**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)**

# 2019 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 2019. The full text of 2019 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 2019 interim report of the Company will be dispatched to the holders of H shares of the Company in early September 2019 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 2019 prepared in accordance with the International Financial Reporting Standards. The Audit Committee of the Board has also reviewed the 2019 interim results of the Group and relevant financial information.

For the six months ended 30 June 2019, the Group recorded a consolidated operating revenue of approximately RMB6,361 million, up 31.5% over the same period of 2018; profit before tax of approximately RMB1,457 million; net profit attributable to the owners of the Company of approximately RMB968 million and earnings per share of approximately RMB0.2520. As at 30 June 2019, net assets per share of the Company (excluding the interests held by non-controlling interest holders) amounted to RMB3.06.

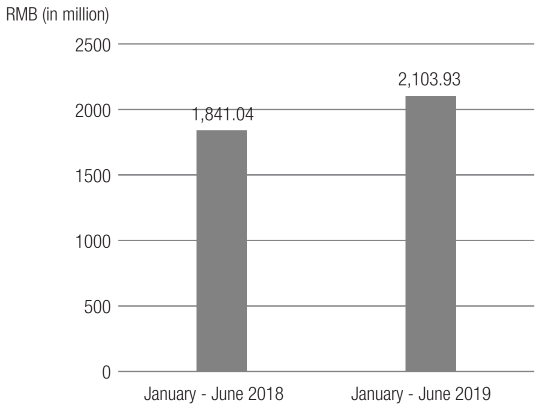
# Financial Highlights and Major Operation Data

## I. Financial Highlights

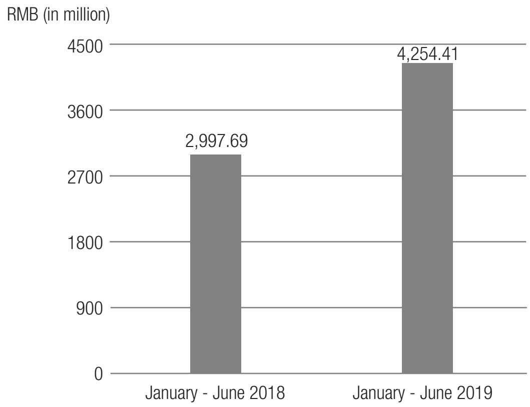
| | For the six-month period ended 30 June | |
|---|---|---|
| | **2019** | 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| **Revenue** | **6,360,653** | 4,838,724 |
| **Profit before tax** | **1,457,090** | 1,077,908 |
| Income tax expense | **245,846** | 121,323 |
| **Profit for the period** | **1,211,244** | 956,585 |
| **Attributable to:** | | |
| Owners of the Company | **967,641** | 822,200 |
| Non-controlling interests holders | **243,603** | 134,385 |
| **Total comprehensive income for the period** | **1,211,244** | 956,585 |
| **Earnings per share attributable to ordinary equity holders of the Company** | | |
| Basic (RMB) | **25.20 cents** | 21.84 cents |
| Diluted (RMB) | **25.20 cents** | 21.84 cents |

## II. Major Operation Data

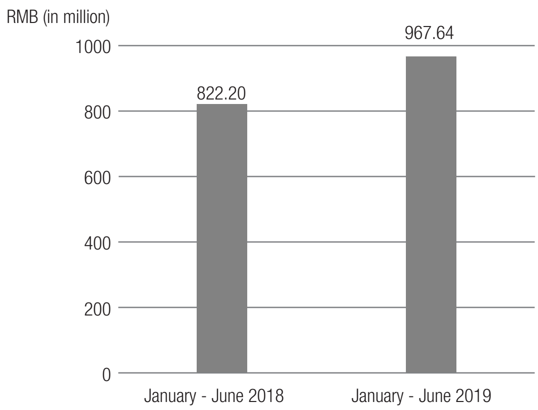
### Consolidated Revenue of Wind and Photovoltaic Power Generation Businesses



