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)

2020 INTERIM RESULTS ANNOUNCEMENT

The board of directors of China Suntien Green Energy Corporation Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2020. The full text of 2020 interim report contained herein is in line with relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results. The 2020 interim report of the Company will be dispatched to the holders of H shares of the Company in early September 2020 and available for viewing by the public on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Company at www.suntien.com.

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

Shijiazhuang City, Hebei Province, the PRC, 26 August 2020

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. Xie Wei Xian, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao.

* *For identification purpose only*

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Definitions

In this report, unless the context otherwise requires, the following expressions shall have meanings as follows:

DEFINITIONS OF COMMON TERMS

"availability factor"	the amount of time that a power plant is able to produce electricity after it starts commercial operations over a certain period divided by the amount of time in such period
"average utilization hours"	the consolidated gross power generation in a specified period (in MWh or GWh) divided by the consolidated installed capacity in the same period (in MW or GW)
"Company"	China Suntien Green Energy Corporation Limited (新天綠色能源股份有限公司)
"Group"	the Company and its wholly-owned, controlling subsidiaries
"Financial Statements"	the unaudited financial statements for the half year ended 30 June 2020
"consolidated gross power generation"	the gross power generation of the project companies that the Group fully consolidates in its consolidated Financial Statements. For a specified period, this is the total amount of electricity produced by a power plant in that period, including net power delivered to grid, auxiliary electricity and electricity generated during the construction and testing period
"consolidated installed capacity"	the aggregate installed capacity or operating capacity (as the case may be) of the project companies that the Group fully consolidates in its consolidated Financial Statements. This is calculated by including 100% of the installed capacity or operating capacity of the project companies that the Group fully consolidates in its consolidated Financial Statements and are deemed as its subsidiaries. Consolidated installed capacity and consolidated operating capacity do not include the capacity of the Group's associated companies
"gross power generation"	for a specified period, the total amount of electricity produced by a power plant in that period, including net power delivered to grid, auxiliary electricity and electricity generated during the construction and testing period
"GW"	unit of power, 1 GW = 1,000 MW

"GWh"	unit of energy, gigawatt-hour. 1 GWh = 1 million kWh. GWh is typically used for measurement of an annual power production of large wind farm
"HECIC"	Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company, which is primarily engaged in the investment in and development of projects in the foundation, infrastructures and provincial pillar industries, such as energy, transportation, water supply and commercial real estates
"Group Finance Company"	HECIC Group Finance Company Limited (河北建投集團財務有限公司), a limited liability company incorporated in the PRC, a non-banking financial institution under the supervision of the People's Bank of China and the CBIRC, and a non-wholly owned subsidiary of HECIC
"HECIC Water"	HECIC Water Investment Co., Ltd. (河北建投水務投資有限公司), a subsidiary of HECIC incorporated in the PRC and one of the promoters and a connected person of the Company
"HECIC Communications"	HECIC Communications Investment Co., Ltd.(河北建投交通投資有限責任公司), a subsidiary of HECIC incorporated in the PRC and a connected person of the Company
"JEI"	Jointo Energy Investment Co., Ltd. Hebei (河北建投能源投資股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 000600), controlled by HECIC, formerly known as Shijiazhuang International Building (Group) Co., Ltd. (石家莊國際大廈(集團)股份有限公司), and a connected person of the Company
"Caofeidian Company"	Caofeidian Suntien Liquefied Natural Gas Co., Ltd. (曹妃甸新天液化天然氣有限公司), a limited liability company incorporated in the PRC on 22 March 2018 and a subsidiary of the Company
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards, including the standards and interpretation announcements approved by the International Accounting Standard Board and its predecessor, the International Accounting Standard Committee
China Accounting Standards for Business Enterprises	the financial reporting standards and interpretations for business enterprises issued by the China Accounting Standards Committee of the Ministry of Finance of China
"installed capacity"	the capacity of the wind turbines that have been completely assembled and erected
"kW"	unit of power, kilowatt. 1 kW = 1,000 watts
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be consumed by a 1 kW electrical appliance in one hour
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
A Share Listing Rules	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
"LNG"	liquefied natural gas
"CNG"	compressed natural gas
"MW"	unit of power, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW
"MWh"	unit of energy, megawatt-hour. 1 MWh = 1,000 kWh
"National Energy Administration"	National Energy Administration of the People's Republic of China (中華人民共和國國家能源局)

"NDRC"	National Development and Reform Commission of the People's Republic of China (中華人民共和國國家發展和改革委員會)
"operating capacity"	the installed capacity of the wind turbines that have been connected to power grids and started generating electricity
"projects under construction"	projects for which the project company has received approval, detailed engineering and construction blueprints have been completed, and the construction work on the roads, foundations or electrical infrastructure has commenced
"Reporting Period"	the fiscal period from 1 January 2020 to 30 June 2020
"RMB" or "RMB'000" or "RMB'0000" or "RMB'00 million"	Renminbi or Renminbi thousand or Renminbi ten thousand or Renminbi hundred million
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
"SSE"	the Shanghai Stock Exchange
"CSRC"	China Securities Regulatory Commission
"A shares"	the domestic listed RMB ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the SSE
"H shares"	the Hong Kong listed HKD ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the Hong Kong Stock Exchange

Corporate Profile and Principal Financial Indicators

I. COMPANY PROFILE

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

II. CONTACT PERSONS AND CONTACT METHODS

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

III. BASIC INFORMATION

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

IV. INFORMATION DISCLOSURE AND CHANGE IN PLACE OF INSPECTION

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

V. BASIC INFORMATION OF THE COMPANY'S SHARES

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

VI. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

	Six-month period ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited) (Restated)*
Revenue	**6,575,353**	6,369,010
Profit before tax	**1,428,046**	1,460,788
Income tax expense	**231,383**	245,846
Profit for the period	**1,196,663**	1,214,942
Attributable to:		
Owners of the Company	**947,432**	971,057
Non-controlling interests holders	**249,231**	243,885
Total comprehensive income for the period	**1,196,663**	1,214,942
Earnings per share attributable to ordinary equity holders of the Company		
Basic (RMB)	**24.45 cents**	25.29 cents
Diluted (RMB)	**24.45 cents**	25.29 cents

* The Group's comparative unaudited interim condensed consolidated financial statements for the six months ended 30 June 2020 were restated, For details, please refer to note 2.1 of Notes to the unaudited Interim Condensed Consolidated Financial Statements.

Summary of the Business of the Company

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

(I) Principal business and business model

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

1. Natural gas business

The operation of the natural gas business mainly involves the purchase of gas from upstream companies, the construction, operation and management of long-distance pipelines, and the sale of natural gas to downstream customers. The Company is in the middle and lower reaches of the natural gas industry, where its business mainly involves 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 refer to a business model in which gas sources are purchased from upstream producers and then distributed to downstream end consumers. The revenue from sale of natural gas mainly includes pipeline transmission income and urban gas distribution income. At present, the State has strengthened the supervision and inspection of pipeline transmission costs and urban gas distribution costs. The unit profit rate of this business is not high but relatively stable. The increase in revenue and total profit is mainly due to an increase in sales volume of natural gas.

2. Wind power business

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

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

In the early stage of the construction of a wind farm, the location of the project shall have abundant and stable wind energy resources, which are suitable for power generation and convenient to connecting to power grids. Preliminary research and feasibility studies and other related work shall be conducted, and before it commences construction, it shall obtain approvals or replies from national, provincial or regional development and reform commissions, environmental protection, land and 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 Company will enter the "Agreement on the Purchase and Sale of Electricity" with a local grid company during the construction of the project to connect the electricity generated by the wind farm to the designated grid connection point so as to achieve electricity delivery. The amount of electricity will be confirmed by the grid company using the metering device recognized by it on a monthly basis, and the tariff will be determined according to the regional tariff or concession bidding price determined by the national department in charge of energy prices.

(II) Industry situation

During the "13th Five-Year Plan" period, despite a slowdown in the domestic economic growth and an increasing downward pressure, the overall situation remained stable, with the economic resilience increasingly strengthened. During the "14th Five-Year Plan" period, the domestic economy will shift from high-speed development to high-quality development, and technological innovation and green economy will become one of the themes of future economic development. From the perspective of the macro-economic environment, under the situation and requirements of strictly controlling the total amount and intensity of traditional energy consumption and continuous improvement of the ecological environment, wind power, photovoltaic power and natural gas, as green and clean energy, will remain one of the major strategic energy sources in China for a period in the future. The analysis of the industry situation of new energy and gas segments is as follows:

(I) New energy segment

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

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

2. *The State continues to vigorously support the development of wind power and photovoltaic power with huge room for development*

   In April 2017, the NDRC and the National Energy Administration issued the "Energy Production and Consumption Revolution Strategy (2016-2030)" (《能源生產和消費革命戰略(2016-2030)》). According to the energy structure adjustment target proposed in the document, the proportion of non-fossil fuel in the energy structure will reach 15% by 2020, 20% by 2030 and 50% by 2050, respectively. To adjust the energy structure and achieve the established targets of the proportion of non-fossil fuel, wind power and photovoltaic power will inevitably become the main energy substitutes. For a long time to come, wind power and photovoltaic power will become the main contributors to the increase in installed capacity of China. According to the predictions of relevant experts from the State Grid Energy Research Institute and the General Institute of Water Conservancy and Hydropower Planning and Design, during the "14th Five-Year Plan" period, China's installed capacity of both wind power and photovoltaic power are expected to achieve a development scale of "400 million kW".

3. *Hydrogen energy is expected to be included in the national energy strategy system*

The State attaches great importance to the development of the hydrogen energy industry. The "Energy Technology Innovation Action Plan (2016-2030)" (《能源技術革命創新行動計劃(2016-2030年)》) jointly released by the NDRC and the National Energy Administration set out 15 key tasks including "technological innovation in hydrogen energy and fuel cell", and clarified the development goals and routes of hydrogen energy. In March 2019, the Prime Minister proposed in the government report that "the construction of hydrogen refueling facilities shall be promoted". In October 2019, it was proposed at the National Energy Commission meeting to tackle key problems in the research and development of key technology and major equipment to explore the way for the commercialization of hydrogen energy. In January 2020, Wan Gang, vice chairman of the National Committee of the CPPCC and chairman of the China Association for Science and Technology, delivered a keynote speech, suggesting that hydrogen energy shall be included in the national energy strategy system.

4. *New wind power and photovoltaic power projects enters parity era and the participation of completed projects in the power market transaction may become the norm*

In May 2019, the NDRC issued the "Notice on Improving Wind Power On-Grid Tariff Policy" (《關於完善風電上網電價政策的通知》), requiring that all newly approved onshore wind power projects shall fully achieve grid parity from 1 January 2021 and will no longer be subsidized by the State. Currently, photovoltaic power projects are also dealt with pursuant to the comprehensive grid parity policy in 2021. In January 2020, the Ministry of Finance, NDRC and the National Energy Administration jointly issued the "Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Power Generation" (《關於促進非水可再生能源發電健康發展的若干意見》), which clearly clarified that the central ministry of finance will no longer provide subsidies for new offshore wind power projects from 2022. That means offshore wind power projects will also enter an era of no national subsidies in advance.

In addition, according to the "Notice on Actively Promoting the Grid Parity of Wind Power and Photovoltaic Power without subsidies" (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》), power generated by the centralized grid parity projects will be consumed by grid enterprises and will not be traded on the power market. However, in some provinces, cities and autonomous regions, completed wind power and photovoltaic power projects have participated in the power market transactions and the tariff has declined.

Therefore, it will be critical to improve the quality of project resources by in-depth analysis of new projects, promote the refined and large-scale development of new projects, strengthen the operation and maintenance of completed projects, rationally carry out technological transformation, and fully tap into any space of the profit in completed projects.

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

In recent years, with the rapid development of China's wind power and photovoltaic industries, the industrial scale and technical equipment have continuously jumped to a new level. But the contradictions of unbalanced and inadequate development have gradually become prominent. In particular, the issue of consumption has become increasingly prominent, which is still an important factor restricting the development of the wind power and photovoltaic industries. The State strives to solve the problem of renewable energy consumption. In October 2018, the NDRC and the National Energy Administration issued the "Clean Energy Consumption Action Plan (2018–2020)" (《清潔能源消納行動計劃(2018-2020年)》), which aims to further solve the issues of consumption of new energy such as wind power and photovoltaic power, and has achieved good results. In the first half of 2020, the curtailed wind power was 9.53 billion kWh across the country, and the wind power utilization rate was 96.1%, representing an increase of 0.8 percentage point from 2019; the curtailed photovoltaic power was 2.78 billion kWh, and the photovoltaic power generation utilization rate was 97.9%, representing an increase of 0.3 percentage point from 2019. However, affected by the delivery capacity and construction of power grids, local consumption capacity, the COVID-19 pandemic and other factors, the situation of power consumption was still severe in some areas, and the rate of wind curtailments and power constraints maintained at a high level. In the future, during the "14th Five-Year Plan" period, whether grid construction can effectively match the growth of wind power and photovoltaic power sources will still be a key concern of the industries.

(II) Gas segment

1. *The State has vigorously promoted the construction of natural gas reserve system*

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

In the first half of this year, the State successively issued documents such as the "Opinions on Accelerating the Construction of Gas Storage Facilities and Improving the Market Mechanism for Gas Storage Peak Capacity Auxiliary Services" (關於加快儲氣設施建設和完善儲氣調峰輔助服務市場機制的意見), the "Several Opinions of the State Council on Promoting the Coordinated and Stable Development of the Natural Gas Industry" (《國務院關於促進天然氣協調穩定發展的若干意見》), and the "Implementation Opinions on Accelerating the Construction of Natural Gas Storage Capacity" (《關於加快推進天然氣儲備能力建設的實施意見》) to encourage the deepening of reform on systems and mechanisms, speed up the realization of infrastructure interconnection and fair opening, and promote gas storage facility operators to improve internal management mechanisms, and carry out operational model innovation and product innovation.

2. *The State has made significant efforts to promote the coordinated and stable development of the natural gas industry and the development prospect of the industry is relatively optimistic*

Natural gas is a high-quality, efficient, green and clean low-carbon energy. Accelerating the development and utilization of natural gas is an important path for China to promote the energy production and consumption revolution and establish a clean, low-carbon, safe and efficient system for modern energy. In recent years, the State has continuously introduced various policies to promote the utilization of natural gas. In 2017, the NDRC issued the "Opinions on Accelerating the Utilization of Natural Gas" (《加快推進天然氣利用的意見》). The Opinions proposes that natural gas will be gradually cultivated as one of the major energy resources in China's modern energy system. The proportion of natural gas in the primary energy consumption structure will reach about 10% by 2020, and will increase to about 15% by 2030. At present, the average proportion of natural gas in the primary energy consumption structure of various countries in the world is 23%. Generally speaking, the room of future development of natural gas in China is huge.

In the domestic situation, the accelerating reform of the oil and gas system and the steady economic and social development will drive the continuous growth of oil and 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 (2019)" (《中國天然氣發展報告(2019)》), China's natural gas consumption will maintain a trend of rapid growth before 2030. It is estimated that natural gas consumption will increase from 350 billion cubic meters at the end of the "13th Five-Year Plan" to 450 billion cubic meters at the end of the "14th Five-Year Plan" period.

3. *The establishment of the State Piping Network Corporation will break the monopoly of existing resources and pipelines and lead to the reconstruction of the natural gas market system*

On 18 May 2020, the Central Committee of the Chinese Communist Party and the State Council issued the "Opinions on Accelerating the Improvement of the System of Socialist Market Economy in a New Era" (《關於新時代加快完善社會主義市場經濟體制的意見》), proposing to steadily advance the reform of natural monopoly industries and accelerate the marketization of competitive links. In the oil and gas sector, it is proposed that the fair opening of oil and gas pipeline networks to market participants shall be advanced, the sources and sales prices of natural gas shall be deregulated in a timely manner, and the competitive oil and gas circulation market shall be improved.

