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**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 2022**

**FINANCIAL HIGHLIGHTS**

For the six months ended 30 June 2022:

- operating revenue was RMB10,225 million, representing an increase of 19.66% as compared with the same period of last year;
- net profit attributable to shareholders of the listed company was RMB1,617 million, representing a decrease of 5.29% as compared with the same period of last year; and
- basic earnings per share was RMB0.38.

The board of directors (the “**Board**”) of China Suntien Green Energy Corporation Limited (the “**Company**”) hereby announces the unaudited interim consolidated results of the Group for the six months ended 30 June 2022. 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: wind power generation and sale of natural gas. The other businesses in the principal business are ancillary or extended businesses that the Company develops by making use of its resources and technical advantages in the natural gas and wind power sectors. The photovoltaic power generation business is also one of the Company's important strategic investment and business development directions.

#### *1. Wind power business*

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

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

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

(2) Sale of electricity

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

2. *Natural gas business*

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

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

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

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

## (2) Sale of natural gas

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

### ***(II) Industry situation***

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

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

## 1. *New energy segment*

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

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

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

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

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

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

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

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

## 2. Gas segment

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

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

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

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

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

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

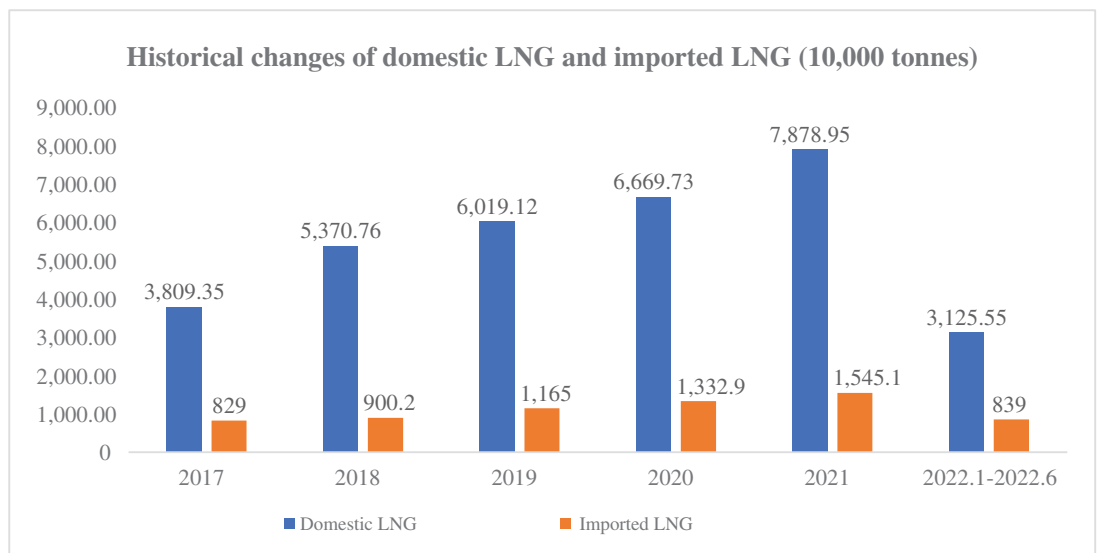
(4) "One National Grid" pattern gradually emerging

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



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

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



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

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

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

## II. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

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

### III. BUSINESS DISCUSSION AND ANALYSIS

#### *(I) Operating Environment*

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

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

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

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

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

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

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

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

## ***(II) BUSINESS REVIEW***

### *1. Business review of the wind power business*

#### **(1) Power generation of wind farms remaining stable**

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

#### **(2) Sturdily proceeding with project construction**

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

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

### (3) Active expansion in wind resources reserves

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

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

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

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

During the Reporting Period, the Group’s total transmission volume of the natural gas business was 2.456 billion cubic meters, representing an increase of 7.18% as compared with the same period of last year, among which, the sales volume amounted to 2.187 billion cubic meters, representing an increase of 3.00% as compared with the same period of last year, including (i) wholesale volume amounted to 1.165 billion cubic meters, representing a decrease of 9.57% as compared with the same period of last year, mainly due to the warmer winter with some areas experiencing a decline in gas volume out of factors like the pandemic; (ii) retail sales volume amounted to 974 million cubic meters, representing an increase of 22.9% as compared with the same period of last year, mainly due to the increase in some industrial users as compared to the same period of last year; (iii) sales volume of CNG amounted to 45 million cubic meters, representing an increase of 28.25% as compared with the same period of last year, due to some users switching to CNG after the increase in the price of LNG; (iv) sales volume of LNG amounted to 3 million cubic meters, representing a decrease of 54.9% as compared with the same period of last year, mainly due to some switching to CNG after the increase in the price of LNG; and the gas transmission volume amounted to 269 million cubic meters, representing an increase of 60.26% as compared with the same period of last year, mainly due to the increase in gas consumption of Huadian gas power plants which is transmitted by the Group.

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

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

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

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

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



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

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

3. *Other businesses*

(1) Photovoltaic power business

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

(2) Energy storage business

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

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

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

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

### ***(III) Business Discussion and Analysis***

#### *1. Overview*

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

## 2. *Net profit*

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

## 3. *Net profit attributable to shareholders of the listed company*

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

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

## 4. *Gain or loss attributable to minority shareholders*

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

## 5. *Contingent liabilities*

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

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

## 6. Cash flows

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

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

## 7. Capital expenditure

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

*Unit: '000 Yuan Currency: RMB*

	<b>30 June 2022</b>	30 June 2021	Change (%)
Natural gas	<b>1,519,889</b>	3,654,627	-58.41
Wind power and solar energy	<b>986,812</b>	1,020,680	-3.32
Unallocated capital expenditures	<b>1,340</b>	2,894	-53.71
Total	<b><u>2,508,041</u></b>	<u>4,678,201</u>	<u>-46.39</u>

## 8. Borrowings

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

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

## 9. Debt-to-asset ratio

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

## 10. Substantial mortgage

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

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

Applicable     Not Applicable

## IV. MAJOR OPERATIONS DURING THE REPORTING PERIOD

### (I) Analysis of principal business

#### 1. Analysis of changes in relevant items of financial statements

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

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

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

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

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

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

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

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

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

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

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

Applicable  Not Applicable

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

Applicable  Not Applicable

**(III) Analysis of assets and liabilities**

1. *Assets and liabilities*

*Unit: Yuan*

Items	Balance as at the end of the Reporting Period	Balance as at the end of the Reporting Period as a percentage of total assets (%)	Balance as at the end of the corresponding period of last year	Balance as at the end of the corresponding period of last year as a percentage of total asset (%)	Change in balance as at the end of the Reporting Period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Cash	4,658,724,748.78	6.45	7,648,396,983.55	10.61	-39.09	Mainly due to the Company's purchase of trading financial assets, repayment of maturing debts and purchase of long-term assets
Derivative financial assets	1,349,000,000.00	1.87	-	-	100.00	Mainly due to the Company's purchase of structured deposits from banks
Receivable financing	654,608,841.55	0.91	494,976,373.69	0.69	32.25	Increase in acceptance bills received during the current period
Advances to suppliers	351,587,052.12	0.49	161,631,341.92	0.22	117.52	Increase in prepayments for purchase of natural gas
Inventories	90,447,346.72	0.13	214,186,265.69	0.30	-57.77	Mainly due to the decrease in natural gas in stock
Non-current assets due within one year	22,349,480.00	0.03	-	-	100.00	Increase in amounts receivable for construction work to be recovered within one year

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
Long-term receivables	1,163,662.27	0.00	41,133,817.83	0.06	-97.17	Receipt of amounts receivable for construction work
Goodwill	93,856,558.08	0.13	55,450,878.54	0.08	69.26	Increase in goodwill arising from the business combinations involving enterprises not under common control during the current period
Short-term borrowings	1,277,590,696.24	1.77	1,978,114,966.89	2.74	-35.41	Repayment of short-term borrowings from financial institutions
Bills payable	42,464,844.58	0.06	14,738,449.62	0.02	188.12	Mainly due to the increase in the settlement of bank acceptance bills
Other current liabilities	1,219,086,621.02	1.69	704,107,945.21	0.98	73.14	Mainly due to the issuance of super short-term commercial papers by the Company during the current period
Long-term payables	206,126,428.37	0.29	361,236,137.17	0.50	-42.94	Mainly due to the decrease in sale-leaseback finance leases of the Company over the same period of last year

#### Other explanations

Nil.



2. *Information on foreign assets*

(1) Size of assets

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

(2) Explanation of the high proportion of foreign assets

Applicable  Not Applicable

Other explanation

Nil.

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

*Unit: Yuan*

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

4. *Other explanation*

Applicable  Not Applicable

#### **(IV) Analysis of investment status**

##### **1. General analysis of external equity investments**

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

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

*Unit: RMB'0,000*

<b>Investment amount during the Reporting Period</b>	<b>Investment amount of the corresponding period last year</b>	<b>Percentage change</b>
1,470.00	—	100%

##### **(1) Material equity investments**

Applicable     Not Applicable

##### **(2) Material non-equity investments**

Applicable     Not Applicable

(3) Financial assets measured at fair value

Unit: Yuan

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

**(V) Material disposal of assets and equity interest**

Applicable  Not Applicable

**(VI) Analysis of major subsidiaries and investee companies**

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

Unit: RMB'0,000

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

***(VII) Structured entities controlled by the company***

Applicable     Not Applicable

**V. OTHER DISCLOSURES**

***(I) Potential risks***

*1. Wind power business*

(1) Risk of market-based electricity trading

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

(2) Continuation of power constraints

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

(3) Risk from natural conditions

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

## 2. *Natural gas business*

### (1) Intensification of market competition

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

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

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

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

### (3) Risks of natural gas price increase

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

### 3. *Interest rate risk*

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

#### **(II) Others**

Applicable     Not Applicable

## **VI. PROSPECTS FOR THE SECOND HALF OF THE YEAR**

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

1. Doing our utmost to construct safe production facilities, bearing in mind that "safety is the first responsibility", building systems, strengthening responsibility, completing the release and implementation of the HSE (health, safety and environment) management system, and guiding and promoting the implementation of the system-wide HSE system. We will further improve the responsibility system for safe production of all staff, and will focus on detailed and practical risk classification and control as well as screening and treatment of pitfall. We will also organize emergency drills for major hazards before the commissioning of key projects such as the Tangshan LNG Project in a timely manner, so as to enhance the emergency disposal capability of the Company's systems and maintain safe production.
2. Further increasing project development efforts, forming the new development pattern of the dual drive of the two major business segments, new energy and natural gas and striving the effective implementation of the major projects and key projects in the year. At the same time, we will continue to follow up on the big bases and big channels of new energy projects, and make every effort to promote offshore wind power projects and integrated source-grid-load-storage projects, and strive to make a breakthrough as soon as possible.

3. Strengthening the management of construction period of projects under construction to ensure smooth construction of all projects under construction as scheduled. Among which, new energy projects under construction such as the Liaoning Taian Sanglin Project (遼寧台安桑林) and Hunan Channel II (湖南通道二期) should be connected to the grid as planned; the external pipelines of the Tangshan LNG Project Phase I and the Caobao section (曹寶段) and Baoyong section (寶永段) meeting production conditions, and the storage tanks meeting inlet conditions; the “Jingshihan” Dual Track Gas Pipeline Project (“京石邯”輸氣管道複綫工程) meeting production conditions, and the construction of the main storage tank of the Jinghan Pipeline LNG Gas Storage Peak Capacity Station Project Phase I having completed.
4. Timely commencing the technical reform, efficiency enhancement and upgrades by “closing down smaller generation units and replacing with bigger ones” of the new energy projects which were put into early operation, doing a good job in upgrades of the old gas pipeline networks in urban areas, long-distance pipeline upgrades and transformation and other key work; enhancing the efficiency of the stock of assets; and carrying out the strategic layout and systematic planning of new energy storage projects.
5. Paying close attention to electricity trading, natural gas trading and carbon trading market dynamics as well as the relevant policies launched by China, and adjusting trading strategies in a timely manner to maximize the Company’s interests.