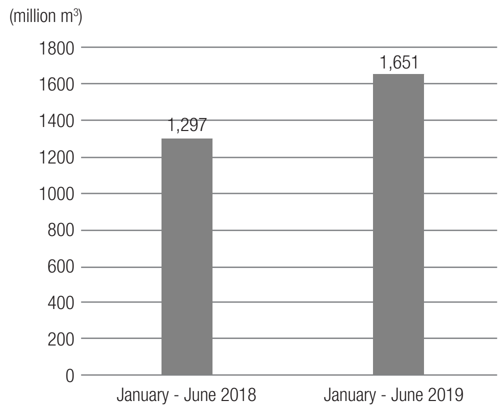

### Consolidated Revenue of Natural Gas Business



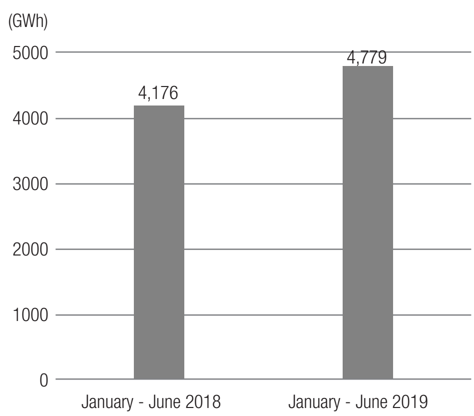

### Net Profit Attributable to Owners of the Company



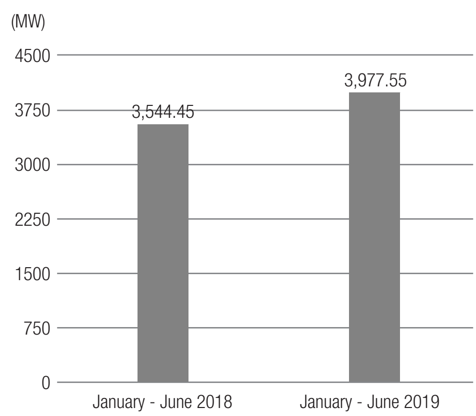

### Natural Gas Sales Volume




### Wind Power Consolidated Gross Power Generation




### Wind Power Consolidated Installed Capacity



## I. OPERATING ENVIRONMENT

During the first half of 2019, China's level of economic growth continued to be stable, despite increasingly complicated conditions both within and outside the country. At present, global economic growth has slowed as instability and uncertainty have increased. In China, the problem of imbalanced development and issues of underdevelopment are still prominent, and the economy is facing new downward pressure. At the same time, with the national economic structure in the midst of adjustment, China's power source structure continued toward optimisation. Primary resources such as hydroelectricity and nuclear, wind power and solar power accounted for 27.3% of total power generated, representing an increase of 2.1 percentage points as compared with the same period last year. During the first half of the year, total energy consumption increased by 3.4% as compared with the same period last year. Clean energy consumption (including natural gas, hydroelectricity, nuclear and wind power) in proportion to total energy consumption increased by approximately 1.6 percentage points as compared with the same period last year, while the proportion of coal consumption dropped by approximately 2.1 percentage points.