With the establishment of the State Piping Network Corporation, the infrastructure of the natural gas market will become more fair and open. The natural gas pipeline network, LNG receiving stations and other infrastructures will be opened in an orderly and fair manner under the national supervision, and various oil and gas pipeline network facilities will be interconnected. The monopoly of existing resources and pipelines will be broken, natural gas companies will have more diversified choice of pipelines, and the industry landscape of the natural gas market is expected to be reshaped.

4. *The trend of diversification of natural gas import resources will become more obvious*

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

5. *The layout of LNG receiving stations will be further improved*

Further improving the layout of LNG receiving stations will become an important part for the construction of China's natural gas production, supply, storage and marketing system. China will continue to improve its LNG receiving stations and other infrastructures, and actively seek for new LNG resources around the world. The source of imported gas will be further diversified, and the supply capacity will gradually increase. 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.

In view of the foregoing, with the continuous deepening of national power system reforms and natural gas market reforms, the Company will be confronted with more fierce market competition in the main wind power generation and natural gas business segments but the overall situation still presents both opportunities and challenges.

II. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

1. The Company is a leading clean energy company in northern China, with its major businesses within Hebei Province.

2. The Company's management team has been engaged in the clean energy industry for many years and has extensive management experience in the wind power and natural gas fields. The Company has established a team consisting of several hundreds of production and technical service personnel with high-level professional knowledge and relevant technical qualifications, and strong professional operation and maintenance capabilities.

3. The Company's two major businesses, namely the wind power business and the natural gas business, can form a benign complement, which can effectively reduce the volatility of the Company's profits, prevent adverse changes in a single business and diversify operational risks.

I DISCUSSION AND ANALYSIS ON MAJOR OPERATIONS

(I) OPERATING ENVIRONMENT

In the first half year of 2020, in the face of severe challenges brought by the COVID-19 pandemic as well as complicated and changing domestic and international environment, and under the leadership of the Party Central Committee with Xi Jinping as the core, the epidemic prevention and control and social and economic development were coordinately promoted across the whole country, all decisions and arrangements were resolutely implemented, the epidemic prevention and control situation continued to improve, the resumption of work, production and trade was accelerated, China's economy fell firstly and then rose in the first half of the year, economic growth turned to positive from negative in the second quarter, main indicators achieved a restorative growth, the economy steadily recovered, basic needs of the people was fully met, market expectations were generally positive and the overall social development was stable. According to the preliminary calculations, China's GDP in the first half of the year was RMB45,661.4 billion, representing a decrease of 1.6% based on the comparable prices.

In February 2020, in order to promote the healthy and stable development of non-hydro renewable energy power generation, the Ministry of Finance of the PRC, the NDRC and the National Energy Administration jointly issued the "Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Power Generation (《關於促進非水可再生能源發電健康發展的若干意見》)"and the revised "Measures for the Administration of Renewable Energy Tariff Surcharge" (《可再生能源電價附加資金管理辦法》), which stipulated that the Ministry of Finance of the PRC shall distribute subsidy funds for renewable energy power generation projects to the power grid companies and provincial finance departments based on the principle of "determining expenditure based on incomes"; fully guaranteed policy continuity and the reasonable income of existing projects, obtained approval (completed filing) as stipulated and completed integration of all power grids, and audited the renewable energy power generation projects included in subsidy catalogue; checked the quota of central government's subsidy based on reasonable utilisation hours; launched green electricity certificate transactions under the quota system since 1 January 2021.

According to the statistics of the National Energy Administration, from January to June 2020, the national electricity consumption accumulated to 3.3547 trillion kWh, representing a decrease of 1.3% as compared with the same period of last year. From January to June 2020, the nationwide wind power generation amounted to 0.2379 trillion kWh, representing an increase of 10.9% as compared with the same period of last year, representing a decrease of 0.6 percentage point from the same period of last year, while the average utilization hours of wind power generation units were 1,123 hours, 10 hours less than the same period of last year; and the average utilization hours of wind power generation units in Hebei Province were 1,158 hours, representing a decrease of 26 hours as compared with the same period of last year; the national wind curtailment amounted to 9.53 billion kWh, representing a decrease of 0.97 billion kWh as compared with the same period of last year. The national average utilization rate of wind power was 96.1%.

According to the statistics from a news update, in first half year of 2020, the production capacity of natural gas in China amounted to 94.96 billion cubic meters, representing an 9.9% increase as compared with the same period of 2019. The apparent consumption of natural gas amounted to 155.61 billion cubic meters, representing an increase of 4% as compared with the same period of 2019. According to customs statistics, in first half of the year, imports of natural gas amounted to 66.74 billion cubic meters, representing a 3.3% increase as compared with the same period of 2019.

(II) BUSINESS REVIEW

1. Business review and major financial indicators of the wind power business

(1) Business review of the wind power business

① Steady increase in power generation of wind farms

During the Reporting Period, the wind farms controlled by the Group realized a power generation of 4.990 billion kWh, representing an increase of 4.42% as compared with the same period of last year; the utilization hours of the wind farms controlled by the Group were 1,288 hours, representing a decrease of 88 hours as compared with the same period of last year, which were 165 hours higher than the nationwide average utilization hours and 130 hours higher than the average utilization hours in Hebei Province; the average availability factor was 98.47%, representing an increase of 0.67 percentage point over the same period of last year. Affected by the COVID-19 pandemic, the wind farms controlled by the Group adjusted the peak time and restricted the electricity volume, with the wind curtailment rate of 8.67%, representing an increase of 3.03 percentage points from the same period of last year.

② Sturdily proceeding with project construction

During the Reporting Period, the Group's consolidated installed capacity of wind power was increased by 320.6 MW, and its accumulative consolidated installed capacity was 4,736.35 MW. As at the end of the Reporting Period, the Group had projects under construction with a total installed capacity of 566 MW. Fengning Dayingzi Wind Farm 48 MW project was transferred to commercial operation; 300 MW offshore wind farm demonstration project on Puti Island, Laoting, Tangshan, Wuchuan Dayuanshan (Desheng) 50 MW wind farm project and Julu Laozhanghe 50 MW wind farm project completed the installation of wind turbines in the first half of the year, and all wind turbines were connected to the grid. Kangbao Wolongshan 100 MW wind farm project, Weichang Dongtaizi 48 MW wind farm project, Weichang Dahuanqi 48 MW wind farm project, Yuxian Xiushuipen 49.5 MW wind farm project and Changli Liutai 30 MW wind farm project were completed the installation of wind turbines. The construction of other projects progressed as scheduled.

During the Reporting Period, the Group comprehensively optimised the project construction process, grasped the comprehensive management and control of projects, improved the project management efficiency, and constantly enhanced the quality of project construction, to ensure the control over quality, progress, investment and safety, so as to guarantee the construction of each project as planned.

③ Actively expanding wind resource reserves

During the Reporting Period, as affected by national policies, some provinces and municipalities suspended the issue of wind power construction indicators. Therefore, in the first half of the year, the Group had no newly approved capacity and newly approved plan (including alternative plan). As at the end of the Reporting Period, the accumulative national approved capacity of the Group reached 6,809.1 MW, spanning over 16 provinces across the country, and the accumulative approved reserve capacity amounted to 1,777 MW.

During the Reporting Period, the Group acquired an agreed volume of new wind power of 1,500 MW, resulting in total agreed volume of wind resources of the Group reaching 42,402.5 MW in over 22 provinces across the country.

(2) *Major financial indicators of the wind power business (including photovoltaic power)*

① Revenue

During the Reporting Period, the Group realized a sales revenue of RMB2,241 million from the wind power business, representing an increase of 6.11% as compared with the same period of last year, which was mainly due to an increase in the sales volume of electricity as compared with the same period of last year. The increase in the sales volume of electricity was mainly due to an increase in power generation as a result of the operation of new wind farms.

② Operating costs

During the Reporting Period, the operating costs (including cost of sales, marketing and distribution costs, administrative expenses and other expenses) of the Group's wind power business was RMB887 million, representing an increase of 13.57% as compared with the same period of last year. This was mainly due to an increase in operating costs as a result of the operation of new wind farms during the Reporting Period.

③ Profit from operations

During the Reporting Period, the profit from operations of the Group in the wind power business was RMB1,392 million, representing an increase of 1.61% as compared with the same period of last year, which was mainly due to the operation of new wind farms, leading to an increase in profit from operations; the gross profit margin of the wind power business was 65.06%, representing a decrease of 2.89 percentage points as compared with 67.95% in the same period of last year, which was mainly due to a decrease in the number of utilization hours year-on-year, resulting in a decline in gross profit margin.

2. Business review and major financial indicators of the natural gas business

(1) Business review of the natural gas business

① Steadily increase in sales volume of natural gas

During the Reporting Period, the Group's sales volume of natural gas amounted to 1,869 million cubic meters, representing an increase of 13.2% as compared with the same period of last year, among which, wholesale volume amounted to 1,168 million cubic meters, representing an increase of 7.7% as compared with the same period of last year; retail sales volume amounted to 670 million cubic meters, representing an increase of 29.8% as compared with the same period of last year; and the sales volume of CNG amounted to 29 million cubic meters, representing a decrease of 43.1% as compared with the same period of last year, and the sales volume of LNG amounted to 2 million cubic meters.

② Forming a gas supply pattern with multi-sources on a long-term basis, steadily proceeding with the construction of natural gas pipelines

As of 30 June 2020, the aggregate length of the Group's natural gas pipelines in operation was 5,284.06 kilometers.

E'ancang-Jing Han pipeline Handan liaison line and Zhuozhou-Yongqing Pipeline projects were under construction, which will significantly strengthen the gas supply capacity of Jing Han gas transmission system, effectively relieve winter gas supply pressure in central and southern parts of Hebei Province, and fill the gap in Langfang regional market after completion; the Beijing-Handan Dual Track has entered the preparatory stage prior to construction and will become the first large diameter pipeline across the Xiongan New Area under construction; E'ancang-Jing Han pipeline Baonan liaison line and Jizhong ten counties pipeline network phase IV projects were approved by the provincial development and reform commission. In the meanwhile, relying on the provincial pipeline network and actively planning the branch line layout, eight new planned branch lines were included in the list of major projects of natural gas pipeline

"Accessible to Every County" in Hebei Province (2020-2022 first batch) approved by the provincial development and reform commission. Tangshan LNG project terminal I, Tangshan LNG outbound pipeline project (Caofeidian-Baodi section) and Tangshan LNG outbound pipeline project (Baodi-Yongqing section) were under construction in an orderly manner based on the scheduled plan.

③ Prudent development of CNG and LNG projects

As at the end of the Reporting Period, 7 CNG primary filling stations, 7 CNG filling stations and 1 LNG filling station were in operation. The Company will carefully study the market development trend of CNG and LNG, and prudently develop CNG and LNG projects.

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

During the Reporting Period, leveraging on its newly operating pipelines, the Group vigorously developed its end user base of natural gas and newly acquired 14,480 users from different categories. As of 30 June 2020, the Group had an aggregate of 357,734 users from natural gas industry, public welfare, commerce and civil use industry.

(2) Major financial indicators of the natural gas business

① Revenue

During the Reporting Period, the Group recorded a natural gas sales revenue of RMB4,334 million, representing an increase of 1.88% as compared with the same period of last year, which was mainly due to the facts that the wholesale volume of retail customers increased. In particular, the pipeline wholesale business recorded a sales revenue of RMB2,624 million, representing 60.54% of the Group's sales revenue from natural gas; the retail business, such as the sale of city natural gas, recorded a sales revenue of RMB1,552 million, representing 35.81% of the Group's sales revenue from natural gas. The CNG business recorded a sales revenue of RMB74 million, representing 1.71% of the Group's sales revenue from natural gas. The LNG business recorded a sales revenue of RMB6 million, representing 0.14% of the Group's sales revenue from natural gas. Other income amounted to RMB78 million, representing 1.80% of the Group's sales revenue from natural gas.

② Operating costs

During the Reporting Period, the operating costs (including cost of sales, marketing and distribution costs, administrative expenses and other expenses) of the Group's natural gas business amounted to RMB3,936 million, representing an increase of 2.66% as compared with RMB3,834 million in the same period of last year, which was mainly due to an increase in sales volume of gas as compared with the same period of last year and the corresponding increase in operating costs.

③ Profit from operations

During the Reporting Period, the profit from operations of the Group in the natural gas business was RMB406 million, representing a decrease of 4.69% as compared with the same period of last year. The gross profit margin was 9.94%, representing a decrease of 1.86 percentage points as compared with the same period of last year. The decrease in profit from operations and gross profit margin was mainly due to an increase in the sales volume of gas during the period as compared with the same period of last year but a decrease in unilateral gross profit.

3. Photovoltaic power generation projects

During the Reporting Period, there was no newly approved capacity of photovoltaic projects for the Group. As at the End of the Reporting Period, the accumulative approved capacity of photovoltaic projects of the Group was 422,000 kW; the agreed capacity of the photovoltaic projects was increased by 500,000 kW and the accumulated agreed capacity was 6,549,000 kW.

II MAJOR OPERATIONS DURING THE REPORTING PERIOD

(I) DISCUSSION AND ANALYSIS ON OPERATING RESULTS

1. Overview

During the Reporting Period, the Group realized a net profit of RMB1,197 million, representing a decrease of 1.48% as compared with the same period of last year. In particular, the profit attributable to owners of the Company was RMB947 million, representing a decrease of 2.47% as compared with the same period of last year, which was mainly due to the effect of decrease in the Group's gross profit and the decrease in the share of profits of associates.

2. Revenue

During the Reporting Period, the Group recorded a revenue of approximately RMB6,575 million, representing an increase of 3.23% as compared with the same period of last year, which was mainly attributable to a year-on-year increase in revenues of the wind power and natural gas sectors, of which:

I. revenue from the wind power and photovoltaic power businesses amounted to approximately RMB2,241 million, representing an increase of 6.11% as compared with the same period of last year, which was mainly due to an increase in sales volume of electricity during the Reporting Period.

II. revenue from the natural gas business amounted to approximately RMB4,334 million, representing an increase of 1.88% as compared with the same period of last year, which was mainly attributable to an increase in sales volume of gas during the Reporting Period.

3. Other income and other net gains

During the Reporting Period, the Group recorded other income and other net gains of RMB59.4980 million, representing an increase of RMB6.5667 million as compared with the same period of last year, which was mainly due to an increase in gains from financial assets at fair value through other comprehensive income as compared with the same period last year.

4. Operating costs

During the Reporting Period, the Group's operating costs (including cost of sales, marketing and distribution costs, administrative expenses and other expenses) amounted to RMB4,861 million, representing an increase of 4.58% as compared with the same period of last year, of which:

I. cost of sales was RMB4,687 million, representing an increase of 5.71% as compared with the same period of last year, which was mainly because the cost of purchasing natural gas represented the major part of the cost of sales of the Group, and the increase in purchase volume of natural gas led to an increase in the cost of sales.

II. administrative expenses were RMB201 million, representing a decrease of 7.8% as compared with the same period of last year, which was mainly due to a decrease in salary expenses as compared with the same period of last year .

5. Finance costs

During the Reporting Period, the Group's finance costs were RMB450 million, representing an increase of 6.13% as compared with RMB424 million in the same period of last year. This was mainly due to the operation of new wind farms, leading to an increase in finance costs.

6. Share of profit of associates

During the Reporting Period, the Group's share of profit of associates was RMB104 million, representing a decrease of RMB12 million as compared with RMB116 million in the same period of last year. This was mainly due to a decrease in net profit of associates.

