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

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

(Stock Code: 00956)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2023:

- Operating revenue was RMB10.047 billion, representing a year-on-year decrease of 1.74%;
- Net profit attributable to shareholders of the listed company amounted to RMB1.439 billion, representing a year-on-year decrease of 10.97%; and
- Basic earnings per share was RMB0.34.

The board of directors (the “**Board**”) of China Suntien Green Energy Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the unaudited interim consolidated results of the Group for the six months ended 30 June 2023 (the “**Reporting Period**”). The interim results have been reviewed by the audit committee of the Board.

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

A. MANAGEMENT DISCUSSION AND ANALYSIS

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

(I) Industry overview

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

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

1. New energy segment

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

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

Program for the Construction of Beautiful Hebei (2023-2027) (《河北省人民政府辦公廳關於印發美麗河北建設行動方案(2023-2027年)的通知》) proposes to accelerate the coal reduction and vigorously develop renewable energy sources under the premise of energy security, so that by 2027, the installed capacity of wind power and photovoltaic power generation will reach 119 million kW.

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

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

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

China attaches great importance to the development of the pumped storage industry, and has launched a series of supportive policies. Since the Pumped Storage Medium and Long-Term Development Plan (2021-2035) (《抽水蓄能中長期發展規劃(2021—2035年)》) was released and implemented, the pumped storage planning and construction has been effective, entering a new stage of development, and will become an important support for a new type of power system construction. At the end of 2022, Hebei Province issued the Hebei Province Pumped Storage Development and Construction Promotion Program (《河北省抽水蓄能開發建設推進方案》), which clearly put forward to enhance the pumped storage power station project construction, in accordance with the overall deployment of the "four initiatives", that is, to speed up the project completion and commissioning, to speed up the project approval and operation, to speed up the project adjustment and implementation and to speed up the project planning and addition, in a bid to comprehensively promote the province's pumped storage

development and construction. It is committed to realizing the total pumped storage installed capacity of 4.87 million kW by 2025 and of 15 million kW by 2027. In January 2023, the Hebei Provincial Party Committee and Provincial Government explicitly took “the special pumped storage energy development advancement action” as the first priority among the seven major special actions for the construction of a new type of energy province, to steadily push forward the modernization of Hebei with Chinese characteristics.

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

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

2. Gas segment

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

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

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

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

(3) More apparent diversification of gas source choices

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

(II) Principal business and business model of the Company

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

1. Wind power and photovoltaic business

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

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

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

(2) Sale of electricity

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

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

2. *Natural gas business*

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

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

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

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

(2) Sale of natural gas

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

II. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

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

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

III. BUSINESS DISCUSSION AND ANALYSIS

(I) Operating environment

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

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

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

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

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

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

(II) BUSINESS REVIEW

1. Business review of the wind power business

(1) Stable power generation of wind farms

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

(2) Sturdily proceeding with project construction

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

During the Reporting Period, the Group kept optimizing its project construction process, closely monitored the comprehensive management and control of its projects, and improved the efficiency of its project management. The Group has also been continuously improving the quality of construction work to ensure that quality, progress, investment and safety are under control and that the projects are progressing as scheduled. Kangbao Yongfeng Project won the Power Industry Quality Engineering Award (電力行業優質工程獎) and the China Installation Engineering Quality Award (中國安裝工程優質獎). Laoting Puti Island Offshore Wind Power 300 MW Demonstration Project won the Hebei Provincial Quality Project (河北省級優質工程) and the China Installation Engineering Quality Award.

(3) Active expansion in wind resources reserves

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

2. *Business review of the natural gas business*

(1) Slightly decrease in natural gas transmission volume

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

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

As of 30 June 2023, the aggregate length of the Group’s pipelines in operation was 9,327.49 kilometres with 6 CNG primary filling stations, 3 CNG secondary filling stations, 3 LNG filling stations and 2 L-CNG joint filling stations in operation.

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

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

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

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

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

3. *Other businesses*

(1) Photovoltaic power business

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

(2) Energy storage business

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

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

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

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

(III) Business Discussion and Analysis

1. Overview

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

2. Net profit

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

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

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

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

4. *Gain or loss attributable to minority interests*

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

5. *Contingent liabilities*

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

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

6. *Cash flows*

As of 30 June 2023, the Group's net current liabilities were RMB4.788 billion, and the net decrease in cash and cash equivalents was RMB4.034 billion. The Group has obtained credit facilities of a total amount of RMB73.50 billion from various domestic banks, of which an amount of RMB24.183 billion was utilised.

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

7. Capital expenditure

During the Reporting Period, capital expenditures mainly included project construction costs for new wind power projects, natural gas pipelines and additions to properties, plants and equipment and prepayment for leased lands. Capital resources mainly included self-owned capital, bank borrowings and cash flows from the Group's operating activities. During the Reporting Period, the Group's capital expenditure was RMB4.399 billion, representing an increase of 75.38% as compared with RMB2.508 billion in the corresponding period of last year. A breakdown of capital expenditure is as follows:

Unit: '000 Yuan Currency: RMB

	30 June 2023	30 June 2022	Change (%)
Natural gas	2,458,274	1,519,889	61.74
Wind power and solar energy	1,936,394	986,812	96.23
Unallocated capital expenditures	4,059	1,340	202.91
Total	<u>4,398,727</u>	<u>2,508,041</u>	<u>75.38</u>

8. Borrowings

As of 30 June 2023, the Group's long-term and short-term borrowings totalled RMB36.934 billion, representing a decrease of RMB268 million as compared with the end of 2022. Among all borrowings, the short-term borrowings (including long-term loans due within one year) aggregated to RMB5.314 billion, and the long-term borrowings amounted to RMB31.620 billion.

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

9. Debt-to-asset ratio

As of 30 June 2023, the Group's debt-to-asset ratio (the ratio of total liabilities divided by total assets) was 66.71%, representing a decrease of 0.76 percentage point from 67.47% as at 31 December 2022, mainly due to higher interest equity of the Company's shareholders as compared to the beginning of the year.

10. Substantial mortgage

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

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

Applicable Not applicable

IV. MAJOR OPERATIONS DURING THE REPORTING PERIOD

(I) Analysis of principal business

1 Analysis of changes in relevant items of financial statements

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

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

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

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

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

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

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

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

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

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

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

Applicable Not applicable

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

Applicable Not applicable

(III) Analysis of assets and liabilities

1. *Assets and liabilities*

Unit: Yuan

Items	Balance as at the end of the Reporting Period	Balance as at the end of the Reporting Period as a percentage of total assets (%)	Balance as at the end of the corresponding period of last year	Balance as at the end of the corresponding period of last year as a percentage of total assets (%)	Change in balance as at the end of the Reporting Period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Cash	3,272,018,550.44	4.24	7,326,059,327.77	9.46	-55.34	This was mainly due to the repayment of loans by the Company and the increase in expenditure on the purchase of long-term assets
Notes receivable	107,294,530.15	0.14	235,764,112.96	0.30	-54.49	This was mainly due to the increase in the amount of notes receivable due for maturity during the period
Receivables financing	413,463,060.61	0.54	169,290,765.51	0.22	144.23	This was due to increase in note repayment during the period
Advance payments	208,306,258.28	0.27	534,453,113.73	0.69	-61.02	This was mainly due to the decrease in prepayments for purchase of natural gas
Other receivables	129,909,015.25	0.17	207,110,462.03	0.27	-37.28	This was mainly due to recovery of performance bonds during the period

Items	Balance as at the end of the Reporting Period	Balance as at the end of the Reporting Period as a percentage of total assets (%)	Balance as at the end of the corresponding period of last year	Balance as at the end of the corresponding period of last year as a percentage of total assets (%)	Change in	Explanation
					balance as at the end of the Reporting Period as compared with balance as at the end of the corresponding period of last year (%)	
Inventories	391,629,012.18	0.51	104,531,171.77	0.14	274.65	This was mainly due to new purchases of liquefied natural gas during the period
Assets held for sale	-	-	12,416,736.35	0.02	-100.00	Disposal of assets held for sale was completed during the period
Non-current assets due within one year	-	-	22,349,480.00	0.03	-100.00	This was due to collection of long-term receivables due within one year during the period
Intangible assets	2,826,038,190.88	3.66	2,121,212,538.58	2.74	33.23	This was mainly due to the acquisition of additional land use rights during the period
Goodwill	166,808,420.87	0.22	96,922,283.74	0.13	72.11	This was mainly attributable to the goodwill arising from the acquisition of additional units through business combinations involving enterprises not under common control during the period
Notes payable	8,863,636.67	0.01	13,649,747.04	0.02	-35.06	This was mainly due to the maturity of the bills payable
Liabilities held for sale	-	-	6,811,269.63	0.01	-100.00	Disposal of liabilities held for sale was completed during the period
Other current liabilities	44,507,984.08	0.06	1,086,927,077.13	1.40	-95.91	This was due to the maturity of ultra-short-term financial debentures and the decrease in pending output tax during the period
Debentures payable	2,200,000,000.00	2.85	1,500,000,000.00	1.94	46.67	This was due to the issuance of new medium-term notes during the period

Other explanations

Nil

2. *Information on foreign assets*

(1) Size of assets

Of which: foreign assets of 0.262 (Unit: 100 Million Yuan; Currency: RMB), representing 0.34% of total assets.

(2) Explanation of the high proportion of foreign assets

Applicable Not applicable

Other explanations

Nil

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

Unit: Yuan

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

4. *Other explanations*

Applicable Not applicable

(IV) Analysis of investment status

1. *General analysis of external equity investments*

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

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

Unit: RMB'0,000

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

(1) Material equity investments

Applicable Not applicable

(2) Material non-equity investments

Applicable Not applicable

(3) Financial assets measured at fair value

Unit: Yuan Currency: RMB

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

Investment in securities

 Applicable Not applicable

Description of investment in securities

 Applicable Not applicable

Investment in private equity

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

Investment in derivatives

Applicable Not applicable

(V) Material disposal of assets and equity interest

Applicable Not applicable

(VI) Analysis of major subsidiaries and investee companies

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

Unit: RMB'0,000

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

(VII) Structured entities controlled by the Company

Applicable Not applicable

V. OTHER DISCLOSURES

(I) Potential risks

1. Wind power/photovoltaic business

(1) Uncertain wind resources

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

(2) Continuation of power constraints

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

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

(3) Increase in management difficulty of construction

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

(4) Risk of market-based electricity trading

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

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

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

2. *Natural gas business*

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

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

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

(2) Risk of further increased difficulty for market expansion

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

The Group will firmly adhere to the market-oriented philosophy, further optimize its resource mix, explore cooperation with resources units, improve market layout, formulate sales strategies, continue to broaden market reach, deeply tap the market potential, make full use of its resource and synergy advantages, open up new channels amid fierce market competition, and take multiple measures to ensure the continuous growth of gas volume.

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

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

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

(4) Risk of natural gas consumption decline

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

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

3. *Interest rate risk*

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

4. *Risk of safety*

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

(II) Other disclosures

Applicable Not applicable

VI. PROSPECTS FOR THE SECOND HALF OF THE YEAR

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

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

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

B. DIVIDENDS

The Board did not make any recommendation on the distribution of an interim dividend for the six months ended 30 June 2023.