In May 2019, the National Energy Administration issued a Notice of the Issues Related to the Construction of Wind Power and Photovoltaic Power Generation Projects in 2019 (《關於2019年風電、光伏發電項目建設有關事項的通知》), which provides for four general requirements for the construction of wind and photovoltaic power generation projects in 2019, namely to promote the construction of grid parity projects, to strictly regulate the competitive allocation of subsidised projects, to comprehensively implement power supply and consumption conditions, and to optimise the investment and business environment. In the same month, the NDRC issued a Notice Related to Improving Wind Power On-Grid Tariff Policy (《關於完善風電上網電價政策的通知》), which clearly states that the on-grid price of onshore wind power shall be changed to guidance price. On-grid tariffs of newly approved centralised onshore wind power projects are determined through the competition method and should not be higher than the guidance price of the resource area where the project is located. In 2019, the newly approved onshore wind power guidance prices for Type I-IV resource areas included in planning and annual financial management is adjusted to RMB0.34, RMB0.39, RMB0.43 and RMB0.52 per kWh (including tax, the same as below) respectively, which will be further adjusted to RMB0.29, RMB0.34, RMB0.38 and RMB0.47per kWh respectively in 2020. In the region where the guidance price is lower than the benchmark on-grid tariff for coal-fired power generating units (including de-sulphurisation, out-of-sale, dust-removing electricity price, same as below), the benchmark on-grid tariff for coal-fired power generating units shall prevail. For onshore wind power projects approved before the end of 2018 and not completed by the end of 2020, the state will no longer provide subsidy. Similarly, the state will no longer subsidise onshore wind power projects approved from 1 January 2019 to the end of 2020 that have not been completed by the end of 2021. As from 1 January 2021, newly approved onshore wind power projects will have fully realized grid parity, and the state will thus no longer subsidise them. The notice also states that the on-grid price of offshore wind power shall be changed to guidance price. On-grid tariffs of newly approved offshore wind power projects are all determined by the competition method. In 2019, the newly approved offshore wind power guidance price included in the planning and in the annual scale management of financial subsidies is adjusted to RMB0.8 per kWh, and will be further adjusted to RMB0.75 per kWh in 2020. The on-grid tariff determined by the newly approved offshore wind power project through competition shall not be higher than the abovementioned guide price. For offshore wind power projects approved before the end of 2018, if all generating units are connected to the grid by the end of 2021, the on-grid electricity price at the time of approval shall be implemented. For all generating units connected to the grid in 2022 and thereafter, the guidance price for the grid-connected year shall be implemented. After the policy is carried out, it is expected that the installation of wind power inventory will be the industry's main theme in the future.

In March 2019, the Seventh Meeting of the Central Committee for Deepening Overall Reform adopted the Implementation Opinions on Reform of Operation Mechanism of Oil and Gas Pipeline Network (《石油天然氣管網運營機制改革實施意見》). It emphasised reform of the operational mechanism of the oil and natural gas pipeline network, the establishment of oil and gas pipeline network companies ("State Pipeline Network Companies") with state-owned capital holding and diversified investment subjects. It also promoted the development of multi-subject and multi-channel supplies of upstream oil and gas resources with the market pattern of a midstream unified pipeline network which can efficiently collect and transport the downstream sales market developed by strengthened competition, improve the efficiency of oil and gas resource allocation, and ensure a safe and stable supply of oil and gas. The State Pipeline Network Companies will facilitate the independent integration of oil and gas pipelines, the complete interconnection of the pipeline network, and the separation of pipeline transportation and sales, which are all conducive to initiating competition in the energy market.

According to the statistics of the National Energy Administration, from January to June 2019, the national electricity consumption accumulated to 3.3980 trillion kWh, representing an increase of 5.0% as compared with the same period of last year. From January to June, the nationwide wind power generation amounted to 0.2145 trillion kWh, representing an increase of 11.5% as compared with the same period of last year, while the average utilization hours of wind power generation units were 1,133 hours, 10 hours less than the same period of last year; and the average utilization hours of wind power generation units in Hebei Province were 1,184 hours, representing a decrease of 113 hours as compared with the same period of last year; the national wind curtailment amounted to 10.5 billion kWh, representing a decrease of 7.7 billion kWh as compared with the same period of last year. The national average utilization rate of wind power was 95.3%, and the average wind curtailment rate was 4.7%, representing a decrease of 4.0 percentage points from the same period of last year; the wind power curtailment and wind curtailment rate both continued to reduce.

According to the data released by the National Bureau of Statistic of China, during the first half of 2019, production capacity of natural gas amounted to 86.4 billion cubic meters, representing an increase of 10.3% as compared with the same period of last year. The import of natural gas amounted to 46.92 million cubic meters, representing an increase of 11.6% 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, the wind curtailment rate was 5.64%, representing a decrease of 0.79 percentage point from the same period of last year, and such wind farms realized a power generation of 4.779 billion kWh, representing an increase of 14.45% as compared with the same period of last year; the utilization hours of the wind farms controlled by the Group were 1,376 hours, representing an increase of 18 hours as compared with the same period of last year, which were 243 hours higher than the nationwide average utilization hours and 192 hours higher than the average utilization hours in Hebei Province; the average availability factor was 97.8%, representing an increase of 0.43 percentage point over the same period of last year.