7. Income tax expenses

During the Reporting Period, the Group's net income tax expenses were RMB231 million, representing a decrease of 6.10% as compared with RMB246 million in the same period of last year. This was mainly due to a decrease in the Group's profits before tax during the Reporting Period as compared with the same period of last year.

8. Net profit

During the Reporting Period, the Group recorded a net profit of RMB1,197 million, representing a decrease of RMB18 million as compared with RMB1,215 million in the same period of last year. This was mainly due to the effect of decrease in the Group's gross profit and the decrease in the share of profits of associates.

9. Profit attributable to owners of the Company

During the Reporting Period, the profit attributable to owners of the Company was RMB947 million, representing a decrease of RMB24 million as compared with RMB971 million in the same period of last year. This was primarily attributable to a decrease in the Group's net profit as compared with the same period of last year.

The basic earnings per share attributable to shareholders of the Company was RMB0.2445.

10. Profit attributable to non-controlling interests holders

During the Reporting Period, the profit attributable to non-controlling interests holders of the Company was RMB249 million, representing an increase of RMB5 million as compared with RMB244 million in the same period of last year. This was primarily attributable to an increase in the net profit of companies with minority shareholders in the Group.

11. Trade and bills receivables

As of 30 June 2020, the Group's trade and bills receivables amounted to RMB4,733 million, representing an increase of RMB750 million as compared with that as at 31 December 2019, which was mainly attributable to an increase in the outstanding subsidy funds for tariff premium of renewable energy to be received for the wind power business.

12 Bank and other borrowings

As of 30 June 2020, the Group's long-term and short-term borrowings amounted to RMB27,211 million, representing an increase of RMB2,783 million as compared with RMB24,428 million as at 31 December 2019. Among all borrowings, short-term borrowings (including current portion of long-term borrowings) amounted to RMB4,101 million and long-term borrowings amounted to RMB23,110 million. Among all borrowings, fixed-rate borrowings amounted to RMB5,725 million.

During the Reporting Period, by concentrating on the keynote of "maintaining a steady and smooth capital chain" and the direction of "expanding financing channels, optimising debt structure, improving capital management and preventing and controlling systematic risks", the Group optimised the debt structure in a scientific manner, expanded financing channels and properly made capital arrangement to reduce the capital costs. Firstly, it integrated the characteristics of financial products with the advantages of project resources for effective consolidation so as to reduce the overall capital costs. Secondly, it closely monitored the trends of the capital market to strengthen its capability of direct financing. Thirdly, it made breakthroughs against the traditional credit models and sought for new forms of cooperation so as to meet the Company's diversified demands. Fourthly, it established a long-term communication mechanism to keep abreast of any changes in the financial development in a timely manner, which provided effective supports to decision makings. Fifthly, according to the order of priority, it defined clearly how to connect key projects to ensure the arrival of project funds. Sixthly, it fought the pandemic, promoted development, looked for financing, implemented policies with precision to seek low rate loans. Seventhly, it promoted industry-finance integration to facilitate project construction.

13 Liquidity and capital resources

As of 30 June 2020, the Group's net current liabilities value was RMB1,753 million. The net cash and cash equivalents increased by RMB390 million. The Group has obtained the banking facilities of RMB58,337 million in total from various domestic banks, of which RMB18,913 million was utilized. During the Reporting Period, the total amount of borrowings repaid by the Group was RMB5,753 million.

14 Capital expenditures

During the Reporting Period, capital expenditures mainly included construction costs for new wind power projects, natural gas pipelines, purchase of additional property, plant and equipment and prepayment for leased lands. Capital resources mainly included self-owned fund, bank borrowings and cash flows from the Group's operating activities. During the Reporting Period, the Group's capital expenditures were RMB4,915 million, representing an increase of 134.27% from RMB2,098 million over the same period of last year. Segment information of capital expenditures is as follows:

	Six-month period ended 30 June		
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Unaudited) (Restated)	Percentage change (%)
Natural gas	**1,657,177**	186,415	788.97%
Wind power and solar energy	**3,257,240**	1,910,214	70.52%
Undistributed capital expenditures	**422**	1,313	-67.86%
Total	**4,914,839**	2,097,942	134.27%

15 Net gearing ratio

As of 30 June 2020, the net gearing ratio (i.e. net liabilities divided by the sum of net liabilities and equity) of the Group was 66.2%, representing a decrease of 1.7 percentage points as compared with 67.9% as at 31 December 2019, which was mainly due to an increase in equity financing of the Group.

16 Foreign exchange risk

The Group retained some of the capital denominated in foreign currencies, which mainly comprised the Hong Kong dollar raised from additional issuance of shares that has not been settled and exchanged. As most of the Hong Kong dollar raised by the Company have been settled and exchanged into RMB for project construction, and the retained Hong Kong dollar that has not been settled and exchanged only accounts for a small proportion of the stock funds, the fluctuation in the exchange rate has limited impact on the stock funds.

17 Material charge on assets of the Group

During the Reporting Period, the Group had no material charge on its assets.

18 Contingent liabilities

As of 30 June 2020, RMB100 million was used as the guarantee provided by the Company to a joint venture for its application to a financial institution for credit line.

(II) Analysis of investment status

1. General analysis of external equity investments

Unit:RMB'0000

Investment for the Reporting Period	Investment for the corresponding period of the previous year	Change
980.72	17,000	-94.23%

2. Material equity investments

Group Finance Company is a company jointly established by the Company, HECIC, HECIC Communications, HECIC Water and JEI. The Company, HECIC, HECIC Communications, HECIC Water and JEI hold 10%, 60%, 10%, 10% and 10% equity interests in Group Finance Company. On 28 April 2020, the Company entered into a capital increase agreement with HECIC, HECIC Communications, HECIC Water and JEI, pursuant to which the Company, HECIC, HECIC Communications, HECIC Water and JEI shall contribute a total of RMB1 billion in cash to Group Finance Company, and the registered capital of Group Finance Company will increase to RMB2 billion after the capital increase. The parties shall fully pay the newly-increased registered capital of Group Finance Company in cash in a lump sum in accordance with their respective shareholding percentages. The capital increase agreement will only become effective upon signing by the parties and approval by the CBIRC. If the CBIRC does not approve the capital increase agreement for any reason, the parties shall have no obligation to make capital contribution pursuant to the capital increase agreement.

The capital adequacy ratio is an important indicator of Group Finance Company's ability to resist risks. With the rapid growth of Group Finance Company's credit business and investment business, its capital adequacy ratio is decreasing year by year, and the buffer zone between its capital adequacy ratio and the minimum regulatory indicator required by the CBIRC is shrinking year by year. Increasing the capital of Group Finance Company will help increase its capital adequacy ratio, thereby reducing systemic risk. In addition, doubling the registered capital of the Group Finance Company can correspondingly expand its investment business and guarantee business by about twice the size, thereby improving its business capacity, and its external financing and borrowing capacity will also increase, which helps provide funds to its member companies in a timely manner. Finally, as one of the shareholders and customers of Group Finance Company, the Company can enjoy long-term and stable financial support from Group Finance Company, and obtain certain investment return at the same time, which is beneficial to achieving the Company's strategic goals.

For details, please see the announcement headed "Connected Transaction Agreement on Capital Increase to Group Finance Company" posted on the website of Hong Kong Stock Exchange (http://www.hkexnews.hk) and the website of the Company on 28 April 2020.

On 14 July 2020, the change of registered capital of Group Finance Company was approved by the CBIRC.

(III) Material disposal of assets and equity interest

The Tangshan LNG Project and the Outbound Pipelines Projects constructed by Caofeidian Company have been listed as the projects to be sped up in the 2020 oil and natural gas infrastructure key constructions of the National Development and Reform Commission of the PRC (國家發改委2020年石油天然氣基礎設施重點工程), which are crucial for the enhancement of the capability of natural gas supply in Beijing, Tianjin and Hebei Province in winter and the capability of transmission and distribution of gas in the pipeline network. The introduction of investment from HECIC will bring new shareholder capital to Caofeidian Company. In the meanwhile, the project financing ability of Caofeidian Company will be enhanced by leveraging on HECIC's leading position and advantages in the industry, which effectively ensures that the projects can be carried out successfully, and creates the favourable condition for the projects to be put into operation as soon as possible.

On 11 May 2020, the Company entered into a capital increase agreement with HECIC, pursuant to which the registered capital of Caofeidian Company will be increased by RMB290 million, of which the Company shall contribute approximately RMB49.9 million (including the registered capital of RMB44.7 million that it had paid up as at the evaluation benchmark date (ie. 31 March 2020), and the further capital contribution of approximately RMB5.2 million to be made by it in cash under the capital increase agreement), and HECIC shall contribute RMB240.1 million in cash. Before completion of the capital increase, Caofeidian Company is a wholly-owned subsidiary of the Company, with a registered capital of RMB200 million. Upon completion of the capital increase, the registered capital of Caofeidian Company will be increased to RMB490 million, and Caofeidian Company will be held as to 51% and 49% by the Company and HECIC, respectively.

Upon completion of the capital increase, Caofeidian Company will continue to be a subsidiary of the Company, and its accounts will remain consolidated into the consolidated financial statements of the Group. As the capital increase will not result in the loss of control of Caofeidian Company by the Group, the deemed disposal constituted by the capital increase will be accounted for as an equity transaction that will not result in the recognition of any profit or loss. The proceeds from the capital increase will be used for the construction of the Tangshan LNG Project and the Outbound Pipelines Projects. As of the end of Reporting Period, all parties have paid up the subscribed capital contribution to Caofeidian Company.

For details, please see the announcement headed "Connected Transaction Capital Increase in Caofeidian Company" posted on the website of Hong Kong Stock Exchange (http://www.hkexnews.hk) and the website of the Company on 11 May 2020.

(IV) Analysis of major subsidiaries and investee companies

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:

(Prepared in accordance with China Accounting Standards for Business Enterprises)

Unit: RMB'0000

Company name	Proportion of share holding	Main business	Registered capital	Total assets	Net assets	Operating income	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	431,730.00	2,311,533.74	709,304.17	139,297.16	54,259.77	44,893.26
Hebei Natural Gas Company Limited (河北省天然氣有限責任公司)	55%	Sale of natural gas and gas appliances, as well as the connection and construction of natural gas pipelines	168,000.00	714,221.82	297,935.03	433,759.56	45,386.15	35,270.61
Hebei Fengning CIC New Energy Co., Ltd. (河北豐寧建投新能源有限公司)	100%	Wind power generation	70,300.00	420,376.80	129,696.99	38,830.22	24,945.18	22,972.74

III. Potential risks

The Company is currently engaged in natural gas and new energy sectors which belong to the energy industry. As a fundamental industry in the national economy, the energy industry is closely related to macro-economic conditions and changes in the macro-economic conditions will have significant impact on the prices and demand of major products of the Company. Since the domestic energy industry is basically in line with the international market, changes in the domestic market tend to be aligned with the international market. The cyclical fluctuations in the global economy have increasingly prominent impact on the development of the domestic energy industry, which may cause greater uncertainty to the revenue of the Company.

1. Risk of fluctuation in wind resources

The major climatic risk confronted by the wind power industry is the annual fluctuation of wind resources, which is represented by the higher power generation in years of high wind speed and the lower power generation in years of low wind speed than that in normal years. In 2020, the overall wind speed was comparatively good; however, due to the randomness and uncontrollability of wind resources, there might be a risk of decreasing wind speed in 2020 as compared to 2019. During the project planning phase and before the construction of wind farms, the Group will conduct a comprehensive wind resources test to evaluate the potential installed capacity of such locations in order to reduce the climatic risks.

2. Risk of decrease in tariff rate

In accordance with the relevant national policies, the objective of “same price for wind power and coal-fired power” will achieve by 2020. As such, the Group will fully study the relevant national policies, understand the actual situations of the projects to be developed and reasonably arrange the project development and construction progress to ensure the projects will be connected to grid and put into operation. At the same time, the Group will continue to strengthen the operation, maintenance and management, enhance the safety and reliability of equipment, improve the level of production and operation maintenance, and strive to enhance the efficiency of power generation of its existing wind farms.

3. **Existing risk from wind curtailment and power constraints**

The power grid companies has adopted various measures to accelerate the construction of delivery capacity of power grid and the wind curtailment and power constraints have been alleviated to a large extent. Despite the above, as the new wind power projects are consistently put into operation, it is expected that the wind curtailment and power constraints will remain for a longer period of time in some regions with a higher concentration of wind farms.

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

4. **Increase in difficulty of construction management**

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

5. **Risk of competition from alternative energy**

In the natural gas industry in which the Group is engaged, downstream customers are sensitive to the price of alternative energy. Lower prices in alternative energy such as coal and related products and LNG may cause some downstream customers to switch to alternative energy instead. The Group will leverage on its pipeline resources to strengthen supply capability, adopt flexible measures and put more effort in development of downstream customers to increase is market share.

6. Interest rate risk

The Group is principally engaged in investment in domestic wind 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 impact on the capital costs of the Group. The Group will keep an eye on the trend of the national monetary policies, and strengthen its communications with financial institutions to bargain for prime interest rate loans for project construction. Meanwhile, the Group will expand financing channels in various aspects to achieve financial innovation, and explore means of issuance of debentures, finance lease, foreign financing and trade receivable factoring to ensure the smooth operation of capital chain.

IV. PROSPECTS FOR THE SECOND HALF OF THE YEAR

Currently, the pandemic continues to spread across the world and its huge impact on the global economy will continue to evolve and develop. As external risks and challenges significantly increased, the economic recovery of China is still under pressure. In the second half of 2020, amid domestic and international risks and uncertainties, in order to promote high-quality development, the Group will continue to push forward the following:

1. Firmly establish the concept of “the top responsibility is production safety, and the top mission is safe development”, earnestly implement safety and prevention measures, and secure production safety with all-out effort.

2. Coordinate and arrange construction schedule and progress of projects, pay close attention to the control of construction processes, strictly follow construction procedures, and ensure the quality of construction and put constructions in progress into operation as scheduled.

3. Grasp strategic opportunities arising from the reform of the PRC natural gas sector, accelerate the development of upstream and downstream sectors of the natural gas business, give full play to the synergy effect between long-distance pipelines and urban gas market and do everything possible to seize market shares in the end-user market.

4. Closely monitor key low-price regions across China and any planned large-channel and large-scale projects, identify focus and converge development efforts to realise scale development of the new energy segment.

5. Study adjustments in national and local fiscal, tax and financial policies in great depth, further expand domestic and international financing channels, optimise debt structure and promote the effective integration between innovative financing and the rapid development of the Company.

6. Pursue the objective of "digital Suntien", improve the management mechanism of technological innovations, establish an integrated system for scientific and technological information management to makes its business become information-based, intelligent and digitalised, and constantly enhance management standardization and operating efficiency.

7. Further strengthen the building of operation and management, professional, technical and skilled talent teams, improve talent selection and use, training and development, assessment and evaluation, and incentive and supervision mechanisms to provide a strong talent team to support the high-quality development of the Group.

V. CORPORATE GOVERNANCE

(I) Compliance with the CG Code

The Company believes that it strictly complied with the principles and code provisions and some of the recommended best practices in the CG Code from 1 January 2020 to 30 June 2020, except for code provision E.1.2. The Company has also established a modern corporate governance structure with characteristics of effective balance and independent operation, which comprises shareholders' meeting, the Board, the supervisory committee and senior management. In accordance with the requirements of provision E.1.2 of the CG Code, the chairman of the Board shall attend the annual general meeting. Mr. Cao Xin, the Chairman of the Company, was not able to attend the 2019 Annual General Meeting of the Company due to business engagement. According to relevant requirements, the meeting was chaired by Mr. Mei Chun Xiao, an executive Director and President, who was jointly elected by more than half of all the Directors of the Company.

