan repayments	1,336,150,000.00	1,988,190,000.00
Cash paid for dividends, profits appropriation or payments of interest	550,044,588.71	175,559,406.12
Cash paid relating to other financing activities	592,237,899.68	14,963,891.25
Sub-total of cash outflows from financing activities	2,478,432,488.39	2,178,713,297.37
Net cash flows from financing activities	500,693,511.61	756,616,461.54
4. Effect of changes in foreign exchange rate on cash and cash equivalents	-11,564.54	-86,520.54
5. Net increase in cash and cash equivalents	422,566,963.80	589,166,065.14
Add: Cash and cash equivalents at the beginning of the period	140,173,830.24	326,014,292.68
6. Cash and cash equivalents at the end of the period	562,740,794.04	915,180,357.82
Company representative: Cao Xin	Person in charge of accounting: Fan Wei Hong	Head of accounting department: Yang Zhanqing

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January to June 2021

Unit: Yuan Currency: RMB

Items	Half year of 2021							Total owners' equity			
	Paid-up capital (or Share capital)	Preference Share	Other equity instruments Perpetual bond	Others	Capital reserve	Less: treasury stock	Other comprehensive income		Special reserve	Surplus reserve	Undistributed profit
I. Balance at the end of last year	3,849,910,396.00		1,494,000,000.00		2,467,638,320.02				486,035,679.01	1,925,657,982.54	10,223,242,377.57
Add: Effects of changes in accounting policies											
Effects of correction of prior year errors											
Others											
II. Balance at the beginning of the year	3,849,910,396.00		1,494,000,000.00		2,467,638,320.02				486,035,679.01	1,925,657,982.54	10,223,242,377.57
III. Increase/decrease in the period (decrease is represented by "-")											
(I) Other comprehensive income											
(II) Owners' contribution and decrease in capital											
1. Ordinary shares contributed by owners			451,736,000.00		-1,879,118.03				136,473,414.93	608,342,920.49	1,194,673,217.39
2. Capital invested by owners of other equity instruments										1,364,734,149.28	1,364,734,149.28
3. Share-based payments credited to owners' equity			451,736,000.00		-1,879,118.03						449,856,881.97
4. Others											
(III) Profit distribution			1,039,376,000.00								1,039,376,000.00
1. Appropriation to surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or shares)											
2. Conversion of surplus reserve into capital (or shares)											
3. Making good of loss with surplus reserve											
4. Change in defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special reserve											
1. Appropriation for the current period											
2. Application for the current period											
(VI) Others											
IV. Balance at the end of the current period	3,849,910,396.00		1,945,736,000.00		2,465,759,201.99				622,509,093.94	2,534,000,903.03	11,417,915,594.96

Half year of 2020

Items	Items Paid-up capital (or Share capital)	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income			Undistributed profit	Total owners' equity
		Preference Share	Perpetual bond	Others			Special reserve	Surplus reserve	Unappropriated income		
I. Balance at the end of last year Add: Effects of changes in accounting policies Effects of correction of prior year errors Others	3,715,160,396.00	1,494,000,000.00			2,212,623,248.78		361,971,365.19	1,368,251,957.71	361,971,365.19	1,368,251,957.71	9,152,006,967.68
II. Balance at the beginning of the year	3,715,160,396.00	1,494,000,000.00			2,212,623,248.78		361,971,365.19	1,368,251,957.71	361,971,365.19	1,368,251,957.71	9,152,006,967.68
III. Increase/decrease in the period (decrease is represented by "-")	134,750,000.00				255,079,711.41		55,778,789.21	502,009,102.93	55,778,789.21	502,009,102.93	947,617,603.55
(I) Other comprehensive income											
(II) Owners' contribution and decrease in capital	134,750,000.00				255,079,711.41		55,778,789.21	557,787,892.14	55,778,789.21	557,787,892.14	557,787,892.14
1. Ordinary shares contributed by owners	134,750,000.00				255,079,265.47						389,829,711.41
2. Capital invested by owners of other equity instruments											389,829,265.47
3. Share-based payments credited to owners' equity											
4. Others					445.94						445.94
(III) Profit distribution											
1. Appropriation to surplus reserve							55,778,789.21		55,778,789.21		
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or shares)											
2. Conversion of surplus reserve into capital (or shares)											
3. Making good of loss with surplus reserve											
4. Change in defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special reserve											
1. Appropriation for the current period											
2. Application for the current period											
(VI) Others											
IV. Balance at the end of the current period	3,849,910,396.00	1,494,000,000.00			2,467,702,960.19		417,750,154.40	1,870,261,060.64	417,750,154.40	1,870,261,060.64	10,099,624,571.23

Company representative: Cao Xin

Person in charge of accounting: Fan Wei Hung

Head of accounting: Yang Zhanqing

NOTES TO THE FINANCIAL STATEMENTS

I. GENERAL INFORMATION

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

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

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

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

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

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

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

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 gas appliances, and the connection and construction of natural gas pipelines.