(2) Solid proceeding with project construction

During the Reporting Period, the Group's consolidated installed capacity of wind power was increased by 119.4MW, and its accumulative consolidated installed capacity was 3,977.55MW. As at the end of the Reporting Period, the Group had projects under construction with a total installed capacity of 663MW (including offshore projects). The offshore transformer station platforms of the 300MW offshore wind power project at Bodhi Island, Leting County, a national demonstration project, installed with 48 wind turbines hoisted in total. The construction of other projects progressed as scheduled.

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

(3) Actively expanding wind resource reserves

During the Reporting Period, the Group acquired 15MW newly approved capacity and the accumulative approved reserve capacity amounted to 2,487.6MW.

In the first half of 2019, as affected by national policies, some provinces and municipalities suspended the approval of wind power capacities in the first half of the year, and therefore, as of 30 June this year, the Group has no newly approved capacity (alternatives inclusive). As at 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 3,100MW, resulting in total agreed volume of wind resources of the Group reaching 37,702.5MW in over 22 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 RMB2,104 million, representing an increase of 14.3% 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 RMB778 million, representing an increase of 15.9% 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 RMB1,365 million, representing an increase of 11.2% 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 67.7%, representing a decrease of 0.3 percentage point as compared with 68.0% in the same period of last year, which was mainly due to the electricity participated in market-based transactions increased during the Reporting Period, leading to a decline in gross profit margin.

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

### 1. Business review of natural gas segment

(1) Steadily increase 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 1,651 million cubic meters, representing an increase of 27.3% as compared with the same period of last year, among which, wholesale volume amounted to 1,084 million cubic meters, representing an increase of 31% as compared with the same period of last year; retail sales volume amounted to 516 million cubic meters, representing an increase of 20% as compared with the same period of last year; and the sales volume of CNG/LNG amounted to 51 million cubic meters, representing an increase of 25% as compared with the same period of last year.

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

As of 30 June 2019, the aggregate length of the Group's pipelines in operation was 4,815.90 kilometers. The whole project of pipelines for ten counties in central Hebei Province (Phase II) was put into trial operation and the project of pipelines for ten counties in central Hebei Province (Phase III) have been completed and put into trial operation.

(3) Prudent development of CNG and LNG projects

In the first half of 2019, there was 1 CNG releasing LNG, CNG refilling station under construction. As at the end of the Reporting Period, 7 CNG primary refilling stations and 6 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 17,591 customers from different categories. As of 30 June 2019, the Group had an aggregate of 298,504 customers.

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

During the Reporting Period, the Group actively planned the provincial pipeline projects and further improved the transission network at the provincial level; the Zhangzhou-Yongqing Pipeline is ready for construction, and will be connected to the Jin-Ji-Jin gas transmission channel after completion; approvals for Beijing-Handan dual pipeline and Qinfeng coastal pipeline are being processed; the review and approval for the Guantao-Handan pipeline have been obtained from the Development and Reform Commission in Hebei, and it will effectively alleviate the winter supply pressure in the southern section of the Beijing-Handan gas transmission system after the project is completed.

**2. Major financial information of natural gas**

(1) Revenue

During the Reporting Period, the Group recorded a natural gas sales revenue of RMB4,254 million, representing an increase of 41.9% as compared with the same period of last year, which was mainly due to the facts that (i) 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 RMB2,666 million, representing 63% 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 RMB1,352 million, representing 32% of the Group's sales revenue from natural gas. The CNG business recorded a sales revenue of RMB143 million, representing 3% of the Group's sales revenue from natural gas. Other income amounted to RMB93 million, representing 2% of the Group's sales revenue from natural gas.