(II) Directors, Supervisors, Senior Management and Employees

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

In the first half of 2020, the Directors, supervisors and senior management of the Company remained unchanged. During the Reporting Period, the Company was not aware of any change in the information of Directors, supervisors and senior management which is required to be disclosed pursuant to the requirements of the Rule 13.51B(1) of the Hong Kong Listing Rules.

2. Number of Employees

As at the end of June 2020, the Company had 2,318 employees under labour contracts with the Company.

During the Reporting Period, based on the overall strategic operational objectives in combination with the demand for a change of business environment as well as the core business of the Group, the Group kept on improving the system and procedure of recruitment, human resources, training, salary, performance and labor relationship management, promoting the innovation and improvement in human resources management system of the Group. To cope with the changes, the Group continually optimised, and established an organizational structure and system that can keep pace with the rapid development of the Group, strived to formulate efficient business processes and provide a human resources support platform for the implementation of the Group's business strategy.

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

Adhering to the principle of combination of talent development with the enhancement of core capabilities of the Group's business and organization, the Group optimised its employee training model. Combining internal, external and online courses could effectively enhance the professional skills of employees. The Group emphasised on talent training at different levels, including mid to senior management and professional technicians, to enhance the core competitiveness of the Group and to satisfy the needs of its existing and future business development.

During the Reporting Period, the Group organized quality assessment of management personnel, carried out research on the three-year training plan for management personnel of middle-level and above of the Group, and laid a solid foundation for the formation of management team. The Group regulates the use of labour and social insurance management in strict compliance with the relevant laws and regulations, including the "Labour Law" and the "Labour Contract Law", to maximize the protection of legal rights and interests of employees. During the Reporting Period, the Group improved its social security welfare management, further optimise the Company's employee benefits protection system, arranged negotiations for the execution of a collective wage agreement and standardized the staff profile management to clarify its approach towards labour relations and to maintain stable and harmonious labour relations.

(III) The Board

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

During the Reporting Period, the Company held eight Board meetings, one Audit Committee Meeting, one Strategy and Investment Committee meeting, one supervisory committee meeting and one annual general meeting, respectively, and no extraordinary general meeting was held. All Directors have attended all the Board meetings and meetings of the relevant committees. Mr. Mei Chun Xiao attended the 2019 annual general meeting.

1. Audit Committee

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

During the Reporting Period, the Company held one Audit Committee meeting, at which the audit results of 2019 were considered and the "Resolution on the 2019 Internal Audit and Risks Management Report of the Company" was reviewed and approved and then submitted to the Board for consideration.

2. Remuneration and Appraisal Committee

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

3. Nomination Committee

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

4. Strategic and Investment Committee

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

During the Reporting Period, one meeting was convened by the Strategy and Investment Committee, and the "Resolution on the Report on the Use of Proceeds Previously Raised by China Suntien Green Energy Corporation Limited" was reviewed and approved and then submitted to the Board for consideration.

(IV) Internal Control

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

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

VI. ADDITIONAL INFORMATION

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

On 29 June 2020, the Company completed the issue and listing of 134,750,000 new A shares on the SSE and 1,876,156,000 domestic shares originally issued by the Company were simultaneously converted A shares on the listing date of the A shares. For details, please refer to the announcements dated 14 August 2017, 1 September 2017, 25 September 2017, 2 August 2018, 2 November 2018, 17 February 2019, 15 March 2019, 23 April 2019, 11 July 2019, 9 April 2020, 29 May 2020, 3 June 2020, 11 June 2020 and 24 June 2020 and the circulars dated 20 October 2017, 24 August 2018 and 7 August 2019 of the Company.

Save for the A Share Offering, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

(II) Share Capital and Use of Proceeds from Placing of H Shares

The Company completed the initial public offering and listing of 134,750,000 RMB ordinary shares (A shares)(stock code: 600956) of RMB1 each on the SSE on 29 June 2020 and the existing domestic shares of the Company were simultaneously converted to A shares. The issue price was RMB3.18 per A share and A shares were issued under the general mandate granted by the shareholders at the 2018 annual general meeting held on 11 June 2019 by the Board. The total proceeds from the A Share Offering was RMB428,505,000 and the net proceeds was RMB389,829,300 after deduction of offering expenses of RMB38,675,700. Aftering the offering, the total number of shares of the Company was 3,849,910,396, comprising 2,010,906,000 A shares and 1,839,004,396 H shares. As of 30 June 2020, the proceeds have not been used by the Company.

Moreover, among the net proceeds from the placing of H shares by the Company in January 2014 of approximately HK$1,564 million, the Company has applied approximately HK$1,034 million in the investment in its wind power generation projects in the PRC, approximately HK$233 million in the development of the Group's natural gas business in the PRC and the remaining amount of approximately HK$171 million in replenishing the Company's working capital (the Company used a portion of the interest income and exchange gains derived from the proceeds to replenish working capital).

(III) Audit Committee

The Audit Committee is mainly responsible for reviewing and supervising the procedures for financial reporting and internal control. The Audit Committee of the Company has reviewed the unaudited interim results for the six months ended 30 June 2020 and considered that the Group has adopted applicable accounting policies for preparation of relevant results and made adequate disclosures.

(IV) Contact Person for the External Joint Company Secretary

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

I. SUMMARY OF THE GENERAL MEETINGS

Session	Date of general meeting	Enquiry index of the designated website on which the resolution was published	Publication date of the resolution
2019 Annual General Meeting	29 May 2020	www.hkexnews.hk	29 May 2020

II. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALISATION OF CAPITAL RESERVE

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

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

Details of proposal on profit distribution or capitalisation of capital reserve	Nil

III. PERFORMANCE OF UNDERTAKINGS

Undertakings made by relevant parties such as the de facto controller, shareholders, related parties and acquirers of the Company and the Company during the Reporting Period or subsisting to the Reporting Period

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	Reasons for failure of performance (if undertakings cannot be performed timely)	Next step (if undertakings cannot be performed in a timely manner)
Undertakings relating to the initial public offering of shares	Selling restrictions on shares	HECIC	Complying with the requirements on lockup period and selling restriction for the controlling shareholders of the listed company	36 months from the date of listing of A shares of the Company	Yes	Yes	/	/

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	Reasons for failure of performance (if undertakings cannot be performed timely)	Next step (if undertakings cannot be performed in a timely manner)
	Other	HECIC	Complying with the requirements on reduction of shares for the controlling shareholder of the listed company	Long-term effective	No	Yes	/	/
	Other	the Company	True, accurate and complete disclosures in the Prospectus	Long-term effective	No	Yes	/	/
	Other	HECIC	True, accurate and complete disclosures in the Prospectus	Long-term effective	No	Yes	/	/
	Other	Directors, supervisors and senior management	True, accurate and complete disclosures in the Prospectus	Long-term effective	No	Yes	/	/
	Other	HECIC, the Company, Directors (excluding independent Directors) and senior management	Complying with the requirements on stock price stabilization measures for the controlling shareholder of the listed company, the Company, its Directors (excluding independent Directors) and senior management	Within three years from the date of listing of A shares of the Company	Yes	Yes	/	/
	Other	HECIC	Adoption of remedial measures for the dilution of current return as a result of the initial public offering of shares of the Company	Long-term effective	No	Yes	/	/
	Other	Directors, supervisors and senior management	Adoption of remedial measures for the dilution of current return as a result of the initial public offering of shares of the Company	Long-term effective	No	Yes	/	/
	Other	The Company	Measures to be taken if undertakings disclosed in the Prospectus cannot be performed	Long-term effective	No	Yes	/	/
	Other	HECIC	Measures to be taken if undertakings disclosed in the Prospectus cannot be performed	Long-term effective	No	Yes	/	/
	Other	Directors, supervisors and senior management	Measures to be taken if undertakings disclosed in the Prospectus cannot be performed	Long-term effective	No	Yes	/	/
	Other	HECIC	Avoiding horizontal competition	Long-term effective	No	Yes	/	/

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	Reasons for failure of performance (if undertakings cannot be performed timely)	Next step (if undertakings cannot be performed in a timely manner)
	Resolving title defects in land, etc.	HECIC	It shall make full compensation to the Company for any actual losses suffered by the Company or its subsidiaries as a result of any disputes, risks or administrative penalty imposed by competent authorities or being unable to carry out normal production and operation arising from or in connection with any use of land not in conformity with standards, defect of lproperty, defect of leased property or incomplete leasing procedures (excluding land grant fee or rent, land requisition fee, title registration fee, tax and levies and other related expenses payable by the Company according to laws and regulations) after the actual losses caused by such matters are ascertained by the Company in accordance with legal procedures.	Long-term effective	No	Yes	/	/

IV. APPOINTMENT AND DISMISSAL OF AUDITOR

Given that Ernst & Young Hua Ming LLP strictly abided by its duties, and issued an audit report for the Company in an objective and fair manner pursuant to the independent auditing standards during the preparation of the initial public offering of A shares of the Company, in order to maintain the continuity of the audit work of the Company, it is proposed to change Ernst & Young Hua Ming LLP as the PRC auditor of the Company for the year 2020. On 20 August 2020, as considered and approved at the fourteenth extraordinary meeting of the fourth session of the Board of the Company, it is approved to appoint Ernst & Young Hua Ming LLP as the PRC auditor of the Company for the year 2020. The resolution is still subject to consideration and approval at the general meeting of the Company.

V. MATERIAL LITIGATIONS AND ARBITRATIONS

✓ The Company had material litigations and arbitrations during the Reporting Period ☐ The Company had no material litigations and arbitrations during the Reporting Period

Summary and type of matter	Index for enquiry
The case in respect of the outstanding amount of RMB188 million payable by Hebei Yuanhua Glass Co., Ltd. (河北元華玻璃股份有限公司) ("Yuanhua Glass") to Hebei Natural Gas.	The regular reports dated 19 April 2018, 6 September 2018, 23 April 2019, 5 September 2019 and 22 April 2020 of the Company published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.suntien.com), and the Prospectus.
The case in respect of the outstanding amount of RMB140 million payable by Yuanhua Glass to Hebei Natural Gas.	The regular reports dated 14 April 2016 and 22 April 2020 of the Company published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.suntien.com), and the Prospectus.

VI. INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

During the Reporting Period, the Company, its controlling shareholders and de facto controller did not have any court ruling that was yet to be executed, or any debt with a relatively large amount that is due but remained unpaid.

VII. MATERIAL CONNECTED TRANSACTIONS

(I) Connected transactions related to daily operation

Unit: RMB'00 million

No.	Transaction	Agreement related to the connected transaction	Connected persons	Actual amount during January to June 2020	Annual cap for 2020
1	The balance of loan service provided to the Company and its subsidiaries	"Financial Services Framework Agreement" (2019.1.1-2021.12.31)	HECIC Group Finance Company Limited	10.1793	N/A [1]
2	The maximum daily balance of the deposit service provided to the Company and its subsidiaries	"Financial Services Framework Agreement" (2019.1.1-2021.12.31)	HECIC Group Finance Company Limited	20.1136	35.70
3	The handling fees for the other financial services provided to the Company and its subsidiaries	"Financial Services Framework Agreement" (2019.1.1-2021.12.31)	HECIC Group Finance Company Limited	0.0017	N/A [2]
4	The maximum outstanding principal amount (including accrued leasing interest and handling fees) under finance leases provided to the Company and its subsidiaries	"Asset Financing Services Framework Agreement" (2018.4.25-2021.4.24)	Huihai Financing and Leasing Co., Ltd.	13.4588	26
5	The total transaction amount (including accrued interest) of the factoring service provided to the Company and its subsidiaries	"Asset Financing Services Framework Agreement" (2018.4.25-2021.4.24)	Huihai Financing and Leasing Co., Ltd.	0	1

Notes:

(1) With the approval at the third extraordinary general meeting of the Company in 2018, the Company and Group Finance Company entered into the "Financial Services Framework Agreement" for a term of three years until 31 December 2021.

(2) With the approval at the first extraordinary general meeting of the Company in 2018, the Company and Huihai entered into the "Asset Financing Services Framework Agreement" for a term of three years until 24 April 2021.

VIII. MATERIAL CONTRACTS AND PERFORMANCE THEREOF (AS DISCLOSED IN ACCORDANCE WITH THE REQUIREMENTS OF A SHARE LISTING RULES)

Unit: RMB'0000

External guarantees provided by the Company (excluding guarantees provided for subsidiaries)													
Guarantor	Relationship between guarantor and the Company	Guaranteed party	Amount guaranteed	Guarantee date (agreement date)	Commencement of guarantee	Expiry of guarantee	Type of guarantee	Whether fully performed	Whether overdue	Overdue amount	Any counter guarantee	Whether provided for connected parties	Connected relationship
The Company	The Company's head office	Hebei Suntien Guohua Gas Co., Ltd.	10,000	2018.2.2	2018.2.2	2025.2.2	Joint liability guarantee	No	No	0	Yes	Yes	Joint venture

Total amount of guarantees incurred during the Reporting Period (excluding guarantees provided for subsidiaries)	0
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries)	9,950
Guarantees provided by the Company for subsidiaries	
Total amount of guarantees incurred for subsidiaries during the Reporting Period	5,500
Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B)	48,897.32
Total amount of guarantees provided by the Company (including guarantees provided for subsidiaries)	
Total amount of guarantees (A+B)	58,847.32
Total amount of guarantees as a percentage of the net assets of the Company (%)	3.59
Of which:	
Amount of guarantees provided for shareholders, de facto controller and their connected parties (C)	0
Amount of debt guarantees directly or indirectly provided for guaranteed parties with a gearing ratio exceeding 70% (D)	29,347.32
Total amount of guarantees in excess of 50% of net assets (E)	0
Total amount of guarantees of the above three items (C+D+E)	29,347.32
Statement on the potential joint liability in connection with unexpired guarantees	Nil
Details of guarantees	Nil

IX. POVERTY ALLEVIATION UNDERTAKEN BY THE COMPANY

1. Targeted poverty alleviation plan

The Company strictly implemented various national decisions and deployments for povery alleviation, established various mechanisms such as organisational leadership, system guarantee and work implementation, and concretely carried out targeted poverty alleviation. Meanwhile, through integrating with the main line of actual support for villages, focusing on weaknesses, industrial assistance and promoting collective income growth, the Company cooperated and worked together with local governments at all levels to alleviate poverty with scientific approach and ensure full achievement of povery alleviation targets.

2. Summary of targeted poverty alleviation for the Reporting Period

In the first half of 2020, under the strengthened and enhanced poverty alleviation efforts, the monitoring of 8 households (with a total of 19 persons) which were not firmly lifted out of povery was eliminated through industrial employment and basic protection, with the whole village firmly lifted out of povery and no one left in poverty. In the first half of the year, the Company continued and invested RMB248,952 to build ten cold sheds which will be collectively owned by the village. The project was completed in June and commenced operation.