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

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

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

In order to enhance the profitability and sustainable development capabilities, lower debt-to-asset ratio and enhance risk resistance capacity, the Company commenced a non-public offering of A shares in 2021 (the "**A Share Offering**"), which was completed on 6 January 2022. Based on the actual amount of proceeds raised from the A Share Offering, the Company used the proceeds as follows:

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

Notes: (1) The amounts set out in this column are the proceeds and the accrued bank interest (including wealth management income) generated therefrom. The related bank interest was also applied to the corresponding use of the proceeds in accordance with the regulations.

(2) As at 30 June 2023, interest income (including wealth management income) accrued on the proceeds amounted to RMB62.6360 million.

D. PARTICULARS OF CORPORATE BONDS

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

(I) Debentures

Applicable Not applicable

(II) Corporate Bonds

1. Basic information of corporate bonds

Unit: 100 Million Yuan Currency: RMB

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

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

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Description of overdue debts

Applicable Not applicable

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

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

3. *Adjustment to credit rating result*

Applicable Not applicable

Other explanations

Nil

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

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

Other explanations

Nil

5. Description of other information of corporate bonds

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

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

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

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

Unit: 100 Million Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate (%)	Means to repay principal and interest	Trading place	Trading mechanism	Risk of termination of listing and trading
2020 First Tranche of Medium-Term Notes of China Suntien Green Energy Corporation Limited	20 Suntien Green MTN001	102001005	2020/05/13-2020/05/14	2020/05/15	2025/05/15	10	3.86	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No
2022 First Tranche of Super Short-Term Commercial Papers of HECIC New Energy Co., Ltd.	22 HECIC New-energy SCP001	012282461	2022/07/14	2022/07/15	2023/04/11	7	2.45	Interest and principal payable at maturity	Inter-bank Market	Listed	No
2022 Second Tranche of Super Short-Term Commercial Papers of HECIC New Energy Co., Ltd.	22 HECIC New-energy SCP002	012283059	2022/08/26	2022/08/29	2023/02/25	3	2.1	Interest and principal payable at maturity	Inter-bank Market	Listed	No
2022 First Tranche of Medium-Term Notes of HECIC New Energy Co., Ltd.	22 HECIC New-energy MTN001	102282558	2022/11/18	2022/11/21	2024/11/20	5	3.37	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No
2023 First Tranche of Medium-Term Notes of HECIC New Energy Co., Ltd.	23 HECIC New-energy MTN001	102380781	2023/04/03-2023/04/04	2023/04/06	2025/04/06	7	3.23	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No

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

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Description of overdue debts

Applicable Not applicable

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

Applicable Not applicable

3. *Adjustment to credit rating result*

Applicable Not applicable

Other explanations

Nil

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

Applicable Not applicable

Other explanations

Nil

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

Applicable Not applicable

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

Applicable Not applicable

(V) Principal Accounting Data and Financial Indicators

Unit: Yuan Currency: RMB

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

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

II. CONVERTIBLE CORPORATE BONDS

Applicable Not applicable

E. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company focuses on high standards of corporate governance, so as to enhance value for shareholders and protect their rights and interests. The Company has established a modern corporate governance structure and set up shareholders' general meeting, the Board, the board of supervisors, Board committees and senior management in accordance with, among others, the PRC Company Law and the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules (the "CG Code"). During the Reporting Period, the Company has complied with all provisions set out in the CG Code, except for provision F.2.2 of Part 2 of the CG Code. In accordance with the requirements of provision F.2.2 of Part 2 of the CG Code, the chairman of the Board shall attend the annual general meeting. Dr. Cao Xin, the Chairman of the Company, was not able to attend the 2022 annual general meeting of the Company due to other business engagement. According to relevant requirements, the meeting was chaired by Mr. Mei Chun Xiao, an executive director, as elected by the shareholders physically present at the meeting.

F. COMPLIANCE WITH THE MODEL CODE

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

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

G. REVIEW OF THE INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee established by the Board has reviewed with the management of the Company the accounting principles and practices adopted by the Company and its subsidiaries, and has discussed with the directors on the internal control and financial reporting matters, including review of the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2023 and this announcement.

H. PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2023 will be published on the HKExnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.suntien.com) and will be dispatched to the shareholders of the Company in due course.

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

Shijiazhuang City, Hebei Province, the PRC, 29 August 2023

As at the date of this announcement, the non-executive directors of the Company are Dr. Cao Xin, Dr. Li Lianping, Mr. Qin Gang and Mr. Wang Tao; the executive directors of the Company are Mr. Mei Chun Xiao and Mr. Wang Hongjun; and the independent non-executive directors of the Company are Mr. Guo Yingjun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao.

* For identification purpose only

APPENDIX – FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEET

30 June 2023

Unit: RMB

Assets	30 June 2023 (Unaudited)	31 December 2022 (Restated/unaudited)
Current assets		
Monetary funds	3,272,018,550.44	7,326,059,327.77
Including: deposits with finance companies	2,167,029,145.01	3,510,955,880.39
Financial assets for trading	390,000,000.00	520,000,000.00
Bills receivable	107,294,530.15	235,764,112.96
Receivables financing	413,463,060.61	169,290,765.51
Accounts receivable	6,221,928,500.97	5,345,149,228.28
Prepayments	208,306,258.28	534,453,113.73
Other receivables	129,909,015.25	207,110,462.03
Inventory	391,629,012.18	104,531,171.77
Assets held for sale	–	12,416,736.35
Non-current assets due within one year	–	22,349,480.00
Other current assets	576,650,461.62	608,218,206.11
Total current assets	11,711,199,389.50	15,085,342,604.51
Non-current assets		
Long-term receivables	1,664,186.71	1,664,186.71
Long-term equity investments	3,548,781,690.34	3,393,719,280.52
Investments in other equity instruments	220,605,700.00	218,605,700.00
Investment properties	24,374,448.82	24,927,033.04
Fixed assets	32,431,991,964.83	32,773,611,789.39
Construction in progress	21,865,209,619.52	19,162,911,804.71
Right-of-use assets	1,910,572,395.32	1,839,279,154.79
Intangible assets	2,826,038,190.88	2,121,212,538.58
Development expenses	33,801,160.36	28,425,706.04
Goodwill	166,808,420.87	96,922,283.74
Long-term deferred expenses	38,778,445.50	41,926,286.06
Deferred income tax assets	199,949,635.69	194,692,094.09
Other non-current assets	2,225,878,096.67	2,429,308,472.48
Total non-current assets	65,494,453,955.51	62,327,206,330.15
Total assets	77,205,653,345.01	77,412,548,934.66

Liabilities and shareholders' equity	30 June 2023	31 December 2022
	(Unaudited)	(Restated/unaudited)
Current liabilities		
Short-term borrowings	2,044,491,322.19	2,698,366,568.48
Bills payable	8,863,636.67	13,649,747.04
Accounts payable	383,701,602.13	402,815,261.78
Contract liabilities	1,087,012,411.86	1,539,750,992.89
Advances from customers	1,161,061,946.88	1,161,061,946.88
Wages payable	49,458,170.51	68,100,777.09
Taxes payable	158,814,334.34	203,392,348.56
Other payables	8,077,655,560.07	7,719,969,496.64
Liabilities held for sale	–	6,811,269.63
Non-current liabilities due within one year	3,483,576,439.74	4,308,241,110.09
Other current liabilities	44,507,984.08	1,086,927,077.13
Total current liabilities	<u>16,499,143,408.47</u>	<u>19,209,086,596.21</u>
Non-current liabilities		
Long-term borrowings	31,619,608,476.93	30,429,352,611.21
Debentures payables	2,200,000,000.00	1,500,000,000.00
Lease liabilities	733,607,428.84	644,603,458.18
Long-term payable	165,518,266.37	186,079,230.66
Accrued liabilities	77,531,149.68	77,531,149.68
Deferred income	136,759,395.13	118,408,005.13
Deferred income tax liabilities	72,138,612.15	66,230,823.41
Total non-current liabilities	<u>35,005,163,329.10</u>	<u>33,022,205,278.27</u>
Total liabilities	<u><u>51,504,306,737.57</u></u>	<u><u>52,231,291,874.48</u></u>

Liabilities and shareholders' equity	30 June 2023	31 December 2022
	(Unaudited)	(Restated/unaudited)
Shareholders' equity		
Share capital	4,187,093,073.00	4,187,093,073.00
Other equity instruments	1,039,376,000.00	1,039,376,000.00
Including: Perpetual bonds	1,039,376,000.00	1,039,376,000.00
Capital reserve	6,610,311,122.01	6,581,326,328.75
Other comprehensive income	6,493,135.00	6,493,135.00
Special reserve	44,177,291.54	4,380,136.92
Surplus reserve	1,036,839,922.17	822,928,444.78
Undistributed profits	8,182,851,629.45	7,819,835,341.28
	<hr/>	<hr/>
Total equity attributable to shareholders of the parent company	21,107,142,173.17	20,461,432,459.73
	<hr/>	<hr/>
Minority interests	4,594,204,434.27	4,719,824,600.45
	<hr/>	<hr/>
Total shareholders' equity	25,701,346,607.44	25,181,257,060.18
	<hr/>	<hr/>
Total liabilities and shareholders' equity	77,205,653,345.01	77,412,548,934.66
	<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Restated/unaudited)
Operating revenue	10,047,361,793.42	10,225,309,885.43
Less: Operating costs	7,269,426,244.62	7,185,416,025.72
Taxes and surcharges	49,102,377.61	37,272,751.30
Selling expenses	1,302,593.94	1,709,640.11
Administration expenses	266,194,667.69	254,539,409.30
R&D expenses	183,330,260.19	37,888,206.99
Finance costs	535,165,858.14	588,247,100.89
Including: Interest expenses	544,064,703.26	618,874,448.70
Interest income	22,202,096.30	34,310,866.79
Add: Other gains	145,046,639.90	105,946,430.99
Investment income	198,677,018.69	148,007,463.44
Including: Gains from investment in associates and joint ventures	175,166,004.80	131,217,378.53
Credit impairment losses	(10,292,778.12)	(13,951,636.26)
Asset impairment losses	(2,512,078.24)	–
(Losses)/gains on disposal of assets	(1,780,306.54)	1,288,034.57
Operating profit	2,071,978,286.92	2,361,527,043.86
Add: Non-operating income	8,052,716.53	3,178,024.62
Less: Non-operating expenses	3,054,877.78	2,036,470.33
Gross profits	2,076,976,125.67	2,362,668,598.15
Less: Income tax expenses	362,929,349.60	338,941,211.83
Net profit	<u>1,714,046,776.07</u>	<u>2,023,727,386.32</u>

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Restated/unaudited)
By continuity as a going concern		
Net profit from continuing operations	1,714,046,776.07	2,023,727,386.32
By ownership		
Net profit attributable to shareholders of the parent company	1,438,596,728.65	1,615,869,815.04
Gain or loss attributable to minority shareholders	275,450,047.42	407,857,571.28
	<u>1,714,046,776.07</u>	<u>2,023,727,386.32</u>
Total comprehensive income	<u>1,714,046,776.07</u>	<u>2,023,727,386.32</u>
Of which:		
Total comprehensive income attributable to shareholders of the parent company	1,438,596,728.65	1,615,869,815.04
Total comprehensive income attributable to minority shareholders	275,450,047.42	407,857,571.28
Earnings per share		
Basic earnings per share	<u>0.34</u>	<u>0.38</u>
Diluted earnings per share	<u>0.34</u>	<u>0.38</u>