(2) Operating costs

During the Reporting Period, the operating costs (including cost of sales, marketing and distribution costs, administrative expenses and other expenses) of the Group's natural gas business amounted to RMB3,834 million, representing an increase of 33.7% as compared with RMB2,868 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, the profit of the Group from operations of the natural gas business was RMB426 million, representing an increase of 222.7% 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 11.8%, 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 approved capacity of photovoltaic projects was increased by 200,000 kW and the accumulative approved un-commenced project capacity was 422,000 kW; the agreed capacity of the photovoltaic projects was increased by 170,000 kW and the accumulated agreed capacity was 5,699,000 kW.

## III. DISCUSSION AND ANALYSIS ON OPERATING RESULTS

**(1) Overview**

During the Reporting Period, the Group realized a net profit of RMB1,211 million, representing an increase of 26.5% as compared with the same period of last year. In particular, the net profit attributable to owners of the Company was RMB968 million, representing an increase of 17.8% 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 RMB6,361 million, representing an increase of 31.5% 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 RMB2,104 million, representing an increase of 14.3%, which was mainly due to the increase in sales volume during the Reporting Period.

2. revenue from the natural gas business amounted to approximately RMB4,254 million, representing an increase of 41.9% 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 RMB52.91 million, representing a decrease of RMB12.79 million as compared with the same period of last year, which was mainly due to the fact that the Group wrote down certain amounts payable to equipment suppliers because of quality issues during the same period of last year, while there was no such issue in the first half of 2019.

### (4) Operating costs

During the Reporting Period, the Group's operating costs (including cost of sales, marketing and distribution costs, administrative expenses and other expenses) amounted to RMB4,645 million, representing an increase of 30.1% as compared with the same period of last year, of which:

1. cost of sales was RMB4,431 million, representing an increase of 36.1% 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 of natural gas led to an increase in the cost of sales.

2. administrative expenses were RMB218 million, representing an increase of 26.0% 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 RMB422 million, representing an increase of 8.2% as compared with RMB390 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 RMB116 million, representing a decrease of RMB22 million as compared with RMB138 million in the same period of last year. This was mainly due to the decrease in net profit of associates.

### (7) Income tax expenses

During the Reporting Period, the Group's net income tax expenses were RMB246 million, representing an increase of 103.3% as compared with RMB121 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 RMB1,211 million, representing an increase of RMB254 million as compared with RMB957 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 RMB968 million, representing an increase of RMB146 million as compared with RMB822 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 RMB0.2520.

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

During the Reporting Period, the profit attributable to non-controlling interests holders was RMB244 million, representing an increase of RMB110 million as compared with RMB134 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 2019, the Group's trade and bills receivables amounted to RMB3,977 million, representing an increase of RMB681 million as compared with that as at 31 December 2018, which was mainly attributable to the increase in the outstanding subsidy funds for tariff premium of renewable energy to be received for the wind power business.

**(12) Bank and other borrowings**

As of 30 June 2019, the Group's long-term and short-term borrowings amounted to RMB21,437 million, representing an increase of RMB110 million as compared with RMB21,327 million as at 31 December 2018. Among all borrowings, short-term borrowings (including current portion of long-term borrowings) amounted to RMB4,869 million and long-term borrowings amounted to RMB16,568 million. Among all borrowings, fixed-rate borrowings amounted to RMB4,575 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 2019, the Group's net current liabilities value was RMB2,317 million. The net cash and cash equivalents decreased by RMB70 million. The Group has obtained banking facilities of RMB34,609 million in total granted by various domestic banks, of which RMB13,997 million was utilized. During the Reporting Period, the total amount of borrowings repaid by the Group was RMB2,690 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 RMB2,087 million, representing an increase of 15.3% from RMB1,811 million over the same period of last year. Segment information of capital expenditures is as follows:

| | **Six-month period ended 30 June** | | |
|---|---|---|---|
| | **2019 (RMB'000) (Unaudited)** | 2018 (RMB'000) (Unaudited) | Percentage (%) |
| Natural gas | **186,415** | 248,958 | -25.1% |
| Wind power and photovoltaic power | **1,899,438** | 1,561,575 | 21.6% |
| Unallocated capital expenditures | **1,313** | 375 | 250.1% |
| Total | **2,087,166** | 1,810,908 | 15.3% |

**(15) Net gearing ratio**

As of 30 June 2019, the net gearing ratio (net liabilities divided by the sum of net liabilities and equity) of the Group was 65%, representing a decrease of 1 percentage point as compared with 66% as at 31 December 2018, which was mainly due to an increase in equity financing in the Group.