3. Results of targeted poverty alleviation

Unit: RMB'0000

Index	Quantity and Progress
I. General information	
Of which: 1. Capital	24.8952
2. Registered poor population lifted out of poverty (person)	339
II. Capital injection by project	
1. Industrial poverty alleviation	
Of which: 1.1 Type of industrial poverty alleviation projects	✓Agricultural industry poverty alleviation ☐ Tourism poverty alleviation ☐ E-commerce poverty alleviation ☐ Asset income poverty alleviation ☐ Technology poverty alleviation ☐ Others
1.2 Number of industrial poverty alleviation projects	1
1.3 Total amount of investment in industrial poverty alleviation projects	24.8952
1.4 Registered poor population lifted out of poverty (person)	339
2. Poverty alleviation by transferring employment	
3. Poverty alleviation by relocation	
4. Poverty alleviation by education	
5. Poverty alleviation through health	
6. Poverty alleviation through ecological protection	
7. Basic protection	
8. Society poverty alleviation	
9. Other projects	
III. Awards (description and grade)	

4. Description of the progress in performing social responsibility in respect of targeted poverty alleviation

In the first half of 2020, as the national survey of poverty alleviation commenced, the Company actively carried out relevant works according to the overall planning of the survey. The Company ensured clear basic data and situation and accuracy of figures while continuing to publicise the poverty alleviation policies and assistance measures to households and consolidated the achievements of poverty alleviation.

5. Subsequent poverty allevialtion plan

The Company will continue to fully implement the initiatives of "removing poverty without removing responsibilities, policies, assistance and supervision", consolidate and enhance the effect and result of poverty alleviation and strengthen the integration of poverty alleviation with enhancing confidence and education so as to enable the villages receiving assistance to have their sustainable endogenous power and ensure full and timely poverty alleviation with high quality.

X. ENVIRONMENTAL PROTECTION INFORMATION

The wind farms controlled by the Group have hazardous waste storage room specially constructed to store wastes and used batteries and pollutants such as waste oil. The disposal of replaced batteries, waste transformer oil, waste hydraulic oil and waste lubricant of wind farms and waste fluid from compressors of gas companies are handled by entities with relevant qualifications we engaged, and hazardous waste disposal agreements are signed. Relevant enterprises under the Group have formulated environmental emergency plan which are filed with environmental protection authorities.

Changes in Ordinary Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

Unit: shares

	Before the change		Increase or decrease (+,-)					After the change	
	Number	Percentage (%)	New shares issued	Bonus issue	Reserves capitalized	Others	Sub-total	Number	Percentage (%)
I. Unlisted tradable shares	1,876,156,000	50.50						1,876,156,000	48.73
1. Promoter's shares	1,876,156,000	50.50						1,876,156,000	48.73
of which:									
State-owned shares									
Domestic legal person shares	1,876,156,000	50.50						1,876,156,000	48.73
Overseas legal person shares									
Others									
2. Raised legal person shares									
3. Internal employee shares									
4. Preference shares or other									
II. Listed tradable shares	1,839,004,396	49.50	134,750,000				134,750,000	1,973,754,396	51.27
1. RMB ordinary shares			134,750,000				134,750,000	134,750,000	3.50
2. Domestic listed foreign shares									
3. Overseas listed foreign shares	1,839,004,396	49.50						1,839,004,396	47.77
4. Others									
III. Total number of shares	3,715,160,396	100.00	134,750,000				134,750,000	3,849,910,396	100.00

2. **Explanation for changes in shares**

As approved by the "Reply Regarding the Approval of Initial Public Offering of Shares by China Suntien Green Energy Corporation Limited"(《關於核准新天綠色能源股份有限公司首次公開發行股票的批覆》)(Zheng Jian Xu Ke [2020] No. 1012) issued by the CSRC, the Company issued 134,750,000 A shares at the issue price of RMB3.18 per A share by way of initial public offering which were listed on the SSE on 29 June 2020. The original domestic shares were simultaneously converted to A shares. After completion of the offering, the total share capital of the Company comprises 3,849,910,396 shares, of which, the A share capital comprises 2,010,906,000 shares and the H share capital comprises 1,839,004,396 shares.

II. SHAREHOLDERS

(I) Total number of shareholders:

As of 30 June 2020, the number of shareholders of the Company was: 127,794 A-share shareholders and 1,558 H-share shareholders, totaling 129,352 shareholders.

Total number of ordinary shareholders as at the end of the Reporting Period (person)	129,352
Total number of shareholders of preference shares with restored voting right as at the end of the Reporting Period (person)	0

(II) Table of shareholding of the top 10 shareholders and the top 10 shareholders of tradable shares or shares without selling restrictions as at the end of the Reporting Period

Unit: shares

	Shareholding of the top 10 shareholders						
					Shares pledged or frozen		
Name of shareholder (full name)	Increase/decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares with selling restrictions held	Status of shares	Number	Nature of shareholder
Hebei Construction & Investment Group Co., Ltd.	1,876,156,000	1,876,156,000	48.73	1,876,156,000	Nil		State-owned legal person
HKSCC NOMINEES LIMITED [(1)]	16,000	1,834,793,295	47.66	0	Unknown		Unknown
Yang Na (楊娜)	502,193	502,193	0.01	0	Nil		Unknown
Zhong De Securities Company Limited	245,361	245,361	0.01	0	Nil		State-owned legal person
Luo Ting (羅婷)	146,772	146,772	0.00	0	Nil		Unknown
CHAN SAU TAT	0	100,000	0.00	0	Unknown		Unknown
LEONG TAI FU	0	50,000	0.00	0	Unknown		Unknown
LEUNG WING HONG	0	37,000	0.00	0	Unknown		Unknown
CHIN CHUNG WA	0	33,000	0.00	0	Unknown		Unknown
LEE LAP KWAN	0	30,000	0.00	0	Unknown		Unknown

	Shareholding of the top 10 shareholders holding shares without selling restrictions		
		Class and number of shares	
Name of shareholder	Number of tradable shares without selling restrictions held	Class	Number
HKSCC NOMINEES LIMITED [1]	1,834,793,295	Overseas listed foreign shares	1,834,793,295
Yang Na (楊娜)	502,193	RMB ordinary shares	502,193
Zhong De Securities Company Limited	245,361	RMB ordinary shares	245,361
Luo Ting (羅婷)	146,772	RMB ordinary shares	146,772
CHAN SAU TAT	100,000	Overseas listed foreign shares	100,000
LEONG TAI FU	50,000	Overseas listed foreign shares	50,000
LEUNG WING HONG	37,000	Overseas listed foreign shares	37,000
CHIN CHUNG WA	33,000	Overseas listed foreign shares	33,000
LEE LAP KWAN	30,000	Overseas listed foreign shares	30,000
LO CHAK SUN	25,000	Overseas listed foreign shares	25,000
Description of connected relationship or acting in concert among the above shareholders	Nil		
Description of shareholders holding preference shares with restored voting rights and their shareholdings	Nil		

Note:

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

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

Unit: shares

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

(III) Interests and short positions of the Directors, supervisors and senior management in shares, underlying shares and debentures

As of 30 June 2020, the Directors, supervisors and senior management of the Company had interests in the shares of the Company as below:

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

Saved as disclosed above, as of 30 June 2020, none of other Directors, supervisors and senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they were also applicable to the supervisors).

(IV) Interests and short positions of substantial shareholders and other persons in shares and underlying shares

As of 30 June 2020, to the best knowledge of the Directors of the Company, the following persons (other than the Directors, supervisors or senior management of the Company) had interests or short positions in the shares or underlying shares of the Company which would need to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholders	Class of shares	Capacity	Number of shares/ underlying shares held	Percentage in the relevant class of share capital (%)	Percentage in the total share capital (%)
HECIC	A shares	Beneficial owner	1,876,156,000	93.30%	48.73%
Citigroup Inc.(1)	H shares	Interest held by controlled corporations	218,857,860 (Long position)	11.90%	5.58%
		Interest held by controlled corporations	794,000 (Short position)	0.04%	0.02%
		Approved lending agent	218,063,190 (Shares available for lending)	11.85%	5.66%
GIC Private Limited	H shares	Investment manager	127,386,000 (Long position)	6.93%	3.31%

Note (1): Citigroup Inc. holds the interests of the Company through its controlled entities Citibank N.A. and Citigroup Global Markets Limited. In particular, 794,000 H shares is a short position under unlisted derivatives – cash settled.

(V) Compliance with the Model Code

The Company has adopted the Model Code as the code of conduct regarding securities transactions by all Directors, supervisors and relevant employees of the Company (as defined under the CG Code). After making specific enquiries to all of the Directors and supervisors of the Company, all Directors and supervisors confirmed that during the Reporting Period, they had strictly complied with the Model Code. At the same time, as far as the Company is aware, there is no incident in which employees have not complied with the Model Code.

The Board will review the corporate governance and the operation of the Company from time to time in order to comply with the related requirements of the Hong Kong Listing Rules and protect the interests of the shareholders.

I. BASIC INFORMATION OF CORPORATE BONDS

Unit: RMB'00 million

Name	Abbreviation	Code	Issue date	Maturity date	Balance	Interest rate (%)	Way to repay principal and interest	Trading place
2018 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G18 New Y1	143952	13 March 2018	13 March 2021	5.9	5.96	3+N, interest to be paid annually,	SSE
2019 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G19 New Y1	155956	5 March 2019	5 March 2022	9.1	4.7	3+N, interest to be paid annually	SSE

Principal and interest payment of corporate bonds

(I) G18 New Y1: not yet matured, and no payment of principal made; interest was fully paid when due as follows:

1. Interest for the period from 13 March 2018 to 12 March 2019 was paid on 13 March 2019. For details, please refer to the "Announcement on Payment of Interest in 2019 for 2018 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited" available on the website of the SSE (www.sse.com.cn).

2. Interest for the period from 13 March 2019 to 12 March 2020 was paid on 13 March 2020. For details, please refer to the "Announcement on Payment of Interest in 2020 for 2018 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited" available on the website of the SSE (www.sse.com.cn).

(II) G19 New Y1: not yet matured, and no payment of principal made; interest was fully paid when due as follows:

Interest for the period from 5 March 2019 to 4 March 2020 was paid on 5 March 2020. For details, please refer to the "Announcement on Payment of Interest in 2020 for 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited" available on the website of the SSE (www.sse.com.cn).

II. CONTACT INFORMATION OF CORPORATE BOND TRUSTEE AND CREDIT RATING AGENCY

Bond trustee	Name	China Galaxy Securities Co., Ltd.
	Office address	2/F, Tower C, Corporate Square, No. 35, Finance Street, Xicheng District, Beijing
	Contact person	Tang Yijun
	Contact number	18758361536
Credit rating agency	Name	China Chengxin International Credit Rating Co., Ltd.
	Office address	Building 6, Galaxy SOHO, No. 2 Nanzhugan Lane, Chaoyangmennei Avenue, Chaoyang District, Beijing

III. USE OF PROCEEDS FROM CORPORATE BONDS

(I) Use of proceeds

1. G18 New Y1: issued for RMB590 million on 13 March 2018 and operated in accordance with requirements. As of 30 June 2020, RMB590 million was utilized with the balance being RMB0.00, and the actual usage is consistent with the committed purpose, usage plan and other agreements specified in the prospectus.

2. G19 New Y1: issued for RMB910 million on 5 March 2019 and operated in accordance with requirements. As of 30 June 2020, RMB910 million was utilized with the balance being RMB0.00, and the actual usage is consistent with the committed purpose, usage plan and other agreements specified in the prospectus.

(II) Implementation procedures for the use of proceeds

1. G18 New Y1: The use of proceeds from this tranche by the Company was strictly in compliance with stipulations in the "Prospectus for 2018 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited (for Qualified Investors)" (the "Prospectus") and requirements of regulations such as the Articles of Association. The Company opened a special account for receiving, depositing and transferring of the proceeds and payment of principal and interest, and strictly implemented approval procedures at various levels. After receiving the proceeds in the account, the use of such funds was strictly in compliance with the Company's requirements for management of approval authorisation.

2. G19 New Y1: The use of proceeds from this tranche by the Company was strictly in compliance with stipulations in the "Prospectus for 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited (for Qualified Investors)" (the "Prospectus") and requirements of regulations such as the Articles of Association. The Company opened a special account for receiving, depositing and transferring of the proceeds and payment of principal and interest, and strictly implemented approval procedures at various levels. After receiving the proceeds in the account, the use of such funds was strictly in compliance with the Company's requirements for management of approval authorisation.

(III) Operation of the special account for proceeds raised

The Company opened special accounts for receiving, depositing and transferring of the proceeds and payment of principal and interest strictly in accordance with stipulations in the Prospectuses. As of the end of the Reporting Period, there was no irregularity in the operation of the special accounts for the proceeds.

IV. CREDIT RATING OF CORPORATE BONDS

On 24 June 2020, as assessed by the rating committee of China Chengxin International Credit Rating Co., Ltd., the credit rating of the Company remained AAA with stable outlook, and the credit ratings of "G18 New Y1" and "G19 New Y1" remained AAA.

Such credit rating indicates: the rated subject has a very strong ability to repay its debts, the bonds are very safe and basically not affected by any adverse economic conditions, with an extremely low risk of default.

During the Reporting Period, China Chengxin International Credit Rating Co., Ltd. issued the "Follow-up Credit Rating Report (2020) on the 2018 Renewable Green Corporate Bonds (First Tranche) and the 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited", which is available on the website of the SSE (http://www.sse.com.cn).

V. CREDIT ENHANCEMENT MECHANISM, DEBT REPAYMENT SCHEME AND OTHER RELEVANT INFORMATION OF CORPORATE BONDS DURING THE REPORTING PERIOD

The corporate bonds "G18 New Y1" and "G19 New Y1" are guaranteed by "Hebei Construction & Investment Group Co., Ltd.", which remain unchanged during the Reporting Period. There was no repayment scheme during the Reporting Period and current interest was fully paid when due.

VI. PERFORMANCE OF DUTIES BY BOND TRUSTEE

The Company engaged China Galaxy Securities Co., Ltd. as the bond trustee for "G18 New Y1" and "G19 New Y1" and entered into the "Agreement on Bond Entrusted Management" with it.

The bond trustee continuously supervised the issuer to perform information disclosure obligations, regulate the use of proceeds and repay principal and interest in full when due during the subsistence of the bonds. During the Reporting Period, China Galaxy Securities Co., Ltd. properly performed its duties as a bond trustee and played a positive role in protecting the interest of bond investors.

During the Reporting Period, the bond trustee published the "Report on Entrusted Management of Corporate Bonds Publicly issued by China Suntien Green Energy Corporation Limited (2019)", which is available on the website of the SSE (http://www.sse.com.cn).

VII. THE FOLLOWING ACCOUNTING DATA AND FINANCIAL INDICATORS AS AT THE END OF THE REPORTING PERIOD AND THE END OF PREVIOUS YEAR (OR DURING THE REPORTING PERIOD AND THE SAME PERIOD OF PREVIOUS YEAR) (PREPARED IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES)

Main indicators	As at the end of the Reporting Period	As at the end of previous year	Increase/ decrease at the end of the Reporting Period as compared with the end of previous year (%)	Reason of change
Current ratio	82.87%	70.93%	16.83	Mainly attributable to an increase in accounts receivable
Quick ratio	73.73%	60.78%	21.32	Mainly attributable to an increase in accounts receivable
Liability to asset ratio (%)	68.07%	67.88%	0.19	Attributable to an increase in borrowings
Loan repayment rate (%)	100%	100%	0	–

	During the Reporting Period (Jan-Jun)	The same period of the previous year	Increase/ decrease during the Reporting Period as compared with the same period of the previous year (%)	Reason of change
EBITDA Interest cover ratio	4.85	5.30	-13.46	Mainly due to an increase in the interest expense during the current period
Interest coverage (%)	100%	100%	0	–

VIII. PRINCIPAL AND INTEREST PAYMENT OF OTHER BONDS AND FINANCING INSTRUMENTS OF THE COMPANY

During the Reporting Period, the principal and interest of other bonds and financing instruments of the Company were paid when due and there was no delay or failure in the payment of principal and interest.

IX. BANK CREDITS OF THE COMPANY DURING THE REPORTING PERIOD

As of the end of the Reporting Period, the Company had available credit lines from its financial institutions amounting to RMB58.337 billion, of which RMB18.913 billion were utilized and RMB39.424 billion were unutilized.