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

The financial statements have been approved and authorised for issue by the Company’s Board of Directors on 25 August 2021.

II. 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.

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

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

The directors of the Company believe that the Group has adequate resources to meet its funding requirements for the next 12 months from the end of 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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Declaration following Accounting Standards for Business Enterprises (ASBE)

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

Accounting period

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

Functional currency

The Group adopts Renminbi as its functional currency and to prepare its financial statements. Unless otherwise stated, the financial statements are all presented in RMB.

IV. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash

	30 June 2021	31 December 2020
Cash on hand	13,966.50	–
Bank deposits		
RMB	3,033,937,323.44	1,864,387,479.04
HKD	5,478,652.72	8,358,541.68
	<u>3,039,415,976.16</u>	<u>1,872,746,020.72</u>
Other monetary fund		
RMB	16,653,456.93	25,746,765.41
	<u>3,056,083,399.59</u>	<u>1,898,492,786.13</u>
Including: Total restricted amount due to mortgages, pledges or freezes	<u>29,488,470.50</u>	<u>35,051,339.40</u>

2. Accounts receivables

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.

The aging analysis of accounts receivable is as follows:

	30 June 2021	31 December 2020
Within 6 months	1,841,991,545.39	1,479,535,654.74
6 months to 1 year	982,816,114.09	1,009,473,976.08
1 year to 2 years	1,622,447,049.69	1,723,733,661.01
2 to 3 years	1,286,688,048.22	612,578,604.11
Over 3 years	875,155,749.35	506,973,226.67
	<u>6,609,098,506.74</u>	<u>5,332,295,122.61</u>
Less: Provision for bad debts of accounts receivable	<u>477,676,737.88</u>	<u>466,020,390.63</u>
	<u>6,131,421,768.86</u>	<u>4,866,274,731.98</u>

The accounts receivable and bad debt provisions are disclosed by category as follows:

	30 June 2021				
	Carrying balance		Bad debts provision		Carrying value
	Amount	Percentage (%)	Amount	Provision (%)	
Provision for bad debts made on the individual basis	399,152,824.05	6.04	399,152,824.05	100.00	-
Provision for bad debts made on the credit risk characteristics grouping basis	<u>6,209,945,682.69</u>	<u>93.96</u>	<u>78,523,913.83</u>	<u>1.26</u>	<u>6,131,421,768.86</u>
	<u>6,609,098,506.74</u>	<u>100.00</u>	<u>477,676,737.88</u>		<u>6,131,421,768.86</u>
	31 December 2020				
	Carrying balance		Bad debts provision		Carrying value
	Amount	Percentage(%)	Amount	Provision(%)	
Provision for bad debts made on the individual basis	399,155,147.05	7.49	399,155,147.05	100.00	-
Provision for bad debts made on the credit risk characteristics grouping basis	<u>4,933,139,975.56</u>	<u>92.51</u>	<u>66,865,243.58</u>	<u>1.36</u>	<u>4,866,274,731.98</u>
	<u>5,332,295,122.61</u>	<u>100.00</u>	<u>466,020,390.63</u>		<u>4,866,274,731.98</u>

At each balance sheet date, the accounts receivable with provision for bad debts made on the credit risk characteristics grouping basis are as follows:

The accounts receivable of the combination with extremely low recovery risk are as follows:

	30 June 2021			
	Carrying balance		Bad debts provision	
	Amount	Percentage (%)	Amount	Provision (%)
Renewable energy subsidies and benchmark electricity prices	<u>6,161,340,806.22</u>	<u>100.00</u>	<u>61,613,408.06</u>	<u>1.00</u>
	31 December 2020			
	Carrying balance		Bad debts provision	
	Amount	Percentage (%)	Amount	Provision (%)
Renewable energy subsidies and benchmark electricity prices	<u>4,886,231,835.71</u>	<u>100.00</u>	<u>48,862,318.36</u>	<u>1.00</u>

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

	30 June 2021		
	Gross carrying amount estimated to be in default	Expected credit loss rate (%)	Lifetime expected credit loss
Within 6 months	22,999,486.47	5.00	1,149,974.32
6 months to 1 year	7,164,047.26	10.00	716,404.73
1 year to 2 years	2,347,466.36	30.00	704,239.91
2 years to 3 years	3,507,979.14	50.00	1,753,989.57
Over 3 years	12,585,897.24	100.00	12,585,897.24
	48,604,876.47		16,910,505.77

	31 December 2020		
	Gross carrying amount estimated to be in default	Expected credit loss rate (%)	Lifetime expected credit loss
Within 6 months	24,939,199.87	5.00	1,246,959.98
6 months to 1 year	2,407,440.19	10.00	240,744.02
1 year to 2 years	1,490,355.39	30.00	447,106.62
2 years to 3 years	4,006,059.60	50.00	2,003,029.80
Over 3 years	14,065,084.80	100.00	14,065,084.80
	46,908,139.85		18,002,925.22