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2023

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
I. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	9,467,562,137.61	9,220,787,895.34
Cash received from tax refund	118,891,344.39	287,264,326.22
Cash received from other operating activities	76,397,472.14	48,300,264.35
	<u>9,662,850,954.14</u>	<u>9,556,352,485.91</u>
Sub-total of cash inflows from operating activities		
Cash paid for goods and services	(6,642,132,068.54)	(6,486,160,247.98)
Cash paid to and on behalf of employees	(338,593,975.47)	(328,793,764.20)
Payments of taxes and surcharges	(733,663,944.77)	(546,251,536.13)
Cash paid relating to other operating activities	(119,914,545.21)	(105,378,737.38)
	<u>(7,834,304,533.99)</u>	<u>(7,466,584,285.69)</u>
Sub-total of cash outflows from operating activities		
Net cash flows from operating activities	<u>1,828,546,420.15</u>	<u>2,089,768,200.22</u>
II. Cash flows from investing activities		
Cash received from investment	740,000,000.00	–
Cash received from investment income	45,092,875.43	181,868,773.82
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,486,553.15	10,594,711.07
Net cash received from disposal of subsidiaries, joint ventures and associates	–	7,807,272.86
Cash received from other investing activities	21,044,907.84	–
	<u>813,624,336.42</u>	<u>200,270,757.75</u>
Sub-total of cash inflows from investing activities		

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(3,611,544,769.80)	(2,509,743,701.00)
Cash paid for investments	(610,000,000.00)	(1,349,000,000.00)
Net cash paid to acquire subsidiaries, joint ventures and associates	(28,310,633.00)	(42,103,992.73)
Cash paid relating to other investing activities	(649,254.90)	(16,190,055.86)
	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	(4,250,504,657.70)	(3,917,037,749.59)
	<hr/>	<hr/>
Net cash flows from investing activities	<u>(3,436,880,321.28)</u>	<u>(3,716,766,991.84)</u>
III. Cash flows from financing activities		
Cash received from investment	48,045,900.00	17,017,074.90
Including: Cash received by subsidiaries from minority Shareholders' investment	48,045,900.00	17,017,074.90
Cash received from borrowings	6,920,473,573.38	4,524,382,832.93
Cash received from other financing activities	–	40,000,000.00
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	<u>6,968,519,473.38</u>	<u>4,581,399,907.83</u>
	<hr/>	<hr/>
Cash paid for loan repayments	(7,432,105,851.30)	(4,213,529,919.13)
Cash paid for dividends, profits appropriation or payments of interest	(1,862,034,718.92)	(711,141,861.01)
Including: Dividends and profits paid to minority Shareholders by subsidiaries	(448,111,656.56)	(52,053,031.73)
Cash paid for redemption of other equity instruments	–	(910,000,000.00)
Cash paid relating to other financing activities	(97,117,652.95)	(125,919,752.94)
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	<u>(9,391,258,223.17)</u>	<u>(5,960,591,533.08)</u>
	<hr/>	<hr/>
Net cash flows from financing activities	<u>(2,422,738,749.79)</u>	<u>(1,379,191,625.25)</u>
	<hr/>	<hr/>
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	<u>(2,696,978.10)</u>	<u>328,126.24</u>
	<hr/>	<hr/>
V. Net decrease in cash and cash equivalents	(4,033,769,629.02)	(3,005,862,290.63)
Add: Cash and cash equivalents at the beginning of the period	<u>7,165,689,017.44</u>	<u>7,533,084,715.56</u>
	<hr/>	<hr/>
VI. Cash and cash equivalents at the end of the period	<u><u>3,131,919,388.42</u></u>	<u><u>4,527,222,424.93</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2023

Unit: RMB

	Equity attributable to shareholders of the parent company							Total shareholders' equity <i>Unaudited</i>		
	Share capital <i>Unaudited</i>	Other equity instruments – perpetual bonds <i>Unaudited</i>	Capital surplus <i>Unaudited</i>	Other comprehensive income <i>Unaudited</i>	Special reserve <i>Unaudited</i>	Surplus reserve <i>Unaudited</i>	Undistributed profit <i>Unaudited</i>		Sub-total <i>Unaudited</i>	Minority interests <i>Unaudited</i>
I. Balance at the end of the previous period	4,187,093,073.00	1,039,376,000.00	6,581,326,328.75	6,493,135.00	4,380,136.92	822,928,444.78	7,823,373,780.42	20,464,970,898.87	4,720,268,412.59	25,185,239,311.46
Add: Changes in accounting policies	-	-	-	-	-	-	(3,538,439.14)	(3,538,439.14)	(443,812.14)	(3,982,251.28)
II. Balance at the beginning of the period	4,187,093,073.00	1,039,376,000.00	6,581,326,328.75	6,493,135.00	4,380,136.92	822,928,444.78	7,819,835,341.28	20,461,432,459.73	4,719,824,600.45	25,181,257,060.18
III. Increase/decrease in the period	-	-	-	-	-	-	1,438,596,728.65	1,438,596,728.65	275,450,047.42	1,714,046,776.07
(I) Total comprehensive income	-	-	-	-	-	-	-	-	48,045,900.00	48,045,900.00
(II) Share capital contributed or reduced by shareholders	-	-	-	-	-	-	-	-	-	-
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-
2. Business combination involving enterprises not under common control	-	-	-	-	-	-	-	-	29,409,241.92	29,409,241.92
3. Acquisition of minority interests	-	-	25,303,829.85	-	-	-	-	25,303,829.85	(49,640,382.10)	(24,336,552.25)
4. Disposal of subsidiaries	-	-	-	-	-	-	-	-	2,214,879.14	2,214,879.14
5. Others	-	-	3,680,963.41	-	-	-	-	3,680,963.41	218,863.02	3,899,826.43
(III) Profit distribution	-	-	-	-	-	213,911,477.39	(213,911,477.39)	-	-	-
1. Withdrawal from surplus reserve	-	-	-	-	-	-	(808,108,963.09)	(808,108,963.09)	(431,313,281.57)	(1,239,422,244.66)
2. Distribution to shareholders	-	-	-	-	-	-	(53,560,000.00)	(53,560,000.00)	-	(53,560,000.00)
3. Distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	-	-
(IV) Special reserve	-	-	-	-	49,993,957.85	-	-	49,993,957.85	9,396,356.70	59,390,314.55
1. Appropriation for the period	-	-	-	-	(10,196,803.23)	-	-	(10,196,803.23)	(9,401,790.71)	(19,598,593.94)
2. Application for the period	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the period	4,187,093,073.00	1,039,376,000.00	6,610,311,122.01	6,493,135.00	44,177,291.54	1,036,839,922.17	8,182,851,629.45	21,107,142,173.17	4,594,204,434.27	25,701,346,607.44

For the six months ended 30 June 2022

	Equity attributable to shareholders of the parent company							Total shareholders' equity		
	Share capital	Other equity instruments - perpetual bonds	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit		Sub-total	Minority interests
	<i>Restated/unaudited</i>	<i>Restated/unaudited</i>	<i>Restated/unaudited</i>	<i>Restated/unaudited</i>	<i>Restated/unaudited</i>	<i>Restated/unaudited</i>	<i>Restated/unaudited</i>	<i>Restated/unaudited</i>	<i>Restated/unaudited</i>	<i>Restated/unaudited</i>
I. Balance at the end of the previous period	4,187,093,073.00	1,945,736,000.00	6,590,287,168.26	6,493,135.00	-	638,241,006.48	6,466,749,439.53	19,834,599,822.27	4,088,960,704.20	23,923,560,526.47
Add: Changes in accounting policies	-	-	-	-	-	-	(2,052,876.42)	(2,052,876.42)	(665,753.54)	(2,718,629.96)
II. Balance at the beginning of the period	4,187,093,073.00	1,945,736,000.00	6,590,287,168.26	6,493,135.00	-	638,241,006.48	6,464,696,563.11	19,832,546,945.85	4,088,294,950.66	23,920,841,896.51
III. Increase/decrease in the period										
(I) Total comprehensive income	-	-	-	6,493,135.00	-	-	6,466,749,439.53	1,615,869,815.04	407,857,571.28	2,023,727,386.32
(II) Share capital contributed or reduced by shareholders	-	-	-	-	-	-	-	-	-	-
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	17,017,074.90	17,017,074.90
2. Capital reduced by holders of other equity instruments	-	(906,360,000.00)	(3,640,000.00)	-	-	-	-	(910,000,000.00)	-	(910,000,000.00)
3. Business combination involving enterprises not under common control	-	-	-	-	-	-	-	-	25,145,727.95	25,145,727.95
4. Disposal of subsidiaries	-	-	-	-	-	-	-	-	(1,787,437.12)	(1,787,437.12)
5. Others	-	-	1,507,653.66	-	-	-	-	1,507,653.66	4,440,623.61	5,948,277.27
(III) Profit distribution	-	-	-	-	-	154,079,151.26	(154,079,151.26)	-	-	-
1. Withdrawal from surplus reserve	-	-	-	-	-	-	(699,244,543.19)	(699,244,543.19)	(149,443,344.16)	(848,687,887.35)
2. Distribution to shareholders	-	-	-	-	-	-	(53,560,000.00)	(53,560,000.00)	-	(53,560,000.00)
3. Distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	-	-
(IV) Special reserve	-	-	-	-	30,441,331.24	-	-	30,441,331.24	-	30,441,331.24
1. Appropriation for the period	-	-	-	-	(30,441,331.24)	-	-	(30,441,331.24)	-	(30,441,331.24)
2. Application for the period	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the period	4,187,093,073.00	1,039,376,000.00	6,588,154,821.92	6,493,135.00	-	792,320,157.74	7,173,682,683.70	19,787,119,871.36	4,391,523,167.12	24,178,645,038.48

BALANCE SHEET

30 June 2023

Unit: RMB

Assets	30 June 2023 (Unaudited)	31 December 2022 (Restated/unaudited)
Current assets		
Cash	1,101,198,087.95	1,775,168,909.70
Including: Deposits with finance companies	565,380,318.68	164,126,197.80
Financial assets for trading	390,000,000.00	520,000,000.00
Accounts receivable	27,253,755.87	46,307,994.06
Prepayments	2,991,532.01	757,471.54
Other receivables	3,735,983,247.67	2,207,594,279.34
Amounts classified as held for sale	–	2,174,706.49
Non-current assets due within one year	8,851,136.18	19,171,506.48
Other current assets	3,825,851.97	4,172,162.36
Total current assets	5,270,103,611.65	4,575,347,029.97
Non-current assets		
Long-term equity investments	13,169,088,625.77	13,034,433,071.23
Investments in other equity instruments	202,000,000.00	200,000,000.00
Fixed assets	7,457,248.73	8,291,575.14
Construction in progress	16,826,022.50	14,993,464.46
Right-of-use assets	15,441,022.13	17,864,441.51
Intangible assets	6,283,236.79	6,285,576.40
Long-term deferred expenses	341,793.66	420,531.84
Other non-current assets	3,233,320,600.00	3,589,564,600.00
Total non-current assets	16,650,758,549.58	16,871,853,260.58
Total assets	21,920,862,161.23	21,447,200,290.55