X. PERFORMANCE OF COMMITMENTS AND UNDERTAKINGS BY THE COMPANY IN RESPECT OF CORPORATE BONDS ACCORDING TO THE PROSPECTUSES DURING THE REPORTING PERIOD

The operation of the special accounts for proceeds was regulated and the Company carried out regulated operation strictly in accordance with stipulations in the Prospectuses. In particular, G18 New Y1: issued for RMB590 million on 13 March 2018 and operated in accordance with requirements, with RMB590 million utilized and a balance of RMB0.00 million as of 30 June 2020; and G19 New Y1: issued for RMB910 million on 5 March 2019 and operated in accordance with requirements, with RMB910 million utilized and a balance of RMB0.00 million as of 30 June 2020.

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

For the six-month period ended 30 June 2020

	Notes	Six-month period ended 30 June 2020 RMB'000 (Unaudited)	 2019 RMB'000 (Unaudited) (Restated)
REVENUE	3	**6,575,353**	6,369,010
Cost of sales	6	**(4,687,327)**	(4,434,156)
Gross profit		**1,888,026**	1,934,854
Other income and gains, net	5	**59,498**	52,931
Selling and distribution expenses		**(362)**	(117)
Administrative expenses		**(201,109)**	(218,254)
Other expenses		**27,990**	4,447
PROFIT FROM OPERATIONS		**1,774,043**	1,773,861
Finance costs	7	**(450,101)**	(423,625)
Share of profits and losses of:			
Joint ventures		**519**	(5,719)
Associates		**103,585**	116,271
PROFIT BEFORE TAX	6	**1,428,046**	1,460,788
Income tax expense	8	**(231,383)**	(245,846)
PROFIT FOR THE PERIOD		**1,196,663**	1,214,942
Attributable to:			
Owners of the Company		**947,432**	971,057
Non-controlling interests		**249,231**	243,885
		1,196,663	1,214,942
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,196,663**	1,214,942
Total comprehensive income for the period attributable to:			
Owners of the Company		**947,432**	971,057
Non-controlling interests		**249,231**	243,885
		1,196,663	1,214,942
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	10	**24.45 cents**	25.29 cents
Diluted	10	**24.45 cents**	25.29 cents

Interim Condensed Consolidated Statement of Financial Position

30 June 2020

	Notes	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited) (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	11	**32,280,636**	28,301,042
Investment properties		**27,690**	28,243
Goodwill		**39,412**	39,412
Other intangible assets		**1,618,786**	1,671,894
Right-of-use assets		**2,968,389**	3,006,743
Investments in associates		**2,333,136**	2,222,413
Investments in joint ventures		**80,741**	79,818
Equity investments designated at fair value through other comprehensive income		**118,606**	115,206
Deferred tax assets		**184,713**	194,324
Prepayments, deposits and other receivables	13	**3,214,750**	2,904,137
Total non-current assets		**42,866,859**	38,563,232
CURRENT ASSETS			
Inventories		**44,029**	51,620
Trade and bills receivables	12	**4,733,136**	3,983,339
Prepayments, deposits and other receivables	13	**939,440**	1,091,952
Cash and bank balances	14	**2,762,243**	2,357,534
Total current assets		**8,478,848**	7,484,445
CURRENT LIABILITIES			
Trade and bills payables	15	**151,159**	137,046
Other payables and accruals	16	**5,798,815**	4,870,411
Lease liabilities		**92,731**	108,985
Interest-bearing bank and other borrowings	17	**4,101,701**	5,334,839
Tax payable		**87,558**	100,007
Total current liabilities		**10,231,964**	10,551,288
NET CURRENT LIABILITIES		**(1,753,116)**	(3,066,843)
TOTAL ASSETS LESS CURRENT LIABILITIES		**41,113,743**	35,496,389
NON-CURRENT LIABILITIES			
Lease liabilities		**1,266,207**	1,341,771
Interest-bearing bank and other borrowings	17	**23,109,692**	19,093,168
Other payables and accruals	16	**297,083**	225,007
Deferred tax liabilities		**46,278**	45,717
Total non-current liabilities		**24,719,260**	20,705,663
Net assets		**16,394,483**	14,790,726
EQUITY			
Equity attributable to owners of the Company			
Issued share capital		**3,849,910**	3,715,160
Reserves		**9,303,883**	8,139,240
Non-controlling interests		**3,240,690**	2,936,326
Total equity		**16,394,483**	14,790,726

Interim Condensed Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2020

	Attributable to owners of the Company								
	Issued share capital RMB'000 (note 10)	Other equity instruments RMB'000	Other com-prehensive income RMB'000	Capital reserve RMB'000	Reserve funds RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2020	**3,715,160**	**1,494,000**	**6,493**	**2,135,848**	**361,973**	**4,102,915**	**11,816,389**	**2,933,267**	**14,749,656**
Business combination under common control	**–**	**–**	**–**	**39,742**	**–**	**(1,730)**	**38,012**	**3,058**	**41,070**
As at 1 January 2020 (Restated)	**3,715,160**	**1,494,000**	**6,493**	**2,175,590**	**361,973**	**4,101,185**	**11,854,401**	**2,936,325**	**14,790,726**
Profit and total comprehensive income for the period (unaudited)	**–**	**–**	**–**	**–**	**–**	**947,432**	**947,432**	**249,231**	**1,196,663**
Dividends declared to non-controlling shareholders (unaudited)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(275,489)**	**(275,489)**
Issue of shares (unaudited)**	**134,750**	**–**	**–**	**255,079**	**–**	**–**	**389,829**	**–**	**389,829**
Contribution by non-controlling shareholders (unaudited)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**330,293**	**330,293**
Transfer from retained profits	**–**	**–**	**–**	**–**	**55,779**	**(55,779)**	**–**	**–**	**–**
Business combination under common control (unaudited) (note 20)	**–**	**–**	**–**	**(38,674)**	**–**	**–**	**(38,674)**	**–**	**(38,674)**
Others (unaudited)	**–**	**–**	**–**	**805**	**–**	**–**	**805**	**330**	**1,135**
As at 30 June 2020 (unaudited)	**3,849,910**	**1,494,000***	**6,493***	**2,392,800***	**417,752***	**4,992,838***	**13,153,793**	**3,240,690**	**16,394,483**
At 1 January 2019	3,715,160	587,640	6,493	2,134,633	284,353	3,308,078	10,036,357	2,360,195	12,396,552
Business combination under common control	–	–	–	39,742	–	(7,614)	32,128	2,040	34,168
At 1 January 2019 (Restated)	3,715,160	587,640	6,493	2,174,375	284,353	3,300,464	10,068,485	2,362,235	12,430,720
Profit and total comprehensive income for the period (Restated)	–	–	–	–	–	971,057	971,057	243,885	1,214,942
Final 2018 dividend declared	–	–	–	–	–	(464,395)	(464,395)	–	(464,395)
Dividends declared to non-controlling shareholders	–	–	–	–	–	–	–	(263,744)	(263,744)
Contributions by non-controlling shareholders	–	–	–	–	–	–	–	61,716	61,716
Transfer from retained profits	–	–	–	–	74,576	(74,576)	–	–	–
Issuance of first tranche of 2019 renewable green corporate bonds	–	906,360	–	–	–	–	906,360	–	906,360
Other equity instruments' distribution	–	–	–	–	–	(77,934)	(77,934)	–	(77,934)
Others	–	–	–	611	–	–	611	424	1,035
At 30 June 2019 (Restated)	3,715,160	1,494,000*	6,493*	2,174,986*	358,929*	3,654,616*	11,404,184	2,404,516	13,808,700

* These reserve accounts comprise the consolidated reserves of RMB9,303,883,000 (30 June 2019 (Restated): RMB7,689,024,000) in the interim condensed consolidated statement of financial position as at 30 June 2020.

** The Company has issued 134,750,000 A Shares with a nominal value of RMB1 each at an issue price of RMB3.18 per share that were listed on the Shanghai Stock Exchange. The total amount of funds raised after deduction of issuance expenses was RMB389,829,000.

Interim Condensed Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2020

	Notes	Six-month period ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,428,046**	1,460,788
Adjustments for:			
Finance costs	7	**450,101**	423,625
Foreign exchange loss/(gain), net	6	**82**	(440)
Share of profit/(losses) of joint ventures		**(519)**	5,719
Share of profits of associates		**(103,585)**	(116,271)
Depreciation of items of property, plant and equipment	6	**638,549**	574,706
Depreciation of right of use assets	6	**63,815**	48,479
Depreciation of investment properties	6	**553**	553
Amortisation of intangible assets	6	**54,790**	53,200
Gain from financial assets at fair value through other comprehensive income	6	**(12,197)**	(6,289)
Reversal of trade and bills receivables, net	6	**(29,803)**	(1,580)
Impairment/(reversal) of prepayments, deposits and other receivables, net	6	**1,579**	(2,865)
Other adjustments		**68**	(504)
		2,491,479	2,439,121
Decrease in inventories		**7,591**	9,413
Increase in trade and bills receivables		**(863,254)**	(704,432)
Decrease in prepayments, deposits and other receivables		**131,543**	244,434
Increase/(decrease) in trade and bills payables		**3,256**	(33,962)
Decrease in other payables and accruals		**(310,317)**	(243,010)
Cash generated from operations		**1,460,298**	1,711,564
Income tax paid		**(233,661)**	(226,575)
Net cash flows from operating activities		**1,226,637**	1,484,989

For the six-month period ended 30 June 2020

	Notes	Six-month period ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited) (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of items of property, plant and equipment		**(3,874,500)**	(1,811,403)
Payments for intangible assets		**(1,682)**	(3,697)
Capital contributions to associates		**(6,407)**	(170,000)
Proceeds from disposal of property, plant and equipment		**310**	689
Purchase of financial assets at fair value through other comprehensive income		**(2,393)**	–
Gain from financial assets at fair value through other comprehensive income		**11,190**	6,289
Dividends received from associates		**19,390**	21,674
Other cash flows from investing activities		**271**	254
Other cash flows used in investing activities		**(14,739)**	(15,381)
Net cash flows used in investing activities		**(3,868,560)**	(1,971,575)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		**8,656,233**	2,757,007
Repayment of bank and other borrowings		**(5,752,847)**	(2,689,934)
Proceeds from discount of bill receivable		**168,718**	63,550
Dividends paid to minority shareholders		**(59,651)**	(73,301)
Dividends paid to the renewable green corporate bonds		**(77,934)**	(35,164)
Proceeds from issue of A shares		**400,203**	–
Capital contributions by non-controlling shareholders		**330,293**	61,716
Acquisition of subsidiaries under common control		**(24,441)**	–
Proceeds from issuance of renewable green corporate bonds		**–**	906,360
Principal portion of lease payments		**(110,693)**	(121,542)
Interest paid		**(497,904)**	(456,043)
Net cash flows from financing activities		**3,031,977**	412,649
Effect of exchange rate changes on cash and cash equivalents		**(82)**	440
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**389,972**	(73,497)
Cash and cash equivalents at beginning of period		**2,334,208**	2,244,846
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	**2,724,180**	2,171,349

1. CORPORATE AND GROUP INFORMATION

China Suntien Green Energy Corporation Limited (the "Company") was established as a joint stock company with limited liability on 9 February 2010 in the People's Republic of China (the "PRC" or Mainland China). The registered office of the Company is located at 9th Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang, Hebei Province, the PRC.

The H shares and the A shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 13 October 2010 and the Shanghai Stock Exchange on 29 June 2020 respectively.

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

In the opinion of the directors of the Company (the "Directors"), the holding company and the ultimate holding company of the Company is Hebei Construction & Investment Group Co., Ltd. (河北建设投資集團有限責任公司, "HECIC"), a state-owned enterprise in the PRC.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2020 have been prepared in accordance with International Accounting Standards ("IASs") 34 *Interim Financial Reporting* and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019.

The interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand, except when otherwise indicated.

The Group's net current liabilities amounted to approximately RMB1,753 million as at 30 June 2020, and its net cash inflow from operating activities and financing activities was approximately RMB1,227 million and RMB3,032 million respectively, and its net cash outflow used in investing activities amounted to approximately RMB3,869 million for the six-month period ended 30 June 2020. The Group recorded an increase in cash and cash equivalents of approximately RMB390 million for the six-month period ended 30 June 2020.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain adequate external financing to meet its working capital needs and committed future capital expenditure. With regard to its future capital commitments and other financing requirements, the Group had already obtained banking facilities from several PRC banks and HECIC Group. Unutilised banking and other financial institution facilities aggregating to the extent of approximately RMB39,424 million as at 30 June 2020.

After taking into account the above, the Directors are of the view that the Group is able to meet its debt obligations as they fall due in the normal course of business and continue as a going concern.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Merger accounting for business combinations under common control

The Company acquired the 90% equity interest in Hebei Construction & Financing Photovoltaic Technology Ltd. ("CFPT"), and the wholly-owned subsidiary Suntien Hebei Power Sale Co., Ltd. acquired underlying assets and liabilities of Hebei Construction & Investment State Financing Energy Services Ltd. ("CISF") in February 2020. The Company, CFPT and CISF were under the common control of HECIC both before and after the acquisitions and such controls were not transitory. Thus, the acquisitions were considered to be business combinations under common control and merger accounting basis is adopted. Accordingly, the Company's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2020 and 30 June 2019 included the financial statements of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination. The net assets of the combining entities or businesses were combined using the existing book values from the controlling parties' perspective. No amount was recognised in consideration for goodwill or excess of the acquirers' interest in the net fair value of the acquires identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination.

The Company's comparative unaudited interim condensed consolidated financial statements for the six months ended 30 June 2019 was restated to include the financial statements of CFPT and underlying assets and liabilities of CISF retrospectively under merger accounting basis as mentioned above.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses etc., incurred in relation to the common control combination that was to be accounted for by using merger accounting were recognised as expenses in the period in which they were incurred.

2.2 Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions* (early adopted)
Amendments to IAS 1 and IAS 8	*Definition of Material*

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedge relationships.

(c) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted.

    The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the covid-19 pandemic during the period ended 30 June 2020. The amendments did not have any impact on the Group's interim condensed consolidated financial information as no lease payments for the leases of the Group was reduced or waived by the lessors as a result of the covid-19 pandemic and there are no other changes to the terms of the leases.

(d) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the Group's interim condensed consolidated financial information.

3. REVENUE

An analysis of the Group's revenue is as follows:

	Six-month period ended	
	30 June 2020	30 June 2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Revenue from contracts with customers	**6,572,243**	6,363,832
Revenue from other sources		
Gross rental income	**3,110**	5,178
	6,575,353	6,369,010

Revenue from contracts with customers

(i) Disaggregated revenue information

Six-month period ended 30 June 2020

Segments	**Natural gas**	**Wind power and solar energy**	**Total**
	RMB'000	**RMB'000**	**RMB'000**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Type of goods or services			
Sale of natural gas	**4,255,893**	**–**	**4,255,893**
Sale of electricity	**–**	**2,237,323**	**2,237,323**
Construction and connection of natural gas pipelines	**43,143**	**–**	**43,143**
Natural gas transportation revenue	**29,980**	**–**	**29,980**
Wind power services	**–**	**1,534**	**1,534**
Others	**3,662**	**708**	**4,370**
Total revenue from contracts with customers*	**4,332,678**	**2,239,565**	**6,572,243**
Timing of revenue recognition			
Goods transferred at a point in time	**4,256,163**	**2,237,323**	**6,493,486**
Services transferred over time	**76,515**	**2,242**	**78,757**
Total revenue from contracts with customers	**4,332,678**	**2,239,565**	**6,572,243**

* All the revenue from contracts with customers is generated from Mainland China.