The changes in the provision for bad debts of accounts receivable are as follows:

	For the six months ended 30 June 2021	2020
Balance at the beginning of the period	466,020,390.63	536,128,081.88
Provision for the period	17,660,907.47	27,945,607.60
Business combinations not involving enterprises under common control	620,149.69	–
Provision recovered or reversed during this period	(6,624,709.91)	(98,053,298.85)
Balance at the end of the period	477,676,737.88	466,020,390.63

3. Receivables financing

	30 June 2021	31 December 2020
Bank acceptance bills	<u>584,879,058.68</u>	<u>420,392,697.68</u>

On 30 June 2021 and 31 December 2020, the Company had no bank acceptance bills transferred to accounts receivable due to non-performance of the issuers.

4. Advances to suppliers

Aging analysis of prepayments is as follows:

	30 June 2021		31 December 2020	
	Carrying balance	Percentage (%)	Carrying balance	Percentage (%)
Within 6 months	173,408,542.53	89.59	362,590,948.85	95.23
6 months to 12 months	8,687,120.74	4.49	8,516,768.38	2.24
1 year to 2 years	5,187,995.89	2.68	4,775,692.85	1.25
2 years to 3 years	4,526,406.23	2.34	1,176,287.79	0.31
3 years to 4 years	100,265.08	0.05	380,112.50	0.10
4 years to 5 years	97,950.00	0.05	281,635.89	0.07
Over 5 years	1,554,807.47	0.80	3,050,200.01	0.80
	<u>193,563,087.94</u>	<u>100.00</u>	<u>380,771,646.27</u>	<u>100.00</u>

On 30 June 2021 and 31 December 2020, the Group does not have large prepayment aging over 1 year.

5. Other receivables

Other receivables by nature are as follows:

	30 June 2021	31 December 2020
Dividends receivable	127,354,972.35	44,158,212.59
Other receivables	<u>43,804,102.34</u>	<u>50,232,938.92</u>
	<u>171,159,074.69</u>	<u>94,391,151.51</u>

The ageing of other receivables is analysed below:

	30 June 2021	31 December 2020
Within 6 months	16,347,012.39	37,883,723.81
6 months to 1 year	18,018,990.59	2,483,128.21
1 year to 2 years	9,315,144.76	7,146,431.68
2 years to 3 years	11,073,495.41	14,012,167.47
Over 3 years	48,399,181.35	50,691,525.61
	103,153,824.50	112,216,976.78
Less: Provision for bad debts of other receivables	59,349,722.16	61,984,037.86
	<u>43,804,102.34</u>	<u>50,232,938.92</u>

Other receivables by nature are as follows:

	30 June 2021	31 December 2020
Deposits	63,181,960.92	58,358,684.12
Advances	24,127,536.07	25,331,000.21
Reserves	1,284,528.30	1,012,148.33
Others	14,559,799.21	27,515,144.12
	103,153,824.50	112,216,976.78
Less: provision for bad debts	59,349,722.16	61,984,037.86
Other receivables	<u>43,804,102.34</u>	<u>50,232,938.92</u>

6. Inventories

	30 June 2021	31 December 2020
Raw materials	33,540,400.08	29,530,462.34
Finished goods	21,122,875.75	28,360,302.79
Circulating materials	367,281.86	219,168.15
	55,030,557.69	58,109,933.28
Less: Allowance for decline in value of inventories	—	—
	<u>55,030,557.69</u>	<u>58,109,933.28</u>

7. Notes payable

	30 June 2021	31 December 2020
Bank acceptance bills	<u>8,393,752.38</u>	<u>4,516,529.53</u>

8. Accounts payable

Accounts payable are not interest-bearing and the aging is calculated from the date of recognition of the accounts payable and are usually settled within the agreed period.

Presentation by aging analysis	30 June 2021	31 December 2020
Within 6 months	23,932,426.36	137,429,669.75
6 months to 1 year	108,908,470.53	22,470,249.95
1 year to 2 years	10,457,012.99	15,499,638.91
2 years to 3 years	5,954,632.46	1,318,762.02
Over 3 years	<u>1,469,867.21</u>	<u>229,572.43</u>
	<u>150,722,409.55</u>	<u>176,947,893.06</u>

9. Contract liabilities

Item	30 June 2021	31 December 2020
Advance receipts for natural gas sales	228,673,110.19	916,108,116.60
Advance receipts for pipeline construction	295,597,314.84	266,479,390.01
Advance receipt for commissioned construction costs for storage tanks	879,646,017.68	389,380,530.96
Advance receipt for pipeline transmission fees	3,592,005.48	3,399,050.24
Others received in advance	<u>3,751,867.69</u>	<u>4,740,269.21</u>
Total	<u>1,411,260,315.88</u>	<u>1,580,107,357.02</u>