Liabilities and shareholders' equity	30 June 2023	31 December 2022
	(Unaudited)	(Restated/unaudited)
Current liabilities		
Short-term borrowings	–	400,354,444.45
Wages payable	1,977,238.38	2,046,832.26
Taxes payable	355,675.80	1,282,866.59
Other payables	77,736,989.36	102,374,411.19
Non-current liabilities due within one year	488,603,667.17	529,426,321.89
Total current liabilities	568,673,570.71	1,035,484,876.38
Non-current liabilities		
Long-term borrowings	2,759,020,600.00	3,090,990,600.00
Debentures payable	1,000,000,000.00	1,000,000,000.00
Deferred income	524,639.76	524,639.76
Lease liabilities	9,471,355.44	13,750,528.83
Deferred income tax liabilities	304,366.48	616,246.29
Total non-current liabilities	3,769,320,961.68	4,105,882,014.88
Total liabilities	4,337,994,532.39	5,141,366,891.26
Shareholders' equity		
Share capital	4,187,093,073.00	4,187,093,073.00
Other equity instruments	1,039,376,000.00	1,039,376,000.00
Including: Perpetual bonds	1,039,376,000.00	1,039,376,000.00
Capital reserve	6,674,576,517.89	6,672,081,610.44
Surplus reserve	1,036,839,922.17	822,928,444.78
Undistributed profits	4,644,982,115.78	3,584,354,271.07
Total shareholders' equity	17,582,867,628.84	16,305,833,399.29
Total liabilities and shareholders' equity	21,920,862,161.23	21,447,200,290.55

INCOME STATEMENT

For the six months ended 30 June 2023

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Restated/unaudited)
Operating revenue	28,114,134.85	75,000.00
Less: Operating costs	1,363,812.89	–
Taxes and surcharges	100,353.28	172,994.30
Administration expenses	26,628,551.43	30,204,547.17
R&D expenses	13,061,561.69	7,574,419.60
Finance costs	(12,460,533.23)	(3,944,591.99)
Including: Interest expenses	17,814,610.29	18,036,409.11
Interest income	39,969,046.79	22,576,996.43
Add: Other gains	388,109.81	561,143.37
Investment income	2,136,458,500.08	1,575,205,516.21
Including: Gains from investment in associates and joint ventures	82,214,068.50	12,948,211.41
Credit impairment losses	251,401.00	(490,293.80)
Gain on disposal of assets	16,750.35	214,430.54
	<hr/>	<hr/>
Operating profit	2,136,535,150.03	1,541,558,427.24
Less: Non-operating expenses	–	28,614.16
	<hr/>	<hr/>
Gross profits	2,136,535,150.03	1,541,529,813.08
Less: Income tax expenses	(311,879.81)	253,767.54
	<hr/>	<hr/>
Net profit	2,136,847,029.84	1,541,276,045.54
	<hr/> <hr/>	<hr/> <hr/>
Including: Net profit from continuing operations	2,136,847,029.84	1,541,276,045.54
	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income	2,136,847,029.84	1,541,276,045.54

CASH FLOW STATEMENT

For the six months ended 30 June 2023

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	46,663,681.84	79,500.00
Cash received from other operating activities	<u>795,701,225.63</u>	<u>705,978,118.67</u>
Sub-total of cash inflows from operating activities	<u>842,364,907.47</u>	<u>706,057,618.67</u>
Cash paid for purchase of goods and receipt of services	–	(1,719,201.03)
Cash paid to and on behalf of employees	(20,309,681.57)	(22,652,002.17)
Payments of taxes and surcharges	(216,497.88)	(1,334,185.00)
Cash paid relating to other operating activities	<u>(1,108,860,099.74)</u>	<u>(944,221,507.94)</u>
Sub-total of cash outflows from operating activities	<u>(1,129,386,279.19)</u>	<u>(969,926,896.14)</u>
Net cash flows from operating activities	<u>(287,021,371.72)</u>	<u>(263,869,277.47)</u>
II. Cash flows from investing activities:		
Cash received from investment	740,000,000.00	7,807,272.86
Cash received from investment income	1,289,523,687.83	815,343,055.14
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<u>31,946.90</u>	<u>3,726,281.00</u>
Sub-total of cash inflows from investing activities	<u>2,029,555,634.73</u>	<u>826,876,609.00</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(3,847,301.22)	(1,339,602.64)
Cash paid for investments	(727,204,569.70)	(1,349,000,000.00)
Net cash paid to acquire subsidiaries and other business units	<u>–</u>	<u>(179,089,400.00)</u>
Sub-total of cash outflows from investing activities	<u>(731,051,870.92)</u>	<u>(1,529,429,002.64)</u>
Net cash flows from investing activities	<u>1,298,503,763.81</u>	<u>(702,552,393.64)</u>

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
III. Cash flows from financing activities:		
Cash received from borrowings	<u>61,300,000.00</u>	<u>975,215,000.00</u>
Sub-total of cash inflows from financing activities	<u>61,300,000.00</u>	<u>975,215,000.00</u>
Cash paid for loan repayments	(817,410,000.00)	(1,135,260,000.00)
Cash paid for dividends, profits appropriation or payments of interest	(927,542,429.93)	(207,979,552.14)
Cash paid for redemption of other equity instruments	–	(910,000,000.00)
Cash paid relating to other financing activities	<u>(1,833,187.68)</u>	<u>(1,016,678.00)</u>
Sub-total of cash outflows from financing activities	<u>(1,746,785,617.61)</u>	<u>(2,254,256,230.14)</u>
Net cash flows from financing activities	<u>(1,685,485,617.61)</u>	<u>(1,279,041,230.14)</u>
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	<u>32,403.77</u>	<u>43,410.82</u>
V. Net decrease in cash and cash equivalents	(673,970,821.75)	(2,245,419,490.43)
Add: Cash and cash equivalents at the beginning of the period	<u>1,775,168,909.70</u>	<u>4,955,847,636.66</u>
VI. Cash and cash equivalents at the end of the period	<u><u>1,101,198,087.95</u></u>	<u><u>2,710,428,146.23</u></u>

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2023

Unit: RMB

	Share capital <i>Unaudited</i>	Other equity instruments – perpetual bonds <i>Unaudited</i>	Capital surplus <i>Unaudited</i>	Surplus reserve <i>Unaudited</i>	Undistributed profit <i>Unaudited</i>	Total shareholders' equity <i>Unaudited</i>
I. Balance at the end of the previous period						
(audited)	4,187,093,073.00	1,039,376,000.00	6,672,081,610.44	822,928,444.78	3,584,970,517.36	16,306,449,645.58
Add: Effects of changes in accounting policies	-	-	-	-	(616,246.29)	(616,246.29)
II. Balance at the beginning of the period	<u>4,187,093,073.00</u>	<u>1,039,376,000.00</u>	<u>6,672,081,610.44</u>	<u>822,928,444.78</u>	<u>3,584,354,271.07</u>	<u>16,305,833,399.29</u>
III. Increase/decrease in the period						
(I) Total comprehensive income					2,136,847,029.84	2,136,847,029.84
(II) Share capital contributed or reduced by shareholders						
1. Others	-	-	2,494,907.45	-	(638,744.65)	1,856,162.80
(III) Profit distribution						
1. Withdrawal from surplus reserve	-	-	-	213,911,477.39	(213,911,477.39)	-
2. Distribution to shareholders	-	-	-	-	(808,108,963.09)	(808,108,963.09)
3. Distribution to holders of other equity instruments	-	-	-	-	(53,560,000.00)	(53,560,000.00)
III. Balance at the end of the period	<u><u>4,187,093,073.00</u></u>	<u><u>1,039,376,000.00</u></u>	<u><u>6,674,576,517.89</u></u>	<u><u>1,036,839,922.17</u></u>	<u><u>4,644,982,115.78</u></u>	<u><u>17,582,867,628.84</u></u>

For the six months ended 30 June 2022

	Share capital <i>Restated/unaudited</i>	Other equity instruments – perpetual bonds <i>Restated/unaudited</i>	Capital surplus <i>Restated/unaudited</i>	Surplus reserve <i>Restated/unaudited</i>	Undistributed profit <i>Restated/unaudited</i>	Total shareholders' equity <i>Restated/unaudited</i>
I. Balance at the end of the previous period (audited)	<u>4,187,093,073.00</u>	<u>1,945,736,000.00</u>	<u>6,673,646,098.38</u>	<u>638,241,006.48</u>	<u>2,675,588,115.87</u>	<u>16,120,304,293.73</u>
II. Increase/decrease in the period						
(I) Total comprehensive income	-	-	-	-	1,541,276,045.54	1,541,276,045.54
(II) Share capital contributed or reduced by shareholders						
1. Capital reduced by holders of other equity instruments	-	(906,360,000.00)	(3,640,000.00)	-	-	(910,000,000.00)
2. Others	-	-	1,055,397.96	-	-	1,055,397.96
(III) Profit distribution						
1. Withdrawal from surplus reserve	-	-	-	154,079,151.26	(154,079,151.26)	-
2. Distribution to shareholders	-	-	-	-	(699,244,543.19)	(699,244,543.19)
3. Distribution to holders of other equity instruments	-	-	-	-	(53,560,000.00)	(53,560,000.00)
III. Balance at the end of the period	<u><u>4,187,093,073.00</u></u>	<u><u>1,039,376,000.00</u></u>	<u><u>6,671,061,496.34</u></u>	<u><u>792,320,157.74</u></u>	<u><u>3,309,980,466.96</u></u>	<u><u>15,999,831,194.04</u></u>

NOTES TO THE FINANCIAL STATEMENTS

I. GENERAL INFORMATION

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

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

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

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

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

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

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

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

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

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

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

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements are prepared on a going concern basis.

As at 30 June 2023, the Group’s current liabilities exceeded its current assets by approximately RMB4.788 billion. Management has considered the following sources of funding available for the next 12 months:

- (1) expected net cash inflows from operating activities;
- (2) unutilised banking facilities as at 30 June 2023 of approximately RMB49.317 billion;
- (3) The Group registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in October 2022. Such facilities were approved for revolving use before October 2024. As at 30 June 2023, the unutilised facilities amounted to RMB2.0 billion.

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

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

1. Declaration of following Accounting Standards for Business Enterprises (ASBE)

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

2. Accounting period

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

3. Functional currency

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

IV. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash

	30 June 2023	31 December 2022
Bank deposits	3,135,937,636.52	7,186,243,490.65
Other deposits	<u>136,080,913.92</u>	<u>139,815,837.12</u>
	<u>3,272,018,550.44</u>	<u>7,326,059,327.77</u>
Including: Restricted amounts due to mortgages, pledges or freezes	140,099,162.02	160,370,310.33

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

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

2. Financial assets for trading

	30 June 2023	31 December 2022
Financial assets at fair value through profit or loss		
Structured deposits	<u>390,000,000.00</u>	<u>520,000,000.00</u>

3. Notes Receivable

	30 June 2023	31 December 2022
Bank acceptance bills	107,294,530.15	235,764,112.96
Less: Provision for bad debts on bills receivable	<u>–</u>	<u>–</u>
	<u>107,294,530.15</u>	<u>235,764,112.96</u>

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

	30 June 2023		31 December 2022	
	Derecognised	Not yet derecognised	Derecognised	Not yet derecognised
Bank acceptance bills	<u>–</u>	<u>40,844,530.15</u>	<u>–</u>	<u>70,598,746.96</u>

4. Receivables financing

	30 June 2023	31 December 2022
Bank acceptance bills	<u>413,463,060.61</u>	<u>169,290,765.51</u>

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

	30 June 2023		31 December 2022	
	Derecognised	Not yet derecognised	Derecognised	Not yet derecognised
Bank acceptance bills	<u>435,106,157.05</u>	<u>–</u>	<u>494,313,731.87</u>	<u>–</u>

As at 30 June 2023 and 31 December 2022, the Group had no bank acceptance bills transferred to accounts receivable due to non-performance of drawers.