**(16) Foreign exchange risk**

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

**(17) Material 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**

As of 30 June 2019, RMB100 million was used as the guarantee provided by the Company to a joint venture for its application to a financial institution for credit line.

**(20) Material litigation**

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

(1) As stated in the 2018 annual report of the Company, in relation to 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.

(2) As stated in the 2018 annual report of the Company, in relation to the arbitration regarding "Laiyuan Dongtuanbao Wind Farm Project Wind Turbine (50MW) Equipment Purchase Contract" (《淶源東團堡風電場項目工程風力發電機組(50MW)設備採購合同》entered into between Guodian United Power Technology Co., Ltd. (國電聯合動力技術有限公司) ("Guodian United") and Laiyuan Suntien Wind Energy Co., Ltd. (淶源新天風能有限公司) ("Laiyuan Suntien"). To date, judgment is yet to be made by Shijiazhuang Arbitration Committee.

(3) As stated in the 2018 annual report of the Company, in relation to the case regarding an outstanding amount payable by Hebei Daguangming Industrial Group Jiajing Glass Co., Ltd. (河北大光明實業集團嘉晶玻璃有限公司) ("Daguangming Company") to Hebei Natural Gas. In May 2019, Daguangming Company and Hebei Natural Gas reached a settlement agreement, pursuant to which the contractual repayment schedule was agreed upon, and the Intermediate People's Court in Xingtai City has made a ruling that the case has been finalized.

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

## IV. PROSPECTS FOR THE SECOND HALF OF 2019

In order to promote high quality development, the Group will continue the following in the second half of 2019:

1. Accelerate the construction of key projects that have already commenced so that they may be put into operation as soon as possible. Carefully select follow-up projects, avoid investment risk, and transit the Company from high-speed to high-quality development.

2. Rely on the advantages of existing long-distance pipeline resources, give full play to the synergy effect between long-distance pipelines and urban gas market, lay out market in advance, and continuously improve the market size and status of gas business.

3. Actively explore, speed up the layout, closely monitor the large-scale and large-channel projects planned by the state, and strive to realize the scale and diversified coordinated development of the new energy business sector.

4. Build an integrated system of scientific and technological information management to realise business informationisation, intelligence and digitisation, continuously improve management standardisation, standardisation and operational efficiency.

5. Strengthen the quality improvement of the Company's workforce and optimize the talent structure, establish a sound and flexible workforce, employment mechanism and incentive model to support the Group's high-quality development.

6. Continue to expand financing channels, timely issue financial products such as medium-term notes, asset securitisation, etc, further optimise the debt structure, and maintain the Group's reasonable level of assets and liabilities and stable and smooth source of capital chains.

## 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 2019 to 30 June 2019, except for code provision E.1.2. The Company has also established a modern corporate governance structure with characteristics of effective balance and independent operation, which comprises shareholders' meeting, the Board, the board of supervisors and senior management. In accordance with the requirements of provision E.1.2 of the CG Code, the chairman of the Board shall attend the annual general meeting. Mr. Cao Xin, the Chairman of the Company, was not able to attend the 2018 Annual General Meeting of the Company due to business engagement. According to relevant requirements, the meeting was chaired by Mr. Mei Chun Xiao, an executive director and President, as jointly elected by more than half of all the Directors of the Company.

## 2. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

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

The Company convened a Board meeting on 19 April 2019. Mr. Tan Jian Xin has been newly appointed as a vice president of the Company.