3. REVENUE (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Six-month period ended 30 June 2019

Segments	Natural gas RMB'000 (Unaudited) (Restated)	Wind power and solar energy RMB'000 (Unaudited) (Restated)	Total RMB'000 (Unaudited) (Restated)
Type of goods or services			
Sale of natural gas	4,161,654	–	4,161,654
Sale of electricity	–	2,106,249	2,106,249
Construction and connection of natural gas pipelines	45,166	–	45,166
Natural gas transportation revenue	39,629	–	39,629
Wind power services	–	1,459	1,459
Others	5,833	3,842	9,675
Total revenue from contracts with customers*	4,252,282	2,111,550	6,363,832
Timing of revenue recognition			
Goods transferred at a point in time	4,162,712	2,106,249	6,268,961
Services transferred over time	89,570	5,301	94,871
Total revenue from contracts with customers	4,252,282	2,111,550	6,363,832

* All the revenue from contracts with customers is generated from Mainland China.

4. OPERATING SEGMENT INFORMATION

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

(a) Natural gas-this segment engages in the sale of natural gas and gas appliances and the provision of construction and connection services of natural gas pipelines.

(b) Wind power and solar energy-this segment develops, manages and operates wind power and solar energy plants and generates electric power for sale to external power grid companies.

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that interest income, dividend income from financial assets at fair value through other comprehensive income and head office and corporate expenses are excluded from measurement.

Segment assets exclude the unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude the unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION (continued)

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's operating segments for the six-month periods ended 30 June 2020 and 2019.

Six-month period ended 30 June 2020

	Natural gas RMB'000 (Unaudited)	Wind power and solar energy RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue	4,334,099	2,241,145	6,575,244
Inter-segment revenue	–	–	–
Total revenue from external customers	4,334,099	2,241,145	6,575,244
Segment results	472,396	1,416,897	1,889,293
Interest income	2,100	5,396	7,496
Finance costs	(42,422)	(393,549)	(435,971)
Income tax expense	(100,712)	(130,669)	(231,381)
Profit of segments for the period	331,362	898,075	1,229,437
Unallocated revenue			109
Unallocated cost			(553)
Unallocated interest income			1,632
Corporate and other unallocated expenses			(24,664)
Unallocated income tax expense			(2)
Unallocated finance costs			(14,130)
Unallocated Share of profits and losses of an associate			4,834
Profit for the period			1,196,663
Segment assets	9,323,161	40,684,895	50,008,056
Corporate and other unallocated assets			1,337,651
Total assets			51,345,707
Segment liabilities	5,481,366	28,533,302	34,014,668
Corporate and other unallocated liabilities			936,556
Total liabilities			34,951,224
Other segment information:			
Reversal/(impairment) of trade and bills receivables, net	37,234	(7,431)	29,803
Impairment of prepayments, deposits and other receivables, net	(630)	(901)	(1,531)
Unallocated impairment of other receivables, net			(48)
Depreciation and amortisation	(96,077)	(658,134)	(754,211)
Unallocated depreciation and amortisation			(3,496)
			(757,707)
Share of profits and losses of a joint venture	(2,582)	3,101	519
Share of profits of associates	71,262	27,489	98,751
Unallocated share of profits of an associate			4,834
			104,104
Investments in joint ventures	43,949	36,792	80,741
Investments in associates	1,332,387	794,442	2,126,829
Unallocated investments in an associate			206,307
Capital expenditure*	1,657,177	3,257,240	4,914,417
Unallocated capital expenditure*			422
			4,914,839

4. OPERATING SEGMENT INFORMATION (continued)

Six-month period ended 30 June 2019

	Natural gas RMB'000 (Unaudited) (Restated)	Wind power and solar energy RMB'000 (Unaudited) (Restated)	Total RMB'000 (Unaudited) (Restated)
Segment revenue	4,254,405	2,112,282	6,366,687
Inter-segment revenue	–	–	–
Total revenue from external customers	4,254,405	2,112,282	6,366,687
Segment results	503,767	1,389,732	1,893,499
Interest income	2,208	4,121	6,329
Finance costs	(50,280)	(365,716)	(415,996)
Income tax expense	(110,416)	(135,412)	(245,828)
Profit of segments for the period	345,279	895,438	1,240,717
Unallocated revenue			2,323
Unallocated cost			(553)
Unallocated interest income			1,694
Corporate and other unallocated expenses			(25,261)
Unallocated income tax expense			(18)
Unallocated finance costs			(7,629)
Unallocated Share of profits and losses of an associate			3,669
Profit for the period			1,214,942
Segment assets	6,407,534	33,403,221	39,810,755
Corporate and other unallocated assets			1,385,805
Total assets			41,196,560
Segment liabilities	3,951,514	22,560,424	26,511,938
Corporate and other unallocated liabilities			862,704
Total liabilities			27,374,642
Other segment information:			
Reversal of trade and bills receivables, net	1,330	250	1,580
Reversal/(impairment) of prepayments, deposits and other receivables, net	(635)	3,500	2,865
Depreciation and amortisation	(74,570)	(600,009)	(674,579)
Unallocated depreciation and amortisation			(2,359)
			(676,938)
Share of profits of a joint venture	(5,719)	–	(5,719)
Share of profits of associates	85,822	26,780	112,602
Unallocated share of profits of an associate			3,669
			110,552
Investments in joint ventures	47,161	33,690	80,851
Investments in associates	1,201,397	711,831	1,913,228
Unallocated investments in an associate			197,125
Capital expenditure*	186,415	1,903,120	2,089,535
Unallocated capital expenditure*			1,313
			2,090,848

* Capital expenditure mainly consists of additions to items of property, plant and equipment, prepaid land lease payments, intangible assets as well as the non-current prepayment on acquisition of items of property, plant and equipment.

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

No further geographical segment information is presented as the Group's revenue is derived from customers based in Mainland China, and the Group's non-current assets are located in Mainland China.

5. OTHER INCOME AND GAINS, NET

	Six-month period ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Other income and gains, net		
Government grants:		
– Value-added tax refunds	**33,129**	34,484
Bank interest income	**9,128**	8,023
Gain from financial assets at fair value through other comprehensive income	**12,197**	6,289
Others	**5,044**	4,135
	59,498	52,931

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six-month period ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Cost of goods sold	**4,655,285**	4,399,400
Cost of services rendered	**32,042**	34,756
Total cost of sales	**4,687,327**	4,434,156
Depreciation of items of property, plant and equipment	**638,549**	574,706
Depreciation of investment properties	**553**	553
Depreciation of right of use assets	**63,815**	48,479
Amortisation of other intangible assets	**54,790**	53,200
Total depreciation and amortisation	**757,707**	676,938
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration):		
Wages, salaries and allowances	**173,661**	156,995
Pension scheme contributions (defined contribution scheme)	**16,486**	18,527
Welfare and other expenses	**48,985**	51,352
	239,132	226,874
Gain from Financial assets at fair value through other comprehensive income	**(12,197)**	(6,289)
Gain on disposal of items of property, plant and equipment, net	**(263)**	(259)
Rental income on investment properties	**(110)**	(1,115)
Foreign exchange loss/(gain), net	**82**	(440)
Impairment/(reversal)of prepayments, deposits and other receivables, net	**1,579**	(2,865)
Reversal of trade and bills receivables, net	**(29,803)**	(1,580)

7. FINANCE COSTS

	Six-month period ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Interest expense on bank loans and other borrowings	**609,583**	496,321
Less: Interest capitalised to items of property, plant and equipment	**(159,482)**	(72,696)
	450,101	423,625

8. INCOME TAX EXPENSE

Pursuant to Caishui [2008] No. 46 *Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment* (財政部、國家稅務總局關於執行公共基礎設施項目企業所得稅優惠目錄有關問題的通知), certain subsidiaries of the Company, which were set up after 1 January 2008 and are engaged in public infrastructure projects, are entitled to a tax holiday of a three-year full exemption followed by a three-year 50% exemption commencing from their respective first years generating operating income (the "3+3 tax holiday").

Under the relevant PRC Corporate Income Tax Law and respective regulations, except for certain preferential treatment available to certain subsidiaries of the Company as mentioned above, the PRC entities within the Group were subject to corporate income tax at a rate of 25% during the six-month periods ended 30 June 2020 and 2019.

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong for the six-month periods ended 30 June 2020 and 2019.

	Six-month period ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax – Mainland China	**221,212**	239,326
Deferred income tax	**10,171**	6,520
Tax charge for the period	**231,383**	245,846

9. DIVIDENDS

The dividends for the six-month periods ended 30 June 2020 and 2019 are set out below:

	Six-month period ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends:		
Declared final 2019 dividend – RMB12.5 cents (final 2018 dividend: RMB12.5 cents) per share	**–**	464,395

The board of directors of the Company proposed, on 20 August 2020, the payment of a final dividend of RMB0.125 per share in respect of the year ended 31 December 2019, based on the issued share capital of the Company of 3,849,910,000 shares. The proposed final dividend is subject the approval of the Company's shareholders at the forthcoming first extraordinary general meeting in 2020.

At the annual general meeting held on 11 June 2019, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2018 of RMB0.125 per share, which amounted to RMB464,395,000 and was settled in full in July 2019.

The Directors did not recommend the payment of an interim dividend for the six-month period ended 30 June 2020 (six-month period ended 30 June 2019: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts for the six-month periods ended 30 June 2020 and 2019 is based on the profit attributable to ordinary equity holders of the Company for those periods, and the weighted average number of ordinary shares in issue during those periods.

For the financial instruments classified as equity, the distributions are cumulative, the undeclared amount of the cumulative distributions is deducted in arriving at earnings for the purposes of the basic earnings per share calculation.

The Company did not have any dilutive potential ordinary shares during the six-month periods ended 30 June 2020 and 2019.

	Six-month period ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Earnings:		
Profit attributable to ordinary equity holders of the parent	**947,432**	971,057
Less: Distribution relating to the first tranche of 2018 renewable green corporate bonds (i)	**(17,582)**	(17,582)
Less: Distribution relating to the first tranche of 2019 renewable green corporate bonds (ii)	**(21,385)**	(13,998)
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**908,465**	939,477

	Number of shares Six-month period ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Shares:		
Weighted average number of ordinary shares in issue during the periods used in the basic earnings per share calculation (iii)	**3,715,160,396**	3,715,160,396

(i) The first tranche of 2018 renewable green corporate bonds issued by the Company in March 2018 were classified as other equity instruments with deferrable cumulative interest distribution and payment. The interest which has been generated but not yet declared, from 1 January 2020 to 30 June 2020 and from 1 January 2019 to 30 June 2019, was deducted from earnings when calculating the earnings per share for the period ended 30 June 2020 and the period ended 30 June 2019 respectively.

(ii) The first tranche of 2019 renewable green corporate bonds issued by the Company in March 2019 were classified as other equity instruments with deferrable cumulative interest distribution and payment. The interest which has been generated but not yet declared, from 1 January 2020 to 30 June 2020 and from issue date to 30 June 2019, was deducted from earnings when calculating the earnings per share for the period ended 30 June 2020 and the period ended 30 June 2019.

(iii) 134,750,000 newly issued A shares of the Company listed on the Shanghai Stock Exchange on 29 June 2020.

11. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2020, the Group acquired property, plant and equipment at an aggregate cost amounting to approximately RMB4,794,195,000 (six-month period ended 30 June 2019: RMB1,634,034,000).

During the six-month period ended 30 June 2020, items of property, plant and equipment with an aggregate net carrying value of approximately RMB644,000 (six-month period ended 30 June 2019: RMB439,000) were disposed of, which resulted in a net gain on disposal of approximately RMB263,000 (six-month period ended 30 June 2019: RMB259,000) and the net loss was recorded as other expenses.

12. TRADE AND BILLS RECEIVABLES

The majority of the Group's revenues are generated from the sale of natural gas and electricity. The credit periods offered by the Group to customers of natural gas and electricity generally range from one to two months. The Group seeks to maintain strict control over its outstanding receivables and minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group holds collateral or other credit enhancements over certain receivable balances. Trade and bills receivables are non-interest-bearing.

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited) (Restated)
Trade receivables	**4,845,441**	4,067,906
Bills receivables	**394,020**	451,561
Impairment	**(506,325)**	(536,128)
	4,733,136	3,983,339

Included in the trade receivables as at 30 June 2020 were receivables under two service concession arrangements in an aggregate amount of RMB237,170,000 (31 December 2019: RMB209,656,000).

An aging analysis of trade and bills receivables, based on the invoice date and net of impairment, as at the reporting date is as follows:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited) (Restated)
Within 3 months	**945,608**	1,213,177
3 to 6 months	**790,629**	521,248
6 months to 1 year	**846,762**	884,400
1 to 2 years	**1,452,751**	1,107,849
2 to 3 years	**570,069**	195,295
More than 3 years	**127,317**	61,370
	4,733,136	3,983,339

12. TRADE AND BILLS RECEIVABLES (continued)

The movements in provision for impairment of trade receivables are as follows:

	Provision for impairment of trade receivables RMB'000
At 1 January 2020 (audited)	**536,128**
Impairment losses recognised (unaudited)	**13,639**
Reversal (unaudited)	**(43,442)**
At 30 June 2020 (unaudited)	**506,325**

	Provision for impairment of trade receivables RMB'000 (Restated)
At 1 January 2019 (audited)	527,088
Impairment losses recognised (audited)	39,909
Reversal (audited)	(30,869)
At 31 December 2019 (audited)	536,128

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited) (Restated)
Prepayments to suppliers	**2,468,764**	2,472,555
Deductible VAT	**1,625,746**	1,439,982
Deposits and other receivables	**123,036**	145,329
	4,217,546	4,057,866
Less: Impairment	**(63,356)**	(61,777)
	4,154,190	3,996,089
Portion classified as non-current assets	**(3,214,750)**	(2,904,137)
Current portion	**939,440**	1,091,952

The amounts due from related parties included in the prepayments, deposits and other receivables are as follows:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
HECIC	**8,240**	1,185
Associates	**27,689**	45,216
Others	**71**	14,279
	36,000	60,680

The above amounts are unsecured, non-interest-bearing and have no fixed terms of repayment.

14. CASH AND BANK BALANCES

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited) (Restated)
Cash and bank balances	**2,762,243**	2,357,534
Less: Deposits pledged for letters of guarantee	**(5,274)**	(14,021)
Less: Cash and bank balances restricted from being used	**(32,789)**	(9,305)
Cash and cash equivalents in the consolidated statement of cash flows	**2,724,180**	2,334,208
Cash and bank balances denominated in:		
– RMB	**2,751,024**	2,353,869
– Hong Kong dollar	**11,219**	3,665
	2,762,243	2,357,534

15. TRADE AND BILLS PAYABLES

Trade and bills payables are non-interest-bearing and are normally settled within six months.