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

5. Accounts receivable

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

The aging analysis of accounts receivable is as follows:

	30 June 2023	31 December 2022
Within 6 months	1,808,514,544.29	1,870,169,496.71
6 months to 1 year	1,050,387,361.95	1,401,181,448.89
1 to 2 years	2,103,535,865.89	1,279,283,889.64
2 to 3 years	922,156,042.50	595,936,928.29
Over 3 years	817,983,037.97	668,683,825.65
	<u>6,702,576,852.60</u>	<u>5,815,255,589.18</u>
Less: Provision for bad debts of accounts receivable	<u>480,648,351.63</u>	<u>470,106,360.90</u>
	<u>6,221,928,500.97</u>	<u>5,345,149,228.28</u>

	Carrying balance		30 June 2023		Carrying value
	Amount	Percentage (%)	Provision for bad debts		
			Amount	Percentage of provision (%)	
Provision for bad debts made on an individual basis	399,037,330.81	5.95	(399,037,330.81)	100.00	-
Provision for bad debts made on the credit risk characteristics grouping basis	6,303,539,521.79	94.05	(81,611,020.82)	1.29	6,221,928,500.97
	<u>6,702,576,852.60</u>	<u>100.00</u>	<u>(480,648,351.63)</u>		<u>6,221,928,500.97</u>

	Carrying balance		31 December 2022		Carrying value
	Amount	Percentage (%)	Provision for bad debts		
			Amount	Percentage of provision (%)	
Provision for bad debts made on an individual basis	399,037,330.81	6.86	(399,037,330.81)	100.00	-
Provision for bad debts made on the credit risk characteristics grouping basis	5,416,218,258.37	93.14	(71,069,030.09)	1.31	5,345,149,228.28
	<u>5,815,255,589.18</u>	<u>100.00</u>	<u>(470,106,360.90)</u>		<u>5,345,149,228.28</u>

As at 30 June 2023, the accounts receivable for which bad debt provision on an individual basis are as follows:

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

As at 31 December 2022, the accounts receivable for which bad debt provision on an individual basis are as follows:

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

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

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

	30 June 2023			
	Carrying balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Renewable energy subsidies and benchmark tariffs	<u>6,160,343,079.62</u>	<u>100.00</u>	<u>61,603,430.89</u>	<u>1.00</u>

	31 December 2022			
	Carrying balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Renewable energy subsidies and benchmark tariffs	<u>5,310,679,586.55</u>	<u>100.00</u>	<u>53,106,795.89</u>	<u>1.00</u>

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

	30 June 2023		
	Carrying amount estimated to be in default	Expected credit loss rate (%)	Lifetime expected credit loss
Within 6 months	103,900,732.04	5.00	5,195,036.64
6 months to 1 year	17,819,681.09	10.00	1,781,968.11
1 to 2 years	10,347,894.01	30.00	3,104,368.20
2 to 3 years	2,403,836.11	50.00	1,201,918.06
Over 3 years	<u>8,724,298.92</u>	100.00	<u>8,724,298.92</u>
	<u><u>143,196,442.17</u></u>		<u><u>20,007,589.93</u></u>
		31 December 2022	
	Carrying amount estimated to be in default	Expected credit loss rate (%)	Lifetime expected credit loss
Within 6 months	61,415,314.59	5.00	3,070,765.76
6 months to 1 year	23,041,847.65	10.00	2,304,184.77
1 to 2 years	11,829,489.63	30.00	3,548,846.89
2 to 3 years	427,166.35	50.00	213,583.18
Over 3 years	<u>8,824,853.60</u>	100.00	<u>8,824,853.60</u>
	<u><u>105,538,671.82</u></u>		<u><u>17,962,234.20</u></u>

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

	For the six months ended 30 June 2023	2022
Balance at the beginning of the period/year	470,106,360.90	480,792,117.39
Provision for the period/year	26,996,116.26	16,620,677.38
Provision recovered or reversed during the period/year	(16,454,125.53)	(26,590,394.48)
Write-off during the period/year	<u>–</u>	<u>(716,039.39)</u>
Balance at the end of the period/year	<u><u>480,648,351.63</u></u>	<u><u>470,106,360.90</u></u>

As at 30 June 2023, accounts receivable with the top five amount are as follows:

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

As at 31 December 2022, accounts receivable with the top five amount are as follows:

	Relation with the Group	Closing balance	Percentage of the total closing balance of accounts receivable (%)	Bad debt provision balance
State Grid Jibei Electric Power Co., Ltd. (國網冀北電力有限公司)	Third party	2,760,032,310.43	47.46	27,600,323.10
State Grid Hebei Electric Power Co., Ltd. (國網河北省電力有限公司)	Third party	586,190,420.00	10.08	5,861,904.20
Yunnan Power Grid Co., Ltd. (雲南電網有限責任公司)	Third party	503,405,851.32	8.66	5,034,058.51
State Grid East Inner Mongolia Power Co. Ltd. (國網內蒙古東部電力有限公司)	Third party	270,195,444.12	4.65	2,701,954.44
State Grid Xinjiang Electric Power Co., Ltd. Bazhou Branch (國網新疆電力有限公司巴州供電公司)	Third party	<u>252,575,123.03</u>	4.34	<u>2,525,751.23</u>
		<u><u>4,372,399,148.90</u></u>	75.19	<u><u>43,723,991.48</u></u>

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

6. Advances to suppliers

Aging analysis of advances to suppliers is as follows:

	30 June 2023		31 December 2022	
	Carrying balance	Percentage (%)	Carrying balance	Percentage (%)
Within 6 months	191,548,696.54	91.96	516,112,978.07	96.57
6 to 12 months	7,165,578.21	3.44	8,430,667.65	1.58
1 to 2 years	4,691,198.71	2.25	6,884,078.51	1.29
2 to 3 years	3,783,952.41	1.81	725,408.20	0.13
3 to 4 years	303,458.43	0.15	1,084,743.97	0.20
4 to 5 years	469,108.90	0.23	98,802.56	0.02
Over 5 years	344,265.08	0.16	1,116,434.77	0.21
	<u>208,306,258.28</u>	<u>100.00</u>	<u>534,453,113.73</u>	<u>100.00</u>

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

As at 30 June 2023, advances to suppliers with the top five amount are as follows:

	Relation with the Group	Closing balance	Percentage of the total closing balance of advances to suppliers (%)
PipeChina Group Tianjin Liquefied Natural Gas Co., Ltd. (國家管網集團天津液化天然氣有限責任公司)	Third party	50,895,000.00	24.43
China Petroleum & Chemical Corporation Natural Gas Branch, Hebei Natural Gas Sales Centre (中國石油化工股份有限公司天然氣分公司河北天然氣銷售中心)	Third party	43,060,332.71	20.67
Shanghai branch of Top Resource Energy Co., Ltd. (天壕環境股份有限公司上海分公司)	Third party	17,342,550.89	8.33
North China branch of China Petroleum Engineering & Construction Corp. (中國石油工程建設有限公司華北分公司)	Third party	9,654,119.70	4.63
Shanxi Huaxin Gas Sales Co. Ltd. (山西華新燃氣銷售有限公司)	Third party	9,095,787.90	4.37
		<u>130,047,791.20</u>	62.43

As at 31 December 2022, advances to suppliers with the top five amount are as follows:

	Relation with the Group	Closing balance	Percentage of the total closing balance of advances to suppliers (%)
China Petroleum & Chemical Corporation Natural Gas Branch, Hebei Natural Gas Sales Centre (中國石油化工股份有限公司天然氣分公司河北天然氣銷售中心)	Third party	212,980,620.44	39.85
CNPC Hebei Natural Gas Sales Branch (中國石油天然氣股份有限公司天然氣銷售河北分公司)	Third party	109,692,921.30	20.52
CNOOC Hebei Sales Branch (中海石油氣電集團有限責任公司河北銷售分公司)	Third party	76,454,037.45	14.31
Shanxi Huaxin Gas Sales Co. Ltd. (山西華新燃氣銷售有限公司)	Third party	21,650,678.74	4.05
Dingxing County Public Resources Trading Centre (定興縣公共資源交易中心)	Third party	<u>13,970,000.00</u>	2.61
		<u><u>434,748,257.93</u></u>	81.34

7. Other receivables

Other receivables by nature are as follows:

	30 June 2023	31 December 2022
Dividend receivables	98,713,891.44	71,598,016.20
Other receivables	<u>31,195,123.81</u>	<u>135,512,445.83</u>
	<u><u>129,909,015.25</u></u>	<u><u>207,110,462.03</u></u>

Dividends receivable

	30 June 2023	31 December 2022
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司)	37,011,839.21	–
Longyuan HECIC (Chengde) Wind Power Co., Ltd. (龍源建投(承德)風力發電有限公司”)	23,171,956.55	23,171,956.55
Hebei Weichang Longyuan HECIC Wind Power Co., Ltd. (河北圍場龍源建投風力發電有限公司)	21,576,317.17	21,576,317.17
Hebei Construction & Investment Group Finance Co., Ltd. (河北建投集團財務有限公司)	15,700,106.37	–
Huihai Financial Leasing Co., Ltd. (滙海融資租賃股份有限公司)	1,253,672.14	2,153,672.14
Zhangbei HECIC Huashi Wind Energy Co., Ltd. (張北建投華實風能有限公司)	–	22,117,561.12
Chongli HECIC Huashi Wind Energy Co., Ltd. (崇禮建投華實風能有限公司)	–	2,578,509.22
	98,713,891.44	71,598,016.20

Other receivables

The ageing of other receivables is analysed below:

	30 June 2023	31 December 2022
Within 6 months	4,585,647.46	97,619,658.58
6 months to 1 year	5,730,574.31	24,674,652.42
1 to 2 years	23,878,291.46	26,213,207.29
2 to 3 years	9,932,875.64	4,434,675.82
Over 3 years	57,752,668.04	55,891,496.41
	101,880,056.91	208,833,690.52
Less: Provision for bad debts of other receivables	70,684,933.10	73,321,244.69
	31,195,123.81	135,512,445.83

Other receivables by nature are as follows:

	30 June 2023	31 December 2022
Deposits	59,595,180.19	135,928,823.25
Advances	22,590,976.38	25,218,740.27
Reserves	274,800.00	819,174.52
Others	19,419,100.34	46,866,952.48
	101,880,056.91	208,833,690.52
Less: Provision for bad debts	70,684,933.10	73,321,244.69
Other receivables	31,195,123.81	135,512,445.83

The changes in bad debt provisions for other receivables based on expected credit losses over the next 12 months and lifetime expected credit losses are as follows:

	For the six months ended 30 June 2023			Total
	The first stage	The second stage	The third stage	
	Expected credit losses over the next 12 months	Lifetime expected credit losses	Financial assets with credit impairment (Lifetime expected credit losses)	
Opening balance	17,429,748.28	41,458,657.17	14,432,839.24	73,321,244.69
Opening balance transferred during the period	(43,800.00)	43,800.00	–	–
Provision during the period	4,378,538.35	2,043,800.00	–	6,422,338.35
Provision recovered or reversed during the period	(6,445,122.59)	(226,428.37)	–	(6,671,550.96)
Write-off during the period	(2,387,098.98)	–	–	(2,387,098.98)
Closing balance	12,932,265.06	43,319,828.80	14,432,839.24	70,684,933.10