On 11 June 2019, upon the approval of the 2018 annual general meeting, Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang have been appointed as non-executive directors of the fourth session of the Board; Mr. Mei Chun Xiao and Mr. Wang Hong Jun have been appointed as executive directors of the fourth session of the Board; Mr. Xie Wei Xian, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao have been appointed as independent non-executive directors of the fourth session of the Board. While Ms. Sun Min, Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew will retire as Directors until expiry of the their term. The term of the fourth session of the Board shall be three years and will end on the expiry of the term of the fourth session of the Board, and the Directors are eligible for re-election upon expiry of their term according to the articles of association of the Company. Dr. Cao Xin has been elected as president of the Board at the first meeting of the fourth session of the Board of Directors.

On 11 June 2019, upon the approval of the 2018 annual general meeting, Mr. Wang Chun Dong has been appointed as a supervisor of the fourth session of the board of supervisors, Dr. Shao Jing Chun has been appointed as an independent supervisor of the fourth session of the board of supervisors. They form the fourth session of the board of supervisors of the Company together with Mr. Qiao Guo Jie, who was elected at the employee representatives meeting of the Company. The term of the fourth session of the board of supervisors shall be three years and will end on the expiry of the term of the fourth session of the board of supervisors, and the supervisors are eligible for re-election upon expiry of their term according to the articles of association of the Company. Mr. Wang Chun Dong has been elected as the chairman of the board of supervisors at the first extraordinary general meeting of the fourth session of the board of supervisors.

On 11 June 2019, upon the approval of the first meeting of the fourth session of the Board, Mr. Sun Xin Tian, Ms. Ding Peng, Mr. Lu Yang and Mr. Tan Jianxin have been re-appointed as vice president of the Company; Ms. Fan Wei Hong has been re-appointed as chief accountant of the Company; Mr. Ban Ze Feng has been re-appointed as secretary to the Board of the Company.

Save as disclosed above, during the Reporting Period, the Company was not aware of any change in the information of Directors, Supervisors and senior management which is required to be disclosed pursuant to the requirements of the Rule 13.51B(1) of the Hong Kong Listing Rules.

## (2) NUMBER OF EMPLOYEES

As of 30 June 2019, the Company had 2,236 employees in total.

During the Reporting Period, the Group adhered to the principle of "performance-oriented with objective management in a fair, just and open manner", carried out and implemented a new remuneration and performance management system, fully utilized the incentives of performance evaluation, and the performance of the Group's management was steadily improved. In light of the development of the Group's business and the market as a whole, the Group will further improve its remuneration system with a focus on incentives. Guided by the Group's strategies, the Group will improve on the incentive system and assessment indicators, focus our concerns on the assessment procedure and results and continue to conduct performance evaluation for all staff.

The Group will further strengthen management of professionals and technical talents, expand 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 of 30 June 2019, the Directors, supervisors and senior management of the Company had interests in the shares of the Company as below:

| Name of Shareholders | Class of Shares | Capacity | Number of shares/ underlying shares held |
|---|---|---|---|
| Cao Xin | H Shares | Non-executive Director | 50,000 (long position) |
| Mei Chun Xiao | H Shares | Executive Director | 50,000 (long position) |
| Ban Ze Feng | H Shares | Secretary to the Board | 50,000 (long position) |

Save as disclosed above, as of 30 June 2019, none of other 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. At the same time, as far as the Company is aware, there is no incident in which employees have not complied with the Model Code.

The Board will review the corporate governance and the operation of the Company from time to time in order to comply with the related requirements of the 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, five meetings were held by the Board, one meeting was held by the Audit Committee, three meetings were held by the board of supervisors, one annual general meeting was held by the Company, one meeting was held by the Remuneration and Appraisal Committee, two meetings were held by the Nomination Committee and one meeting was held by the Strategic and Investment Committee, while no extraordinary meeting was held by the Company. 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 and Mr. Wu Hui Jiang attended the 2018 annual general meeting and answered questions raised by shareholders.