10. Other payables

	30 June 2021	31 December 2020
Interest payable	118,568,527.38	90,122,972.40
Dividends payables	239,779,587.65	172,358,689.75
Other payables	<u>6,980,469,286.05</u>	<u>5,871,263,093.05</u>
	<u>7,338,817,401.08</u>	<u>6,133,744,755.20</u>

Interest payable

	30 June 2021	31 December 2020
Bond interests	83,695,827.49	53,685,486.12
Borrowing interests	<u>34,872,699.89</u>	<u>36,437,486.28</u>
	<u>118,568,527.38</u>	<u>90,122,972.40</u>

Dividends payables

	30 June 2021	31 December 2020
Ordinary share dividends	42,537,808.00	–
Dividends classified as perpetual bonds	96,330,000.00	77,934,000.00
Dividends payable to other minority shareholders	<u>100,911,779.65</u>	<u>94,424,689.75</u>
	<u>239,779,587.65</u>	<u>172,358,689.75</u>

Other payables

	30 June 2021	31 December 2020
Payables for equipment	2,730,969,784.94	3,278,152,501.21
Payables for engineering and material	3,679,614,663.84	2,417,068,530.57
Payables for investment	1,060,000.00	1,060,000.00
Others	<u>568,824,837.27</u>	<u>174,982,061.27</u>
	<u>6,980,469,286.05</u>	<u>5,871,263,093.05</u>

11. Debentures payables

	30 June 2021	31 December 2020
Medium-term notes	3,000,000,000.00	3,000,000,000.00
Ping An-HECIC New-energy No. 1 Asset-backed	<u>285,000,000.00</u>	<u>285,000,000.00</u>
	3,285,000,000.00	3,285,000,000.00
Less: Debentures payables due within one year	<u>1,200,000,000.00</u>	<u>1,200,000,000.00</u>
	<u>2,085,000,000.00</u>	<u>2,085,000,000.00</u>

12. Long-term payables

	30 June 2021	31 December 2020
Retention	86,207,981.67	86,207,981.67
Sale-leaseback borrowings	273,000,000.00	231,774,144.00
	359,207,981.67	317,982,125.67
Less: Long-term payables due within one year	55,054,094.12	113,818,180.70
	304,153,887.55	204,163,944.97

13. Share capital

	31 December 2020	Increase or decrease in the year Issue new shares	30 June 2021
Hebei Construction & Investment Group Co., Ltd.	1,876,156,000.00	–	1,876,156,000.00
Overseas H-share listed foreign shareholders	1,839,004,396.00	–	1,839,004,396.00
Domestic A-share shareholders	134,750,000.00	–	134,750,000.00
	3,849,910,396.00	–	3,849,910,396.00

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

14. Other equity instruments

For the six months ended 30 June 2021

	Beginning of the period		Increase during the period		Decrease during the period		End of the period	
	Amount	Carrying amount	Amount	Carrying amount	Amount	Carrying amount	Amount	Carrying amount
Perpetual bond	<u>15,000,000.00</u>	<u>1,494,000,000.00</u>	<u>10,400,000.00</u>	<u>1,039,376,000.00</u>	<u>5,900,000.00</u>	<u>587,640,000.00</u>	<u>19,500,000.00</u>	<u>1,945,736,000.00</u>

2020

	Beginning of the period		Increase during the period		Decrease during the period		End of the period	
	Amount	Carrying amount	Amount	Carrying amount	Amount	Carrying amount	Amount	Carrying amount
Perpetual bond	<u>15,000,000.00</u>	<u>1,494,000,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000,000.00</u>	<u>1,494,000,000.00</u>

On 13 March 2018, the Company issued the first tranche of 2018 Renewable Green Corporate Bonds, in the aggregate offering amount of RMB590 million at a coupon rate of 5.96%, and after deducting the underwriting cost and other related trading costs, the Company received cash RMB587,640,000.00. On 5 March 2019, the Company issued the first tranche of 2019 Renewable Green Corporate Bonds, in the aggregate offering amount of RMB910 million at a coupon rate of 4.70%, and after deducting the underwriting cost and other related trading costs, the Company received cash RMB906,360,000.00. On 10 March 2021, the Company issued the first tranche of 2021 Renewable Green Corporate Bonds, in the aggregate offering amount of RMB1.04 billion at a coupon rate of 5.15%, and after deducting the underwriting cost and other related trading costs, the Company received RMB1,039,376,000.

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

15. Other comprehensive income

The accumulated balance of other comprehensive income attributable to owners of the parent company in the consolidated balance sheet:

For the six months ended 30 June 2021

	Balance at the beginning and the end of the period
Change in fair value of other equity instrument investments	<u>6,493,135.00</u>

2020

	Balance at the beginning and the end of the year
Change in fair value of other equity instrument investments	<u>6,493,135.00</u>

16. Undistributed profit

	For the six months ended 30 June 2021	2020
Undistributed profit at the end of the previous year before adjustment	4,928,503,066.37	4,102,915,107.78
Add: Business combination involving enterprises under common control	–	(1,730,285.25)
Undistributed profit at the beginning of the year after adjustment	4,928,503,066.37	4,101,184,822.53
Net profit attributable to the shareholders of the parent company	1,583,586,082.89	1,510,555,357.16
Less: Extract for statutory surplus reserve	136,473,414.93	124,064,313.82
Ordinary shares dividend payable	523,587,813.86	481,238,799.50
Dividends payable to holders of other equity instruments	96,330,000.00	77,934,000.00
Undistributed profit at the end of the year	<u>5,755,697,920.47</u>	<u>4,928,503,066.37</u>

According to the resolution passed by the shareholders of the Company on 14 May 2021, it was agreed that the Company declared a cash dividend of RMB0.136 per share including tax for the year 2020, totaling RMB523,587,813.86.

According to the resolution passed by the shareholders of the Company on 13 October 2020, it was agreed that the Company declared a cash dividend of RMB0.125 per share including tax for the year 2019, totaling RMB481,238,799.50.

According to the prospectus of the first tranche of 2019 Renewable Green Corporate Bonds and the first tranche of 2021 Renewable Green Corporate Bonds of the Company, the Company declared a dividend to ordinary shareholders on 14 May 2021, which triggered a mandatory interest payment and no current interest shall be deferred. The principal of the first tranche of 2019 Renewable Green Corporate Bonds was RMB910,000,000.00 with an initial interest rate of 4.70% per annum and accrued interest of RMB42,770,000.00 for the current interest payment period (6 March 2020 to 5 March 2021); the principal of the first tranche of 2021 Renewable Green Corporate Bonds was RMB1,040,000,000.00 with an initial interest rate of 5.15% per annum and accrued interest of RMB53,560,000.00 for the current interest payment period (10 March 2021 to 9 March 2022).

According to the prospectus of the first tranche of 2018 Renewable Green Corporate Bonds and the first tranche of 2019 Renewable Green Corporate Bonds of the Company, the Company declared a dividend to ordinary shareholders on 11 June 2019, which triggered a mandatory interest payment and no current interest shall be deferred. The principal of the first tranche of 2018 Renewable Green Corporate Bonds was RMB590,000,000.00 with an initial interest rate of 5.96% per annum and accrued interest of RMB35,164,000.00 for the current interest payment period (13 March 2019 to 12 March 2020) ; the principal of the first tranche of 2019 Renewable Green Corporate Bonds was RMB910,000,000.00 with an initial interest rate of 4.70% per annum and accrued interest of RMB42,770,000.00 for the current interest payment period (6 March 2019 to 5 March 2020) .

17. Operating income and operating cost

Operating income is presented as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Principal operating income	8,390,707,143.34	6,576,906,155.77
Other operating income	13,667,181.80	9,778,189.38
	<u>8,404,374,325.14</u>	<u>6,586,684,345.15</u>

operating cost is presented as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Principal operating cost	5,489,490,604.89	4,684,710,153.79
Other operating cost	4,595,834.89	2,616,494.27
	<u>5,494,086,439.78</u>	<u>4,687,326,648.06</u>

The operating income by segments is listed as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Natural gas sales revenue	4,959,908,186.26	4,259,915,619.40
Wind/photovoltaic power generation revenue	3,358,194,784.64	2,244,474,166.89
Connection and construction of gas pipeline net work revenue	40,040,575.19	43,152,365.17
Other main operating income	32,563,597.25	33,732,847.73
Other operating income	13,667,181.80	5,409,345.96
	<u>8,404,374,325.14</u>	<u>6,586,684,345.15</u>

For the six months ended 30 June 2021

Revenue recognition time	Wind power	Natural gas	Total
Operating revenue generated by contracts with customers			
Transferred at a point in time	3,358,194,784.64	4,963,116,643.06	8,321,311,427.70
Rendered over time	3,686,981.04	70,637,190.87	74,324,171.91
	3,361,881,765.68	5,033,753,833.93	8,395,635,599.61
Rental income	7,367,723.31	1,371,002.22	8,738,725.53
	<u>3,369,249,488.99</u>	<u>5,035,124,836.15</u>	<u>8,404,374,325.14</u>

For the six months ended 30 June 2020

Revenue recognition time	Wind power	Natural gas	Total
Operating revenue generated by contracts with customers			
Transferred at a point in time	2,244,474,166.89	4,260,183,453.34	6,504,657,620.23
Rendered over time	2,370,023.34	76,546,339.43	78,916,362.77
	2,246,844,190.23	4,336,729,792.77	6,583,573,983.00
Rental income	1,739,359.99	1,371,002.16	3,110,362.15
	<u>2,248,583,550.22</u>	<u>4,338,100,794.93</u>	<u>6,586,684,345.15</u>

The performance obligation of the electricity sales contract is completed when the power is supplied to the provincial power grid company where each electric field is located. The benchmark price part of the contract price will be recovered within 30 days after settlement. The renewable energy subsidy will be paid in batches from the renewable energy fund by the Ministry of Finance and there is no fixed collection period. There are no sales returns and variable consideration.

Natural gas sales contract usually requires advance receipts, and the performance obligation is completed when the natural gas enters the customer's natural gas pipeline through the grounding point. There are no sales returns and variable consideration.

Connection and construction of gas pipeline net work contract usually requires advance receipts. The performance obligations are completed over time and the provision of services. The remaining performance obligations are expected to be completed and revenue to be recognized within the next year.

18. Taxes and surcharges

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Urban maintenance construction tax	7,543,886.23	5,411,392.10
Educational surcharge	8,440,077.94	5,765,322.56
Stamp duty	5,361,428.16	3,367,671.66
Property tax	1,703,736.34	1,695,454.36
Land use tax	6,120,758.64	2,017,253.34
Others	874,279.71	226,039.03
	<u>30,044,167.02</u>	<u>18,483,133.05</u>

19. Selling expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Wages	737,501.61	200,701.70
Advertising and promotion fees	309,326.52	146,511.77
Others	134,051.12	14,700.79
	<u>1,180,879.25</u>	<u>361,914.26</u>

20. Administration expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Wages	148,884,006.51	104,339,088.63
Depreciation expense	13,891,857.20	12,557,342.36
Vehicle, transportation and travelling expenses	7,041,396.13	3,593,541.74
Amortization of intangible assets	12,155,610.56	11,550,590.28
Rental fees	7,318,021.64	6,051,702.64
Business entertainment fees	4,603,016.47	2,157,848.62
Office expenses	9,743,521.63	6,331,385.05
Audit and evaluation consulting expense	12,018,239.19	11,528,122.23
Repair cost	2,320,341.23	7,009,117.58
Amortization of long-term prepaid expense	3,794,822.50	2,708,922.67
Others	25,604,796.57	10,848,631.56
	<u>247,375,629.63</u>	<u>178,676,293.36</u>

21. R&D expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Labor costs	10,322,334.92	6,082,270.39
Outsourcing development fees	3,138,669.74	849,056.60
Others	2,989,999.49	417,085.57
	<u>16,451,004.15</u>	<u>7,348,412.56</u>

22. Finance costs

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Interest expense	558,949,337.20	450,101,263.08
Less: Interest income	11,401,157.20	9,128,320.62
Exchange loss	386,094.97	81,836.54
Bank charges	591,012.42	677,737.56
Others	3,908,921.76	6,673,535.95
	<u>552,434,209.15</u>	<u>448,406,052.51</u>

23. Other income

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Government grants related daily operational activities		
VAT refund	70,036,205.77	33,129,096.33
Fiscal appropriation	2,226,679.23	1,773,721.40
Operating subsidy	476,190.47	–
Others	210,003.10	1,298,408.37
	<u>72,949,078.57</u>	<u>36,201,226.10</u>

24. Investment income

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Long-term equity investment income accounted for under the equity method	132,631,426.33	104,104,494.00
The investment gain obtained during the holding period of the entrusted loan investment	–	253,944.02
Dividend income on other equity instrument investments held	11,943,006.92	12,196,612.18
Derecognition gains on financial assets measured at amortized cost	–	(62,600.00)
	<u>144,574,433.25</u>	<u>116,492,450.20</u>

25. Credit Impairment (losses)/reversals

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
(Loss)/reversal on bad debts of accounts receivable	(11,036,197.56)	29,803,878.51
Reversal/(loss) on bad debts of other receivables	2,634,315.70	(1,580,102.66)
	<u>(8,401,881.86)</u>	<u>28,223,775.85</u>

26. Asset disposal gains

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Fixed asset disposal (loss)/gains	<u>(659.03)</u>	<u>262,523.14</u>

27. Non-operating income

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Gain on scrapping of fixed assets	778.76	120,251.91
Governmental grants not related to daily operational activities	5,155,200.00	512,177.53
Resale income of carbon emission allowances	94,885.72	722,859.27
Net gain from penalties	27,200.00	36,493.88
Unpayable amounts	67,014.21	59,227.88
Others	<u>432,661.64</u>	<u>67,239.03</u>
	<u>5,777,740.33</u>	<u>1,518,249.50</u>

28. Non-operating expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Loss on scrapping of fixed assets	24,869.45	641,960.91
Expenses on compensation, and penalties	10,050.00	79,936.29
Expenses on donation	3,600.00	-
Other expenses	<u>329,218.94</u>	<u>12,272.39</u>
	<u>367,738.39</u>	<u>734,169.59</u>

29. Income tax expenses

Corporate income tax

According to Article 27 of the Corporate 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 corporate income tax will be exempt from the first to the third year, and the corporate 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.

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 EIT as a legal entity at the location where it is registered.

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Current income tax expense	306,199,331.81	221,211,520.25
Deferred income tax expense	539,410.27	10,171,394.30
	<u>306,738,742.08</u>	<u>231,382,914.55</u>

The reconciliation between income tax expenses and total profit is listed as below:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Total profit	2,277,332,969.03	1,428,045,946.55
Income tax expenses calculated at applicable tax rates	569,333,242.26	357,011,486.64
Impact of different tax rates applicable to certain subsidiaries	(242,287,176.49)	(93,622,839.92)
Impact of adjustment of income tax of previous periods	1,601,873.18	360,297.48
Income attributable to joint ventures and associates	(33,157,856.58)	–
Non-taxable income	(3,119,631.24)	(62,203,475.16)
Expenses not deductible for tax purposes	450,445.78	1,183,536.70
Utilization of deductible losses from prior years	(5,237,383.32)	791,473.52
Effect of unrecognized deductible temporary difference and deductible losses	<u>19,155,228.49</u>	<u>27,862,435.29</u>
Tax expense at the Group's effective tax rate	<u>306,738,742.08</u>	<u>231,382,914.55</u>

The PRC income tax of the Group is calculated based on the estimated taxable income gained in the PRC and applicable tax rate. Tax arising from the taxable income in other regions is calculated at applicable tax rate according to existing laws, interpretations and practices of the jurisdiction in which the Group operates.

30. Dividends

The dividends for the six-month periods ended 30 June 2021 and 2020 are set out below:

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Dividends:		
Declared final 2020 dividend – RMB13.6 cents (final 2019 dividend: RMB12.5 cents) per share	<u>523,587,813.86</u>	<u>–</u>

Pursuant to the resolution passed by the shareholders of the Company on 14 May 2021, it was agreed that the Company to declare of a cash dividend of RMB0.136 per share for the year 2020, including tax, totaling RMB523,587,813.86.

Pursuant to the resolution passed by the shareholders of the Company on 13 October 2020, it was agreed that the Company to declare of a cash dividend of RMB0.125 per share for the year 2019, including tax, totaling RMB481,238,799.50.

31. Earnings Per Share

The basic Earnings Per Share is calculated by dividing the net profit of the current period attributable to the ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares. The number of newly issued ordinary shares is determined according to the specific terms of the issue contract and calculated from the date of consideration receivable (normally the stock issue date).

The calculation of basic Earnings Per Share is detailed as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Net profit of the current period attributable to ordinary shareholders of the Company	1,583,586,082.89	947,432,343.02
Less: Distribution related to the first tranche of perpetual bonds in 2018	8,107,255.56	17,582,000.00
Less: Distribution related to the first tranche of perpetual bonds in 2019	21,385,000.00	21,385,000.00
Less: Distribution related to the first tranche of perpetual bonds in 2021	<u>26,780,000.00</u>	<u>–</u>
	<u>1,527,313,827.33</u>	<u>908,465,343.02</u>
Shares		
Weighted average number of ordinary shares in issue by the Company	3,849,910,396.00	3,715,160,396.00
Basic earnings per share(RMB/share)	0.40	0.24
Diluted earnings per share (RMB/share)	0.40	0.24

The Group has no dilutive potential ordinary shares.

V. EVENTS AFTER THE BALANCE SHEET DATE

The Company was approved by the Public Offering Review Committee of the China Securities Regulatory Commission for the non-public issuance of A shares on 26 July 2021. On 24 August 2021, written approval was received from the China Securities Regulatory Commission for the non-public issuance of A shares.

VI. OTHER SIGNIFICANT EVENTS

1. Lease

As lessee

	For the six months ended 30 June 2021	2020
Interest expense on lease liabilities	17,082,974.26	47,268,752.11
Expenses relating to short-term leases and leases of low-value assets accounted for applying the simplified approach	7,318,021.64	13,981,079.96
Total cash flow for leases	74,224,719.34	351,241,225.12

The Group leases various land, wind turbines and related equipment, buildings and vehicles for daily use. Right-of-use assets are depreciated on a straight-line basis.

As lessor

Operating leases: The Group had minimum lease receivables under non-cancellable leases with its tenants falling due as follows:

	30 June 2021	31 December 2020
Within 1 year	709,920.00	532,440.00
Over 1 year	1,774,800.00	2,129,760.00
	<u>2,484,720.00</u>	<u>2,662,200.00</u>

2. Segment reporting

Operating segments

For management purposes, the Group is organised into business units based on their products and services and has 3 reportable operating segments as follows:

- (1) 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.
- (2) 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 grid companies.
- (3) Other segments are mainly engaged in management and property leasing business, etc.

Management monitors the results of operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reported segment profit after tax, which is a measure of adjusted total profits.

The transfer price among segments is determined with reference to the price used for selling to or providing labor services for third parties.

Segment information for the six months ended 30 June 2021 and 30 June 2021

	Natural gas	Wind and photovoltaic power generation	Others	Total
Revenue from external customers	<u>5,035,125,456.15</u>	<u>3,367,762,502.04</u>	<u>1,486,366.95</u>	<u>8,404,374,325.14</u>
Investment income from joint ventures and associates	88,702,566.93	39,373,127.43	4,555,731.97	132,631,426.33
Credit impairment losses	(409,106.78)	10,288,860.41	(1,477,871.77)	8,401,881.86
Depreciation and amortisation expense	97,418,014.81	875,238,728.78	3,793,434.03	976,450,177.62
Total profit/(loss)	525,439,496.38	1,807,950,030.32	(56,056,557.67)	2,277,332,969.03
Income tax expenses	112,808,492.34	193,927,348.20	2,901.54	306,738,742.08
Total assets	<u>15,606,572,643.13</u>	<u>44,318,047,856.26</u>	<u>3,268,823,896.69</u>	<u>63,193,444,396.08</u>
Total liabilities	<u>10,606,081,877.74</u>	<u>28,228,937,555.48</u>	<u>5,619,818,094.67</u>	<u>44,454,837,527.89</u>
Other disclosures				
Non-cash expenses other than depreciation and amortization expenses	<u>(409,106.78)</u>	<u>10,288,860.41</u>	<u>(1,477,871.77)</u>	<u>8,401,881.86</u>
Capital expenditure (Note)	<u>3,654,626,861.74</u>	<u>861,423,747.89</u>	<u>2,894,374.11</u>	<u>4,518,944,983.74</u>

Segment information for the six months ended 30 June 2020 and 31 December 2020

	Natural gas	Wind and photovoltaic power generation	Others	Total
Revenue from external customer	<u>4,347,571,929.54</u>	<u>2,238,512,545.11</u>	<u>599,870.50</u>	<u>6,586,684,345.15</u>
Investment income from joint ventures and associates	68,679,863.69	30,591,034.22	4,833,596.09	104,104,494.00
Credit impairment losses	(36,603,990.93)	8,332,244.25	47,970.83	(28,223,775.85)
Depreciation and amortisation expense	89,641,033.87	601,774,765.84	2,476,319.23	693,892,118.94
Total profit/(loss)	432,073,801.56	1,029,771,196.93	(33,799,051.94)	1,428,045,946.55
Income tax expenses	100,712,420.50	130,670,494.05	–	231,382,914.55
Total assets	<u>11,807,485,241.55</u>	<u>44,025,019,525.11</u>	<u>1,425,209,781.75</u>	<u>57,257,714,548.41</u>
Total liabilities	<u>7,857,244,980.17</u>	<u>27,613,122,906.19</u>	<u>5,091,857,564.64</u>	<u>40,562,225,451.00</u>
Other disclosures				
Non-cash expenses other than depreciation and amortization expenses	<u>(36,603,990.93)</u>	<u>8,332,244.25</u>	<u>47,970.83</u>	<u>(28,223,775.85)</u>
Capital expenditure (Note)	<u>1,657,176,445.60</u>	<u>3,257,239,096.84</u>	<u>422,176.15</u>	<u>4,914,837,718.59</u>

Note: Capital expenditures include the increase in goodwill, investment property, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditures and long-term deferred expenses this period.

More than 90% of the Group's revenue is derived from North China, which is managed in a unified and centralized manner by the management. Therefore, the Group has only one regional segment.

Geographical information

Revenue from external customer

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Mainland China	<u>8,404,374,325.14</u>	<u>6,586,684,345.15</u>

Revenue from external customer are attributable to the geographic locations where the customers are located, and all of which are located in Mainland China.

Total non-current assets

	30 June 2021	31 December 2020
China (excluding Hong Kong, Macao and Taiwan regions)	49,188,623,035.50	45,751,267,619.03
Other countries and regions	3,478,393.47	2,368,833.55
	<u>49,192,101,428.97</u>	<u>45,753,636,452.58</u>

The non-current assets information above is based on the locations of the assets and excludes financial assets, long-term equity investment and deferred tax assets.

Major customer information

During the six months ended 30 June 2021, operating income (income generated at or exceeding 10% of the Group's income) is RMB2,175,657,675.27, which comes from income to a single customer (including all entities known to be under the control of the customer).

In 2020, operating income (income generated at or exceeding 10% of the Group's income) is RMB2,682,191,700.26, which comes from income to a single customer (including all entities known to be under the control of the customer).