	2022			Total
	The first stage	The second stage	The third stage Financial assets with credit impairment (Lifetime expected credit losses)	
	Expected credit losses over the next 12 months	Lifetime expected credit losses		
Opening balance	7,727,096.37	37,224,036.23	14,434,339.24	59,385,471.84
Opening balance transferred during the year	(3,215,534.73)	3,215,534.73	–	–
Provision for the year	14,251,951.95	3,207,662.37	–	17,459,614.32
Provision recovered or reversed during the year	(1,333,264.13)	(2,174,042.12)	–	(3,507,306.25)
Transferral during the year	–	(11,787.00)	–	(11,787.00)
Amounts classified as held for sale	(501.18)	(2,747.04)	–	(3,248.22)
Disposal of subsidiaries	–	–	(1,500.00)	(1,500.00)
Closing balance	<u>17,429,748.28</u>	<u>41,458,657.17</u>	<u>14,432,839.24</u>	<u>73,321,244.69</u>

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

	For the six months ended 30 June 2023		2022
Balance at the beginning of the period/year	73,321,244.69		59,385,471.84
Provision for the period/year	6,422,338.35		17,459,614.32
Provision reversed during the period/year	(6,671,550.96)		(3,507,306.25)
Write-off during the period/year	(2,387,098.98)		(11,787.00)
Disposal of subsidiaries	–		(1,500.00)
Amounts classified as held for sale	–		(3,248.22)
Balance at the end of the period/year	<u>70,684,933.10</u>		<u>73,321,244.69</u>

	30 June 2023				Carrying value
	Carrying balance	Percentage (%)	Provision for bad debts	Percentage of provision (%)	
Provision made for bad debts for individual assessment of expected credit losses	14,432,839.24	14.17	14,432,839.24	100.00	–
Provision for bad debts for expected credit losses based on credit risk characteristics grouping	<u>87,447,217.67</u>	<u>85.83</u>	<u>56,252,093.86</u>	64.33	<u>31,195,123.81</u>
	<u>101,880,056.91</u>	<u>100.00</u>	<u>70,684,933.10</u>		<u>31,195,123.81</u>
	31 December 2022				Carrying value
	Carrying balance	Percentage (%)	Provision for bad debts	Percentage of provision (%)	
Provision made for bad debts for individual assessment of expected credit losses	14,432,839.24	6.91	14,432,839.24	100.00	–
Provision for bad debts for expected credit losses based on credit risk characteristics grouping	<u>194,400,851.28</u>	<u>93.09</u>	<u>58,888,405.45</u>	30.29	<u>135,512,445.83</u>
	<u>208,833,690.52</u>	<u>100.00</u>	<u>73,321,244.69</u>		<u>135,512,445.83</u>

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

	Carrying balance	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐 渾源密馬鬃梁新能源有限公司)	13,421,959.24	13,421,959.24	100.00	Expected unrecoverable
Gamesa Wind Power (Tianjian) Co., Ltd. (歌美颯風電(天津)有限公司)	<u>1,010,880.00</u>	<u>1,010,880.00</u>	100.00	Expected unrecoverable
	<u>14,432,839.24</u>	<u>14,432,839.24</u>		

As at 31 December 2022, other receivables with provision made for bad debts on an individual basis are as follows:

	Carrying balance	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐 渾源密馬鬃梁新能源有限公司)	13,421,959.24	13,421,959.24	100.00	Expected unrecoverable
Gamesa Wind Power (Tianjian) Co., Ltd. (歌美颯風電(天津)有限公司)	<u>1,010,880.00</u>	<u>1,010,880.00</u>	100.00	Expected unrecoverable
	<u><u>14,432,839.24</u></u>	<u><u>14,432,839.24</u></u>		

As at 30 June 2023, other receivables with the top five amount are as follows:

	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐 渾源密馬鬃梁新能源有限公司)	13,421,959.24	13.17	Advances	Over 3 years	13,421,959.24
Shuangqiao District Land Acquisition and Reserve Center (雙橋區土地收購儲備中心)	10,014,277.25	9.83	Others	1-3 years and over 3 years	6,064,434.34
Bank of Communications Financial Leasing Co., Ltd. (交銀金融租賃 有限責任公司)	9,540,000.00	9.36	Deposits	1-3 years	3,922,000.00
Fengning Manchu Autonomous County Wind Power and Thermal Power Project Construction Office (豐寧滿族自治縣風電火電項目建設辦公室)	8,000,000.00	7.85	Deposits	Over 3 years	8,000,000.00
Weichang Manchu and Mongolian Autonomous County Development and Reform Bureau (圍場滿族 蒙古族自治縣發展改革局)	6,157,000.00	6.04	Deposits	Over 3 years	6,157,000.00
	<u><u>47,133,236.49</u></u>	<u><u>46.25</u></u>			<u><u>37,565,393.58</u></u>

As at 31 December 2022, other receivables with the top five amount are as follows:

	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
CNOOC Hebei Sales Branch (中海石油氣電集團有限責任公司河北銷售分公司)	72,430,000.00	34.68	Deposits	Within 6 months	3,621,500.00
Chongli HECIC Huashi Wind Energy Co., Ltd.	18,044,687.12	8.64	Others	Within 1 year	1,302,234.36
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	13,421,959.24	6.43	Advances	Over 3 years	13,421,959.24
Shanghai LPG Trading Center Co. Ltd. (上海石油天然氣交易中心有限公司)	12,019,478.43	5.76	Deposits	Within 1 year and 1-2 years	1,756,643.53
Shuangqiao District Land Acquisition and Reserve Center (雙橋區土地收購儲備中心)	10,014,277.25	4.80	Others	Within 1 year, 1-2 years and more than 3 years	4,915,907.79
	<u>125,930,402.04</u>	<u>60.31</u>			<u>25,018,244.92</u>

8. Inventories

	30 June 2023			31 December 2022		
	Carrying balance	Provision for decline in value/ impairment	Carrying value	Carrying balance	Provision for decline in value/ impairment	Carrying value
Raw materials	53,447,623.23	(2,512,078.24)	50,935,544.99	46,222,266.82	–	46,222,266.82
Goods in stock	340,693,467.19	–	340,693,467.19	58,308,904.95	–	58,308,904.95
	<u>394,141,090.42</u>	<u>(2,512,078.24)</u>	<u>391,629,012.18</u>	<u>104,531,171.77</u>	<u>–</u>	<u>104,531,171.77</u>

9. Notes payable

	30 June 2023	31 December 2022
Bank acceptance bills	<u>8,863,636.67</u>	<u>13,649,747.04</u>

As at 30 June 2023 and 31 December 2022, the Group had no bills payables that are due but unpaid.

10. Accounts payable

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

	30 June 2023	31 December 2022
Within 6 months	200,195,902.60	327,976,682.79
6 months to 1 year	157,324,679.32	25,254,025.99
1 to 2 years	24,738,443.28	47,826,185.58
2 to 3 years	762,376.00	1,011,027.94
Over 3 years	<u>680,200.93</u>	<u>747,339.48</u>
	<u>383,701,602.13</u>	<u>402,815,261.78</u>

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

11. Contract liabilities

	30 June 2023	31 December 2022
Advances received for natural gas sales	342,978,356.49	832,070,761.03
Advances received for services during the window period	396,460,176.98	396,460,176.98
Advances received for construction of pipeline projects	291,731,123.71	250,942,673.55
Advances received for pipeline transmission fees	3,140,831.19	7,431,567.96
Other advances received	<u>52,701,923.49</u>	<u>52,845,813.37</u>
	<u>1,087,012,411.86</u>	<u>1,539,750,992.89</u>

12. Other payables

	30 June 2023	31 December 2022
Dividends payable	125,311,550.36	142,109,925.35
Other payables	<u>7,952,344,009.71</u>	<u>7,577,859,571.29</u>
	<u>8,077,655,560.07</u>	<u>7,719,969,496.64</u>

Dividends payable

	30 June 2023	31 December 2022
Dividends payable to other equity holders	53,560,000.00	53,560,000.00
Dividends payable to other minority shareholders	<u>71,751,550.36</u>	<u>88,549,925.35</u>
	<u>125,311,550.36</u>	<u>142,109,925.35</u>

Other payables

	30 June 2023	31 December 2022
Payables for construction and materials	5,990,906,546.87	5,610,586,027.49
Payables for equipment	1,606,009,236.05	1,644,889,680.13
Others	<u>355,428,226.79</u>	<u>322,383,863.67</u>
	<u>7,952,344,009.71</u>	<u>7,577,859,571.29</u>

As at 30 June 2023, other significant payables aged over 1 year are as follows:

	Amount payable	Reasons for outstanding
Shanghai Electric Wind Power Group Company Limited (上海電氣風電集團股份有限公司)	231,946,185.10	Unpaid costs for equipment
China Electric Power Construction Group Northwest Survey and Design Institute Co. Ltd. (中國電建集團西北勘測設計研究院有限公司)	106,592,920.35	Unpaid costs for construction and equipment
Xinjiang Goldwind Science & Technology Co., Ltd. (新疆金風科技股份有限公司)	90,039,389.62	Unpaid costs for equipment and construction materials
Siemens Gamesa Renewable Energy Technology (China) CO., LTD. (西門子歌美颯可再生能源科技(中國)有限公司)	86,051,773.22	Unpaid costs for equipment and construction materials
Petroleum Bao Shi-Shun Steel Pipe (Qinhuangdao) Co., Ltd. (中油寶世順(秦皇島)鋼管有限公司)	64,081,859.55	Unpaid costs for construction materials
Harbin Electric Corporation Wind Power Co., Ltd. (哈電風能有限公司)	49,483,425.64	Unpaid costs for equipment
Mingyang Smart Energy Group Limited (明陽智慧能源集團股份公司)	45,700,450.00	Unpaid costs for equipment
Huadian Heavy Industries Co., Ltd. (華電重工股份有限公司)	44,920,491.59	Unpaid costs for construction and equipment

	Amount payable	Reasons for outstanding
Hebei North China Petroleum Engineering Construction Co., Ltd. (河北華北石油工程建設有限公司)	43,566,861.82	Unpaid costs for construction and equipment
Beijing Baosteel Northern Trading Co., Ltd. (北京寶鋼北方貿易有限公司)	<u>27,865,370.11</u>	Unpaid costs for construction and construction materials
Total	<u><u>790,248,727.00</u></u>	

13. Debentures payables

	30 June 2023	31 December 2022
Medium-term notes	2,220,546,191.74	1,526,321,780.79
Less: Debentures payable due within one year	<u>20,546,191.74</u>	<u>26,321,780.79</u>
	<u><u>2,200,000,000.00</u></u>	<u><u>1,500,000,000.00</u></u>

The balance of debentures payable for the six months ended 30 June 2023 is listed as follows:

	Par value	Issuance date	Term of debenture	Annual interest rate	Issuance amount (RMB'0,000)	Opening balance	Addition during the period	Interest accrued during the period	Repayment during the period	Closing balance
Medium-term notes	100.00	18 November 2022	2 years	3.37%	50,000.00	501,892,739.73	-	8,355,753.43	-	510,248,493.16
Medium-term notes	100.00	15 May 2020	5 years	3.86%	100,000.00	1,024,429,041.06	-	19,141,369.85	(38,600,000.00)	1,004,970,410.91
Medium-term notes	100.00	6 April 2023	2 years	3.23%	70,000.00	-	700,000,000.00	5,327,287.67	-	705,327,287.67
					<u>220,000.00</u>	<u>1,526,321,780.79</u>	<u>700,000,000.00</u>	<u>32,824,410.95</u>	<u>(38,600,000.00)</u>	<u>2,220,546,191.74</u>