**(1) AUDIT COMMITTEE**

During the Reporting Period, the Company completed the change of session of the Board on 11 June 2019. The Audit Committee consisted of three Directors before change of session, namely Mr. Wang Xiang Jun (an independent non-executive Director), Mr. Qin Gang (a non-executive Director) and Mr. Yue Man Yiu Matthew (an independent non-executive Director) and Mr. Wang Xiang Jun served as the chairman of the Audit Committee. The Audit Committee consisted of three Directors after change of session, namely Mr. Wan Yim Keung, Daniel (an independent non-executive Director), Mr. Qin Gang (a non-executive Director) and Mr. Xie Wei Xian (an independent non-executive Director), and Mr. Wan Yim Keung, Daniel served as the chairman of the Audit Committee.

During the Reporting Period, the Audit Committee convened one meeting, at which the audit results of 2018 were considered and the Resolution on the 2018 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 Company completed the change of session of the Board on 11 June 2019. The Remuneration and Appraisal Committee of the Company consisted of three Directors before change of session, namely Mr. Qin Hai Yan (an independent non-executive Director), Dr. Cao Xin (the chairman and a non-executive Director) and Mr. Ding Jun (an independent non-executive Director), and Mr. Qin Hai Yan served as the chairman of the Remuneration and Appraisal Committee. The Remuneration and Appraisal Committee consisted of five Directors after change of session, namely Dr. Lin Tao (an independent non-executive Director), Dr. Cao Xin (the chairman and a non-executive Director), Mr. Mei Chun Xiao (an executive Director), Mr. Xie Wei Xian (an independent non-executive Director) and Mr. Wan Yim Keung, Daniel (an independent non-executive Director), and Dr. Lin Tao served as the chairman of the Remuneration and Appraisal Committee.

During the Reporting Period, one meeting was convened by the Remuneration and Appraisal Committee. The Resolution on Remuneration of the Directors of the Fourth Session of the Board was reviewed and approved and submitted to the Board for consideration.

**(3) NOMINATION COMMITTEE**

During the Reporting Period, the Company completed the change of session of the Board on 11 June 2019. The Nomination Committee consisted of five Directors before change of session, namely Dr. Cao Xin (a non-executive Director), Dr. Li Lian Ping (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) and Dr. Cao Xin serves as the chairman of the Nomination Committee. The Nomination Committee consisted of five Directors after change of session, namely Dr. Cao Xin (a non-executive Director), Dr. Li Lian Ping (a non-executive Director), Mr. Xie Wei Xian (an independent non-executive Director), Mr. Wan Yim Keung, Daniel (an independent non-executive Director) and Dr. Lin Tao (an independent non-executive Director), and Mr. Xie Wei Xian served as the chairman of the Nomination Committee.

During the Reporting Period, two meetings were convened by the Nomination Committee. the Resolution on Nomination of Directors' Candidates of the Fourth Session of the Board of the Company, the Resolution on Nomination of Mr. Tan Jian Xin as Vice President of the Company, the Resolution on Nomination of Chairman of the Fourth Session of the Board of the Company, the Resolution on Nomination of Mr. Mei Chun Xiao as President of the Company, the Resolution on Nomination of Mr. Sun Xin Tian, Ms. Ding Peng, Mr. Lu Yang and Mr. Tan Jian Xin as Vice President of the Company, the Resolution on Nomination of Ms. Fan Wei Hong as Chief Accountant of the Company and the Resolution on Nomination of Mr. Ban Ze Feng as Secretary to the Board of the Company were reviewed and approved and submitted to the Board for consideration.

### (4) STRATEGIC AND INVESTMENT COMMITTEE

During the Reporting Period, the Company completed the change of session of the Board on 11 June 2019. The Strategic and Investment Committee consisted of three Directors before change of session, namely Dr. Cao Xin (an non-executive Director), Dr. Li Lian Ping (a non-executive Director) and Mr. Mei Chun Xiao (an executive Director), and Dr. Cao Xin served as the chairman of the Nomination Committee. The Strategic and Investment Committee consisted of five Directors after change of session, namely Dr. