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)

2018 INTERIM RESULTS ANNOUNCEMENT

The board of directors of China Suntien Green Energy Corporation Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2018. The full text of 2018 interim report contained herein is in line with relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results. The 2018 interim report of the Company will be dispatched to the holders of H shares of the Company in early September 2018 and available for viewing by the public on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Company at www.suntien.com.

Contents

Any discrepancies that arise from the aggregate amounts indicated in any forms or texts herein are due to rounding.

Interim Results

The Board hereby presents the unaudited interim results for the six-month period ended 30 June 2018 prepared in accordance with the International Financial Reporting Standards. The Audit Committee of the Board has also reviewed the 2018 interim results of the Group and relevant financial information.

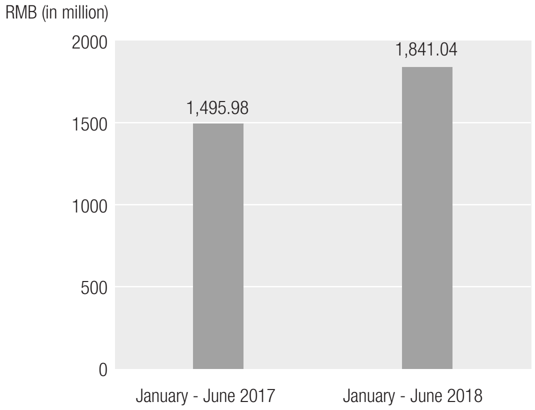
For the six months ended 30 June 2018, the Group recorded a consolidated operating revenue of approximately RMB4,839 million, up 50.2% over the same period of 2017; profit before tax of approximately RMB1,078 million; net profit attributable to the owners of the Company of approximately RMB822 million and earnings per share of approximately RMB0.2184. As at 30 June 2018, net assets per share of the Company (excluding the interests held by non-controlling interest holders) amounted to RMB2.43.

I. Financial Highlights

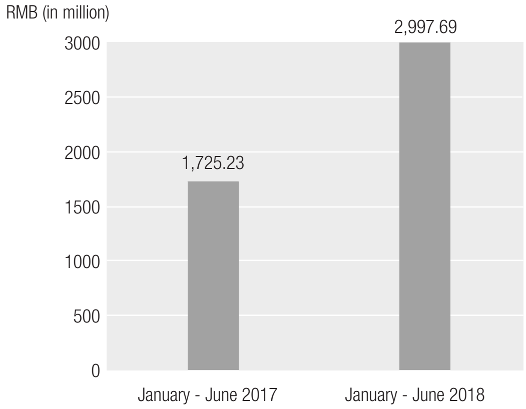
	For the six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**4,838,724**	3,221,209
Profit before tax	**1,077,908**	806,126
Income tax expense	**121,323**	95,413
Profit for the period	**956,585**	710,713
Attributable to:		
Owners of the Company	**822,200**	601,351
Non-controlling interests holders	**134,385**	109,362
Total comprehensive income for the period	**956,585**	710,713
Earnings per share attributable to ordinary equity holders of the Company		
Basic (RMB)	**21.84 cents**	16.19 cents
Diluted (RMB)	**21.84 cents**	16.19 cents

II. Major Operation Data

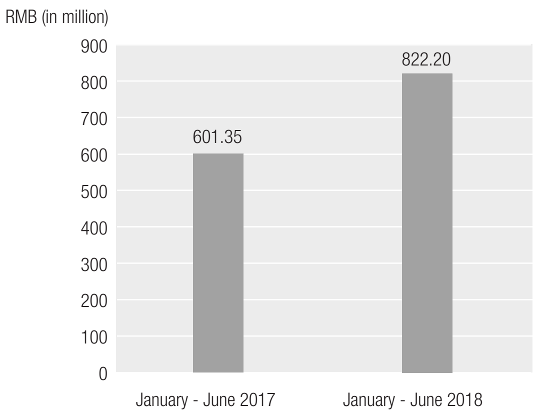
Consolidated Revenue of Wind and Photovoltaic Power Generation Businesses



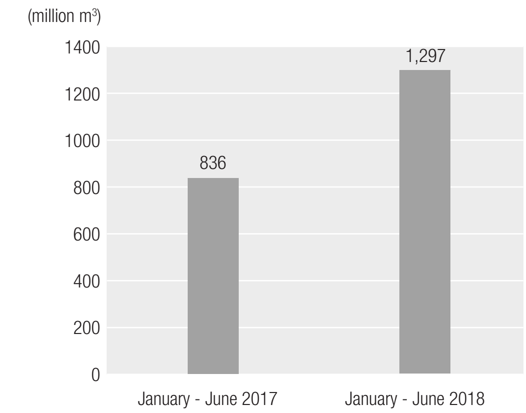
Consolidated Revenue of Natural Gas Business



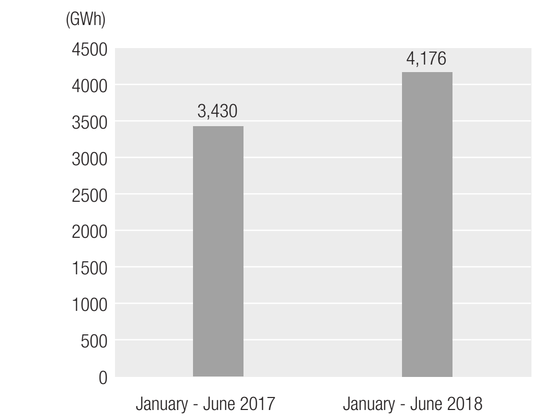
Net Profit Attributable to Owners of the Company



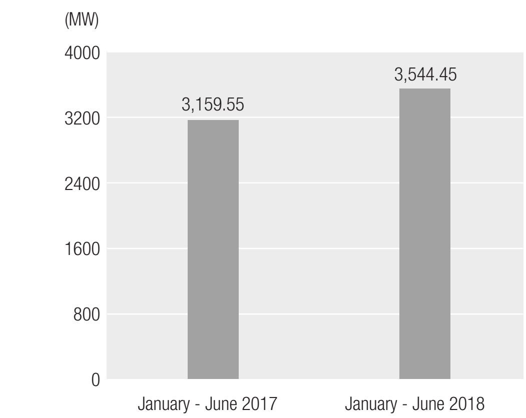
Natural Gas Sales Volume



Wind Power Consolidated Gross Power Generation



Wind Power Consolidated Installed Capacity



I. OPERATING ENVIRONMENT

During the first half of 2018, although there were more uncertainties in the external environment, China's economic development maintained stable in general and moved forward steadily. With deepened structural adjustment and successive shift from old to new growth drivers, we saw steady improvement in both quality and efficiency. With the continuous adjustment in national economic structure, energy structure continued to optimize. Among them, the growth rate of new energy power generation, led by wind power generation, has obviously accelerated, with continued optimization in the power source structure. From January to June, new energy power generation accounted for 10.8% of all power generation, representing an increase in proportion of 1.0 percentage point as compared with the same period of last year.

In May 2018, the National Energy Administration issued the Notice on the Relevant Requirements for Wind Power Construction Management in 2018 (《關於2018年度風電建設管理有關要求的通知》), which points out the allocation of wind power projects by implementing a competitive approach. Since the date of issue of the notice, new concentrated onshore wind power projects of provinces (including autonomous regions and municipalities) that have not yet issued the Wind Power Construction Plan 2018 and offshore wind power projects which had no confirmed investment subjects, shall all be allocated, and on-grid tariffs shall be determined, by the competitive approach. Provinces (including autonomous regions and municipalities) that have already issued the Wing Power Construction Plan 2018 and offshore wind power projects which had confirmed investment subjects, could continue to implement the original plan. Starting from 2019, the newly approved concentrated onshore wind power projects and offshore wind power projects of all provinces (including autonomous regions and municipalities) shall all be allocated, and on-grid tariffs shall be determined, by the competitive approach.

In March 2018, the National Energy Administration issued a consultation letter in relation to Electricity Quota of Renewable Energy and Assessment Methods (Consultation Draft) (《可再生能源電力配額及考核辦法(徵求意見稿)》). The letter points out that, for the implementation of quota, provincial level power grid companies shall formulate implementation plans for fulfilling quotas in their operating areas, direct market participants to prioritize renewable electricity trading, and conduct mandatory amortization according to quota implementation plans approved by their respective provincial governments when the market mechanism could not guarantee the full utilization of renewable electricity.

In June 2018, the State Council issued the Three-Year Action Plan for Winning the Battle to Defend Blue Skies (《打贏藍天保衛戰三年行動計劃》), which requires effective promotion of clean heating in Northern China and insists on taking a realistic approach to "adopt electricity if appropriate, adopt gas if appropriate". Urban households and people who live in regions badly affected by air pollution shall be given priority to use the additional natural gas for living and heating in winter as a replacement for coal. The PRC government focuses on supporting Beijing-Tianjin-Hebei and surrounding areas and the Fenhe and Weihe Plains to achieve the goal of "increasing use of natural gas and reducing use of coal", and strives to increase the proportion of natural gas to 10% of total energy consumption by 2020.

In May 2018, the NDRC issued the Notice on Straightening out the Gate Price of Natural Gas Used for Residential Purpose (《國家發展改革委關於理順居民用氣門站價格的通知》), for the purpose to change residential-use gas from ceiling gate price management to benchmark gate price management. The price level was arranged according to the benchmark gate price level of non-residential-use gas, with value-added tax at a rate of 10%. The supply and demand sides could negotiate and determine the specific gate price, charging up to 20% more than the benchmark gate price with no downward limit for price fluctuations, based on the benchmark gate price, to dovetail with the non-residential-use gas price mechanism. Gate price would not increase as at the time of implementation of the plan. The increase of gate price would be allowed after one year of implementation. Such plan has been implemented since 10 June 2018.

According to the statistics of the National Energy Administration, from January to June 2018, the national electricity consumption accumulated to 3.2291 trillion kWh, representing an increase of 9.4% as compared with the same period of last year. From January to June, the nationwide wind power generation amounted to 0.1917 trillion kWh, representing an increase of 28.7% as compared with the same period of last year, while the average utilization hours of wind power generation units were 1,143 hours, with 159 hours more than the same period of last year; and the average utilization hours of wind power generation units in Hebei Province were 1,297 hours. The national wind curtailment amounted to 18.2 billion kWh, representing a decrease of 5.3 billion kWh as compared with the same period of last year. The situation of wind power and photovoltaic power generation continued to improve with "double drops" in both the quantity and percentage of wind power curtailment.