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited) (Restated)
Bills payable	**50,070**	39,213
Trade payables	**101,089**	97,833
	151,159	137,046

An aging analysis of the Group's trade and bills payables, based on the invoice date, as at the reporting date is as follows:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited) (Restated)
Within 6 months	**95,303**	107,513
6 months to 1 year	**42,780**	18,810
1 to 2 years	**9,777**	5,024
2 to 3 years	**1,508**	3,424
More than 3 years	**1,791**	2,275
	151,159	137,046

The amounts due from related parties included in trade and bills payables are as follows:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Joint ventures	**5,281**	5,622

16. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited) (Restated)
Wind turbine and related equipment payables	**2,777,122**	1,969,929
Construction payables	**2,022,558**	1,529,735
Accrued salaries, wages and benefits	**70,040**	102,141
Other taxes payable	**10,012**	53,038
Interest payable	**119,822**	72,044
Dividend payable to non-controlling shareholders	**264,215**	48,377
Dividend payable to the renewable green corporate bonds	**–**	77,934
Others	**369,856**	270,484
	5,633,625	4,123,682
Portion classified as non-current liabilities	**(297,083)**	(225,007)
Current portion	**5,336,542**	3,898,675
Contract liabilities	**462,273**	971,736

The amounts due to related parties included in the other payables and accruals are as follows:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
HECIC	**9,012**	3,823
Fellow subsidiaries	**32**	13
Joint venture	**406**	191
Others	**255,354**	–
Associates	**165,634**	51,022
	430,438	55,049

The amounts due to HECIC included dividend payable, the fee charged by HECIC for providing guarantee to the issue of corporate bonds by the Company, which should be repaid annually (note 21(a)).

Except for the amounts due to HECIC and retention money payables which have fixed repayment terms, other payables and accruals are non-interest-bearing and have no fixed terms of repayment.

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2020 (Unaudited)			As at 31 December 2019 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000 (Restated)
Current						
Short term bank loans:						
– Unsecured	2.1-4.8	2020-2021	1,805,689	2.1-4.8	2020	1,683,657
– Secured	–	–	–	–	2020	19,781
			1,805,689			1,703,438
Short term other borrowings:						
– Unsecured	2.7	2021	500,000	3.3-4.9	2020	1,550,000
Current portion of long term bank loans:						
– Unsecured	1.2-5.2	2020-2021	850,552	1.2-5.0	2020	1,321,556
– Secured	3.6-5.9	2020-2021	945,460	4.4-5.9	2020	759,845
			1,796,012			2,081,401
Total current portion			4,101,701			5,334,839
Non-current						
Long term bank loans:						
– Unsecured	1.2-5.2	2021-2048	10,651,753	1.2-5.0	2020-2034	8,180,207
– Secured	3.6-5.9	2021-2038	9,172,939	4.4-5.9	2020-2038	8,627,961
			19,824,692			16,808,168
Long term other borrowings:						
– Unsecured	3.9-6.2	2021-2025	3,285,000	5.4-6.2	2021-2022	2,285,000
Total non-current portion			23,109,692			19,093,168
			27,211,393			24,428,007

18. COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited) (Restated)
Contracted, but not provided for		
– Property, plant and equipment	10,415,489	12,035,932
– Capital contributions	922,954	966,454
	11,338,443	13,002,386

19. CONTINGENT LIABILITIES

As at 30 June 2020, the banking facility granted to a joint venture subject to a guarantee given to a bank (2019: one bank) by the Company was utilised to the extent of approximately of RMB100,000,000 (31 December 2019: RMB100,000,000).

The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account of the legal advice. No provision has been made for the above pending lawsuits of RMB23,248,000 when the outcome of the lawsuits cannot be reasonably estimated or management believes that the probability of loss is remote.

20. BUSINESS COMBINATION UNDER COMMON CONTROL

On 29 Feb 2020, the Group purchased two distributed photovoltaic power generation projects of CISF and acquired the 90% equity interest in CFPT at a total cash consideration of RMB38,673,854. The Group, CFPT and CISF were under the common control of HECIC both before and after the acquisition, and such controls were not transitory. Thus, the acquisitions were considered to be business combination under common control. The acquisition date was 29 Feb 2020, which was determined by the date of control transfer.

The carrying amounts of the underlying assets and liabilities as at the acquisition date and the comparative financial figures were as follows:

	Upon acquisition date RMB'000	31 December 2019 RMB'000
Property, plant and equipment	**48,383**	49,153
Right-of-use assets	**14,750**	14,750
Trade and bills receivables	**19,497**	17,691
Prepayments, deposits and other receivables	**8,349**	8,518
Inventories	**430**	430
Cash and bank balances	**2,356**	2,356
Trade and bills payables	**(483)**	(483)
Other payables and accruals	**(478)**	(25)
Interest-bearing bank and other borrowings	**(18,500)**	(18,500)
Tax payable	**(1)**	(1)
Lease liabilities	**(32,819)**	(32,819)
Total identifiable net assets at carrying amounts	**41,484**	41,070
Non-controlling interests	**3,058**	3,058
Surplus of consideration over net asset carrying value	**(248)**	
Satisfied by cash	**38,674**	

21. RELATED PARTY TRANSACTIONS

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2020 and 2019:

(i) Transactions with HECIC*

On 19 September 2010, the Company entered into an agreement with HECIC which governed the use of trademarks granted by HECIC to the Group.

In the first half of 2019, the Group and HECIC renewed certain lease agreements, pursuant to which HECIC leased office space at Yu Yuan Plaza to the Group. The monthly rental fee is RMB451,000 for the tenancy of 2.75 to 3 years. The Company recognized right-of-use assets and lease liabilities at 1 January 2019. The depreciation and interest expense charged to interim condensed consolidated statement of profit and loss is RMB2,208,000 and RMB94,000. As at 30 June 2020, the carrying amounts of right-of-use assets and lease liabilities are RMB6,623,000 and RMB8,011,000. During the six months ended 30 June 2020, the rental expense paid to HECIC is RMB4,989,000.

The Company issued the first tranche of 2018 renewable green corporate bonds in March 2018,and issued the first tranche of 2019 renewable green corporate bonds in March 2019. HECIC agreed to provide a guarantee to the Company for the issuance of renewable green corporate bonds with an aggregate nominal value of up to RMB1.5 billion. The guarantee was unconditional and irrevocable with an annual charge of 0.2% of the nominal value of the corporate bonds to the Company by HECIC. A guarantee fee of approximately RMB1,496,000 (six-month period ended 30 June 2019: RMB1,173,000) was charged by HECIC for the six-month period ended 30 June 2020.

In December 2019, HECIC New-energy appointed Ping An Securities as the project manager of the Ping An-HECIC New-energy Asset-backed Special Program ("ABS"), who will issue the ABS which can be traded on Shanghai Stock Exchange under the Asset-backed Special Program. HECIC agreed to provide an unconditional and irrevocable guarantee to HECIC New-energy for the Ping An-HECIC New-energy Asset-backed Special Program with a total principal amount of up to RMB0.3 billion. A guarantee fee of approximately RMB900,000 was charged by HECIC for the six-month period ended 30 June 2020.

(ii) Transactions with fellow subsidiaries

*Transactions with HECIC Group Finance Company Limited**

The Company and HECIC Group Finance Company Limited (河北建投集團財務有限公司, "Group Finance Company"), a fellow subsidiary of the Company, renewed its financial service framework agreements in 2018, pursuant to which the Group will, on a voluntary and non-compulsory basis, utilise the financial services provided by Group Finance Company, including the deposit service, the loan service and other financial services.

The Company directly holds a 10% equity interest in Group Finance Company.

21. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2020 and 2019: (continued)

(ii) Transactions with fellow subsidiaries (continued)

Transactions with HECIC Group Finance Company Limited (continued)*

The Group had certain of its cash and time deposits and outstanding interest-bearing loans with Group Finance Company as at 30 June 2020 as summarised below:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited) (Restated)
Cash and cash equivalents	**1,537,050**	1,990,854
Bills payable	**50,070**	60,486
Interest payable	**1,040**	2,021
Short term loans	**815,030**	1,392,700
Current portion of long term loans	**–**	110,000
Long term loans	**162,500**	–

	Six-month period ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited) (Restated)
Interest income	**5,931**	7,080
Interest expense	**30,730**	21,413

On 8 March 2019, one of the subsidiaries of the Group entered into a long-term loan agreement with a bank. The bank lent RMB30 million to the subsidiary for a term of three years. The Group Finance Company agreed to provide a guarantee to the subsidiary for the loan. A guarantee fee of approximately RMB150,000 was charged by the Group Finance Company for the six-month period ended 30 June 2020.

Transactions with Hebei Construction & Investment Rongtan Asset Management Co., Ltd.

On 1 April 2016, CISF and a subsidiary of the Company entered into an operating lease agreement of commercial property for two years. In 2017, the lessee changed from CISF to Hebei Construction & Investment Rongtan Asset Management Co., Ltd. (河北建投融碳資產管理有限公司, "Rongtan"). In 2019, Rongtan changed the area while renew the agreement. The total rental income in six-month period ended 30 June 2020 was RMB10,000 (six-month period ended 30 June 2019: RMB28,000).

21. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2020 and 2019: (continued)

(ii) Transactions with fellow subsidiaries (continued)

Transactions with HECIC Mingjia Property Managerment Service Co., Ltd.

In 2018, HECIC replaced the property management company of its Yu Yuan Plaza to HECIC Mingjia Property Managerment Service Co., Ltd. (河北建投明佳物業服務有限公司, "Mingjia"), a company under its control. The tenant of Yu Yuan Plaza, including the Company and related subsidiaries, signed new property management agreement with Mingjia, the property management fee charged by Mingjia in six-month period ended 30 June 2020 was RMB961,000 (six-month period ended 30 June 2019: RMB768,000).

Transactions with Maotian (Beijing) Equity Investment Fund Management Co., Ltd.

On 1 January 2019, Maotian (Beijing) Equity Investment Fund Management Co., Ltd.(茂天(北京)股權投資基金管理有限責任公司," Maotian") entered into an operating lease agreement of commercial property for a year. The total rental income in six-month period ended 30 June 2020 was RMB0 (six-month period ended 30 June 2019: RMB55,000).

(iii) Transactions with the Company's joint venture

	Six-month period ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Purchase natural gas transportation service	**19,501**	12,568

The Company has guaranteed a bank facility (six-month period ended 30 June 2019: one bank facility) made to a joint venture of up to RMB100,000,000 in six-month period ended 30 June 2020 (six-month period ended 30 June 2019: RMB100,000,000) (note 19).

(iv) Transactions with the Company's associate*

Huihai Leasing was a subsidiary of the Group before 1 July 2017. Upon completion of the equity transfer, the total equity interests of Huihai Leasing held by the Group reduced from 100% to 30%. Prior to this transaction, several wind energy subsidiaries of the Group entered into various finance lease transactions with Huihai Leasing under the Financial Leasing Contracts. Finance lease receivables and payables were fully eliminated when preparing consolidated financial statements. After Huihai Leasing became an associate of the Group, the existing continuing finance lease transactions between Huihai Leasing and the Group became related party transactions of the Group. The total amount of the finance lease transactions of principal, interest and handling fee was RMB105,111,000 (six-month period ended 30 June 2019: RMB12,497,000).

21. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2020 and 2019: (continued)

(v) Transactions with other state-owned enterprises in the PRC

The Group is indirectly controlled by the PRC government and operates in an economic environment predominated by entities directly or indirectly owned or controlled by the government through its agencies, affiliates or other organisations (collectively "State-owned Enterprises" ("SOEs")). During the period, the Group had transactions with other SOEs, other than HECIC and its subsidiaries, including, but not limited to, sale of electricity, depositing and borrowing money and purchase of natural gas, and entering into service concession arrangements, in the normal course of business on terms comparable to those with other non-SOEs.

*These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

In the opinion of the Directors, the above related party transactions were conducted in the ordinary course of business.

(b) Outstanding balances with related parties

Except for the Group's cash and time deposits and outstanding interest-bearing loans with Group Finance Company set out in note 21(a)(ii) above, the guarantees granted to a joint venture set out in note 21(a)(iii), and details of the outstanding balances with related parties are set out in notes 13, 15 and 16 to these interim condensed consolidated financial statements.

(c) Compensation of key management personnel of the Group

	Six-month period ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short term employee benefits	**2,356**	2,224
Pension scheme contributions	**27**	104
	2,383	2,328

22. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial Assets

	30 June 2020		
	Financial assets at amortised cost RMB'000 (Unaudited)	**Fair value through other comprehensive income RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Financial assets at fair value through other comprehensive income	**–**	**118,606**	**118,606**
Trade receivables	**4,339,116**	**–**	**4,339,116**
Bills receivables	**–**	**394,020**	**394,020**
Financial assets included in prepayments, deposits and other receivables	**60,189**	**–**	**60,189**
Cash and bank balances	**2,762,243**	**–**	**2,762,243**
	7,161,548	**512,626**	**7,674,174**

	31 December 2019		
	Financial assets at amortised cost RMB'000 (Audited) (Restated)	Fair value through other comprehensive income RMB'000 (Audited) (Restated)	Total RMB'000 (Audited) (Restated)
Equity investments designated at fair value through other comprehensive income	–	115,206	115,206
Trade receivables	3,531,778	–	3,531,778
Bills receivable	–	451,561	451,561
Financial assets included in prepayments, deposits and other receivables	83,116	–	83,116
Cash and bank balances	2,357,534	–	2,357,534
	5,972,428	566,767	6,539,195

22. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited) (Restated)
Financial liabilities at amortised cost:		
Trade and bills payables	**151,159**	137,046
Financial liabilities included in other payables and accruals	**5,492,500**	3,903,645
Interest-bearing bank and other borrowings	**27,211,393**	24,428,007
Lease liabilites	**1,358,938**	1,450,756
	34,213,990	29,919,454

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amount		Fair value	
	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited) (Restated)	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited) (Restated)
Financial assets				
Equity investments designated at fair value through other comprehensive income	**118,606**	115,206	**118,606**	115,206
Bills receivable	**394,020**	451,561	**394,020**	451,561
	512,626	566,767	**512,626**	566,767
Financial liabilities				
Financial liabilities included in other payables and accruals	**188,686**	160,151	**196,198**	112,826
Interest-bearing bank and other borrowings	**23,109,692**	19,093,168	**23,167,706**	19,151,182
Lease liabilities	**1,266,207**	1,341,771	**1,266,207**	1,341,771
	24,564,585	20,595,090	**24,630,111**	20,605,779

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Management has assessed that the fair values of cash and bank balances, financial assets included in prepayments, deposits and other receivables, the current portion of trade and bills receivables, trade and bills payables and the current portion of other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the financial controller and the audit committee. At each reporting date, the corporate finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2020 was assessed to be insignificant.

Fair value hierarchy:

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
As at 30 June 2020				
Equity investments designated at fair value through other comprehensive income (unaudited)	**–**	**118,606**	**–**	**118,606**
Bills receivable(unaudited)	**–**	**394,020**	**–**	**394,020**
	–	**512,626**	**–**	**512,626**
As at 31 December 2019 (Restated)				
Equity investments designated at fair value through other comprehensive income (audited)	–	115,206	–	115,206
Bills receivable(audited)	–	451,561	–	451,561
	–	566,767	–	566,767

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 30 June 2020				
Financial liabilities included in other payables and accruals (unaudited)	**–**	**196,198**	**–**	**196,198**
Interest-bearing bank and other borrowings (unaudited)	**–**	**23,167,706**	**–**	**23,167,706**
Lease liabilities (unaudited)	**–**	**1,266,207**	**–**	**1,266,207**
	–	**24,630,111**	**–**	**24,630,111**
As at 31 December 2019 (Restated)				
Financial liabilities included in other payables and accruals (audited)	–	112,826	–	112,826
Interest-bearing bank and other borrowings (audited)	–	19,151,182	–	19,151,182
Lease liablities (audited)	–	1,341,771	–	1,341,771
	–	20,605,779	–	20,605,779

24. EVENTS AFTER THE REPORTING PERIOD

On 20 August 2020, the board of directors proposed to distribute cash dividends for the year ended 31 December 2019 of RMB1.25 (tax included) per each 10 shares with total amount of RMB481,239,000 to the shareholders. The proposed final dividend for the prior year is subject to the approval of the Company's shareholders at the forthcoming first extraordinary general meeting in 2020.

25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the Directors of the Company on 26 August 2020.