## **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 2022.

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

Other than the A Share Offering and related issuance of corporate bonds as disclosed in this announcement, neither the Company nor its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

In order to enhance the profitability and sustainable development capabilities, lower debt-to-asset ratio and enhance risk resistance capacity, the Company commenced a non-public offering of A shares in 2021 (the “**A Share Offering**”), which was completed on 6 January 2022. The price of the A Share Offering was determined on 9 December 2021, the trading day following the delivery date of the invitation of subscription and the first day of the period of the A Share Offering, on which the Company’s A shares were closed at RMB18.34 per share. The subscribers to the offering are HECIC, the controlling shareholder of the Company, and 21 legal persons, natural persons or other lawful investment organizations that meet the requirements of the CSRC and other relevant laws and regulations. Other than HECIC, the other subscribers and their respective ultimate beneficial owners are third parties independent of and not connected with the Company or its connected persons. The par value of the additional A shares in the A Share Offering was RMB1 per share and the issue price was RMB13.63 per share. The number of shares issued was 337,182,677, raising total proceeds of RMB4,595,799,887.51. The actual net proceeds raised were RMB4,545,055,183.47 after deducting the expenses related to the offering. Upon completion of the A Share Offering, the total number of shares in issue of the Company increased from 3,849,910,396 shares to 4,187,093,073 shares, and the total number of A shares increased from 2,010,906,000 to 2,348,088,677. For details of the A Share Offering, please refer to the circular of the Company dated 1 April 2021 and the announcements dated 5 March 2021, 23 April 2021, 7 May 2021, 18 May 2021, 28 June 2021, 15 July 2021, 26 July 2021, 24 August 2021, 6 January 2022 and 9 January 2022.



Based on the actual amount of proceeds, the Company will use the proceeds as follows:

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

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

## D. PARTICULARS OF CORPORATE BONDS

### I. Debenture, corporate bonds and debt financing instruments of non-financial enterprises

#### (I) Debenture

Applicable     Not Applicable

#### (II) Corporate Bonds

## 1. Basic information of corporate bonds

Unit: '00 million Yuan Currency: RMB

Name	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate(%)	Means to repay principal and interest	Trading place	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Risk of termination of listing and trading
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

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

Applicable  Not Applicable

Overdue bonds

Applicable  Not Applicable

Description of overdue debts

Applicable  Not Applicable

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

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

### **3. Adjustment to credit rating result**

Applicable     Not Applicable

Other explanations

Nil

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

Applicable     Not Applicable

Other explanations

Nil

### **5. Description of other information of corporate bond**

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

The aggregate proceeds from the issuance of bonds amounted to RMB1,040 million, and after deducting the issuance expenses, the net proceeds amounted to RMB1,039.376 million. The proceeds from the issuance of the bonds are intended to be used for the payment for the principal and interest of the renewable green corporate bonds of the Company at maturity as well as for the construction, operation and acquisition of green projects. As the Company is a green issuer, and in accordance with the provisions of the prospectus of the bonds, the Company may adjust the relevant funding of project in accordance with the progress of the green projects and the actual capital requirements. According to the Company’s capital utilisation plan, the scope of projects for which the proceeds from the bonds will be extended from those of the prospectus for “G21 New Y1” to include eight more projects, i.e.

the Hebei Construction and Investment Wind Power Hydrogen Production Project (hydrogen production part), Kangbao Wolongshan 100 MW Wind Farm Project, Kangbao Yongfeng 200 MW Wind Farm Project, Shangyi Dadongshan 49.5 MW Wind Farm Project, Chengde Yuyuan Weichang Dahuanqi Wind Farm, Julu County Laozhang River 50 MW Wind Farm, Wuchuan Dayuanshan (Desheng) 50 MW Wind Power Clean Heating Project and Maniba Wind Farm Project, which will make use of the proceeds from the bonds to replace RMB103.00 million of its own funds invested after the registration date of the bonds (27 November 2020). For details, please refer to the “Announcement of China Suntien Green Energy Corporation Limited and China Galaxy Securities Co., Ltd. on the Adjustment of the Use of Proceeds of “G21 New Y1” dated 6 June 2022.

- (3) Pingan-HECIC New-energy No.1 Renewable Energy Tariff Surcharge Green Assets Support Scheme (G HECIC 1): issued on 24 December 2019-25 December 2019, value day was 26 December 2019, maturity date is 26 December 2022, balance is RMB260 million, interest rate is 4.09%, with interest payable semi-annually and the principal payable when due.
- (4) Pingan-HECIC New-energy No.1 Renewable Energy Tariff Surcharge Green Assets Support Scheme (G HECIC 2): issued on 24 December 2019-25 December 2019, value day was 26 December 2019, maturity date is 26 December 2022, balance is RMB15 million, interest rate is 4.09%, with interest payable semi-annually and the principal payable when due.
- (5) Progress and environmental benefits of green projects for which funds were raised: During the Reporting Period, the Company’s consolidated wind farms realized a power generation of 7,575 million kWh and photovoltaic generation of 87 million kWh. With reference to the conversion factors in the “2022 Annual Development Report of the Chinese Electricity Industry” published by the China Electricity Council in July 2022, in comparison with the use of conventional energy, the total electricity from wind power and photovoltaic generation is equivalent to a reduction of 6,343,400 tonnes of carbon dioxide emissions (approximately 828 grams of carbon dioxide per kWh of thermal power generation nationwide), 773.77 tonnes of sulphur dioxide emissions (approximately 0.101 gram of sulphur dioxide per kWh of thermal power generation nationwide), 1,164.48 tonnes of nitrogen oxide emissions. (approximately 0.152 gram of nitrogen oxide per kWh of thermal power generation nationwide) and 168.54 tonnes of dust (0.022g of smoke and dust per kWh of thermal power generation nationwide).

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

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

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

Unit: '00 million Currency: RMB

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

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

Applicable  Not Applicable

Overdue bonds

Applicable  Not Applicable

Description of overdue debts

Applicable  Not Applicable

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

Applicable  Not Applicable

**3. Adjustment to credit rating result**

Applicable  Not Applicable

Other explanations

Nil

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

Applicable  Not Applicable

Other explanations

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

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

Applicable  Not Applicable

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

Applicable  Not Applicable



**(V) Principal Accounting Data and Financial Indicators***Unit: Yuan Currency: RMB*

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

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

## II. CONVERTIBLE CORPORATE BONDS

Applicable     Not Applicable

## E. 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 F.2.2 of Part 2 of the CG Code. In accordance with the requirements of provision F.2.2 of Part 2 of the CG Code, the chairman of the Board shall attend the annual general meeting. Mr. Cao Xin, the Chairman of the Company, was not able to attend the 2021 annual general meeting of the Company due to other business engagement. According to relevant requirements, the meeting was chaired by Mr. Mei Chun Xiao, an executive director, as elected by the shareholders who attended the meeting.

## **F. 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.

## **G. REVIEW OF THE INTERIM RESULTS BY THE AUDIT COMMITTEE**

The Audit Committee established by the Board 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 2022 and this announcement.

## **H. PUBLICATION OF INTERIM REPORT**

The interim report of the Company for the six months ended 30 June 2022 will be published on the HKExnews website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website ([www.suntien.com](http://www.suntien.com)) 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 2022

*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*

Assets	30 June 2022	31 December 2021 (Restated)
<b>CURRENT ASSETS</b>		
Cash	4,658,724,748.78	7,648,396,983.55
Financial assets for trading	1,349,000,000.00	–
Receivables financing	654,608,841.55	494,976,373.69
Accounts receivable	7,783,019,125.72	6,657,415,202.23
Advances to suppliers	351,587,052.12	161,631,341.92
Other receivables	142,541,434.83	135,599,831.17
Inventories	90,447,346.72	214,186,265.69
Assets held for sale	12,167,182.35	12,373,484.60
Non-current assets due within one year	22,349,480.00	–
Other current assets	478,832,708.57	681,347,576.94
<b>Total current assets</b>	<b>15,543,277,920.64</b>	<b>16,005,927,059.79</b>
<b>NON-CURRENT ASSETS</b>		
Long-term receivables	1,163,662.27	41,133,817.83
Long-term equity investments	3,027,055,406.94	3,058,088,144.23
Other investments in equity instruments	218,605,700.00	218,605,700.00
Investment properties	25,479,617.26	26,032,201.48
Fixed assets	32,661,007,316.66	32,369,586,695.36
Construction in progress	14,240,370,732.98	13,724,320,499.93
Right-of-use assets	1,872,167,630.34	2,017,852,925.66
Intangible assets	2,104,922,930.63	2,151,290,713.14
Development expenses	28,019,508.22	27,227,806.35
Goodwill	93,856,558.08	55,450,878.54
Long-term prepaid expenses	36,318,846.99	37,147,692.06
Deferred income tax assets	188,822,823.34	186,877,995.35
Other non-current assets	2,214,108,699.22	2,157,471,147.28
<b>Total non-current assets</b>	<b>56,711,899,432.93</b>	<b>56,071,086,217.21</b>
<b>Total assets</b>	<b>72,255,177,353.57</b>	<b>72,077,013,277.00</b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>30 June 2022</b>	31 December 2021 (Restated)
<b>CURRENT LIABILITIES</b>		
Short-term loans	<b>1,277,590,696.24</b>	1,978,114,966.89
Notes payable	<b>42,464,844.58</b>	14,738,449.62
Accounts payable	<b>396,204,405.80</b>	458,031,776.88
Contract liabilities	<b>1,221,221,219.06</b>	1,654,191,386.15
Advances from customers	<b>778,761,061.94</b>	778,761,061.94
Wages payable	<b>62,439,468.04</b>	79,033,920.95
Taxes payable	<b>159,108,643.31</b>	159,169,763.37
Other payables	<b>7,093,405,675.81</b>	7,016,558,174.65
Liabilities held for sale	<b>6,282,861.99</b>	7,859,895.72
Non-current liabilities due within one year	<b>5,471,646,319.67</b>	4,211,344,922.30
Other current liabilities	<b>1,219,086,621.02</b>	704,107,945.21
<b>Total current liabilities</b>	<b><u>17,728,211,817.46</u></b>	<u>17,061,912,263.68</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term loans	<b>28,208,171,744.09</b>	28,705,566,379.15
Debentures payable	<b>1,000,000,000.00</b>	1,000,000,000.00
Lease liabilities	<b>688,415,703.98</b>	784,769,810.01
Long-term payables	<b>206,126,428.37</b>	361,236,137.17
Accrued liabilities	<b>77,531,149.68</b>	77,531,149.68
Deferred income	<b>108,375,533.76</b>	106,249,255.16
Deferred income tax liabilities	<b>56,349,497.13</b>	56,187,755.68
<b>Total non-current liabilities</b>	<b><u>30,344,970,057.01</u></b>	<u>31,091,540,486.85</u>
<b>Total liabilities</b>	<b><u><u>48,073,181,874.47</u></u></b>	<u><u>48,153,452,750.53</u></u>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>30 June 2022</b>	31 December 2021 (Restated)
<b>Shareholders' equity</b>		
Share capital	<b>4,187,093,073.00</b>	4,187,093,073.00
Other equity instruments	<b>1,039,376,000.00</b>	1,945,736,000.00
Including: Perpetual bonds	<b>1,039,376,000.00</b>	1,945,736,000.00
Capital surplus	<b>6,588,154,821.92</b>	6,590,287,168.26
Other Comprehensive Income	<b>6,493,135.00</b>	6,493,135.00
Surplus reserves	<b>792,320,157.74</b>	638,241,006.48
Undistributed profit	<b>7,176,478,341.48</b>	6,466,749,439.53
<b>Total equity attributable to shareholders of the parent company</b>	<b><u>19,789,915,529.14</u></b>	<u>19,834,599,822.27</u>
<b>Minority interests</b>	<b><u>4,392,079,949.96</u></b>	<u>4,088,960,704.20</u>
<b>Total shareholders' equity</b>	<b><u>24,181,995,479.10</u></b>	<u>23,923,560,526.47</u>
<b>Total liabilities and shareholders' equity</b>	<b><u><u>72,255,177,353.57</u></u></b>	<u><u>72,077,013,277.00</u></u>