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

The balance of debentures payable as at 31 December 2022 is listed as follows:

	Par value	Issuance date	Term of debenture	Annual interest rate	Issuance amount (RMB'0,000)	Opening balance	Addition during the year	Accrued interest during the year	Repayment during the year	Closing balance
Medium-term notes	100.00	24 November 2017	5 years	6.20%	50,000.00	503,268,049.17	-	27,731,950.83	(531,000,000.00)	-
Medium-term notes	100.00	5 September 2019	3 years	4.43%	30,000.00	304,321,448.80	-	8,968,351.20	(313,290,000.00)	-
ABS-Ping										
An-HECIC										
New-energy No. 1	100.00	26 December 2019	3 years	4.09%	28,500.00	285,191,621.50	-	10,957,578.50	(296,149,200.00)	-
Medium-term notes	100.00	18 November 2022	2 years	3.37%	50,000.00	-	500,000,000.00	1,892,739.73	-	501,892,739.73
Medium-term notes	100.00	15 May 2020	5 years	3.86%	100,000.00	1,024,429,041.09	-	38,600,000.00	(38,600,000.03)	1,024,429,041.06
					<u>258,500.00</u>	<u>2,117,210,160.56</u>	<u>500,000,000.00</u>	<u>88,150,820.26</u>	<u>(1,179,039,200.03)</u>	<u>1,526,321,780.79</u>

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

14. Long-term payables

	30 June 2023	31 December 2022
Long-term payables	<u>165,518,266.37</u>	<u>186,079,230.66</u>
	30 June 2023	31 December 2022
Compensation for woodlands	<u>86,207,981.67</u>	86,207,981.67
Sale-leaseback borrowings	<u>148,857,047.22</u>	169,155,675.01
	235,065,028.89	255,363,656.68
Less: Long-term payables due within one year	<u>69,546,762.52</u>	69,284,426.02
	<u>165,518,266.37</u>	<u>186,079,230.66</u>

15. Share capital

For the six months ended 30 June 2023

	Opening and closing balance
Hebei Construction & Investment Group Co., Ltd.	2,058,841,253.00
Shareholders of H shares	1,839,004,396.00
Shareholders of A shares	<u>289,247,424.00</u>
	<u>4,187,093,073.00</u>

	Opening and closing balance
Hebei Construction & Investment Group Co., Ltd.	2,058,841,253.00
Shareholders of H shares	1,839,004,396.00
Shareholders of A shares	<u>289,247,424.00</u>
	<u><u>4,187,093,073.00</u></u>

16. Other equity instruments

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

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

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

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

On 10 March 2021, the Company issued 2021 Renewable Green Corporate Bonds (First Tranche) with an initial interest rate of 5.15% in the aggregate issuance amount of RMB1.04 billion, and after deducting the underwriting expense and other related trading fees, the Company actually received cash of RMB1,039,376,000.

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

According to the terms of issuance of the above two renewable green corporate bonds, the issuer has the option to renew the bonds, and the Company has the right to choose to extend the term of the bonds by three years at the end of every three years or to redeem the bonds in full at the end of that period and there is no limit on the number of times of extension; the annual interest rate is reset every three years, and the coupon rate of the subsequent cycle is the current benchmark interest rate plus the initial spread plus 300 basis points, and the initial spread is the coupon rate of the first cycle minus the initial benchmark interest rate. There is an option available to defer the payment of interest. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, defer the interest payment for the period, and all the interest and yields are deferred to the next interest payment date, and there is no limit on the number of times of interest payment deferral. There is a redemption option of the issuer. The issuer has the right to exercise the redemption option on the first interest payment date or at the end of the year due to changes in tax policies or changes in accounting standards. Except for these two cases, the Company has no right and no obligation to redeem the bonds. The principal and interest of bonds take precedence over the issuer's ordinary debts in the payout order in case of a bankruptcy liquidation. The Company has no contractual obligation to repay the principal or pay interest on schedule. The Company classifies it as other equity instruments.

17. Other comprehensive income

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

	30 June 2023	31 December 2022
	Opening and closing balance	Opening and closing balance
Changes in fair value of investment in other equity instruments	<u>6,493,135.00</u>	<u>6,493,135.00</u>

18. Undistributed profit

	30 June 2023	31 December 2022
		(Restated)
Balance at the end of the previous period/year	7,823,373,780.42	6,466,749,439.53
Changes in accounting policies	<u>(3,538,439.14)</u>	<u>(2,052,876.42)</u>
Balance at the beginning of the period/year	7,819,835,341.28	6,464,696,563.11
Net profit attributable to shareholders of the parent company	1,438,596,728.65	2,292,630,759.66
Less: Withdrawal of statutory surplus reserves	213,911,477.39	184,687,438.30
Cash dividends payable for ordinary shares	808,108,963.09	699,244,543.19
Dividends payable to holders of other equity instruments	<u>53,560,000.00</u>	<u>53,560,000.00</u>
Balance at the end of the period/year	<u>8,182,851,629.45</u>	<u>7,819,835,341.28</u>

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

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

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

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

19. Operating income and costs

Operating income is presented as follows:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Principal operations	10,023,571,828.32	10,162,845,082.83
Other operations	23,789,965.10	62,464,802.60
	<u>10,047,361,793.42</u>	<u>10,225,309,885.43</u>

Operating costs are presented as follows:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Principal operations	7,251,967,136.65	7,131,073,362.95
Other operations	17,459,107.97	54,342,662.77
	<u>7,269,426,244.62</u>	<u>7,185,416,025.72</u>

Operating revenue by segments is presented as follows:

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

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

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

Reportable segments	For the six months ended 30 June 2023			
	Wind and photovoltaic generation	Natural gas	Others	Total
Operating revenue from contracts with customers				
Transferred at a point in time	3,409,142,664.06	6,577,395,653.83	860,378.98	9,987,398,696.87
Rendered over time	<u>8,360,232.16</u>	<u>51,152,590.10</u>	<u>–</u>	<u>59,512,822.26</u>
	<u>3,417,502,896.22</u>	<u>6,628,548,243.93</u>	<u>860,378.98</u>	<u>10,046,911,519.13</u>

Reportable segments	For the six months ended 30 June 2022			
	Wind and photovoltaic generation	Natural gas	Others	Total
Operating revenue from contracts with customers				
Transferred at a point in time	3,390,914,177.96	6,789,901,107.01	–	10,180,815,284.97
Rendered over time	<u>12,520,415.00</u>	<u>31,625,636.90</u>	<u>–</u>	<u>44,146,051.90</u>
	<u>3,403,434,592.96</u>	<u>6,821,526,743.91</u>	<u>–</u>	<u>10,224,961,336.87</u>

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

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

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

Wind and photovoltaic power generation business

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

Natural gas sales business

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

Natural gas pipeline connection and construction services

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

20. Taxes and surcharges

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
City maintenance and construction tax	11,909,938.85	8,437,164.07
Education surcharges	11,944,426.00	8,630,488.77
Stamp duty	14,211,253.49	6,775,635.04
Property tax	2,115,383.04	2,494,647.48
Land use tax	2,940,499.59	2,720,479.62
Others	5,980,876.64	8,214,336.32
	<u>49,102,377.61</u>	<u>37,272,751.30</u>

21. Selling expenses

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Employee remuneration	922,185.22	1,193,693.53
Advertising and promotion fees	180,766.20	130,682.19
Others	199,642.52	385,264.39
	<u>1,302,593.94</u>	<u>1,709,640.11</u>

22. Administration expenses

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Employee remuneration	135,114,072.27	136,350,278.80
Depreciation expense	16,310,550.99	16,096,740.87
Vehicle, transportation and travelling expenses	9,135,181.88	5,763,600.14
Amortisation of intangible assets	15,066,797.80	13,798,046.33
Rental fees	6,469,409.35	6,368,282.16
Business entertainment fees	7,188,974.27	5,330,575.54
Office expenses	12,902,761.56	14,749,997.64
Audit and evaluation consulting fees (<i>note</i>)	14,629,901.34	14,519,165.90
Amortisation of long-term deferred expenses	3,036,339.19	3,385,795.18
Others	46,340,679.04	38,176,926.74
	<u>266,194,667.69</u>	<u>254,539,409.30</u>

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

23. R&D expenses

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Depreciation and amortisation	129,264,805.89	1,973,704.77
Labor costs	33,391,794.28	18,088,200.13
Outsourcing development fees	6,363,387.46	12,052,981.11
Others	14,310,272.56	5,773,320.98
	<u>183,330,260.19</u>	<u>37,888,206.99</u>

24. Finance costs

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Interest expense	735,465,143.72	749,900,060.65
Less: Interest income	22,202,096.30	34,310,866.79
Less: Capitalised interest	191,400,440.46	131,025,611.95
Exchange gain or loss	10,503,738.50	914,616.32
Bank charges	1,874,909.73	670,182.40
Others	924,602.95	2,098,720.26
	<u>535,165,858.14</u>	<u>588,247,100.89</u>

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

25. Other income

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Government grants relating to daily activities	143,654,472.62	103,109,595.01
Provision of additional credit for input tax	524,318.18	2,123,113.97
Refund of personal income tax handling fee	867,849.10	713,722.01
	<u>145,046,639.90</u>	<u>105,946,430.99</u>

Below sets forth the government grants relating to daily activities:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Relating to assets/income
Strategic Emerging Industry Fund	131,578.92	131,578.92	Relating to assets
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	40,000.02	40,000.02	Relating to assets
Project funded by the Department of Science and Technology	52,000.02	52,000.02	Relating to assets
Xingdong New District Rerouting	1,550,142.44	1,550,142.44	Relating to assets
Special fund for prevention and control of air pollution	1,163,749.55	–	Relating to income
Subsidies for operation	20,746,270.10	–	Relating to income
Incentive from the Finance Bureau of Shijiazhuang Zhengding New District	8,872,620.47	–	Relating to income
Subsidies for wind and electricity clean heating projects	90,784.14	3,056,400.00	Relating to assets
Receipt of special funds for industrial transformation and upgrades	–	100,000.00	Relating to income
Value-added tax refund	110,707,390.83	96,381,769.49	Relating to income
Others	299,936.13	1,797,704.12	Relating to assets or income
Total	<u>143,654,472.62</u>	<u>103,109,595.01</u>	

26. Investment income

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Long-term equity investment income accounted for under the equity method	175,166,004.80	131,217,378.53
Dividend income on other equity instrument investments held	15,700,106.37	14,744,642.19
Investment gain on disposal of long-term equity investment	–	2,045,442.72
Investment gain of held-for-trading financial assets obtained during the period of holding	5,085,041.10	–
Disposal of subsidiaries	2,725,866.42	–
	<u>198,677,018.69</u>	<u>148,007,463.44</u>

27. Credit impairment losses

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Bad debt losses of the accounts receivable	(10,541,990.73)	(11,880,186.01)
Bad debt reversed/(losses) of other accounts receivable	249,212.61	(2,071,450.25)
	<u>(10,292,778.12)</u>	<u>(13,951,636.26)</u>