According to the statistics of the operation report of NDRC, during the first half of 2018, production capacity of natural gas amounted to 77.9 billion cubic meters, representing an increase of 4.8% as compared with the same period of last year. The import of natural gas amounted to 58.4 billion cubic meters, representing an increase of 39.3% as compared with the same period of last year; and the consumption of natural gas amounted to 134.8 billion cubic meters, representing an increase of 17.5% as compared with the same period of last year.

II. BUSINESS REVIEW

(i) Business review and major financial indicators of wind power segment

1. Business review of wind power segment

(1) Steady increase in power generation of wind farms

During the Reporting Period, due to the increase in operating capacity of the wind farms controlled by the Group, such wind farms realized a power generation of 4.176 billion kWh, representing an increase of 21.76% as compared with the same period of last year; the utilization hours of the wind farms controlled by the Group were 1,358 hours, representing an increase of 128 hours as compared with the same period of last year, which were 215 hours higher than the nationwide average utilization hours and 61 hours higher than the average utilization hours in Hebei Province; the average availability factor was 97.37%, representing an increase of 0.57 percentage point over the same period of last year.

(2) Solid proceeding with project construction

As of the end of the Reporting Period, the Group had projects under construction with a total installed capacity of 626.5MW, which comprised installed capacity of 438.5MW of onshore projects and 188MW of offshore projects. The offshore transformer station platforms of the 300MW offshore wind power project at Bodhi Island, Leting County, a national demonstration project, was successfully installed with 28 wind turbines hoisted in total. The installation of 2 wind turbines for the 72MW wind power project in Xuyi County, Jiangsu Province was completed, achieving a new breakthrough for a hub height of 120 meters. The construction of other projects progressed as scheduled.

During the Reporting Period, the Group closely monitored and controlled construction works, consolidated engineering inspection process, achieved closed-loop management for the full process of project inspection and constantly enhanced construction quality. At the same time, the Group standardized engineering management process to ensure the control over quality, progress, investment and safety, so as to guarantee the construction of each project as planned.

(3) Actively expanding wind resource reserves

During the Reporting Period, the Group acquired 99MW newly approved capacity and the accumulative approved reserve capacity amounted to 2,394.6MW.

In the first half of 2018, the newly approved capacity of the Group (alternatives inclusive) amounted to 234.5MW. As of the end of the Reporting Period, the accumulative national approved capacity of the Group reached 6,633.3MW, spreading over 16 provinces across the country.

During the Reporting Period, the Group acquired an agreed volume of new wind power of 1,400MW, resulting in total agreed volume of wind resources of the Group reaching 31,772.5MW in over 21 provinces across the country.

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

(1) Revenue

During the Reporting Period, the Group realized wind power business sales revenue of RMB1,841 million, representing an increase of 23.1% as compared with the same period of last year, which was mainly due to the increase in the sales volume of electricity as compared with the same period of last year. The increase in the sales volume of electricity was mainly due to the increase in utilization hours of wind power and the operation of new wind power plants, leading to an increase in power generation.

(2) Operating costs

During the Reporting Period, the operating costs (including cost of sales, marketing and distribution costs, administrative expenses and other expenses) of the Group's wind power business was RMB671 million, representing an increase of 17.9% as compared with the same period of last year. This was mainly due to the increase in operating costs as a result of the operation of new wind power plants during the Reporting Period.

(3) Profit from operations

During the Reporting Period, profit from operations of the wind power business was RMB1,228 million, representing an increase of 26.6% as compared with the same period of last year, which was mainly due to an increase in the sales volume of electricity; the gross profit margin of wind power business was 68.0%, representing an increase of 2 percentage points as compared with 66.0% in the same period of last year, which was mainly due to better wind resources in the first half year and the increase in the sales volume of electricity, which led to an increase in gross profit margin.

(ii) Business review and major financial indicators of the natural gas segment

1. Business review of natural gas segment

(1) Significant rebound in sales volume of natural gas

During the Reporting Period, due to the influence of the gradual recovery in the real economy and policies such as the replacement of coal by gas, the Group's sales volume of natural gas amounted to 1,297 million cubic meters, representing an increase of 55.1% as compared with the same period of last year. Among which, wholesale volume amounted to 825 million cubic meters, representing an increase of 71% as compared with the same period of last year; retail sales volume amounted to 431 million cubic meters, representing an increase of 35% as compared with the same period of last year; and the sales volume of CNG/LNG amounted to 41 million cubic meters, representing an increase of 17% as compared with the same period of last year.

(2) Steadily proceeding with the construction of natural gas pipelines

As of 30 June 2018, the aggregate length of the Group's pipelines in operation was 3,645.14 kilometers. The main part of the project of pipelines for ten counties in central Hebei Province (Phase II) and Xiaoxinzhuang branch (小辛莊支線) were put into trial operation. Xinji branch (辛集支線) and Xincheng branch (新城支線) have completed pipeline welding of 7.78 km, and are expected to be completed and put into trial operation at the end of the year.

(3) Prudent development of CNG and LNG projects

In the first half of 2018, the Group had not commenced any new CNG and LNG project. As of the end of the Reporting Period, 7 CNG primary refilling stations and 7 CNG refilling stations were in operation.

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

During the Reporting Period, leveraging on its newly operating pipelines, the Group vigorously developed its terminal user base of natural gas and newly acquired 23,779 customers from different categories. As of 30 June 2018, the Group had an aggregate of 260,659 customers.

(5) Forming a gas supply pattern with multi-sources on a long-term basis

During the Reporting Period, the Group steadily proceeded with the Zhangzhou-Yongqing Pipeline Project to further materialize the construction of natural gas pipelines connecting Shanxi Province, Hebei Province and Tianjin Municipality.

2. Major financial information of natural gas

(1) Revenue

During the Reporting Period, the Group recorded a natural gas sales revenue of RMB2,998 million, representing an increase of 73.8% as compared with the same period of last year, which was mainly due to the facts that (i) customers of Shahe Big Industry (沙河大工業) increased and the wholesale volume of mid-stream customers increased; and (ii) the gas sales unit price increased as compared with the same period of last year. In particular, the pipeline wholesale business recorded a sales revenue of RMB1,830 million, representing 61% of the Group's sales revenue from natural gas; the retail business, such as the sales of city natural gas, recorded a sales revenue of RMB1,021 million, representing 34% of the Group's sales revenue from natural gas. The CNG business recorded a sales revenue of RMB108 million, representing 4% of the Group's sales revenue from natural gas. Other income amounted to RMB39 million, representing 1% of the Group's sales revenue from natural gas.

(2) Operating costs

During the Reporting Period, the operating costs (including cost of sales, marketing and distribution costs, administrative expenses and other expenses) of the Group's natural gas business amounted to RMB2,868 million, representing an increase of 79.5% as compared with RMB1,598 million in the same period of last year, which was mainly due to the increase in sales volume as compared with the same period of last year and the corresponding increase in operating costs.

(3) Profit from operations

During the Reporting Period, profit of the Group from operations of the natural gas business was RMB132 million, representing an increase of 1.2% as compared with the same period of last year. The increase was mainly due to the increase in sales volume of natural gas as compared with the same period of last year. The gross profit margin was 11.06%, representing an increase of 0.7 percentage point as compared with the same period of last year, which was mainly due to the effect of the slight increase in the gross profit of the retail business of our branch in Shahe.

(iii) Photovoltaic power generation project

During the Reporting Period, the Group's 20MW photovoltaic power station projects in Shuangsheng, Tailai County, Heilongjiang Province were put into operation. All had commenced power generation and were connected to grid.

III. DISCUSSION AND ANALYSIS ON OPERATING RESULTS

(1) Overview

During the Reporting Period, the Group realized a net profit of RMB957 million, representing an increase of 34.6% as compared with the same period of last year. In particular, the net profit attributable to owners of the Company was RMB822 million, representing an increase of 36.7% as compared with the same period of last year, which was mainly due to the increase in the Group's operating profits.

(2) Revenue

During the Reporting Period, the Group recorded a revenue of approximately RMB4,839 million, representing an increase of 50.2% as compared with the same period of last year, which was mainly attributable to the year-on-year increase in revenues of wind power and natural gas sectors, of which:

1. revenue from the wind power and photovoltaic power businesses amounted to approximately RMB1,841 million, representing an increase of 23.1%, which was mainly due to the increase in sales volume during the Reporting Period.

2. revenue from the natural gas business amounted to approximately RMB2,998 million, representing an increase of 73.8% as compared with the same period of last year. This was mainly attributable to the increase in sales volume during the Reporting Period.

(3) Other income and net gains

During the Reporting Period, the Group recorded other income and net gains of RMB65.698 million, representing an increase of RMB16.078 million as compared with the same period of last year, which was mainly due to the write-down in trade payable of the Group caused by the quality issue.

(4) Operating costs

During the Reporting Period, the Group's operating costs (including cost of sales, marketing and distribution costs, administrative expenses and other expenses) amounted to RMB3,571 million, representing an increase of 62.1% as compared with the same period of last year, of which:

1. cost of sales was RMB3,255 million, representing an increase of 58.4% as compared with the same period of last year, which was mainly because the cost of purchasing natural gas represented the major sales costs of the Group, and the increase in purchase volume led to an increase in the cost of sales.

2. administrative expenses were RMB173 million, representing an increase of 23.6% as compared with the same period of last year, which was mainly due to the increase in administrative expenses as a result of the expanding production scale.

(5) Finance costs

During the Reporting Period, the Group's finance costs were RMB390 million, representing an increase of 15.7% as compared with RMB337 million in the same period of last year. This was mainly due to the operation of new wind power plants, leading to an increase in finance costs.

(6) Share of profit of associates

During the Reporting Period, the Group's share of profit of associates was RMB138 million, representing an increase of RMB63 million as compared with RMB75 million in the same period of last year. This was mainly due to the increase in net profit of associates.

(7) Income tax expenses

During the Reporting Period, the Group's net income tax expenses were RMB121 million, representing an increase of 27.4% as compared with RMB95 million in the same period of last year. The main reason for such increase was due to the significant increase in the Group's profits before tax during the Reporting Period as compared with the same period of last year.

(8) **Net profit**

During the Reporting Period, the Group recorded a net profit of RMB957 million, representing an increase of RMB246 million as compared with RMB711 million in the same period of last year, which was mainly due to the year-on-year increase in the Group's operating profits during the Reporting Period.

(9) **Profit attributable to owners of the Company**

During the Reporting Period, the profit attributable to owners of the Company was RMB822 million, representing an increase of RMB221 million as compared with RMB601 million in the same period of last year. This was primarily attributable to the increase in the Group's net profit as compared with the same period of last year.

The basic earnings per share attributable to shareholders of the Company was RMB0.2184.

(10) **Profit attributable to non-controlling interests holders**

During the Reporting Period, the profit attributable to non-controlling interests holders was RMB134 million, representing an increase of RMB25 million as compared with RMB109 million in the same period of last year. This was primarily attributable to the increase in the Group's net profit as compared with the same period of last year.

(11) **Trade and bills receivables**

As of 30 June 2018, the Group's trade and bills receivables amounted to RMB3,154 million, representing an increase of RMB407 million as compared with that as at 31 December 2017, which was mainly attributable to the unrecovered part of the renewable energy subsidies which led to an increase in receivables in the wind power sector.

(12) **Bank and other borrowings**

As of 30 June 2018, the Group's long-term and short-term borrowings amounted to RMB19,882 million, representing an increase of RMB957 million as compared with RMB18,925 million as at 31 December 2017. Among all borrowings, short-term borrowings (including current portion of long-term borrowings) amounted to RMB5,841 million and long-term borrowings amounted to RMB14,041 million. Among all borrowings, fixed-rate borrowings amounted to RMB3,781 million.

During the Reporting Period, the Group optimized the debt structure scientifically and developed multi-channels for financing and better capital arrangement to reduce the capital costs, including: (1) integrating the characteristics of financial products and advantages of project resources of banks and enterprises for better adaption to the market and reducing the overall capital costs; (2) making breakthroughs against the traditional credit modes and seeking for new cooperation models so as to meet the Group's demand on diversification; (3) establishing a communication mechanism with long-term effect and promptly adapting to changes in the financial trend so as to provide effective supports to decision-makings; (4) targeting at the demands of projects from other provinces, actively cooperating with local banks so as to ensure sufficient supply of fund for those projects; (5) according to the order of priority, specifying the approaches for connecting to key projects and ensuring the implementation of project funding.

(13) Liquidity and capital resources

As of 30 June 2018, the Group's net current liabilities value was RMB3,591 million. The net cash and cash equivalents increased by RMB159 million. The Group has obtained banking facilities of RMB55,761 million in total granted by various domestic banks, of which RMB19,535 million was utilized. During the Reporting Period, the total amount of borrowings repaid by the Group was RMB3,054 million.

(14) Capital expenditures

During the Reporting Period, capital expenditures mainly included construction costs for new wind power projects, natural gas pipeline, additions to property, plant and equipment and prepayment for leased land. Capital resources mainly included self-owned fund, bank borrowings and cash flows from the Group's operating activities. During the Reporting Period, the Group's capital expenditures were RMB1,811 million, representing a decrease of 2.4% from RMB1,856 million over the same period of last year. Segment information of capital expenditures is as follows:

	Six-month period ended 30 June		
	2018 (RMB'000) (Unaudited)	2017 (RMB'000) (Unaudited)	Percentage change (%)
Natural gas	**248,958**	160,809	54.8%
Wind power and photovoltaic power	**1,561,575**	1,694,798	-7.9%
Unallocated capital expenditures	**375**	55	581.8%
Total	**1,810,908**	1,855,662	-2.4%

(15) Net gearing ratio

As of 30 June 2018, the net gearing ratio (net liabilities divided by the sum of net liabilities and equity) of the Group was 65%, representing a decrease of 2 percentage points as compared with 67% as at 31 December 2017.

(16) Foreign exchange risk

The Group retained some of the capital denominated in foreign currencies, mainly the Hong Kong dollar raised from additional issuance of shares that has not been settled and exchanged. Fluctuations in exchange rate would influence our reserve in foreign currencies to a certain extent and the Company has implemented the following measures to avoid foreign exchange risk: (i) promptly settle and exchange the amount into RMB for project construction; (ii) actively follow the state foreign exchange policies and study the trend of foreign exchange rates.

(17) Material acquisitions and disposals

During the Reporting Period, the Group had no material acquisitions or disposals.

(18) Material charge on assets of the Group

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

(19) Contingent liabilities

The Company provided a guarantee of RMB200 million to the Handan Branch of China Minsheng Banking Co., Ltd. (中國民生銀行股份有限公司邯鄲分行) for Hebei Suntien Guohua Gas Co., Ltd. (河北新天國化燃氣有限責任公司) , a joint venture of the Company, for its application of credit line. As of 30 June 2018, RMB130 million has been utilized.

The Company provided a guarantee of RMB100 million to the Zhengzhou Branch of Sinopec Finance Co., Ltd. (中國石化財務有限責任公司鄭州分公司) for Hebei Suntien Guohua Gas Co., Ltd., a joint venture of the Company, for its fixed assets loans. As of 30 June 2018, RMB45 million has been utilized.

The Company provided a guarantee of RMB1,000 million to Ping An Bank (平 安 銀 行) for Huihai Financial Leasing Co., Ltd. (匯海融資租賃有限公司), an associate of the Company, for its application of credit line. As of 30 June 2018, RMB500 million has been utilized.

(20) Material litigation

During the Reporting Period, the Group involved in the following material litigations/arbitrations:

(1) As stated in the 2017 annual report of the Company, for the arbitration regarding Hebei No.1 Electric Power Construction Company (河北省電力建設第一工程公司) ("Hebei No.1 Company") and HECIC Yanshan (Guyuan) Wind Power Co., Ltd. (建投燕山(沽源)風能有限公司) ("Yanshan Guyuan"), the Shijiazhuang Arbitration Committee has made an arbitration ruling on 31 July 2018 that Yanshan Guyuan shall pay an amount of RMB68,383,026 to Hebei No. 1 Company, subject to an interest of prevailing interest rate of bank loans for the same period.

(2) As stated in the 2017 annual report of the Company, for the case regarding Hebei Yuanhua Glass Co., Ltd. (河北元華玻璃股份有限公司) ("Yuanhua Glass") and Yuan Hua in respect of the outstanding amount of RMB188 million payable by Yuanhua Glass to Hebei Natural Gas Company Limited, Yuanhua Company has been performing its debt repayment obligation pursuant to the signed settlement agreement.

Save for the above, the Group did not engage in any other litigation or arbitration of material importance.

(21) Changes in accounting policies

During the Reporting Period, IFRS9 – Financial Instruments and IFRS15 – Revenue from Contracts with Customers, issued by the IASB in 2014, was in effect from 1 January 2018. For details of the changes in accounting policies and the effects thereof, please refer to Note 2.2 of the Notes to the Interim Condensed Consolidated Financial Statements in this report.

IV. PROSPECTS FOR THE SECOND HALF OF 2018

In the second half of 2018, the Group will continue its business with the following measures:

1. Further liberalizing our mind, timely changing our thoughts for new energy development and committed to developing the market for more resources, diligently undertaking preliminary work for the resources we possessed and striving to obtain project approvals as soon as possible.

2. Further deepening upstream cooperation, expanding pipelines for gas resources, materializing gas resources, achieving mutual complementation for various gas resources such as pipeline gas, coal-bed methane and LNG, adopting a targeted sales strategy, strengthening downstream market development and coordinating and planning for the use of resources throughout the year to achieve safe and stable gas supply.

3. Closely monitoring and controlling construction works, optimizing project construction management, closely overseeing the progress of key construction projects, achieving closed-loop management for the full process of project inspection, constantly enhancing construction quality and ensuring production to commence on schedule.

4. Watching closely and analyzing the monetary policies of China for preparation of overall financing and capital deployment, continuously searching for innovative financing models, refining capital management and ensuring its scientific and efficient use.

5. Combining the new situation of the Group and the needs for rapid development, starting with the improvement of systems and processes to further strengthen the management base, and continuously enhance the level of regularization and standardization of the Company's management to achieve optimal development.

1. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company believes that it strictly complied with the principles and code provisions, and some of the recommended best practices in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules from 1 January 2018 to 30 June 2018. The Company has also established a modern corporate governance structure with characteristics of effective balance and independent operation, which comprises shareholders' meeting, the Board, the board of supervisors and senior management.

2. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

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

On 2 February 2018, Ms. Ma Hui resigned as an employee supervisor of the Company, for the reason that she had reached her retirement age. Her resignation took effect from 1 March 2018.

On 1 March 2018, Ms. Wang Xiu Ce was elected as an employee representative supervisor of the third session of the board of supervisors of the Company at the employee representatives meeting until the expiry of the term of the third session of the board of supervisors and she is eligible for re-election upon expiry of her term according to the articles of association of the Company.

(2) NUMBER OF EMPLOYEES

As at 30 June 2018, the Company had 2,057 employees in total. The Group will further strengthen management of professionals and technical talents, expanding the career path for the talents, continue to standardize the managing policies, employee recruitment, staff promotion and performance management, and strive to drive the specialization and refinement levels of the human resources management work of the Company and establish harmonious labour relationships actively on the basis that system construction has been perfected.

(3) INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2018, none of the Directors, supervisors or senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the "SFO")) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") (for this purpose, the relevant provisions of the SFO will be interpreted as if they were also applicable to the supervisors).

(4) COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by all Directors, supervisors and relevant employees of the Company (as defined under the Corporate Governance Code). After making specific enquiries to all of the Directors and supervisors of the Company, all Directors and supervisors confirmed that during the Reporting Period, they had strictly complied with the Model Code.

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

3. THE BOARD

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

During the Reporting Period, seven Board meetings, one Audit Committee meeting, one board of supervisors meeting, one annual general meeting and one extraordinary general meeting were held by the Company, while no meeting was held by the Remuneration and Appraisal Committee and the Nomination Committee. All Directors of the Company have attended all the Board meetings and meetings of the relevant Committees. Mr. Mei Chun Xiao, Mr. Wang Hong Jun, Mr. Qin Gang, Ms. Sun Min and Mr. Wang Xiang Jun attended the 2017 annual general meeting and answered questions from shareholders.

(1) AUDIT COMMITTEE

During the Reporting Period, the Audit Committee of the Company consisted of three Directors, namely Mr. Wang Xiang Jun (王相君, an independent non-executive Director), Mr. Qin Gang (秦剛, a non-executive Director) and Mr. Yue Man Yiu Matthew (余文耀, an independent non-executive Director). Mr. Wang Xiang Jun serves as the chairman of the Audit Committee.

During the Reporting Period, the Audit Committee convened one meeting, at which the audit results of 2017 were considered and the resolution on the 2017 Internal Audit and Risks Management Report of the Company was reviewed and approved and submitted to the Board for consideration.

(2) REMUNERATION AND APPRAISAL COMMITTEE

During the Reporting Period, the Remuneration and Appraisal Committee of the Company consisted of three Directors, namely Mr. Qin Hai Yan (秦海岩, an independent non-executive Director), Dr. Cao Xin (曹欣, the chairman and a non-executive Director) and Mr. Ding Jun (丁軍, an independent non-executive Director). Mr. Qin Hai Yan serves as the chairman of the Remuneration and Appraisal Committee.

During the Reporting Period, no meeting was convened by the Remuneration and Appraisal Committee. Members maintained close and effective communication amongst themselves through channels such as e-mails and electronic communications to ensure the proper discharge of their duties.

(3) NOMINATION COMMITTEE

During the Reporting Period, the Nomination Committee consisted of five Directors, namely Dr. Cao Xin (a non-executive Director), Dr. Li Lian Ping (李連平, a non-executive Director), Mr. Qin Hai Yan (an independent non-executive Director), Mr. Ding Jun (an independent non-executive Director) and Mr. Yue Man Yiu Matthew (an independent non-executive Director). Dr. Cao Xin serves as the chairman of the Nomination Committee.

During the Reporting Period, no meeting was convened by the Nomination Committee. Members maintained close and effective communication amongst themselves through channels such as e-mails and electronic communications to ensure the proper discharge of their duties.

(4) STRATEGIC AND INVESTMENT COMMITTEE

During the Reporting Period, the Strategic and Investment Committee of the Company consisted of three Directors, including Dr. Cao Xin (a non-executive Director), Dr. Li Lian Ping (a non-executive Director) and Mr. Mei Chun Xiao (梅春曉, an executive Director). Dr. Cao Xin serves as the chairman of the Strategic and Investment Committee.

During the Reporting Period, no meeting was convened by the Strategic and Investment Committee. Members maintained close and effective communication amongst themselves through channels such as e-mails and electronic communications to ensure the proper discharge of their duties.

4. INTERNAL CONTROL

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

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

Other Information

1. SHARE CAPITAL AND USE OF PROCEEDS FROM PLACING OF H SHARES

As of 30 June 2018, the total number of shares of the Company was 3,715,160,396, comprising of 1,876,156,000 domestic shares and 1,839,004,396 H shares. As of 30 June 2018, among the net proceeds from the placing of H shares by the Company in January 2014 of approximately HK$1,564 million, the Company has applied approximately HK$985 million in the investment in its wind power generation projects in the PRC, approximately HK$260 million in the development of the Group's natural gas business in the PRC and approximately HK$206 million in replenishing the Company's working capital. The remaining net proceeds from the placing of approximately HK$166 million are currently deposited in the bank account of the Company. It is expected that all of the remaining net proceeds will be applied in the Company's investment in the wind power generation projects.

2. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2018.

3. AUDIT COMMITTEE

The Audit Committee is mainly responsible for reviewing and supervising the procedures for financial reporting and internal control. The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2018 of the Group and considered that the Group has adopted applicable accounting policies in relation to preparation of relevant results and made adequate disclosures.

4. INTERIM DIVIDEND

The Board did not make any recommendation on the distribution of an interim dividend for the six months ended 30 June 2018.

5. SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2018, to the best of the Directors' knowledge, the following persons (other than Directors, supervisors and senior management of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Class of Shares	Capacity	Number of shares/ underlying shares held	Percentage in the Relevant Class of Share Capital (%)	Percentage in the Total Share Capital (%)
HECIC	Domestic shares	Beneficial owner	1,876,156,000 (long position)	100%	50.5%
Citigroup Inc.[1]	H shares	Interests of corporation controlled by the substantial shareholder	7,260,768 (long position)	0.39%	0.20%
		Approved lending agent	229,524,526 (lending pool)	12.48%	6.18%
		Interests of corporation controlled by the substantial shareholder	13,000 (short position)	0.00%	0.00%
National Social Security Council	H shares	Beneficial owner	128,163,000 (long position)	6.97%	3.45%
Morgan Stanley.[2]	H shares	Interests of corporation controlled by the substantial shareholder	91,720,968 (long position)	4.98%	2.47%
			5,509,357 (short position)	0.29%	0.15%

Note: (1) Citigroup Inc.'s controlled corporations, namely, Citibank N.A., Citigroup Global Markets Limited, directly hold share interests in the Company and Citigroup Inc. is deemed to have the share interests in the Company held by those companies.

(2) Morgan Stanley's controlled corporations, namely, Morgan Stanley & Co. International plc, Morgan Stanley & Co. LLC and Morgan Stanley Capital Services LLC, directly hold share interests in the Company and Morgan Stanley is deemed to have the share interests in the Company held by those companies. Among the aforesaid shares, unlisted derivatives settled by cash comprise 5,146 shares (long position) and 2,358 shares (short position).

6. CONTACT PERSON FOR THE EXTERNAL JOINT COMPANY SECRETARY

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

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

For the six-month period ended 30 June 2018

	Notes	Six-month period ended 30 June 2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
REVENUE	3	**4,838,724**	3,221,209
Cost of sales	6	**(3,255,198)**	(2,054,726)
Gross profit		**1,583,526**	1,166,483
Other income and gains, net	5	**65,698**	49,620
Selling and distribution expenses		**(57)**	(102)
Administrative expenses		**(172,661)**	(139,905)
Other expenses		**(142,763)**	(8,092)
PROFIT FROM OPERATIONS		**1,333,743**	1,068,004
Finance costs	7	**(390,288)**	(336,959)
Share of profits and losses of:			
Joint ventures		**(3,881)**	(210)
Associates		**138,334**	75,291
PROFIT BEFORE TAX	6	**1,077,908**	806,126
Income tax expense	8	**(121,323)**	(95,413)
PROFIT FOR THE PERIOD		**956,585**	710,713
Attributable to:			
Owners of the Company		**822,200**	601,351
Non-controlling interests		**134,385**	109,362
		956,585	710,713
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**956,585**	710,713
Total comprehensive income for the period attributable to:			
Owners of the Company		**822,200**	601,351
Non-controlling interests		**134,385**	109,362
		956,585	710,713
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	10	**21.84 cents**	16.19 cents
Diluted	10	**21.84 cents**	16.19 cents

Interim Condensed Consolidated Statement of Financial Position

30 June 2018

	Notes	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	**23,934,016**	22,466,159
Investment properties		**29,972**	30,739
Prepaid land lease payments		**453,853**	421,512
Goodwill		**39,412**	47,666
Intangible assets		**1,803,246**	1,870,014
Investments in associates		**1,764,149**	1,625,815
Investments in joint ventures		**64,114**	61,495
Available-for-sale investments		**–**	103,400
Financial assets at fair value through other comprehensive income		**109,893**	–
Deferred tax assets		**151,692**	126,304
Trade receivables	12	**62,540**	182,943
Prepayments and other receivables	13	**1,689,257**	1,819,259
Total non-current assets		**30,102,144**	28,755,306
CURRENT ASSETS			
Prepaid land lease payments		**11,701**	11,768
Inventories		**41,158**	40,230
Trade and bills receivables	12	**3,091,237**	2,563,641
Prepayments, deposits and other receivables	13	**740,938**	789,249
Pledged deposits	14	**15,554**	17,860
Cash and cash equivalents	14	**2,269,043**	2,110,035
Total current assets		**6,169,631**	5,532,783
CURRENT LIABILITIES			
Trade and bills payables	15	**543,183**	575,744
Other payables and accruals	16	**2,864,933**	3,084,086
Contract liabilities	16	**396,892**	–
Interest-bearing bank and other borrowings	17	**5,840,811**	5,707,549
Finance lease payables		**62,422**	56,439
Tax payable		**52,011**	49,167
Total current liabilities		**9,760,252**	9,472,985
NET CURRENT LIABILITIES		**(3,590,621)**	(3,940,202)
TOTAL ASSETS LESS CURRENT LIABILITIES		**26,511,523**	24,815,104
NON-CURRENT LIABILITIES			
Finance lease payables		**663,599**	1,027,469
Interest-bearing bank and other borrowings	17	**14,041,341**	13,217,189
Other payables and accruals	16	**93,548**	69,356
Total non-current liabilities		**14,798,488**	14,314,014
Net assets		**11,713,035**	10,501,090
EQUITY			
Equity attributable to owners of the Company			
Issued share capital		**3,715,160**	3,715,160
Reserves		**5,888,181**	4,889,674
		9,603,341	8,604,834
Non-controlling interests		**2,109,694**	1,896,256
Total equity		**11,713,035**	10,501,090

Interim Condensed Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2018

		Attributable to owners of the Company								
	Note	Share capital RMB'000	Capital reserve RMB'000	Reserve funds RMB'000	Retained profits RMB'000	Other comprehensive income RMB'000	Other equity instruments RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 31 December 2017 (audited)		**3,715,160**	**2,135,064***	**210,715***	**2,543,895***	**–**	**–**	**8,604,834**	**1,896,256**	**10,501,090**
Adjustment of adoption of IFRS 9	2.2	**–**	**–**	**–**	**–**	**6,493**	**–**	**6,493**	**–**	**6,493**
As at 1 January 2018 (unaudited)		**3,715,160**	**2,135,064***	**210,715***	**2,543,895***	**6,493**	**–**	**8,611,327**	**1,896,256**	**10,507,583**
Profit and total comprehensive income for the period (unaudited)		**–**	**–**	**–**	**822,200**	**–**	**–**	**822,200**	**134,385**	**956,585**
Final 2017 dividend declared (unaudited)	9	**–**	**–**	**–**	**(382,662)**	**–**	**–**	**(382,662)**	**–**	**(382,662)**
Dividends declared to non-controlling shareholders (unaudited)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(97,997)**	**(97,997)**
Contribution by a non-controlling shareholder (unaudited)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**177,050**	**177,050**
Transfer from retained profits		**–**	**–**	**75,822**	**(75,822)**	**–**	**–**	**–**	**–**	**–**
Issuance of first tranche of 2018 renewable green corporate bonds (unaudited)	18	**–**	**–**	**–**	**–**	**–**	**587,640**	**587,640**	**–**	**587,640**
Other equity instruments' distribution (unaudited)		**–**	**–**	**–**	**(35,164)**	**–**	**–**	**(35,164)**	**–**	**(35,164)**
As at 30 June 2018 (unaudited)		**3,715,160**	**2,135,064***	**286,537***	**2,872,447***	**6,493***	**587,640***	**9,603,341**	**2,109,694**	**11,713,035**
As at 1 January 2017 (audited)		3,715,160	2,136,197	174,327	1,874,722	–	–	7,900,406	1,633,528	9,533,934
Profit and total comprehensive income for the period (audited)		–	–	–	939,616	–	–	939,616	165,111	1,104,727
Final 2016 dividend declared (audited)	9	–	–	–	(234,055)	–	–	(234,055)	–	(234,055)
Dividends declared to non-controlling shareholders (audited)		–	–	–	–	–	–	–	(83,011)	(83,011)
Acquisition of a subsidiary (audited)		–	–	–	–	–	–	–	4,883	4,883
Disposal of subsidiaries (audited)		–	–	–	–	–	–	–	(2,798)	(2,798)
Contributions by non-controlling shareholders (audited)		–	–	–	–	–	–	–	177,410	177,410
Transfer from retained profits		–	–	36,388	(36,388)	–	–	–	–	–
Others		–	(1,133)	–	–	–	–	(1,133)	1,133	–
As at 31 December 2017		3,715,160	2,135,064*	210,715*	2,543,895*	–	–	8,604,834	1,896,256	10,501,090

* These reserve accounts comprise the consolidated reserves of RMB5,888,181,000 (31 December 2017: RMB4,889,674,000) in the interim condensed consolidated statement of financial position as at 30 June 2018.

Interim Condensed Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2018

	Notes	Six-month period ended 30 June 2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,077,908**	806,126
Adjustments for:			
Finance costs	7	**390,288**	336,959
Foreign exchange loss/(gain), net	6	**1,436**	7,236
Share of losses of joint ventures		**3,881**	210
Share of profits of associates		**(138,334)**	(75,291)
Depreciation of items of property, plant and equipment	6	**520,745**	450,571
Depreciation of investment properties	6	**767**	767
Amortisation of prepaid land lease payments	6	**6,665**	6,205
Amortisation of intangible assets	6	**52,533**	51,989
Gain from available-for-sale investments	6	**–**	(2,299)
Gain from financial assets at fair value through other comprehensive income	6	**(4,306)**	–
Impairment /(reversal) of trade and bills receivables, net	6	**115,364**	–
Impairment/(reversal) of prepayments, deposits and other receivables, net	6	**(1,030)**	–
Impairment of intangible assets	6	**14,433**	–
Impairment of property, plant and equipment	6	**4,306**	–
Impairment of goodwill	6	**8,255**	–
Other adjustments		**(184)**	(3,091)
		2,052,727	1,579,382
Decrease/(increase) in inventories		**(928)**	7,974
Increase in trade and bills receivables		**(697,348)**	(739,706)
Decrease/(increase) in prepayments, deposits and other receivables		**57,204**	199,184
Increase/(decrease) in trade and bills payables		**14,083**	37,525
Decrease in other payables and accruals		**(373,489)**	(29,393)
Cash generated from operations		**1,052,249**	1,054,966
Income tax paid		**(143,867)**	(94,411)
Net cash flows from operating activities		**908,382**	960,555
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of items of property, plant and equipment		**(1,464,617)**	(1,858,597)
Additions to prepaid land lease payments		**(3,369)**	(4,452)
Capital contributions to joint ventures		**(6,500)**	–
Proceeds from disposal of held-to-maturity investments		**–**	2,500
Proceeds from financial assets at fair value through other comprehensive income		**4,306**	–
Interest from available-for-sale investments		**–**	2,299
Other cash flows from investing activities		**2,582**	6,437
Other cash flows used in investing activities		**(199)**	(391)
Net cash flows used in investing activities		**(1,467,797)**	(1,852,204)

Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six-month period ended 30 June 2018

	Notes	Six-month period ended 30 June 2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		**4,096,234**	5,132,572
Repayment of bank and other borrowings		**(3,564,524)**	(3,465,463)
Dividends paid to non-controlling shareholders		**(59,074)**	(5,172)
Capital contributions by non-controlling shareholders		**177,050**	261,960
Proceeds from issuance of first tranche of 2018 renewable green corporate bonds		**587,640**	–
Capital element of finance lease rental payments		**(107,000)**	–
Interest paid		**(410,960)**	(379,210)
Net cash flows from financing activities		**719,366**	1,544,687
Effect of exchange rate changes on cash and cash equivalents		**(943)**	(7,200)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**159,008**	645,838
Cash and cash equivalents at beginning of period		**2,110,035**	1,491,173
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	**2,269,043**	2,137,011

1. CORPORATE AND GROUP INFORMATION

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

The Company's H shares were issued and listed on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") in the last quarter of 2010.

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

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

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2018 have been prepared in accordance with International Accounting Standards ("IASs") 34 *Interim Financial Reporting* and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

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

The Group's net current liabilities amounted to approximately RMB3,591 million as at 30 June 2018, and its net cash inflow from operating activities and financing activities was approximately RMB908 million and RMB719 million respectively, and its net cash outflow from investing activities amounted to approximately RMB1,468 million for the six-month period ended 30 June 2018. The Group recorded an increase in cash and cash equivalents of approximately RMB159 million for the six-month period ended 30 June 2018.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain adequate external financing to meet its working capital needs and committed future capital expenditure. With regard to its future capital commitments and other financing requirements, the Group had already obtained banking facilities from several PRC banks and HECIC Group. Unutilised banking and other financial institution facilities aggregating to the extent of approximately RMB36,227 million as at 30 June 2018.

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

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

2.2 Impact of new and amended International Financial Reporting Standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of the standards effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*. The nature and the effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method which recognised the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings as at 1 January 2018. In addition, the Group applied the new requirements only to contracts that are not completed before 1 January 2018. After processing five-step model to contracts, as further explained below, the Group determined that there is no material impact on the opening balance of retained earnings as at 1 January 2018 upon initial adoption of IFRS 15.

The Group's principal activities consist of the sale of natural gas and gas appliances and the sale of electricity. The impacts arising from the adoption of IFRS 15 on the Group are summarized as follows:

(a) Sale of natural gas and gas appliances

The Group engages in the sale of natural gas and gas appliances. The contracts with customers for the sale of natural gas and gas appliances generally include one performance obligation. Revenue from the sale of natural gas and gas appliances is recognised at the point when the goods are delivered, title has passed and the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amount of revenue recognition.

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 15 *Revenue from Contracts with Customers* (continued)

(b) Sale of electricity

The Group develops, manages and operates wind power and solar energy plants and generates electric power for sales to external power grid companies. The contracts with customers for the sale of electricity generally include one performance obligation. Revenue from sale of electricity is recognised upon the transmission of electric power to the power grid companies, as determined based on the volume of electric power transmitted and the applicable fixed tariff rates agreed with the respective electric power grid companies periodically. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amount of revenue recognition.

(c) Presentation and disclosure

As required for the condensed interim financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to Note 3 for the disaggregated revenue.

In addition, the reclassification was made as at 1 January 2018 to be consistent with the terminology used under IFRS 15: contract liabilities in relation to nature gas and construct activities were previously presented as advances from customers. The impact on the Group's financial position by application of IFRS 15 is as follows:

	As at 1 January 2018		
	As previously stated	**Reclassification under IFRS 15**	**Restated**
	RMB'000	RMB'000	RMB'000
Advances from customers	778,445	(778,445)	–
Contract liabilities	–	778,445	778,445

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

With the exception of hedge accounting, which is not applicable to the Group, the Group applied IFRS 9 retrospectively, with the initial application date of 1 January 2018 and did not restate the comparative information for the period beginning 1 January 2017. The impacts relate to the classification and measurement and the impairment requirements are summarised as follows:

(a) Classification and measurement

Except for certain trade receivables and other receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interests" on the principal amount outstanding (the "SPPI criterion")

The new classification and measurement of the Group's financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and bill receivables, and financial assets included in prepayments, deposits and other receivables.

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocable elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments were classified as AFS financial assets.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 9 Financial Instruments (continued)

(a) Classification and measurement (continued)

The classification and measurement category for each class of financial assets at the date of initial application were as follows:

	Measurement category		Carrying amount		
Financial asset	**Original (IAS 39)**	**New (IFRS 9)**	**Original (IAS 39)** RMB'000	**New (IFRS 9)** RMB'000	**Difference**
Financial assets at fair value through other comprehensive incomes					
Unlisted equity investments*	Available-for-sale at cost	Financial assets at fair value through other comprehensive income	103,400	109,893	6,493
Trade and bills receivables	Loans and receivables	Financial assets at amortised cost	2,746,584	2,746,584	–
Financial assets included in prepayments, deposits and other receivables	Loans and receivables	Financial assets at amortised cost	89,478	89,478	–
Pledged deposits	Loans and receivables	Financial assets at amortised cost	17,860	17,860	–
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	2,110,035	2,110,035	–
			5,067,357	5,073,850	6,493

* At the date of initial application, the Group designates its equity investments in HECIC Group Finance Company Limited and Baoding PetroChina Kunlun Gas Co Ltd (which were previously classified as available-for-sale financial assets under IAS 39) as financial assets at fair value through other comprehensive income. The impact on the Group's other comprehensive income due to adoption of IFRS 9 as at 1 January 2018 is as follows:

	RMB'000
Opening other comprehensive income – IAS 39	–
Adjustment to other comprehensive income from adoption of IFRS 9 – Reclassification and remeasurement of equity investments	6,493
Opening other comprehensive income – IFRS 9	6,493

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognized in the statement of profit or loss.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model.

The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by IAS 39.

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 9 Financial Instruments (continued)

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payment is 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The adoption of the ECL requirements of IFRS 9 didn't have any material impact on the opening balance of retained earnings as at 1 January 2018.

IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation does not have any impact on the Group's consolidated financial statements.

Amendments to IAS 40 *Transfers of Investment Property*

The amendments clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. These amendments do not have any impact on the Group's consolidated financial statements.

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligation; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group has no share-based payment transaction. Therefore, these amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IAS 28 *Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice*

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, an initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Deletion of short-term exemptions for first-time adopters*

Short-term exemptions in paragraphs E3-E7 of IFRS 1 were deleted because they have now served their intended purpose. These amendments do not have any impact on the Group's consolidated financial statements.

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

2.3 Issued but not yet effective International Financial Reporting Standards

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in these financial statements.

IFRS 16	*Leases*[1]
IFRIC Interpretation 23	*Uncertainty over Income Tax Treatments*[1]
Amendments to IFRS 9	*Prepayment Features with Negative Compensation*[1]
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*[1]
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*[1]
IFRS 17	*Insurance Contracts*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2021
3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application.

3. REVENUE

Revenue from contracts with customers consists of the follow:

	Six-month period ended	
	30 June 2018	30 June 2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sale of natural gas	**2,959,066**	1,687,668
Sale of electricity	**1,838,472**	1,494,601
Construction and connection of natural gas pipelines	**16,674**	23,507
Natural gas transportation	**15,331**	9,996
Wind power services	**633**	406
Others	**8,548**	5,031
	4,838,724	3,221,209

3. **REVENUE (continued)**

Six-month period ended 30 June 2018

	Natural gas RMB'000 (Unaudited)	Wind power and solar energy RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Good transferred at a point in time	**2,961,360**	**1,838,531**	**4,799,891**
Services transferred over time	**36,328**	**2,505**	**38,833**
Total revenue from contracts with customers	**2,997,688**	**1,841,036**	**4,838,724**

4. **OPERATING SEGMENT INFORMATION**

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

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

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

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

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

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

4. OPERATING SEGMENT INFORMATION (continued)

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's operating segments for the six-month periods ended 30 June 2018 and 2017.

Six-month period ended 30 June 2018

	Natural gas RMB'000 (Unaudited)	Wind power and solar energy RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue	2,997,688	1,841,036	4,838,724
Inter-segment revenue	–	–	–
Total revenue from external customers	2,997,688	1,841,036	4,838,724
Segment results	238,597	1,249,648	1,488,245
Interest income	2,090	5,176	7,266
Finance costs	(35,072)	(349,464)	(384,536)
Income tax expense	(38,192)	(83,131)	(121,323)
Profit of segments for the period	167,423	822,229	989,652
Unallocated interest income			838
Unallocated finance costs			(5,752)
Unallocated Share of profits and losses of an associate			2,991
Corporate and other unallocated expenses			(27,263)
Profit for the period			956,585
Segment assets	5,661,779	29,474,412	35,136,191
Corporate and other unallocated assets			1,135,584
Total assets			36,271,775
Segment liabilities	3,664,799	20,235,281	23,900,080
Corporate and other unallocated liabilities			658,660
Total liabilities			24,558,740
Other segment information:			
Impairment/(reversal)of trade and bills receivables, net	(115,499)	135	(115,364)
Impairment/(reversal) of prepayments, deposits and other receivables, net	1	1,029	1,030
Impairment of intangible assets	(14,433)	–	(14,433)
Impairment of property,plant and equipment	(4,306)	–	(4,306)
Impairment of goodwill	(8,255)	–	(8,255)
Depreciation and amortisation	(55,414)	(523,441)	(578,855)
Unallocated depreciation and amortisation			(1,855)
			(580,710)
Share of losses of joint ventures	–	(3,881)	(3,881)
Share of profits of associates	108,442	26,901	135,343
Unallocated share of profits of an associate			2,991
			134,453
Investments in joint ventures	58,555	5,559	64,114
Investments in associates	885,828	676,519	1,562,347
Unallocated investments in an associate			201,802
Capital expenditure*	248,958	1,561,575	1,810,533
Unallocated capital expenditure*			375
			1,810,908

4. OPERATING SEGMENT INFORMATION (continued)

Six-month period ended 30 June 2017

	Natural gas RMB'000 (Unaudited)	Wind power and solar energy RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue	1,725,226	1,495,983	3,221,209
Inter-segment revenue	–	–	–
Total revenue from external customers	1,725,226	1,495,983	3,221,209
Segment results	178,950	992,457	1,171,407
Interest income	1,772	3,004	4,776
Finance costs	(44,249)	(291,427)	(335,676)
Income tax expense	(32,575)	(62,409)	(94,984)
Profit of segments for the period	103,898	641,625	745,523
Unallocated interest income			762
Unallocated finance costs			(1,283)
Corporate and other unallocated expenses			(33,860)
Unallocated income tax expense			(429)
Profit for the period			710,713
Segment assets	5,341,351	25,906,919	31,248,270
Corporate and other unallocated assets			829,782
Total assets			32,078,052
Segment liabilities	3,483,912	18,071,533	21,555,445
Corporate and other unallocated liabilities			317,635
Total liabilities			21,873,080
Other segment information:			
Reversal of impairment of trade receivables	2,115	–	2,115
Impairment of other receivables	–	2,522	2,522
Depreciation and amortisation	(44,792)	(462,767)	(507,559)
Unallocated depreciation and amortisation			(1,973)
			(509,532)
Share of losses of joint ventures	(210)	–	(210)
Share of profits of associates	50,261	25,030	75,291
			75,081
Investments in joint ventures	75,372	–	75,372
Investments in associates	653,220	576,365	1,229,585
Capital expenditure*	160,809	1,694,798	1,855,607
Unallocated capital expenditure*			55
			1,855,662

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

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

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

5. OTHER INCOME AND GAINS

	Six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income and gains, net		
Government grants:		
– Value-added tax refunds	**23,434**	37,878
Bank interest income	**8,104**	5,538
Gain from available-for-sale investments	**–**	2,299
Gain from financial assets at fair value through other comprehensive income	**4,306**	–
Others	**29,854**	3,905
	65,698	49,620

6. PROFIT BEFORE TAX

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

	Six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of goods sold	**3,236,110**	2,037,159
Cost of services rendered	**19,088**	17,567
Total cost of sales	**3,255,198**	2,054,726
Depreciation of items of property, plant and equipment	**520,745**	450,571
Depreciation of investment properties	**767**	767
Amortisation of prepaid land lease payments	**6,665**	6,205
Amortisation of intangible assets	**52,533**	51,989
Total depreciation and amortisation	**580,710**	509,532
Minimum lease payments under operating leases of land and buildings	**6,567**	5,657
Wages, salaries and allowances	**136,366**	105,527
Pension scheme contributions (defined contribution scheme)	**15,941**	9,887
Welfare and other expenses	**37,452**	29,593
	189,759	145,007
Gain from available-for-sale investments	**–**	(2,299)
Gain from financial assets at fair value through other comprehensive income	**(4,306)**	–
Loss/(gain) on disposal of items of property, plant and equipment, net	**71**	448
Rental income on investment properties	**(1,064)**	(976)
Foreign exchange loss/(gain), net	**1,436**	7,236
Impairment/(reversal) of prepayments, deposits and other receivables, net	**(1,030)**	2,522
Impairment/(reversal) of impairment of trade receivables, net	**115,364**	(2,115)
Impairment of intangible assets	**14,433**	–
Impairment of property, plant and equipment	**4,306**	–
Impairment of goodwill	**8,255**	–

7. FINANCE COSTS

	Six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense on bank loans and other borrowings	**476,357**	407,614
Less: Interest capitalised to items of property, plant and equipment	**(86,069)**	(70,655)
	390,288	336,959

8. INCOME TAX EXPENSE

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

Under the relevant PRC Corporate Income Tax Law and respective regulations, except for certain preferential treatment available to certain subsidiaries of the Company as mentioned above, the PRC entities within the Group were subject to corporate income tax at a rate of 25% during the six-month periods ended 30 June 2018 and 2017.

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong for the six-month periods ended 30 June 2018 and 2017.

	Six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax – Mainland China	**146,711**	93,821
Deferred income tax	**(25,388)**	1,592
Tax charge for the period	**121,323**	95,413

9. DIVIDENDS

The dividends for the six-month periods ended 30 June 2018 and 2017 are set out below:

	Six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends:		
Declared final 2017 dividend – RMB10.3 cents (final 2016 dividend: RMB6.3 cents) per share	**382,662**	234,055

At the annual general meeting held on 8 June 2018, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2017 of RMB0.103 per share, which amounted to RMB382,662,000 and was settled in full in July 2018.

At the annual general meeting held on 8 June 2017, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2016 of RMB0.063 per share, which amounted to RMB234,055,000 and was settled in full in July 2017.

The Directors did not recommend the payment of an interim dividend for the six-month period ended 30 June 2018 (six-month period ended 30 June 2017: Nil).

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

The calculation of the basic earnings per share amounts for the six-month periods ended 30 June 2018 and 2017 is based on the profit attributable to ordinary equity holders of the Company for those periods, and the weighted average number of ordinary shares in issue during those periods.

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

The Company did not have any dilutive potential ordinary shares during the six-month periods ended 30 June 2018 and 2017.

	Six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent	**822,200**	601,351
Less: Distribution relating to the 2018 renewable green corporate bonds. (i)	**(10,745)**	–
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**811,455**	601,351

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

	Number of shares	
	Six-month period ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
Shares:		
Weighted average number of ordinary shares in issue during the periods used in the basic earnings per share calculation	**3,715,160,396**	3,715,160,396

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

11. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2018, the Group acquired property, plant and equipment at an aggregate cost amounting to approximately RMB2,028,571,000 (six-month period ended 30 June 2017: RMB906,765,000).

During the six-month period ended 30 June 2018, items of property, plant and equipment with an aggregate net carrying value of approximately RMB93,000 (six-month period ended 30 June 2017: RMB1,346,000) were disposed of, which resulted in a net loss on disposal of approximately RMB71,000 (six-month period ended 30 June 2017: RMB448,000) and the net loss was recorded as other expenses.

12. TRADE AND BILLS RECEIVABLES

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Trade and bills receivables	**3,628,133**	3,105,576
Impairment	**(474,356)**	(358,992)
	3,153,777	2,746,584
Portion classified as non-current assets	**(62,540)**	(182,943)
	3,091,237	2,563,641

Included in the trade receivables as at 30 June 2018 were receivables under two service concession arrangements in an aggregate amount of RMB174,913,000 (31 December 2017: RMB133,320,000).

12. TRADE AND BILLS RECEIVABLES (continued)

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Within 3 months	**909,174**	1,126,973
3 to 6 months	**560,212**	389,249
6 months to 1 year	**678,532**	628,023
1 to 2 years	**796,096**	259,059
2 to 3 years	**115,500**	259,795
More than 3 years	**94,263**	83,485
	3,153,777	2,746,584

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

	Provision for impairment of trade receivables RMB'000
At 1 January 2018 (audited)	**358,992**
Impairment losses recognised (unaudited)	**117,921**
Reversal (unaudited)	**(2,557)**
At 30 June 2018 (unaudited)	**474,356**
At 1 January 2017 (audited)	242,561
Impairment losses recognised (audited)	128,268
Reversal (audited)	(5,024)
Write-off (audited)	(6,813)
At 31 December 2017 (audited)	358,992

The Croup applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. As at 30 June 2018, a provision of RMB474,356,000 was made against the gross amounts of trade receivables.