Company representative:  
Cao Xin

Person in charge of accounting:  
Fan Wei Hong

Head of accounting department:  
Yang Zhanqing

## CONSOLIDATED INCOME STATEMENT

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2022	For the six months ended 30 June 2021 (Restated)
<b>Operating revenue</b>	<b>10,225,309,885.43</b>	8,545,067,129.57
Less: Operating costs	<b>7,185,416,025.72</b>	5,503,516,493.10
Taxes and surcharges	<b>37,272,751.30</b>	30,044,167.02
Selling expenses	<b>1,709,640.11</b>	1,180,879.25
Administration expenses	<b>254,539,409.30</b>	247,375,629.63
R&D expenses	<b>37,888,206.99</b>	16,451,004.15
Finance costs	<b>588,247,100.89</b>	552,434,209.15
Including: Interest expenses	<b>618,874,448.70</b>	558,949,337.20
Interest income	<b>34,310,866.79</b>	11,401,157.20
Add: Other gains	<b>105,946,430.99</b>	72,949,078.57
Investment gains	<b>148,007,463.44</b>	144,574,433.25
Including: Gains from investment in associated companies and joint ventures	<b>131,217,378.53</b>	132,631,426.33
Credit impairment losses	<b>(13,951,636.26)</b>	(8,401,881.86)
Asset disposal gains/(losses)	<b>1,288,034.57</b>	(659.03)
Operating profit	<b>2,361,527,043.86</b>	2,403,185,718.20
Add: Non-operating income	<b>3,178,024.62</b>	5,777,740.33
Less: Non-operating expenses	<b>2,036,470.33</b>	367,738.39
Gross profit	<b>2,362,668,598.15</b>	2,408,595,720.14
Less: Income tax expenses	<b>338,309,401.17</b>	306,738,742.08
Net profit	<b><u>2,024,359,196.98</u></b>	<b><u>2,101,856,978.06</u></b>
By continuity as a going concern		
Net profit from continuing operations	<b>2,024,359,196.98</b>	2,101,856,978.06
Net profit from discontinued operations	-	-
By ownership		
Net profit attributable to owners of the parent company	<b>1,616,612,596.40</b>	1,706,990,339.97
Gain or loss attributable to minority interests	<b>407,746,600.58</b>	394,866,638.09
Total comprehensive income	<b><u>2,024,359,196.98</u></b>	<b><u>2,101,856,978.06</u></b>

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021 (Restated)
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Including:

Total comprehensive income attributable to  
shareholders of the parent company

<b>1,616,612,596.40</b>	1,706,990,339.97
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Total comprehensive income attributable to  
minority interests

<b>407,746,600.58</b>	394,866,638.09
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Earnings per share

Basic earnings per share

<b>0.38</b>	<b>0.43</b>
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Diluted earnings per share

<b>0.38</b>	<b>0.43</b>
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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

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
<b>1. Cash flows from operating activities</b>		
Cash received from sale of goods and rendering of services	<b>9,220,787,895.34</b>	7,749,796,232.12
Cash received from tax refund	<b>287,264,326.22</b>	69,489,136.88
Cash received from other operating activities	<b>48,300,264.35</b>	19,938,631.70
	<hr/>	<hr/>
Sub-total of cash inflows from operating activities	<b>9,556,352,485.91</b>	7,839,224,000.70
	<hr/>	<hr/>
Cash paid for goods and services	<b>(6,486,160,247.98)</b>	(4,659,261,487.00)
Cash paid to and on behalf of employees	<b>(328,793,764.20)</b>	(345,859,773.79)
Payments of taxes and surcharges	<b>(546,251,536.13)</b>	(504,615,661.01)
Cash paid relating to other operating activities	<b>(105,378,737.38)</b>	(64,768,010.37)
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	<b>(7,466,584,285.69)</b>	(5,574,504,932.17)
	<hr/>	<hr/>
Net cash flows from operating activities	<b>2,089,768,200.22</b>	2,264,719,068.53
	<hr/>	<hr/>

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
<b>2. Cash flows from investing activities</b>		
Cash received from investment		
Cash received from investment income	<b>181,868,773.82</b>	48,746,247.16
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>10,594,711.07</b>	175,242.58
Net cash received from disposal of subsidiaries, joint ventures and associated companies	<b>7,807,272.86</b>	–
Cash received from other investing activities	<u>–</u>	<u>5,562,868.90</u>
 Sub-total of cash inflows from investing activities	 <b><u>200,270,757.75</u></b>	 <u>54,484,358.64</u>
 Cash paid to acquire fixed assets, intangible assets and other long-term assets	 <b>(2,509,743,701.00)</b>	 (3,591,898,587.85)
Cash paid for investments	<b>(1,349,000,000.00)</b>	–
Net cash paid to acquire subsidiaries, joint ventures and associated companies	<b>(42,103,992.73)</b>	(19,158,210.25)
Increased pledged bank deposits and other restricted cash	<u>–</u>	<u>–</u>
Cash paid relating to other investing activities	<b><u>(16,190,055.86)</u></b>	<u>–</u>
 Sub-total of cash outflows from investing activities	 <b><u>(3,917,037,749.59)</u></b>	 <u>(3,611,056,798.10)</u>
 Net cash flows from investing activities	 <b><u><u>(3,716,766,991.84)</u></u></b>	 <b><u><u>(3,556,572,439.46)</u></u></b>

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
<b>3. Cash flows from financing activities</b>		
Cash received from investment	<b>17,017,074.90</b>	1,393,576,000.00
Including: Cash received by subsidiaries from minority Shareholders' investment	<b>17,017,074.90</b>	354,200,000.00
Cash received from borrowings	<b>4,524,382,832.93</b>	6,350,329,024.20
Cash received from other financing activities	<b>40,000,000.00</b>	–
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	<b>4,581,399,907.83</b>	7,743,905,024.20
	<hr/>	<hr/>
Cash paid for loan repayments	<b>(4,213,529,919.13)</b>	(3,565,022,169.12)
Cash paid for dividends, profits appropriation or payments of interest	<b>(711,141,861.01)</b>	(1,108,533,458.43)
Including: Dividends and profits paid to minority interest by subsidiaries	<b>(52,053,031.73)</b>	(103,065,647.73)
Cash paid for the redemption of other equity instruments	<b>(910,000,000.00)</b>	(590,000,000.00)
Cash paid relating to other financing activities	<b>(125,919,752.94)</b>	(25,268,708.15)
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	<b>(5,960,591,533.08)</b>	(5,288,824,335.70)
	<hr/>	<hr/>
Net cash flows from financing activities	<b>(1,379,191,625.25)</b>	2,455,080,688.50
	<hr/>	<hr/>
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>328,126.24</b>	(73,835.21)
	<hr/>	<hr/>
<b>5. Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,005,862,290.63)</b>	1,163,153,482.36
Add: Cash and cash equivalents at the beginning of the year	<b>7,533,084,715.56</b>	1,863,441,446.73
	<hr/>	<hr/>
<b>6. Cash and cash equivalents at the end of the year</b>	<b>4,527,222,424.93</b>	3,026,594,929.09
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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 2022

Unit: Yuan Currency: RMB

For the six months ended 30 June 2022  
Equity attributable to shareholders of the parent company

	Share capital	Other equity instruments - Perpetual bond	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Subtotal	Minority interest	Total shareholders' equity
I. Balance at the beginning of the period	4,187,093,073.00	1,945,736,000.00	6,590,287,168.26	6,493,135.00	-	638,241,006.48	6,316,513,894.20	19,684,364,276.94	4,079,939,763.50	23,764,304,040.44
Add: Effects of changes in accounting policies	-	-	-	-	-	-	150,235,545.33	150,235,545.33	9,020,940.70	159,256,486.03
II. Adjusted balance at the beginning of the period	4,187,093,073.00	1,945,736,000.00	6,590,287,168.26	6,493,135.00	-	638,241,006.48	6,466,749,439.53	19,834,599,822.27	4,088,960,704.20	23,923,560,526.47
III. Increase/decrease in the period	-	-	-	-	-	-	1,616,612,596.40	1,616,612,596.40	407,746,600.58	2,024,359,196.98
(I) Other comprehensive income	-	-	-	-	-	-	-	-	-	-
(II) Shareholders' contribution and decrease in capital	-	-	-	-	-	-	-	-	17,017,074.90	17,017,074.90
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-
2. Capital invested by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-
3. Capital reduced by holders of other equity instruments	-	(906,360,000.00)	(3,640,000.00)	-	-	-	-	(910,000,000.00)	-	(910,000,000.00)
4. Business combination involving enterprises not under common control	-	-	-	-	-	-	-	-	25,145,727.95	25,145,727.95
5. Disposal of subsidiaries	-	-	-	-	-	-	-	-	(1,787,437.12)	(1,787,437.12)
6. Others	-	-	1,507,653.66	-	-	-	-	1,507,653.66	4,440,623.61	5,948,277.27

For the six months ended 30 June 2022

Equity attributable to shareholders of the parent company

	Share capital	Other equity instruments - Perpetual bond	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Subtotal	Minority interest	Total shareholders' equity
(III) Profit distribution										
1. Appropriation to surplus reserve	-	-	-	-	-	154,079,151.26	(154,079,151.26)	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	(699,244,543.19)	(699,244,543.19)	(149,443,344.16)	(848,687,887.35)
3. Distribution to holders of other equity instruments	-	-	-	-	-	-	(53,560,000.00)	(53,560,000.00)	-	(53,560,000.00)
(IV) Special reserve/(Note)										
1. Appropriation for the current period	-	-	-	-	30,441,331.24	-	-	30,441,331.24	-	30,441,331.24
2. Application for the current period	-	-	-	-	(30,441,331.24)	-	-	(30,441,331.24)	-	(30,441,331.24)
III. Balance at the end of the current period	<u>4,187,093,073.00</u>	<u>1,039,376,000.00</u>	<u>6,588,154,821.92</u>	<u>6,493,135.00</u>	<u>-</u>	<u>792,320,157.74</u>	<u>7,176,478,341.48</u>	<u>19,789,915,529.14</u>	<u>4,392,079,949.96</u>	<u>24,181,995,479.10</u>

Note: The special reserve refers to the safety production expenses accrued by the related businesses of the Group's natural gas business segment in accordance with the regulations. The amount accrued in the current period has all been used for the relevant expenses of safety production.

For the six months ended 30 June 2021

Equity attributable to shareholders of the parent company

	Share capital	Other equity instruments - Perpetual bond	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Subtotal	Minority interest	Total shareholders' equity
<b>I. Balance at the beginning of the year</b>	3,849,910,396.00	1,494,000,000.00	2,400,024,673.73	6,493,135.00	-	486,035,679.01	4,928,503,066.37	13,164,966,950.11	3,530,522,147.30	16,695,489,097.41
Effects of changes in accounting policies	-	-	-	-	-	-	15,312,250.12	15,312,250.12	872,710.64	16,184,960.76
<b>II. Adjusted balance at the beginning of the period</b>	3,849,910,396.00	1,494,000,000.00	2,400,024,673.73	6,493,135.00	-	486,035,679.01	4,943,815,316.49	13,180,279,200.23	3,531,394,857.94	16,711,674,058.17
<b>III. Increase/decrease in the period</b>										
(I) Other comprehensive income	-	-	-	-	-	-	1,583,586,082.89	1,583,586,082.89	387,008,144.06	1,970,594,226.95
(II) Shareholders' contribution and decrease in capital										
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	354,200,000.00	354,200,000.00
2. Disposal of subsidiaries	-	-	-	-	-	-	-	-	(2,954,248.79)	(2,954,248.79)
3. Capital invested by holders of other equity instruments	-	1,039,376,000.00	-	-	-	-	-	1,039,376,000.00	-	1,039,376,000.00
4. Capital reduced by holders of other equity instruments	-	(587,640,000.00)	(2,360,000.00)	-	-	-	-	(590,000,000.00)	-	(590,000,000.00)
5. Business combination involving enterprises not under common control	-	-	-	-	-	-	-	-	189,235.65	189,235.65
6. Others	-	-	867,106.99	-	-	-	-	867,106.99	316,001.47	1,183,108.46

For the six months ended 30 June 2021

Equity attributable to shareholders of the parent company

	Share capital	Other equity instruments – Perpetual bond	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Subtotal	Minority interest	Total shareholders' equity
(III) Profit distribution										
1. Appropriation to surplus reserve	-	-	-	-	136,473,414.93	(136,473,414.93)	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	(523,587,813.86)	(523,587,813.86)	(109,552,737.63)	(633,140,551.49)	
3. Distribution to holders of other equity instruments	-	-	-	-	-	(96,330,000.00)	(96,330,000.00)	-	-	(96,330,000.00)
(IV) Special reserve										
1. Appropriation for the current period	-	-	-	-	25,872,252.54	-	-	25,872,252.54	-	25,872,252.54
2. Application for the current period	-	-	-	-	(25,872,252.54)	-	-	(25,872,252.54)	-	(25,872,252.54)
<b>IV. Balance at the end of the current period</b>	<b>3,849,910,396.00</b>	<b>1,945,736,000.00</b>	<b>2,398,531,780.72</b>	<b>6,493,135.00</b>	<b>-</b>	<b>622,509,093.94</b>	<b>5,771,010,170.59</b>	<b>14,594,190,576.25</b>	<b>4,160,601,252.70</b>	<b>18,754,791,828.95</b>

Company representative: Cao Xin

Person in charge of accounting: Fan Wei Hung

Head of accounting: Yang Zhanqing

## BALANCE SHEET

Unit: Yuan Currency: RMB

ASSETS	30 June 2022	31 December 2021
<b>CURRENT ASSETS</b>		
Cash	2,710,428,146.23	4,955,847,636.66
Financial assets for trading	1,349,000,000.00	–
Advances to suppliers	3,515,248.82	1,635,332.15
Other receivables	1,939,795,488.75	1,350,583,043.68
Inventories	543,699.97	–
Classified as held for sale	2,174,706.49	2,174,706.49
Non-current assets due within one year	6,288,129.99	19,834,399.46
Other current assets	6,882,410.51	5,422,603.07
<b>Total current assets</b>	<b>6,018,627,830.76</b>	<b>6,335,497,721.51</b>
<b>NON-CURRENT ASSETS</b>		
Long-term equity investments	12,078,991,197.05	11,911,865,694.69
Other investments in equity instruments	200,000,000.00	200,000,000.00
Fixed assets	5,719,683.60	6,154,825.70
Construction in progress	12,319,172.01	12,258,459.14
Right-of-use assets	5,113,585.37	–
Intangible assets	4,544,369.25	3,898,427.16
Long-term prepaid expenses	115,770.68	139,723.22
Other non-current assets	3,339,670,600.00	2,827,369,600.00
<b>Total non-current assets</b>	<b>15,646,474,377.96</b>	<b>14,961,686,729.91</b>
<b>Total assets</b>	<b>21,665,102,208.72</b>	<b>21,297,184,451.42</b>



<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>30 June 2022</b>	31 December 2021
<b>CURRENT LIABILITIES</b>		
Short-term loans	200,128,888.89	700,724,166.66
Wages payable	5,886,383.55	2,575,017.87
Taxes payable	458,807.69	3,025,635.06
Other payables	798,988,523.29	140,550,247.75
Non-current liabilities due within one year	484,821,946.64	485,834,490.35
Other current liabilities	504,044,292.23	–
<b>Total current liabilities</b>	<b>1,994,328,842.29</b>	<b>1,332,709,557.69</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term loans	2,665,260,600.00	2,841,770,600.00
Debentures payable	1,000,000,000.00	1,000,000,000.00
Deferred income	3,300,000.00	2,400,000.00
Lease liabilities	2,127,804.85	–
<b>Total non-current liabilities</b>	<b>3,670,688,404.85</b>	<b>3,844,170,600.00</b>
<b>Total liabilities</b>	<b>5,665,017,247.14</b>	<b>5,176,880,157.69</b>
<b>Shareholders' equity</b>		
Share capital	4,187,093,073.00	4,187,093,073.00
Other equity instruments	1,039,376,000.00	1,945,736,000.00
Including: Preferred shares	1,039,376,000.00	1,945,736,000.00
Capital surplus	6,671,061,496.34	6,673,646,098.38
Surplus reserves	792,320,157.74	638,241,006.48
Undistributed profit	3,310,234,234.50	2,675,588,115.87
<b>Total Shareholders' equity</b>	<b>16,000,084,961.58</b>	<b>16,120,304,293.73</b>
<b>Total liabilities and shareholders' equity</b>	<b>21,665,102,208.72</b>	<b>21,297,184,451.42</b>

Company representative :  
Cao Xin

Person in charge of accounting:  
Fan Wei Hong

Head of accounting department:  
Yang Zhanqing

# INCOME STATEMENT

Unit: Yuan Currency: RMB

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
<b>Total operating revenue</b>	<b>75,000.00</b>	267,300.00
Less: Operating revenue	–	–
Taxes and surcharges	<b>172,994.30</b>	5.00
Administration expenses	<b>30,204,547.17</b>	46,550,561.69
R&D expenses	<b>7,574,419.60</b>	6,699,817.62
Finance costs	<b>(3,944,591.99)</b>	21,613,812.17
Including: Interest expenses	<b>18,036,409.11</b>	22,199,939.09
Interest income	<b>(22,576,996.43)</b>	2,648,943.91
Add: other gains	<b>561,143.37</b>	205,551.60
Investment gains	<b>1,575,205,516.21</b>	1,432,842,635.74
Including: Gains from investment in associated companies and joint ventures	<b>12,948,211.41</b>	15,873,894.93
Credit impairment losses	<b>(490,293.80)</b>	1,478,301.66
Asset impairment losses	–	(195,385.16)
Asset disposal gains	<b>214,430.54</b>	–
	<hr/>	<hr/>
Operating profit	<b>1,541,558,427.24</b>	1,359,734,207.36
Add: Non-operating income	–	5,000,000.00
Less: Non-operating expenses	<b>28,614.16</b>	58.08
	<hr/>	<hr/>
Gross profit	<b>1,541,529,813.08</b>	1,364,734,149.28
Less: Income tax expenses	–	–
	<hr/>	<hr/>
Net profit	<b><u>1,541,529,813.08</u></b>	<b><u>1,364,734,149.28</u></b>
	<hr/>	<hr/>
Including: Net profit from continuing operations	<b><u>1,541,529,813.08</u></b>	<b><u>1,364,734,149.28</u></b>

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*

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	<b>79,500.00</b>	1,801,503.50
Cash received from other operating activities	<b>705,978,118.67</b>	370,565,087.16
Sub-total of cash inflows from operating activities	<b>706,057,618.67</b>	372,366,590.66
Cash paid for goods and services	<b>(1,719,201.03)</b>	–
Cash paid to and on behalf of employees	<b>(22,652,002.17)</b>	(21,822,707.82)
Payments of taxes and surcharges	<b>(1,334,185.00)</b>	(5.00)
Cash paid relating to other operating activities	<b>(944,221,507.94)</b>	(741,373,228.28)
Sub-total of cash outflows from operating activities	<b>(969,926,896.14)</b>	(763,195,941.10)
Net cash flows used in operating activities	<b>(263,869,277.47)</b>	(390,829,350.44)

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
<b>2. Cash flows from investing activities:</b>		
Cash received from investment	<b>7,807,272.86</b>	–
Cash received from investment income	<b>815,343,055.14</b>	905,371,423.02
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b><u>3,726,281.00</u></b>	<u>–</u>
Sub-total of cash inflows from investing activities	<b><u>826,876,609.00</u></b>	<u>905,371,423.02</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	<b>(1,339,602.64)</b>	(2,633,155.85)
Cash paid for investments	<b><u>(1,349,000,000.00)</u></b>	<u>(590,023,900.00)</u>
Net cash paid to acquire subsidiaries and other business units	<b><u>(179,089,400.00)</u></b>	<u>–</u>
Sub-total of cash outflows from investing activities	<b><u>(1,529,429,002.64)</u></b>	<u>(592,657,055.85)</u>
Net cash flows from investing activities	<b><u>(702,552,393.64)</u></b>	<u>312,714,367.17</u>

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
<b>3. Cash flows from financing activities:</b>		
Cash received from investment	–	1,039,376,000.00
Cash received from borrowings	<b>975,215,000.00</b>	1,939,750,000.00
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	<b>975,215,000.00</b>	2,979,126,000.00
	<hr/>	<hr/>
Cash paid for loan repayments	<b>(1,135,260,000.00)</b>	(1,336,150,000.00)
Cash paid for dividends, profits appropriation or payments of interest	<b>(207,979,552.14)</b>	(550,044,588.71)
Cash paid for redemption of other equity instruments	<b>(910,000,000.00)</b>	(590,000,000.00)
Cash paid relating to other financing activities	<b>(1,016,678.00)</b>	(2,237,899.68)
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	<b>2,254,256,230.14</b>	(2,478,432,488.39)
	<hr/>	<hr/>
Net cash flows from financing activities	<b>(1,279,041,230.14)</b>	500,693,511.61
	<hr/>	<hr/>
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>43,410.82</b>	(11,564.54)
	<hr/>	<hr/>
<b>5. Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,245,419,490.43)</b>	422,566,963.80
Add: Cash and cash equivalents at the beginning of the period	<b>4,955,847,636.66</b>	140,173,830.24
	<hr/>	<hr/>
<b>6. Cash and cash equivalents at the end of the period</b>	<b>2,710,428,146.23</b>	562,740,794.04
	<hr/> <hr/>	<hr/> <hr/>

Company representative:  
Cao Xin

Person in charge of accounting:  
Fan Wei Hong

Head of accounting department:  
Yang Zhanqing

**STATEMENT OF CHANGES IN EQUITY***January to June 2022**Unit: Yuan Currency: RMB*

	For the six months ended 30 June 2022					Total shareholders' equity
	Share capital	Other equity instruments – Perpetual bond	Capital reserve	Surplus reserve	Undistributed profit	
I. Balance at the beginning of the period	<u>4,187,093,073.00</u>	<u>1,945,736,000.00</u>	<u>6,673,646,098.39</u>	<u>638,241,006.48</u>	<u>2,675,588,115.87</u>	<u>16,120,304,293.74</u>
II. Increase/decrease in the period						
(I) Other comprehensive income	-	-	-	-	1,541,529,813.08	1,541,529,813.08
(II) Shareholders' contribution and decrease in capital						
1. Capital reduced by holders of other equity instruments	-	(906,360,000.00)	(3,640,000.00)	-	-	(910,000,000.00)
2. Others	-	-	1,055,397.95	-	-	1,055,397.95
(III) Profit distribution						
1. Appropriation to surplus reserve	-	-	-	154,079,151.26	(154,079,151.26)	-
2. Distribution to shareholders	-	-	-	-	(699,244,543.19)	(699,244,543.19)
3. Distribution to holders of other equity instruments	-	-	-	-	(53,560,000.00)	(53,560,000.00)
III. Balance at the end of the current period	<u><u>4,187,093,073.00</u></u>	<u><u>1,039,376,000.00</u></u>	<u><u>6,671,061,496.34</u></u>	<u><u>792,320,157.74</u></u>	<u><u>3,310,234,234.50</u></u>	<u><u>16,000,084,961.58</u></u>

For the six months ended 30 June 2021

	Share capital	Other equity instruments – Perpetual bond	Capital reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
<b>I. Balance at the beginning of the period</b>	<u>3,849,910,396.00</u>	<u>1,494,000,000.00</u>	<u>2,467,638,320.02</u>	<u>486,035,679.01</u>	<u>1,925,657,982.54</u>	<u>10,223,242,377.57</u>
<b>II. Increase/decrease in the period</b>						
(I) Other comprehensive income	-	-	-	-	1,364,734,149.28	1,364,734,149.28
(II) Shareholders' contribution and decrease in capital						
1. Ordinary shares contributed by owners	-	-	-	-	-	-
2. Capital invested by owners of other equity instruments	-	1,039,376,000.00	-	-	-	1,039,376,000.00
3. Capital reduced by holders of other equity instruments	-	(587,640,000.00)	(2,360,000.00)	-	-	(590,000,000.00)
4. Others	-	-	480,881.97	-	-	480,881.97
(III) Profit distribution						
1. Appropriation to surplus reserve	-	-	-	136,473,414.93	(136,473,414.93)	-
2. Distribution to shareholders	-	-	-	-	(523,587,813.86)	(523,587,813.86)
3. Distribution to holders of other equity instruments	-	-	-	-	(96,330,000.00)	(96,330,000.00)
<b>III. Balance at the end of the current period</b>	<u><u>3,849,910,396.00</u></u>	<u><u>1,945,736,000.00</u></u>	<u><u>2,465,759,201.99</u></u>	<u><u>622,509,093.94</u></u>	<u><u>2,534,000,903.03</u></u>	<u><u>11,417,915,594.96</u></u>

Company representative:  
Cao Xin

Person in charge of accounting:  
Fan Wei Hong

Head of accounting department:  
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 2010, the total number of shares of the Company was approximately 3,238,435,000, including 1,876,156,000 domestic shares and 1,362,279,000 H shares. HECIC directly and indirectly holds all domestic shares, representing 57.9% of the total number of shares of the Company, and is the controlling shareholder of the Company.

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

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

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

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

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



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

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

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

## **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 2022, the Group’s current liabilities exceeded its current assets by approximately RMB2,166 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 2022 of approximately RMB70.081 billion;
- (3) The Group registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in March 2021. Such facilities were approved for revolving use before March 2023. As at 30 June 2022, the unutilised facilities amounted to RMB1.3 billion.

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)**

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

## Accounting period

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

## Functional currency

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

## IV. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash

	30 June 2022	31 December 2021
Bank deposits		
RMB	4,628,953,308.53	7,528,169,164.04
HKD	4,381,619.05	4,915,551.52
	<u>4,633,334,927.58</u>	<u>7,533,084,715.56</u>
Other monetary fund		
RMB	25,389,821.20	115,312,267.99
	<u>4,658,724,748.78</u>	<u>7,648,396,983.55</u>
Including: Total restricted amount due to mortgages, pledges or freezes	131,502,323.85	115,312,267.99

As at 30 June 2022, cash deposited abroad of the Group amounted to RMB6,005,372.84 (31 December 2021: RMB5,452,417.59).

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

Bank deposit and other cash are deposited with creditworthy banks with no recent default history.

### 2. Financial assets for trading

	30 June 2022	31 December 2021
Financial assets measured at fair value through profit or loss for the current period		
Debt instrument investments – wealth management products	1,349,000,000.00	–
	<u>1,349,000,000.00</u>	<u>–</u>

### 3. Receivable financing

	30 June 2022	31 December 2021
Bank acceptance bills	<u>654,608,841.55</u>	<u>494,976,373.69</u>

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

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

As at 30 June 2022 and 31 December 2021, the Company had no bank acceptance bills transferred to accounts receivable due to non-performance of drawers.

As at 30 June 2022 and 31 December 2021, the corresponding electricity fees settled by bank acceptance bills in relation to the Group's long-term borrowings secured by part of the right of collection of future electricity fees have also been used to secure borrowings of the same kind and the corresponding accounts receivable amounted to RMB590,000.00 and RMB590,000.00, respectively.

### 4. Accounts receivable

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 2022	31 December 2021
Within 6 months	2,122,934,845.26	1,925,119,390.33
6 months to 1 year	1,244,828,007.80	1,394,547,868.83
1 year to 2 years	2,016,214,310.01	1,682,479,051.62
2 to 3 years	1,386,632,100.76	1,190,622,812.03
Over 3 years	<u>1,505,082,165.29</u>	<u>945,438,196.81</u>
	<b>8,275,691,429.12</b>	<b>7,138,207,319.62</b>
Less: Provision for bad debts of accounts receivable	<u>492,672,303.40</u>	<u>480,792,117.39</u>
	<u><b>7,783,019,125.72</b></u>	<u><b>6,657,415,202.23</b></u>

	Carrying balance		30 June 2022		Carrying value
	Amount	Percentage (%)	Bad debts provision		
			Amount	Provision (%)	
Provision for bad debts made on individual basis	399,037,330.81	4.82	(399,037,330.81)	100.00	-
Provision for bad debts made on credit risk characteristics grouping basis	<u>7,876,654,098.31</u>	<u>95.18</u>	<u>(93,634,972.59)</u>	<u>1.19</u>	<u>7,783,019,125.72</u>
	<u><b>8,275,691,429.12</b></u>	<u><b>100.00</b></u>	<u><b>(492,672,303.40)</b></u>		<u><b>7,783,019,125.72</b></u>
			31 December 2021		
	Carrying balance		Bad debts provision		Carrying value
	Amount	Percentage(%)	Amount	Provision(%)	
Provision for bad debts made on individual basis	399,037,330.81	5.59	(399,037,330.81)	100.00	-
Provision for bad debts made on credit risk characteristics grouping basis	<u>6,739,169,988.81</u>	<u>94.41</u>	<u>(81,754,786.58)</u>	<u>1.21</u>	<u>6,657,415,202.23</u>
	<u><b>7,138,207,319.62</b></u>	<u><b>100.00</b></u>	<u><b>(480,792,117.39)</b></u>		<u><b>6,657,415,202.23</b></u>

As at 30 June 2022, the accounts receivable for which bad debt provision on an individual basis are as follows:

	Carrying amount	Provision for bad debts	Expected credit loss rate (%)	Reason for provision
Hebei Yuanhua Glass Co., Ltd.	218,172,501.77	218,172,501.77	100.00	Expected unrecoverable
Hebei Daguangming Industrial Group Jiajing Glass Co., Ltd.	163,716,204.33	163,716,204.33	100.00	Expected unrecoverable
Hebei Daguangming Industrial Group Juwuba Tanhei Co., Ltd.	5,998,717.59	5,998,717.59	100.00	Expected unrecoverable
Receivables for carbon emission reduction	11,149,907.12	11,149,907.12	100.00	Expected unrecoverable
	<u><b>399,037,330.81</b></u>	<u><b>399,037,330.81</b></u>		

As at 31 December 2021, the accounts receivable for which bad debt provision on an individual basis are as follows:

	Carrying amount	Provision for bad debts	Expected credit loss rate (%)	Reason for provision
Hebei Yuanhua Glass Co., Ltd.	218,172,501.77	218,172,501.77	100.00	Expected unrecoverable
Hebei Daguangming Industrial Group Jiajing Glass Co., Ltd.	163,716,204.33	163,716,204.33	100.00	Expected unrecoverable
Hebei Daguangming Industrial Group Juwuba Tanhei Co., Ltd.	5,998,717.59	5,998,717.59	100.00	Expected unrecoverable
Receivables for carbon emission reduction	11,149,907.12	11,149,907.12	100.00	Expected unrecoverable
	<u>399,037,330.81</u>	<u>399,037,330.81</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 2022			
	Carrying balance		Bad debts provision	
	Amount	Percentage (%)	Amount	Provision (%)
Renewable energy subsidies and benchmark electricity prices	<u>7,782,378,157.21</u>	<u>100.00</u>	<u>77,823,781.57</u>	<u>1.00</u>
	31 December 2021			
	Carrying balance		Bad debts provision	
	Amount	Percentage (%)	Amount	Provision (%)
Renewable energy subsidies and benchmark electricity prices	<u>6,676,028,535.50</u>	<u>100.00</u>	<u>66,760,285.36</u>	<u>1.00</u>

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

	<b>30 June 2022</b>		
	<b>Gross carrying amount estimated to be in default</b>	<b>Expected credit loss rate (%)</b>	<b>Lifetime expected credit loss</b>
Within 6 months	69,026,713.94	5.00	3,451,335.70
6 months to 1 year	13,199,754.87	10.00	1,319,975.49
1 year to 2 years	1,080,054.06	30.00	324,016.22
2 years to 3 years	507,109.25	50.00	253,554.63
Over 3 years	10,462,308.98	100.00	10,462,308.98
	<b>94,275,941.10</b>		<b>15,811,191.02</b>
	<b>94,275,941.10</b>		<b>15,811,191.02</b>
	<b>31 December 2021</b>		
	<b>Gross carrying amount estimated to be in default</b>	<b>Expected credit loss rate (%)</b>	<b>Lifetime expected credit loss</b>
Within 6 months	37,844,190.32	5.00	1,892,209.52
6 months to 1 year	11,323,545.71	10.00	1,132,354.57
1 year to 2 years	2,476,415.04	30.00	742,924.51
2 years to 3 years	540,579.25	50.00	270,289.63
Over 3 years	10,956,722.99	100.00	10,956,722.99
	<b>63,141,453.31</b>		<b>14,994,501.22</b>
	<b>63,141,453.31</b>		<b>14,994,501.22</b>

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

	<b>For the six months ended 30 June 2022</b>	2021
Balance at the beginning of the period/year	480,792,117.39	466,020,390.63
Business combinations not involving enterprises under common control	–	620,149.70
Provision for the period/year	22,626,976.61	29,121,552.27
Provision recovered or reversed during this period/year	(10,746,790.60)	(7,198,594.47)
Disposal of subsidiaries	–	(1,443,417.50)
Classified as held for sale	–	(6,327,963.24)
	<b>492,672,303.40</b>	<b>480,792,117.39</b>
Balance at the end of the period/year	<b>492,672,303.40</b>	<b>480,792,117.39</b>

As at 30 June 2022, accounts receivable with the top five amount are as follows:

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

As at 31 December 2021, accounts receivable with the top five amount are as follows:

	Relation with the Group	Balance at year end	% of total balance of accounts receivable	Balance of allowance for doubtful or bad debts
State Grid Jibei Electric Power Co., Ltd. (國網冀北電力有限公司)	Third party	3,985,969,288.33	55.84	39,859,692.88
State Grid Hebei Electric Power Co., Ltd. (國網河北省電力有限公司)	Third party	911,822,137.99	12.77	9,118,221.38
Yunnan Power Grid Co., Ltd. (雲南電網有限責任公司)	Third party	493,161,153.22	6.91	4,931,611.53
State Grid Shanxi Electric Power Co., Ltd. (國網山西省電力有限公司)	Third party	315,890,797.07	4.43	3,158,907.97
State Grid Xinjiang Electric Power Co., Ltd. Bazhou Branch (國網新疆電力有限公司 巴州供電公司)	Third party	275,007,167.57	3.85	2,750,071.68
		<u>5,981,850,544.18</u>	83.80	<u>59,818,505.44</u>

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

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

## 5. Advances to suppliers

Aging analysis of advances to suppliers is as follows:

	30 June 2022		31 December 2021	
	Carrying balance	Percentage (%)	Carrying balance	Percentage (%)
Within 6 months	<b>320,811,801.25</b>	<b>91.25</b>	150,813,437.04	93.30
6 months to 12 months	<b>19,242,906.25</b>	<b>5.47</b>	7,511,699.12	4.65
1 year to 2 years	<b>8,000,881.34</b>	<b>2.28</b>	735,783.99	0.46
2 years to 3 years	<b>1,575,621.35</b>	<b>0.45</b>	1,118,271.64	0.69
3 years to 4 years	<b>716,026.85</b>	<b>0.20</b>	195,467.05	0.12
4 years to 5 years	<b>141,865.08</b>	<b>0.04</b>	98,648.08	0.06
Over 5 years	<b>1,097,950.00</b>	<b>0.31</b>	1,158,035.00	0.72
	<b><u>351,587,052.12</u></b>	<b><u>100.00</u></b>	<b><u>161,631,341.92</u></b>	<b><u>100.00</u></b>

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

As at 30 June 2022, advances to suppliers with the top five amount are as follows:

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



As at 31 December 2021, advances to suppliers with the top five amount are as follows:

	Relation with the Group	Balance at year end	% of total balance of prepayments
China Petroleum & Chemical Corporation Natural Gas Branch, Hebei Natural Gas Sales Centre (中國石油化工股份有限公司天然氣分公司 河北天然氣銷售中心)	Third party	52,107,329.97	32.24
Datang Energy Chemical Marketing Co., Ltd. (大唐能源化工營銷有限公司)	Third party	16,014,684.40	9.91
PipeChina Group Tianjin Liquefied Natural Gas Co., Ltd. (國家管網集團天津液化天然氣有限責任公司)	Third party	14,854,502.43	9.19
Shanxi Guohua Energy Co., Ltd. (山西國化能源有限責任公司)	Third party	5,339,948.93	3.30
PipeChina Group Beijing Pipeline Co., Ltd. (國家管網集團北京管道有限公司)	Third party	4,741,323.25	2.93
		<u>93,057,788.98</u>	57.57

## 6. Other receivables

Other receivables by nature are as follows:

	30 June 2022	31 December 2021
Dividends receivable	84,043,320.33	94,765,961.18
Other receivables	58,498,114.50	40,833,869.99
	<u>142,541,434.83</u>	<u>135,599,831.17</u>

### *Dividends receivable*

	30 June 2022	31 December 2021
Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd. (河北圍場龍源建投風力發電公司) (“Hebei Weichang”)	25,577,001.61	25,577,001.61
Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd. (龍源建投(承德)風力發電有限公司) (“Chengde Wind Energy”)	–	24,960,437.72
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司) (“Chengde Dayuan”)	31,730,248.38	12,902,451.51
Zhangbei CIC Huashi Wind Energy Co., Ltd. (張北建投華實風能有限公司) (“Zhangbei CIC”)	24,157,561.12	27,727,561.12
Chongli CIC Huashi Wind Energy Co., Ltd. (崇禮建投華實風能有限公司) (“Chongli CIC”)	2,578,509.22	3,598,509.22
	<u>84,043,320.33</u>	<u>94,765,961.18</u>

## Other receivables

The ageing of other receivables is analysed below:

	30 June 2022	31 December 2021
Within 6 months	29,797,104.39	22,414,334.85
6 months to 1 year	19,678,640.62	13,022,285.34
1 year to 2 years	13,341,785.04	6,290,109.98
2 years to 3 years	6,281,678.48	6,834,236.19
Over 3 years	50,854,328.06	51,658,375.47
	<b>119,953,536.59</b>	100,219,341.83
Less: Provision for bad debts of other receivables	<b>61,455,422.09</b>	59,385,471.84
	<b>58,498,114.50</b>	40,833,869.99

The changes in the provisions for expected credit losses over the next 12 months and lifetime expected credit losses are as follows:

	For the six months ended 30 June 2022			Total
	The first stage	The second stage	The third stage	
	Expected credit losses over the next 12 months	Lifetime expected credit losses	Financial assets with credit impairment occurred (lifetime expected credit losses)	
Opening balance	7,727,096.37	37,224,036.23	14,434,339.24	59,385,471.84
Opening balance transferred during the period	(300,053.85)	300,053.85	–	–
Provision for the period	4,052,802.00	179,515.86	–	4,232,317.86
Provision recovered or reversed during the period	(878,750.49)	(1,282,117.12)	–	(2,160,867.61)
Disposal of subsidiaries	–	–	(1,500.00)	(1,500.00)
Balance at the end of the period	<b>10,601,094.03</b>	<b>36,421,488.82</b>	<b>14,432,839.24</b>	<b>61,455,422.09</b>

The changes in the provisions for expected credit losses over the next 12 months and lifetime expected credit losses are as follows:

	2021			Total
	The first stage Expected credit losses over the next 12 months	The second stage Lifetime expected credit losses	The third stage Financial assets with credit impairment occurred (lifetime expected credit losses)	
Opening balance	14,351,765.71	30,133,537.17	17,498,734.98	61,984,037.86
Opening balance transferred during the year	(8,093,115.87)	8,093,115.87	–	–
Provision for the year	4,577,689.92	8,001,491.67	–	12,579,181.59
Provision recovered or reversed during the year	(2,988,559.06)	(9,004,108.48)	(211,701.07)	(12,204,368.61)
Classified as held for sale	(5,191.09)	–	(2,852,694.67)	(2,857,885.76)
Disposal of subsidiaries	(115,493.24)	–	–	(115,493.24)
Balance at the end of the year	<u>7,727,096.37</u>	<u>37,224,036.23</u>	<u>14,434,339.24</u>	<u>59,385,471.84</u>

The changes in the provision for bad debts of other receivables are as follows:

	For the six months ended 30 June 2022	2021
Balance at the beginning of the period	59,385,471.84	61,984,037.86
Provision for the period	4,232,317.86	12,579,181.59
Reversed during the period	(2,160,867.61)	(12,204,368.61)
Disposal of subsidiaries	(1,500.00)	(115,493.24)
Classified as held for sale	–	(2,857,885.76)
Balance at the end of the period	<u>61,455,422.09</u>	<u>59,385,471.84</u>

Other receivables by nature are as follows:

	30 June 2022	31 December 2021
Deposits	67,112,520.08	60,165,311.14
Advances	22,253,060.68	23,806,856.40
Reserves	1,097,709.49	1,191,594.17
Others	29,490,246.34	15,055,580.12
	<u>119,953,536.59</u>	<u>100,219,341.83</u>
Less: provision for bad debts	<u>61,455,422.09</u>	<u>59,385,471.84</u>
Other receivables	<u>58,498,114.50</u>	<u>40,833,869.99</u>

As at 30 June 2022, other receivables with the top five amount are as follows:

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

As at 31 December 2021, other receivables with the top five amount are as follows:

	Balance at the end of year	Percentage of total balance of other receivables (%)	Nature	Age	Closing balance of provision for bad debts
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	13,421,959.24	13.39	Advances	Over 3 years	13,421,959.24
Bank of Communications Financial Leasing Co., Ltd. (交銀金融租賃有限公司)	9,540,000.00	9.52	Deposits	Within 1 year	742,000.00
Fengning Manchu Autonomous County Wind Power and Thermal Power Project Construction Office (豐寧滿族自治縣風電火電項目建設辦公室)	8,000,000.00	7.98	Deposits	Over 3 years	8,000,000.00
Shuangqiao District Land Acquisition and Reserve Center (雙橋區土地收購儲備中心)	7,972,001.79	7.95	Others	Within 1 year and over 3 years	4,474,162.38
Weichang Manchu and Mongolian Autonomous County Development and Reform Bureau (圍場滿族蒙古族自治縣發展改革局)	6,157,000.00	6.14	Deposits	Over 3 years	6,157,000.00
	<b>45,090,961.03</b>	<b>44.98</b>			<b>32,795,121.62</b>

## 7. Inventories

	30 June 2022			31 December 2021		
	Book balance	Provision for decline in value/ provision for impairment	Book value	Book balance	Provision for decline in value/ provision for impairment	Book value
Raw materials	44,966,168.12	–	44,966,168.12	35,036,428.32	–	35,036,428.32
Finished goods	45,262,010.45	–	45,262,010.45	178,930,669.22	–	178,930,669.22
Circulating materials	219,168.15	–	219,168.15	219,168.15	–	219,168.15
	<u>90,447,346.72</u>	<u>–</u>	<u>90,447,346.72</u>	<u>214,186,265.69</u>	<u>–</u>	<u>214,186,265.69</u>

## 8. Notes payable

	30 June 2022	31 December 2021
Bank acceptance bills	<u>42,464,844.58</u>	<u>14,738,449.62</u>

As at 30 June 2022 and 31 December 2021, the Group had no bills payables that are due but unpaid.

## 9. 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.

	30 June 2022	31 December 2021
Within 6 months	185,066,764.50	374,483,668.83
6 months to 1 year	179,765,185.91	40,796,953.58
1 year to 2 years	25,182,320.49	39,729,252.33
2 years to 3 years	4,387,994.09	1,734,575.69
Over 3 years	1,802,140.81	1,287,326.45
	<u>396,204,405.80</u>	<u>458,031,776.88</u>

As at 30 June 2022 and 31 December 2021, the Group did not have significant accounts payable with the aging over 1 year.

**10. Contract liabilities**

	<b>30 June 2022</b>	31 December 2021
Advance receipts for natural gas sales	<b>438,441,800.02</b>	974,854,970.07
Advances receipts for services during the window period	<b>389,380,530.96</b>	389,380,530.96
Advance receipts for pipeline construction	<b>308,724,388.19</b>	261,769,841.77
Advance receipt for pipeline transmission fees	<b>3,854,856.20</b>	7,075,036.96
Advances receipts for lease fees for booster station	<b>50,957,200.00</b>	10,191,440.00
Others received in advance	<b>29,862,443.69</b>	10,919,566.39
	<b><u>1,221,221,219.06</u></b>	<b><u>1,654,191,386.15</u></b>

**11. Other payables**

	<b>30 June 2022</b>	31 December 2021
Dividends payables	<b>926,124,881.46</b>	169,836,057.78
Other payables	<b><u>6,167,280,794.35</u></b>	<u>6,846,722,116.87</u>
	<b><u>7,093,405,675.81</u></b>	<u>7,016,558,174.65</u>

***Dividends payables***

	<b>30 June 2022</b>	31 December 2021
Dividends payable to shareholders of the parent company	<b>343,826,489.25</b>	–
Dividends payable to other equity holders	<b>53,560,000.00</b>	96,330,000.00
Dividends payable to other minority shareholders	<b><u>528,738,392.21</u></b>	<u>73,506,057.78</u>
	<b><u>926,124,881.46</u></b>	<u>169,836,057.78</u>

***Other payables***

	<b>30 June 2022</b>	31 December 2021
Payables for equipment	<b>1,551,523,790.18</b>	2,142,254,198.17
Payables for engineering and material	<b>4,064,672,802.21</b>	4,454,660,496.90
Others	<b><u>551,084,201.96</u></b>	<u>249,807,421.80</u>
	<b><u>6,167,280,794.35</u></b>	<u>6,846,722,116.87</u>

As at 30 June 2022, significant other payables aged over 1 year are as follows:

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

## 12. Debentures payables

	30 June 2022	31 December 2021
Medium-term notes	1,834,682,573.26	1,832,018,539.06
Ping An-HECIC New-energy No. 1 Asset-backed	<u>260,262,000.00</u>	<u>285,191,621.50</u>
	<b>2,094,944,573.26</b>	2,117,210,160.56
Less: Debentures payables due within one year	<u>1,094,944,573.26</u>	<u>1,117,210,160.56</u>
	<u><b>1,000,000,000.00</b></u>	<u>1,000,000,000.00</u>

The balance of bonds payable for the six months ended 30 June 2022 is listed as follows:

	Par value	Issuance date	Term of debenture	Annual interest rate	Issuance amount (RMB'0,000)	Opening balance	Interest accrued during the current period	Repaid during the current period	Closing balance
Medium-term notes	100.00	9/5/2019	3 years	4.43%	30,000.00	304,321,448.80	6,590,383.58	10,911,832.38	300,000,000.00
Ping An-HECIC New-energy No. 1 Asset-backed Special Program (Note)	100.00	12/26/2019	3 years	4.09%	28,500.00	285,191,621.50	5,780,346.57	30,709,968.07	260,262,000.00
Medium-term notes	100.00	11/24/2017	5 years	6.20%	50,000.00	503,268,049.17	45,084,765.04	18,640,651.89	529,712,162.32
Medium-term notes	100.00	5/15/2020	5 years	3.86%	100,000.00	1,024,429,041.09	24,111,780.79	43,570,410.94	1,004,970,410.94
					<u>208,500.00</u>	<u>2,117,210,160.56</u>	<u>81,567,275.98</u>	<u>103,832,863.28</u>	<u>2,094,944,573.26</u>

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

The balance of bonds payable as at 31 December 2021 is listed as follows:

	Par value	Issuance date	Term of debenture	Annual interest rate	Issuance amount (RMB'0,000)	Opening balance	Interest accrued during the current year	Repaid during the current year	Closing balance
Medium-term notes	100.00	9/27/2018	3 years	5.69%	50,000.00	500,000,000.00	20,967,260.27	(520,967,260.27)	-
Medium-term notes	100.00	10/30/2018	3 years	5.50%	70,000.00	700,000,000.00	31,854,794.52	(731,854,794.52)	-
Medium-term notes	100.00	9/5/2019	3 years	4.43%	30,000.00	300,000,000.00	13,314,955.65	(8,993,506.85)	304,321,448.80
Ping An-HECIC New-energy No. 1 Asset-backed Special Program (Note)	100.00	12/26/2019	3 years	4.09%	28,500.00	285,000,000.00	11,657,031.34	(11,465,409.84)	285,191,621.50
Medium-term notes	100.00	11/24/2017	5 years	6.20%	50,000.00	500,000,000.00	31,040,651.99	(27,772,602.82)	503,268,049.17
Medium-term notes	100.00	5/15/2020	5 years	3.86%	100,000.00	1,000,000,000.00	24,429,041.09	-	1,024,429,041.09
					<u>328,500.00</u>	<u>3,285,000,000.00</u>	<u>133,263,734.86</u>	<u>(1,301,053,574.30)</u>	<u>2,117,210,160.56</u>

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

### 13. Long-term payables

	30 June 2022	31 December 2021
Long-term payables	<u>206,126,428.37</u>	<u>361,236,137.17</u>



	<b>30 June 2022</b>	31 December 2021
Compensation for woodlands	<b>86,207,981.67</b>	86,207,981.67
Sale-leaseback borrowings	<b>186,639,793.68</b>	350,223,718.91
	<b>272,847,775.35</b>	436,431,700.58
Less: Long-term payables due within one year	<b>66,721,346.98</b>	75,195,563.41
	<b>206,126,428.37</b>	361,236,137.17

#### 14. Share capital

For the six months ended 30 June 2022

	<b>Opening and closing balance</b>
Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司)	<b>2,058,841,253.00</b>
Shareholders of overseas listed foreign H shares	<b>1,839,004,396.00</b>
Shareholders of domestic A shares	<b>289,247,424.00</b>
	<b>4,187,093,073.00</b>

2021

	Opening balance	Increase or decrease in the year Issue of new shares	Closing balance
Hebei Construction & Investment Group Co., Ltd.	1,876,156,000.00	182,685,253.00	2,058,841,253.00
Overseas H-share listed foreign shareholders	1,839,004,396.00	–	1,839,004,396.00
Domestic A-share shareholders	134,750,000.00	154,497,424.00	289,247,424.00
	<b>3,849,910,396.00</b>	<b>337,182,677.00</b>	<b>4,187,093,073.00</b>

## 15. Other equity instruments

	For the six months ended 30 June 2022							
	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>19,500,000.00</u>	<u>1,945,736,000.00</u>	<u>-</u>	<u>-</u>	<u>910,000.00</u>	<u>(906,360,000.00)</u>	<u>18,590,000.00</u>	<u>1,039,376,000.00</u>
	2021							
	Beginning of the year		Increase during the year		Decrease during the year		End of the year	
	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>

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 and there is no limit on the number of times of extension; the annual interest rate is reset every three years, and the coupon rate of the subsequent cycle is the current benchmark interest rate plus the initial spread plus 300 basis points, and the initial spread is the coupon rate of the first cycle minus the initial benchmark interest rate. There is an option available to defer the payment of interests. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, defer the interest payment for the current period, and all the interests and yields deferred to the next interest payment date, and there is no limit on the number of times of deferring interest payment. There is a redemption option of the issuer. The issuer has the right to exercise the redemption option on the first interest payment date or at the end of the year due to changes in tax policies or changes in accounting standards. Except for these two cases, the Company has no right and no obligation to redeem the bonds. The Company has no contractual obligation to repay the principal or pay interest on schedule. The Company classifies it as other equity instruments.

## 16. Other comprehensive income

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

	<b>Balance at the beginning and the end of the period ended 30 June 2022</b>	Balance at the beginning and the end of the year ended 31 December 2021
Change in fair value of other equity instrument investments	<u><b>6,493,135.00</b></u>	<u>6,493,135.00</u>

## 17. Undistributed profit

	<b>30 June 2022</b>	31 December 2021
Undistributed profit at the end of the previous year before adjustment	<b>6,316,513,894.20</b>	4,928,503,066.37
Changes in accounting policies	<b>150,235,545.33</b>	—
Undistributed profit at the beginning of the year after adjustment	<b>6,466,749,439.53</b>	4,928,503,066.37
Net profit attributable to the shareholders of the parent company	<b>1,616,612,596.40</b>	2,295,057,264.37
Less: Extract for statutory surplus reserve	<b>154,079,151.26</b>	152,205,327.47
Ordinary shares cash dividend payable	<b>699,244,543.19</b>	523,587,813.86
Dividends payable to holders of other equity instruments	<b>53,560,000.00</b>	96,330,000.00
Undistributed profit at the end of the year	<b><u>7,176,478,341.48</u></b>	<b><u>6,466,749,439.53</u></b>

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

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

## 18. Operating income and operating cost

Operating income is presented as follows:

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021 (Restated)
Principal operating income	<b>10,162,845,082.83</b>	8,531,399,947.77
Other operating income	<b>62,464,802.60</b>	13,667,181.80
	<b><u>10,225,309,885.43</u></b>	<b><u>8,545,067,129.57</u></b>

Operating cost is presented as follows:

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021 (Restated)
Principal operating cost	<b>7,131,073,362.95</b>	5,498,920,658.21
Other operating cost	<b>54,342,662.77</b>	4,595,834.89
	<b><u>7,185,416,025.72</u></b>	<b><u>5,503,516,493.10</u></b>

The operating income by segments is listed as follows:

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021 (Restated)
Revenue generated from contracts with customers		
Natural gas sales revenue	<b>6,684,300,822.90</b>	4,959,908,186.26
Wind/photovoltaic power generation revenue	<b>3,384,728,473.55</b>	3,498,887,589.07
Connection and construction of gas pipeline network revenue	<b>30,184,010.18</b>	40,040,575.19
Other main operating income	<b>119,843,247.51</b>	32,563,597.25
Rental income	<b>6,253,331.29</b>	13,667,181.80
	<b><u>10,225,309,885.43</u></b>	<b><u>8,545,067,129.57</u></b>

The operating cost by segments is listed as follows:

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021 (Restated)
Natural gas sales cost	<b>5,956,770,366.47</b>	4,453,867,447.06
Wind/photovoltaic power generation cost	<b>1,157,440,794.19</b>	1,012,016,220.68
Connection and construction of gas pipeline network cost	<b>15,921,369.17</b>	25,301,195.46
Other main operating cost	<b>940,833.12</b>	7,735,795.01
Other operating cost	<b>54,342,662.77</b>	4,595,834.89
	<b><u>7,185,416,025.72</u></b>	<b><u>5,503,516,493.10</u></b>

Revenue recognition time	For the six months ended 30 June 2022		
	Wind power and others	Natural gas	Total
Operating revenue generated by contracts with customers			
Transferred at a point in time	3,397,290,329.25	6,735,005,070.71	10,132,295,399.96
Rendered over time	<u>1,681,107.70</u>	<u>85,080,046.48</u>	<u>86,761,154.18</u>
	<u><b>3,398,971,436.95</b></u>	<u><b>6,820,085,117.19</b></u>	<u><b>10,219,056,554.14</b></u>

Revenue recognition time	For the six months ended 30 June 2021		
	Wind power and others	Natural gas	Total
Operating revenue generated by contracts with customers			
Transferred at a point in time	3,498,887,589.07	4,963,116,643.06	8,462,004,232.13
Rendered over time	<u>3,686,981.04</u>	<u>70,637,190.87</u>	<u>74,324,171.91</u>
	<u><b>3,502,574,570.11</b></u>	<u><b>5,033,753,833.93</b></u>	<u><b>8,536,328,404.04</b></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 network 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.

### Trial sales

The profit and loss items related to the external sale of products produced before the fixed assets reach their intended useable state are presented as follows:

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Operating revenue	18,735,576.83	140,692,804.43
Operating cost	–	9,430,053.32
Gain on disposal of assets	–	–
	<u><b>18,735,576.83</b></u>	<u><b>131,262,751.11</b></u>

## 19. Taxes and surcharges

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Urban maintenance construction tax	8,437,164.07	7,543,886.23
Educational surcharge	8,630,488.77	8,440,077.94
Stamp duty	6,775,635.04	5,361,428.16
Property tax	2,494,647.48	1,703,736.34
Land use tax	2,720,479.62	6,120,758.64
Others	8,214,336.32	874,279.71
	<u>37,272,751.30</u>	<u>30,044,167.02</u>

## 20. Selling expenses

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Wages	1,193,693.53	737,501.61
Advertising and promotion fees	130,682.19	309,326.52
Others	385,264.39	134,051.12
	<u>1,709,640.11</u>	<u>1,180,879.25</u>

## 21. Administration expenses

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Wages	136,350,278.80	148,884,006.51
Depreciation expense	16,096,740.87	13,891,857.20
Vehicle, transportation and travelling expenses	5,763,600.14	7,041,396.13
Amortization of intangible assets	13,798,046.33	12,155,610.56
Rental fees	6,368,282.16	7,318,021.64
Business entertainment fees	5,330,575.54	4,603,016.47
Office expenses	14,749,997.64	9,743,521.63
Audit and evaluation consulting expense (Note)	14,519,165.90	12,018,239.19
Amortization of long-term prepaid expense	3,385,795.18	3,794,822.50
Others	38,176,926.74	27,925,137.80
	<u>254,539,409.30</u>	<u>247,375,629.63</u>

Note: For the six months ended 30 June 2022, the above administration expenses include remuneration of auditors of RMB1,300,000.00 (30 June 2021: RMB1,050,000.00).

## 22. R&D expenses

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Labor costs	<b>18,088,200.13</b>	10,322,334.92
Outsourcing development fees	<b>12,052,981.11</b>	3,138,669.74
Others	<b>7,747,025.75</b>	2,989,999.49
	<b><u>37,888,206.99</u></b>	<b><u>16,451,004.15</u></b>

## 23. Finance costs

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Interest expense	<b>749,900.060.65</b>	705,942,490.84
Less: Interest income	<b>34,310,866.79</b>	11,401,157.20
Amount of interest capitalized	<b>131,025,611.95</b>	146,993,153.64
Exchange loss	<b>914,616.32</b>	386,094.97
Bank charges	<b>670,182.40</b>	591,012.42
Others	<b>2,098,720.26</b>	3,908,921.76
	<b><u>588,247,100.89</u></b>	<b><u>552,434,209.15</u></b>

Capitalised amount of borrowing costs was included in construction in progress and right-of-use assets.

## 24. Other income

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Government grants related daily operational activities		
VAT refund	<b>96,462,516.98</b>	70,036,205.77
Fiscal appropriation	<b>9,346,911.12</b>	2,226,679.23
Operating subsidy	–	476,190.47
Others	<b>137,002.89</b>	210,003.10
	<b><u>105,946,430.99</u></b>	<b><u>72,949,078.57</u></b>

Below sets forth the government grants relating to daily activities:

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021	Relating to assets/ income
Strategic Emerging Industry Fund	<b>131,578.92</b>	131,578.92	Relating to assets
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	<b>40,000.02</b>	40,000.02	Relating to assets
Job stabilization subsidy	<b>1,411,364.87</b>	–	Relating to income
Receipt of the return of unemployment insurance from Chengde City Unemployment Insurance Fund Management Center	<b>161,043.66</b>	–	Relating to income
Project funded by the Department of Science and Technology	<b>52,000.02</b>	52,000.02	Relating to assets
Xingdong New District Rerouting	<b>1,550,142.44</b>	1,550,142.44	Relating to assets
Job stabilization subsidy received from Shijiazhuang Employment Service Centre	<b>19,423.71</b>	–	Relating to income
Subsidies for operation	–	476,190.47	Relating to assets
Subsidy funds for wind and electricity clean heating projects	<b>3,056,400.00</b>	–	Relating to income
Receipt of special funds for industrial transformation and upgrades	<b>100,000.00</b>	–	Relating to income
VAT refund	<b>96,462,516.98</b>	70,036,205.77	Relating to income
Others	<b>2,961,960.37</b>	662,960.93	
	<hr/> <b>105,946,430.99</b> <hr/>	<hr/> 72,949,078.57 <hr/>	

## 25. Investment income

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Long-term equity investment income accounted for under the equity method	<b>131,217,378.53</b>	132,631,426.33
Dividend income on other equity instrument investments held	<b>14,744,642.19</b>	11,943,006.92
Investment gain from disposal of long-term equity investments	<b>2,045,442.72</b>	–
	<hr/> <b>148,007,463.44</b> <hr/>	<hr/> 144,574,433.25 <hr/>



## 26. Credit impairment losses

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Loss on bad debts of accounts receivable	(11,880,186.01)	(11,036,197.56)
(Loss)/reversal on bad debts of other receivables	(2,071,450.25)	2,634,315.70
	<u>(13,951,636.26)</u>	<u>(8,401,881.86)</u>

## 27. Asset disposal gains

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Fixed asset disposal gains/(loss)	<u>1,288,034.57</u>	<u>(659.03)</u>

## 28. Non-operating income

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Governmental grants not related to daily operational activities	2,090,954.43	5,155,200.00
Gain on scrapping of fixed assets	108,534.41	778.76
Unpayable amounts	476,996.90	67,014.21
Net gain from penalties	17,500.00	27,200.00
Others	484,038.88	527,547.36
	<u>3,178,024.62</u>	<u>5,777,740.33</u>

Amount included in non-recurring gain or loss for the six months ended 30 June 2022	Amount included in non-recurring gain or loss for the six months ended 30 June 2021
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Government grants	2,090,954.43	5,155,200.00
Gain on retirement of fixed assets	108,534.41	778.76
Unpayable amounts	476,996.90	67,014.21
Net gain from penalties	17,500.00	27,200.00
Others	484,038.88	527,547.36
	<u>3,178,024.62</u>	<u>5,777,740.33</u>

Government subsidies included in profit or loss in the current period are listed as follows:

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021	
VAT refund	<b>96,462,516.98</b>	70,036,205.77	Relating to assets
Strategic Emerging Industry Fund	<b>131,578.92</b>	131,578.92	Relating to assets
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	<b>40,000.02</b>	40,000.02	Relating to income
Job stabilization subsidy	<b>1,411,364.87</b>	–	Relating to income
Receipt of the return of unemployment insurance from Chengde City Unemployment Insurance Fund Management Center	<b>161,043.66</b>	–	Relating to income
Project funded by the Department of Science and Technology	<b>52,000.02</b>	52,000.02	Relating to assets
Xingdong New District Rerouting	<b>1,550,142.44</b>	1,550,142.44	Relating to assets
Job stabilization subsidy received from Shijiazhuang Employment Service Centre	<b>19,423.71</b>	–	Relating to income
Subsidies for operation	–	476,190.47	Relating to income
Subsidy funds for wind and electricity clean heating projects	<b>3,056,400.00</b>	–	Relating to income
Receipt of special funds for industrial transformation and upgrades	<b>100,000.00</b>	–	Relating to income
Listing Incentive Funds	–	5,000,000.00	Relating to income
2022 Foreign Enterprise Investment Incentives of Development and Reform Bureau of Qiaoxi District	<b>1,892,000.00</b>	–	Relating to income
Receipt of technology innovation incentive	<b>100,000.00</b>	–	Relating to income
Others	<b>3,060,914.80</b>	818,160.93	
	<b>108,037,385.42</b>	78,104,278.57	
Less: Government grants included in other income	<b>105,946,430.99</b>	72,949,078.57	
Government grants included in non-operating income	<b>2,090,954.43</b>	5,155,200.00	

## 29. Non-operating expenses

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Loss on scrapping of fixed assets	<b>758,002.24</b>	24,869.45
Expenses on compensation, and penalties	<b>49,000.00</b>	10,050.00
Expenses on donation	–	3,600.00
Other expenses	<b>1,229,468.09</b>	329,218.94
	<b>2,036,470.33</b>	367,738.39

	<b>Amount included in non-recurring gain or loss for the six months ended 30 June 2022</b>	Amount included in non-recurring gain or loss for the six months ended 30 June 2021
Loss on retirement of fixed assets	758,002.24	24,869.45
Expenses on compensation and penalties	49,000.00	10,050.00
Donation expenses	–	3,600.00
Other expenses	<u>1,229,468.09</u>	<u>329,218.94</u>
	<u><b>2,036,470.33</b></u>	<u><b>367,738.39</b></u>

### 30. Income tax expenses

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Current income tax expense	339,951,707.01	306,199,331.81
Deferred income tax expense	<u>(1,642,305.84)</u>	<u>539,410.27</u>
	<u><b>338,309,401.17</b></u>	<u><b>306,738,742.08</b></u>

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

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Total profit	2,362,668,598.15	2,277,332,969.03
Income tax expenses calculated at applicable tax rates ( <i>Note</i> )	590,667,149.54	569,333,242.26
Impact of different tax rates applicable to certain subsidiaries	(228,388,370.29)	(242,287,176.49)
Impact of adjustment of income tax of previous periods	(4,871,457.67)	1,601,873.17
Profit and loss attributable to joint ventures and associates	(32,804,344.63)	(33,157,856.58)
Non-taxable income	(3,686,160.55)	(3,119,631.24)
Expenses not deductible for tax purposes	3,288,513.84	450,445.78
Utilization of deductible losses from prior years	(7,677,087.11)	(5,237,383.32)
Unrecognized deductible losses	20,798,653.38	17,498,805.27
Effect of unrecognized deductible temporary difference	<u>982,504.66</u>	<u>1,656,423.23</u>
Tax expense at the Group's effective tax rate	<u><b>338,309,401.17</b></u>	<u><b>306,738,742.08</b></u>

*Note:* 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.

### 31. Dividends

The dividends for the six months ended 30 June 2022 and 2021 are set out below:

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Dividends:		
Declared final 2021 dividend – RMB16.7 cents (final 2020 dividend: RMB13.6 cents) per share	<b><u>699,244,543.19</u></b>	<b><u>523,587,813.86</u></b>

Pursuant to the resolution passed by the shareholders of the Company on 14 June 2022, it was agreed that the Company to declare of a cash dividend of RMB0.167 per share for the year 2021, including tax, totaling RMB699,244,543.19.

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.

### 32. Earnings per share

	<b>For the six months ended 30 June 2022 RMB/share</b>	For the six months ended 30 June 2021 RMB/share (Restated)
Basic earnings per share		
Continuing operations	<b><u>0.38</u></b>	<b><u>0.43</u></b>
Diluted earnings per share		
Continuing operations	<b><u>0.38</u></b>	<b><u>0.43</u></b>

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 and diluted earnings per share is detailed as follows:

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021 (Restated)
Earnings		
Net profit from continuing operations of the current period attributable to ordinary shareholders of the Company	<u><b>1,616,612,596.40</b></u>	<u>1,706,990,339.97</u>
Less: Distribution related to the first tranche of perpetual bonds in 2018	–	8,107,255.56
Less: Distribution related to the first tranche of perpetual bonds in 2019	<b>7,484,750.00</b>	21,385,000.00
Less: Distribution related to the first tranche of perpetual bonds in 2021	<u><b>26,928,777.78</b></u>	<u>26,780,000.00</u>
Adjusted net profit for the current period attributable to ordinary shareholders of the Company	<u><b>1,582,199,068.62</b></u>	<u>1,650,718,084.41</u>
Shares		
Adjusted weighted average number of ordinary shares in issue by the Company	<u><b>4,187,093,073.00</b></u>	<u>3,849,910,396.00</u>

The Group has no dilutive potential ordinary shares.

## V. OTHER SIGNIFICANT EVENTS

### 1. 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:

The natural gas segment mainly provides the sale of natural gas and natural gas appliances and the provision of services for the construction and connection of natural gas pipelines.

The wind power and solar energy segment is mainly engaged in the development, management and operation of wind farms, solar power plants and the sale of electricity to external grid companies.

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 2022 and as at 30 June 2022

	Natural gas	Wind and photovoltaic power generation	Others	Total
Revenue from external customers	<u>6,821,526,743.91</u>	<u>3,400,359,470.35</u>	<u>3,423,671.17</u>	<u>10,225,309,885.43</u>
Investment income from joint ventures and associates	88,578,226.31	36,073,947.71	6,565,204.51	131,217,378.53
Credit impairment losses	2,541,081.82	10,732,312.06	678,242.38	13,951,636.26
Depreciation and amortisation expense	112,068,063.04	1,122,702,705.96	3,154,597.09	1,237,925,366.09
Total profit/(loss)	757,793,586.19	1,621,481,518.39	(16,606,506.43)	2,362,668,598.15
Income tax expenses	165,274,944.93	173,033,406.66	1,049.58	338,309,401.17
Total assets	<u>20,994,593,847.62</u>	<u>45,250,791,078.79</u>	<u>6,009,792,427.16</u>	<u>72,255,177,353.57</u>
Total liabilities	<u>15,121,071,959.02</u>	<u>27,201,499,010.19</u>	<u>5,750,610,905.26</u>	<u>48,073,181,874.47</u>
Other disclosures				
Non-cash expenses other than depreciation and amortization expenses	<u>2,541,081.82</u>	<u>10,732,312.06</u>	<u>678,242.38</u>	<u>13,951,636.26</u>
Capital expenditure ( <i>Note</i> )	<u>1,519,888,847.86</u>	<u>986,812,491.79</u>	<u>1,339,602.64</u>	<u>2,508,040,942.29</u>

Segment information for the six months ended 30 June 2021 and as at 31 December 2021

	Natural gas	Wind and photovoltaic power generation	Others	Total
Revenue from external customer	<u>5,035,125,456.15</u>	<u>3,508,455,306.47</u>	<u>1,486,366.95</u>	<u>8,545,067,129.57</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
Asset impairment losses	–	659.03	–	659.03
Depreciation and amortisation expense	97,418,014.81	877,575,174.47	3,793,434.03	978,786,623.31
Total profit/(loss)	525,439,496.38	1,939,212,781.43	(56,056,557.67)	2,408,595,720.14
Income tax expenses	112,808,492.34	193,927,348.20	2,901.54	306,738,742.08
Total assets	<u>20,514,723,309.84</u>	<u>44,758,635,843.56</u>	<u>6,803,654,123.60</u>	<u>72,077,013,277.00</u>
Total liabilities	<u>14,960,116,286.81</u>	<u>27,921,193,837.70</u>	<u>5,272,142,626.02</u>	<u>48,153,452,750.53</u>
Other disclosures				
Non-cash expenses other than depreciation and amortization expenses	<u>(409,106.78)</u>	<u>10,289,519.44</u>	<u>(1,477,871.77)</u>	<u>8,402,540.89</u>
Capital expenditure ( <i>Note</i> )	<u>3,654,626,861.74</u>	<u>1,020,680,233.92</u>	<u>2,894,374.11</u>	<u>4,678,201,469.77</u>

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

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*

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Mainland China	<u><b>10,225,309,885.43</b></u>	<u>8,545,067,129.57</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

	<b>30 June 2022</b>	31 December 2021
Mainland China (excluding Hong Kong, Macao and Taiwan regions)	<b>51,595,607,579.29</b>	52,520,464,442.81
Hong Kong, Macao and Taiwan regions	<b>1,680,644,261.09</b>	87,049,934.82
	<b><u>53,276,251,840.38</u></b>	<b><u>52,607,514,377.63</u></b>

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***

Operating income is RMB2,192,263,186.54 (six months ended 30 June 2021: 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) under the operating segments.

## **2. Lease**

### ***(1) As lessor***

The Group leases out certain of its houses and buildings for a lease term of 2-4 years, which constitute operating leases. For the six months ended 30 June 2022, the income generated from the leased houses and buildings amounted to RMB1,364,242.15 (2021: RMB1,535,563.19). Leased houses and buildings are presented under investment properties.

#### *Operating leases*

Gains or losses related to operating leases are presented as follows:

	<b>For the six months ended 30 June 2022</b>	2021
Rental income	<b><u>1,364,242.15</u></b>	<b><u>1,535,563.19</u></b>



Pursuant to the lease contracts entered into with the lessees, the minimum lease receivables under noncancellable leases are as follows:

	<b>30 June 2022</b>	30 June 2021
Within 1 year (inclusive)	<b>2,059,920.00</b>	709,920.00
1 to 2 years (inclusive)	<b>1,209,920.00</b>	709,920.00
2 to 3 years (inclusive)	<b>1,209,920.00</b>	709,920.00
3 to 4 years (inclusive)	<b>500,000.00</b>	354,960.00
	<b>4,979,760.00</b>	2,484,720.00

**(2) As lessee**

	<b>For the six months ended 30 June 2022</b>	For the six months ended 30 June 2021
Interest expense on lease liabilities	<b>17,093,963.55</b>	17,082,974.26
Expenses relating to short-term leases and leases of low-value assets accounted for applying the simplified approach	<b>6,280,866.91</b>	7,318,021.64
Total cash flow for leases	<b>132,200,619.85</b>	74,224,719.34
Relevant profit or loss arisen from leaseback transactions	<b>5,185,410.32</b>	–
Cash inflows from leaseback transactions	–	–
Cash outflows from leaseback transactions	<b>168,715,152.82</b>	–

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

The lease assets leased by the Group include the houses and buildings, machinery and equipment, transportation equipment and other equipment used during the course of operation. The houses and buildings and machinery and equipment are usually leased for a term of 2-20 years, while the transportation equipment and other equipment are usually leased for a term of 2-5 years. Lease contracts usually stipulate that the Group cannot sublease the lease assets, and some lease contracts require the Group to maintain a certain level of financial indicators. A few lease contracts contain terms for renewal options, termination options, and variable rentals.