28. (Loss)/gain on disposal of assets

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
(Loss)/gain on disposal of fixed assets	<u>(1,780,306.54)</u>	<u>1,288,034.57</u>

29. Non-operating income

	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Included in the non-recurring gain and loss for the six months ended 30 June 2023
Unpayable amounts	371,320.30	476,996.90	371,320.30
Government grants not relating to daily activities	323,022.33	2,090,954.43	323,022.33
Gains on scrapping of fixed assets	120,573.91	108,534.41	120,573.91
Net gain from penalties	5,000.00	17,500.00	5,000.00
Others	7,232,799.99	484,038.88	7,232,799.99
	<u>8,052,716.53</u>	<u>3,178,024.62</u>	<u>8,052,716.53</u>

Government grants not relating to daily activities are as follows:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Relating to assets/ income
2022 Foreign Enterprise Investment Incentives of Development and Reform Bureau of Qiaoxi District	–	1,892,000.00	Relating to income
Receipt of technology innovation incentive	–	100,000.00	Relating to income
Receipt of incentive from Bureau of Industry and Information Technology of Fangchenggang	200,000.00	–	Relating to income
Others	123,022.33	98,954.43	Relating to income
	<u>323,022.33</u>	<u>2,090,954.43</u>	
Government grants included in non-operating income	323,022.33	2,090,954.43	

30. Non-operating expenses

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Loss on scrapping of fixed assets	901,797.53	758,002.24
Expenses on penalty	844,705.96	–
Expenses on donation	2,000.00	–
Expenses on compensation and penalties	–	49,000.00
Other expenses	1,306,374.29	1,229,468.09
	<u>3,054,877.78</u>	<u>2,036,470.33</u>
	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	Non-recurring gain and loss	Non-recurring gain and loss
Loss on scrapping of fixed assets	901,797.53	758,002.24
Expenses on penalty	844,705.96	–
Expenses on donation	2,000.00	–
Expenses on compensation and penalties	–	49,000.00
Other expenses	1,306,374.29	1,229,468.09
	<u>3,054,877.78</u>	<u>2,036,470.33</u>

31. Income tax expenses

	For the six months ended 30 June 2023	For the six months ended 30 June 2022 (Restated)
Current income tax expense	362,279,102.46	339,951,707.01
Deferred income tax expense	650,247.14	(1,010,495.18)
	<u>362,929,349.60</u>	<u>338,941,211.83</u>

The reconciliation between income tax expenses and gross profits is listed as below:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022 (Restated)
Gross profits	2,076,976,125.67	2,362,668,598.15
Income tax expense calculated at statutory tax rates (<i>Note</i>)	519,244,031.42	590,667,149.54
Effect of different tax rates applicable to certain subsidiaries	(135,622,947.43)	(227,756,559.63)
Adjustment to current income tax for prior periods	1,264,629.80	(4,871,457.67)
Gain or loss attributable to joint ventures and associates	(43,791,501.20)	(32,804,344.63)
Non-taxable income	(3,925,026.59)	(3,686,160.55)
Expenses not deductible for tax purposes	1,743,093.98	3,288,513.84
Utilisation of deductible losses from prior years	(5,861,392.83)	(7,677,087.11)
Unrecognised deductible losses	29,121,892.82	20,798,653.38
Effect of unrecognised deductible temporary difference	756,569.63	982,504.66
	<u>362,929,349.60</u>	<u>338,941,211.83</u>
Income tax expense calculated at the Group's effective tax rate	<u>362,929,349.60</u>	<u>338,941,211.83</u>

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

32. Dividends

The dividends for the six months ended 30 June 2023 and 2022 are set out below:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Dividends:		
Declared final dividend for 2022 – RMB19.3 cents (final dividend for 2021: RMB16.7 cents) per share	<u>808,108,963.09</u>	<u>699,244,543.19</u>

According to the resolution passed by the shareholders of the Company on 16 May 2023, it was agreed that the Company declared a cash dividend of RMB0.193 per share including tax for the year 2022, totaling RMB808,108,963.09.

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

33. Earnings per share

	For the six months ended 30 June 2023 RMB/Share	For the six months ended 30 June 2022 RMB/Share (Restated)
Basic earnings per share		
Continuing operations	<u><u>0.34</u></u>	<u><u>0.38</u></u>
Diluted earnings per share		
Continuing operations	<u><u>0.34</u></u>	<u><u>0.38</u></u>

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

The calculation of basic earnings per share and diluted earnings per share is detailed as follows:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022 (Restated)
Earnings		
Net profit for the period attributable to ordinary shareholders of the Company		
Continuing operations	<u><u>1,438,596,728.65</u></u>	<u><u>1,615,869,815.04</u></u>
Less: Distribution related to the first tranche of perpetual bonds in 2019	–	7,484,750.00
Less: Distribution related to the first tranche of perpetual bonds in 2021	<u><u>26,928,777.78</u></u>	<u><u>26,928,777.78</u></u>
Adjusted net profit for the period attributable to ordinary shareholders of the Company	<u><u>1,411,667,950.87</u></u>	<u><u>1,581,456,287.26</u></u>
Shares		
Adjusted weighted average number of outstanding ordinary shares of the Company	<u><u>4,187,093,073.00</u></u>	<u><u>4,187,093,073.00</u></u>

The Group has no dilutive potential ordinary shares.

V. OTHER SIGNIFICANT EVENTS

1. Segment reporting

Operating segments

For management purposes, the Group organises its business units by product and service and has 3 reportable segments as follows:

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

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

Other segments are mainly engaged in management and property leasing business, etc.

Management monitors the results of operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment results are evaluated based on reported segment profit after tax.

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

Segment information for the six months ended 30 June 2023 and as at 30 June 2023

	Natural gas	Wind and photovoltaic power generation	Others	Elimination upon consolidation	Total
Revenue from external customers	<u>6,628,548,243.93</u>	<u>3,420,279,759.88</u>	<u>32,042,004.19</u>	<u>(33,508,214.58)</u>	<u>10,047,361,793.42</u>
Investment income from joint ventures and associates	61,718,177.70	39,566,159.19	73,881,667.91	-	175,166,004.80
Credit impairment losses	4,821,882.76	5,640,649.65	(169,754.29)	-	10,292,778.12
Depreciation and amortisation expense	120,742,945.71	1,125,626,275.11	6,874,313.68	-	1,253,243,534.50
Gross profits	408,788,197.41	1,596,468,584.94	103,029,399.86	(31,310,056.54)	2,076,976,125.67
Income tax expenses	<u>99,224,260.81</u>	<u>263,444,656.77</u>	<u>103,773.92</u>	<u>156,658.10</u>	<u>362,929,349.60</u>
Total assets	<u>29,809,183,132.19</u>	<u>45,064,502,277.69</u>	<u>9,841,633,241.77</u>	<u>(7,509,665,306.64)</u>	<u>77,205,653,345.01</u>
Total liabilities	<u>23,509,794,156.98</u>	<u>30,928,014,846.01</u>	<u>4,347,795,601.26</u>	<u>(7,281,297,866.68)</u>	<u>51,504,306,737.57</u>
Other disclosures					
Non-cash expenses other than depreciation and amortisation expenses	<u>4,821,882.76</u>	<u>8,152,727.89</u>	<u>(169,754.29)</u>	-	<u>12,804,856.36</u>
Capital expenditure (<i>note</i>)	<u>3,161,626,858.98</u>	<u>1,233,040,833.44</u>	<u>4,058,814.18</u>	-	<u>4,398,726,506.60</u>

Segment information for the six months ended 30 June 2022 and as at 31 December 2022

	Natural gas	Wind and photovoltaic power generation	Others	Elimination upon consolidation	Total
Revenue from external customers	<u>6,821,526,743.91</u>	<u>3,400,359,470.35</u>	<u>3,423,671.17</u>	<u>–</u>	<u>10,225,309,885.43</u>
Investment income from joint ventures and associates	88,578,226.31	36,073,947.71	6,565,204.51	–	131,217,378.53
Credit impairment losses	2,541,081.82	10,732,312.06	678,242.38	–	13,951,636.26
Depreciation and amortisation expense	112,068,063.04	1,042,586,908.60	3,154,597.09	–	1,157,809,568.73
Gross profits	757,793,586.19	1,621,481,518.39	(16,606,506.43)	–	2,362,668,598.15
Income tax expenses	<u>165,274,944.93</u>	<u>173,665,217.32</u>	<u>1,049.58</u>	<u>–</u>	<u>338,941,211.83</u>
Gross profits	<u>27,170,175,040.80</u>	<u>46,755,826,891.03</u>	<u>9,662,536,794.82</u>	<u>(6,175,989,791.99)</u>	<u>77,412,548,934.66</u>
Total liabilities	<u>20,585,163,573.78</u>	<u>32,378,161,639.67</u>	<u>5,291,795,850.77</u>	<u>(6,023,829,189.74)</u>	<u>52,231,291,874.48</u>
Other disclosures					
Non-cash expenses other than depreciation and amortisation expenses	<u>2,541,081.82</u>	<u>10,732,312.06</u>	<u>678,242.38</u>	<u>–</u>	<u>13,951,636.26</u>
Capital expenditure (note)	<u>1,519,888,847.86</u>	<u>986,812,491.79</u>	<u>1,339,602.64</u>	<u>–</u>	<u>2,508,040,942.29</u>

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

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

Geographic Information

Revenue from external customers

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Mainland China	<u>10,047,361,793.42</u>	<u>10,225,309,885.43</u>

Revenue from external customers was attributable to the regions where the customers were located, and all customers were located in Mainland China.

Total non-current assets

	30 June 2023	31 December 2022
Mainland China (excluding Hong Kong, Macao and Taiwan regions)	65,068,547,959.02	61,907,282,282.04
Hong Kong, Macao and Taiwan regions	3,686,474.09	4,962,067.31
	<u>65,072,234,433.11</u>	<u>61,912,244,349.35</u>

The non-current assets were attributable to the regions where such assets were located, and excluded financial assets and deferred income tax assets.

Information about major customers

Operating revenue of RMB3,118,691,721.90 (for the six months ended 30 June 2022: RMB3,127,331,075.71) was the revenue generated from a single customer (including all entities known to be under the control of the customer) under the operating segments.

2. Lease

(1) As lessor

The Group leases out certain of its houses and buildings for a lease term of 1-2 years, which constitute operating leases. For the six months ended 30 June 2023, the income generated from the leased houses and buildings amounted to RMB450,274.29 (for the six months ended 30 June 2022: RMB348,548.56).

Operating leases

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

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Rental income	<u>450,274.29</u>	<u>348,548.56</u>

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

	30 June 2023	30 June 2022
Within 1 year (inclusive)	1,761,120.00	2,059,920.00
1 to 2 years (inclusive)	1,230,960.00	1,209,920.00
2 to 3 years (inclusive)	–	1,209,920.00
3 to 4 years (inclusive)	–	500,000.00
	<u>2,992,080.00</u>	<u>4,979,760.00</u>

(2) *As lessee*

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Interest expense on lease liabilities	23,845,368.39	17,093,963.55
Expenses on short-term leases and leases of low-value assets included in profit or loss accounted for under the simplified approach	6,469,409.35	6,368,282.16
Total cash outflows relating to leases	79,250,510.05	132,200,619.85
Relevant profit or loss arisen from leaseback transactions	1,882,470.06	5,185,410.32
Cash outflows from leaseback transactions	<u>21,778,056.94</u>	<u>168,715,152.82</u>

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

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