12. TRADE AND BILLS RECEIVABLES (continued)

An aging analysis of the trade and bills receivables, that are neither individually nor collectively considered to be impaired, is as follows:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Neither past due nor impaired	**2,520,132**	1,977,481
Less than 3 months past due	**316,128**	281,764
3 to 6 months past due	**127,476**	164,279
6 months to 1 year past due	**21,234**	–
	2,984,970	2,423,524

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Joint ventures	**7,959**	–
	7,959	–

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Prepayments to suppliers	**1,149,387**	1,274,624
Deductible VAT	**1,210,331**	1,270,527
Deposits and other receivables	**103,355**	97,265
	2,463,073	2,642,416
Less: Impairment	**(32,878)**	(33,908)
	2,430,195	2,608,508
Portion classified as non-current assets	**(1,689,257)**	(1,819,259)
Current portion	**740,938**	789,249

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
HECIC	**2,090**	1,224
Associates	**34,499**	5,342
	36,589	6,566

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

14. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Cash and bank balances	**2,255,597**	2,108,895
Time deposits	**29,000**	19,000
	2,284,597	2,127,895
Less: Pledged deposits for letters of guarantee	**(15,554)**	(17,860)
Cash and cash equivalents in the consolidated statement of financial position and cash flows	**2,269,043**	2,110,035
Cash and bank balances and time deposits denominated in:		
– RMB	**2,162,410**	1,960,906
– Hong Kong dollar	**122,187**	166,989
	2,284,597	2,127,895

15. TRADE AND BILLS PAYABLES

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Bills payable	**80,000**	126,644
Trade payables	**463,183**	449,100
	543,183	575,744

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Within 6 months	**321,466**	397,528
6 months to 1 year	**113,751**	64,709
1 to 2 years	**61,028**	68,910
2 to 3 years	**25,151**	20,275
More than 3 years	**21,787**	24,322
	543,183	575,744

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Joint ventures	**17,511**	–

16. OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Retention money payables	**655,284**	621,697
Dividend payable to owners of the Company	**382,661**	–
Dividend payable to non-controlling shareholders	**39,083**	159
Dividend payable to the renewable green corporate bonds	**35,164**	–
Wind turbine and related equipment payables	**944,780**	927,286
Advances from customers	**–**	778,445
Contract liablities	**396,892**	–
Construction payables	**485,327**	470,414
Accrued salaries, wages and benefits	**72,923**	94,061
Other taxes payable	**7,145**	37,766
Interest payable	**101,377**	46,071
Others	**234,737**	177,543
	3,355,373	3,153,442
Portion classified as non-current liabilities	**(93,548)**	(69,356)
Current portion	**3,261,825**	3,084,086

For retention money payables in respect of warranties granted by the suppliers, the due dates usually range from one to three years after the completion of the construction work or the preliminary acceptance of equipment.

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
HECIC	**248,326**	51,101
Fellow subsidiaries	**933**	1,039
Associates	**922**	1,166
	250,181	53,306

The amounts due to HECIC included dividend payable, the prepaid capital injection by HECIC to one of the subsidiaries of the Company and the fee charged by HECIC for providing guarantee to the issue of corporate bonds by the Company, which should be repaid annually (note 22(a)) and accrued rental expenses.

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

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2018 (Unaudited)			As at 31 December 2017 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Short term bank loans:						
– Unsecured	3.9-4.8	2018	1,509,254	3.2-4.6	2018	1,814,000
Short term other borrowings:						
– Unsecured	4.6-5.1	2018-2019	1,000,000	4.9-5.1	2018	1,000,000
Current portion of long term bank loans:						
– Unsecured	1.2-5.0	2018-2019	1,737,099	1.2-5.2	2018	1,413,487
– Secured	4.4-5.9	2018-2019	594,458	4.4-5.9	2018	480,062
			2,331,557			1,893,549
Current portion of corporate bonds:						
– Unsecured	5.4	2018	1,000,000	5.4	2018	1,000,000
Total current portion			5,840,811			5,707,549
Non-current						
Long term bank loans:						
– Unsecured	1.2-5.0	2019-2036	7,614,257	1.2-6.0	2019-2034	8,076,835
– Secured	4.4-5.9	2019-2038	5,927,084	4.4-5.9	2019-2036	4,640,354
			13,541,341			12,717,189
Long term other borrowings:						
– Unsecured	6.2	2022	500,000	6.2	2022	500,000
Total non-current portion			14,041,341			13,217,189
			19,882,152			18,924,738

18. OTHER EQUITY INSTRUMENTS

In March 2017, the Company received an approval from China Securities Regulatory Commission to make public offering of renewable green corporate bonds in tranches to qualified investors of RMB1.5 billion, which shall be effective for two years commencing from the date of the approval. In March 2018, the Company made public offering of first tranche of 2018 renewable green corporate bonds (the "Bonds") to qualified investors in an aggregate amount of RMB590 million at the initial distribution rate of 5.96%. Both the par value and the issue price of the Bonds were RMB100, and the Bonds were issued at par. The proceeds after the issuance costs were RMB587,640,000.

Pursuant to the terms of the Bonds, the Company has no contractual obligation to repay their principal or to pay any coupon distribution. The Bonds are classified as equity and subsequent distribution declared will be treated as distribution to equity owners.

19. OPERATING LEASE ARRANGEMENTS

As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms of two, three or six years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

As at 30 June 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Within one year	**1,083**	938
In the second to fifth years, inclusive	**3,548**	1,638
	4,631	2,576

19. OPERATING LEASE ARRANGEMENTS (continued)

As lessee

The Group leases certain of its properties and equipment under operating lease arrangements, with leases negotiated for terms ranging from two to twenty years.

As at 30 June 2018, the Group had the following total future minimum lease payments under non-cancellable operating leases in respect of land and buildings:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Within one year	**1,575**	1,575
In the second to fifth years, inclusive	**4,249**	4,915
After five years	**343**	363
	6,167	6,853

20. COMMITMENTS

In addition to the operating lease commitments detailed in note 19, the Group had the following capital commitments as at 30 June 2018:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Contracted, but not provided for		
– Property, plant and equipment	**10,477,203**	11,465,443
– Capital contributions	**20,000**	20,000
	10,497,203	11,485,443

21. CONTINGENT LIABILITIES

As at 30 June 2018, the banking facility granted to a joint venture subject to a guarantee given to two banks by the Company was utilised to the extent of approximately of RMB175,000,000 (31 December 2017: RMB180,000,000).

As at 30 June 2018, the banking facility granted to an associate subject to a guarantee given to a bank by the Company was RMB1,000,000,000, of which RMB500,000,000 was utilised (31 December 2017: RMB500,000,000).

22. RELATED PARTY TRANSACTIONS

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2018 and 2017:

(i) Transactions with HECIC*

On 31 March 2010, HECIC, China Pacific Asset Management Co., Ltd. (the "Insurance Lender") and HECIC New-energy Co., Ltd. ("HECIC New-energy", a subsidiary of the Company) entered into a secured insurance loan investment agreement pursuant to which the Insurance Lender agreed to syndicate and lend to HECIC New-energy an amount of RMB1.3 billion for a term of seven years and HECIC irrevocably agreed to guarantee the payment obligations of HECIC New-energy under the insurance loan investment agreement (the "Insurance Loan Guarantee"). No fee was payable to or charged by HECIC in relation to its provision of the Insurance Loan Guarantee to HECIC New-energy. On 18 June 2010, HECIC New-energy fully drew down the syndicated loan of RMB1.3 billion from the Insurance Lender.

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

In September and October 2014, the Group and HECIC renewed certain lease agreements, pursuant to which HECIC leased office space at Yu Yuan Plaza to the Group. The total rental expenses for the six-month period ended 30 June 2018 were RMB2,169,000 (six-month period ended 30 June 2017: RMB1,983,000).

On 30 August 2011, the Company entered into an agreement with HECIC pursuant to which HECIC agreed to provide a guarantee to the Company for the issuance of domestic corporate bonds with an aggregate nominal value of up to RMB2.0 billion. The guarantee was unconditional and irrevocable with an annual charge of 0.3% of the nominal value of the corporate bonds to the Company by HECIC. On 18 November 2011, the Company issued domestic corporate bonds with an aggregate nominal value of RMB2.0 billion. A guarantee fee of approximately RMB1,500,000 (six-month period ended 30 June 2017: RMB3,000,000) was payable to or charged by HECIC for the six-month period ended 30 June 2018.

The Company issued the first tranche of 2018 renewable green corporate in March 2018. HECIC agreed to provide a guarantee to the Company for the issuance of renewable green corporate bonds with an aggregate nominal value of up to RMB 0.59 billion. The guarantee was unconditional and irrevocable with an annual charge of 0.2% of the nominal value of the corporate bonds to the Company by HECIC. A guarantee fee of approximately RMB356,000 (six-month period ended 30 June 2017:Nil) was charged by HECIC for the six-month period ended 30 June 2018.

(ii) Transactions with fellow subsidiaries*

Transactions with HECIC Group Finance Company Limited

The Company and HECIC Group Finance Company Limited (河北建投集團財務有限公司, "Group Finance Company"), a fellow subsidiary of the Company, entered into financial service framework agreements in 2015, pursuant to which the Group will, on a voluntary and non-compulsory basis, utilise the financial services provided by Group Finance Company, including the deposit service, the loan service and other financial services.

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

22. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2018 and 2017: (continued)

(ii) Transactions with fellow subsidiaries* (continued)

Transactions with HECIC Group Finance Company Limited (continued)

The Group had certain of its cash and time deposits and outstanding interest-bearing loans with Group Finance Company as at 30 June 2018 as summarised below:

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
Cash and cash equivalents	**1,277,069**	1,614,291
Short term loans	**581,000**	454,000
Current portion of long term loans	**150,000**	179,000
Long term loans	**110,000**	140,000

	Six-month period ended 30 June	
	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Interest income	**8,133**	5,467
Interest expense	**18,009**	22,033

Transactions with Hebei Construction & Investment State Financing Energy Services Ltd.

The Company entered into the Greenhouse Gas Voluntary Emission Reduction Project ("GHGER Project") Agreement with Hebei Construction & Investment State Financing Energy Services Ltd. (河北建投国融能源股份有限公司, "CISF") on 8 June 2017. CISF shall continue to be responsible for the unified management of the emission reduction units generated by the GHGER Projects (including wind power and photovoltaic power projects) of the Group that satisfy the development conditions in 2017. CISF will charge the Group 40% of the emission reduction revenue as management fees. The Group paid CISF management fees of approximately RMB0 for the six-month period ended 2018 (six-month period ended 30 June 2017: RMB869,000).

22. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2018 and 2017: (continued)

(iii) Transactions with the Company's joint venture

	Six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of natural gas	**8,133**	5,467
Purchase natural gas	**8,054**	–
Purchase natural gas transportation service	**7,291**	–

	30 June	31 December
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Guarantee for a joint venture (note 21)	**175,000**	180,000

(iv) Transactions with the Company's associate

	Six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense of Finance leasing	**13,362**	–

	30 June	31 December
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Prepayments, deposits and other receivables	**30,881**	3,264
Other payables and accruals	**(922)**	(1,166)
Finance lease payables	**(597,693)**	(944,760)
Guarantee for an associate (note 21)	**500,000**	500,000

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

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

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

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

22. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties

Except for the Group's cash and time deposits and outstanding interest-bearing loans with Group Finance Company set out in note 22(a)(ii) above, the guarantees granted to a joint venture set out in note 22(a)(iii), and the outstanding balances with the associate set out in note 22(a)(iv), details of the outstanding balances with related parties are set out in notes 12, 13, 15 and 16 to these interim condensed consolidated financial statements.

(c) Compensation of key management personnel of the Group

	Six-month period ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short term employee benefits	**1,649**	1,154
Pension scheme contributions	**88**	154
	1,737	1,308

23. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial Assets

	30 June 2018		
	Financial assets at fair value through other comprehensive income	**Financial assets at amortised cost**	**Total**
	RMB'000	**RMB'000**	**RMB'000**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Financial assets at fair value through other comprehensive income	**109,893**	**–**	**109,893**
Trade and bills receivables	**–**	**3,153,777**	**3,153,777**
Financial assets included in prepayments, deposits and other receivables	**–**	**93,844**	**93,844**
Pledged deposits	**–**	**15,554**	**15,554**
Cash and cash equivalents	**–**	**2,269,043**	**2,269,043**
	109,893	**5,532,218**	**5,642,111**

23. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

	31 December 2017		
	Available-for-sale investments RMB'000 (Audited)	Loans and receivables RMB'000 (Audited)	Total RMB'000 (Audited)
Available-for-sale investments	103,400	–	103,400
Trade and bills receivables	–	2,746,584	2,746,584
Financial assets included in prepayments, deposits and other receivables	–	89,478	89,478
Pledged deposits	–	17,860	17,860
Cash and cash equivalents	–	2,110,035	2,110,035
	103,400	4,963,957	5,067,357

Financial liabilities

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
Financial liabilities at amortised cost:		
Trade and bills payables	**543,183**	575,744
Financial liabilities included in other payables and accruals	**2,878,413**	2,243,170
Interest-bearing bank and other borrowings	**19,882,152**	18,924,738
Finance lease payables	**726,021**	1,083,908
	24,029,769	22,827,560

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amount		Fair value	
	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)	**30 June 2018 RMB'000 (Unaudited)**	31 December 2017 RMB'000 (Audited)
Financial assets				
Trade receivables	**62,540**	182,943	**62,540**	182,943
	62,540	182,943	**62,540**	182,943
Financial liabilities				
Financial liabilities included in other payables and accruals	**93,548**	69,356	**74,480**	49,462
Interest-bearing bank and other borrowings	**14,041,341**	13,217,189	**14,023,275**	13,197,894
Finance lease payables	**663,599**	1,027,469	**663,599**	1,027,469
	14,798,488	14,314,014	**14,761,354**	14,274,825

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

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

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

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

The fair values of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2018 was assessed to be insignificant.

Fair value hierarchy:

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

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

Assets for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 30 June 2018				
Trade receivables (unaudited)	**–**	**62,540**	**–**	**62,540**
As at 31 December 2017				
Trade receivables (audited)	–	182,943	–	182,943

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 30 June 2018				
Financial liabilities included in other payables and accruals (unaudited)	**–**	**74,480**	**–**	**74,480**
Interest-bearing bank and other borrowings (unaudited)	**–**	**14,023,275**	**–**	**14,023,275**
Finance lease payables	**–**	**663,599**	**–**	**663,599**
	–	**14,761,354**	**–**	**14,761,354**
As at 31 December 2017				
Financial liabilities included in other payables and accruals (audited)	–	49,462	–	49,462
Interest-bearing bank and other borrowings (audited)	–	13,197,894	–	13,197,894
Finance lease payables	–	1,027,469	–	1,027,469
	–	14,274,825	–	14,274,825

25. EVENTS AFTER THE REPORTING PERIOD

The Company entered into an agreement with the bank in August 2018, in which, transferred its guarantee right and obligation under the associate to the HECIC.

26. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the Directors of the Company on 28 August 2018.

Definitions

"availability factor"	the amount of time that a power plant is able to produce electricity after it starts commercial operations over a certain period divided by the amount of time in such period
"average utilization hours"	the consolidated gross power generation in a specified period (in MWh or GWh) divided by the consolidated installed capacity in the same period (in MW or GW)
"Board"	the board of Directors of the Company
"CNG"	compressed natural gas
"Company" or "we"	China Suntien Green Energy Corporation Limited (新天綠色能源股份有限公司)
"consolidated gross power generation"	for a specified period, the aggregate gross power generation or net power delivered to grid (as the case may be) of the project companies that the Group fully consolidates in its Financial Statements
"consolidated installed capacity"	the aggregate installed capacity or operating capacity (as the case may be) of the project companies that the Group fully consolidates in its consolidated Financial Statements. This is calculated by including 100% of the installed capacity or operating capacity of the project companies that the Group fully consolidates in its consolidated Financial Statements and are deemed as its subsidiaries. Consolidated installed capacity and consolidated operating capacity do not include the capacity of the Group's associated companies
"Director(s)"	the director(s) of the Company
"Financial Statements"	the unaudited financial statements for the half year ended 30 June 2018
"gross power generation"	for a specified period, the total amount of electricity produced by a power plant in that period, including net power delivered to grid, auxiliary electricity and electricity generated during the construction and testing period
"Group"	the Company and its wholly-owned, controlling subsidiaries
"GW"	unit of power, 1 GW = 1,000 MW

"GWh"	unit of energy, gigawatt-hour. 1 GWh = 1 million kWh. GWh is typically used for measurement of an annual power production of large wind farm
"HECIC"	Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company, which is primarily engaged in the investment in and development of projects in the foundation, infrastructures and provincial pillar industries, such as energy, transportation, water supply and commercial real estates
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards, including the standards and interpretation announcements approved by the International Accounting Standard Board and its predecessor, the International Accounting Standard Committee
"installed capacity"	the capacity of the wind turbines that have been completely assembled and erected
"kW"	unit of power, kilowatt. 1 kW = 1,000 watts
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be consumed by a 1 kW electrical appliance in one hour
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LNG"	liquefied natural gas
"MW"	unit of power, megawatt. 1MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW

"MWh"	unit of energy, megawatt-hour. 1 MWh = 1,000 kWh
"National Energy Administration"	National Energy Administration of the People's Republic of China（中華人民共和國國家能源局）
"NDRC"	National Development and Reform Commission of the People's Republic of China（中華人民共和國國家發展和改革委員會）
"operating capacity"	the installed capacity of the wind turbines that have been connected to power grids and started generating electricity
"projects under construction"	projects for which the project company has received approval, detailed engineering and construction blueprints have been completed, and the construction work on the roads, foundations or electrical infrastructure has commenced
"Reporting Period"	the fiscal period from 1 January 2018 to 30 June 2018
"RMB"	Renminbi, the lawful currency of the PRC

REGISTERED NAME:

新天綠色能源股份有限公司

NAME IN ENGLISH:

China Suntien Green Energy Corporation Limited

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Kowloon
Hong Kong

COMPANY'S WEBSITE:

www.suntien.com

STOCK CODE:

00956

LEGAL REPRESENTATIVE OF THE COMPANY:

Dr. Cao Xin

JOINT COMPANY SECRETARIES:

Mr. Ban Ze Feng
Ms. Lam Yuen Ling, Eva

DIRECTORS OF THE COMPANY:

Non-executive Directors

Dr. Cao Xin
Dr. Li Lian Ping
Mr. Qin Gang
Ms. Sun Min
Mr. Wu Hui Jiang

Executive Directors

Mr. Mei Chun Xiao
Mr. Wang Hong Jun

Independent non-executive Directors

Mr. Qin Hai Yan
Mr. Ding Jun
Mr. Wang Xiang Jun
Mr. Yue Man Yiu Matthew

SUPERVISORS OF THE COMPANY:

Mr. Wang Chun Dong
Mr. Liu Jin Hai
Mr. Qiao Guo Jie
Mr. Xiao Yan Zhao
Mr. Liang Yong Chun
Ms. Wang Xiu Ce

AUTHORIZED REPRESENTATIVES:

Mr. Mei Chun Xiao
Ms. Lam Yuen Ling, Eva

INDEPENDENT AUDITORS:

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Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Hong Kong

LEGAL ADVISERS:

As to Hong Kong law

Latham & Watkins
18th Floor
One Exchange Square
Central
Hong Kong

As to PRC law

Jiayuan Law Firm, Beijing
F407-F408, Ocean Plaza
158 Fuxing Men Nei Avenue
Beijing
PRC

H SHARE REGISTRAR:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKS:

China Construction Bank
Shijiazhuang Ping'an Street Sub-branch
No.30 Ping'an South Street
Shijiazhuang City, Hebei Province
PRC

Bank of China
Shijiazhuang Yuhua Sub-branch
No.168 Yuhua West Road
Shijiazhuang City, Hebei Province
PRC

Agricultural Bank of China
Shijiazhuang Xicheng Sub-branch
No.85 Yuhua West Road
Shijiazhuang City, Hebei Province
PRC

Bank of Communications
Hebei Branch
Shijiazhuang Yuhua West Sub-branch
2/F, Block A, Yu Yuan Plaza
No.9 Yuhua West Road
Shijiazhuang City, Hebei Province
PRC

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

Shijiazhuang City, Hebei Province, the PRC, 28 August 2018

As at the date of this announcement, the non-executive directors of the Company are Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang; the executive directors of the Company are Mr. Mei Chun Xiao and Mr. Wang Hong Jun; and the independent non-executive directors of the Company are Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew.

* *For identification purposes only*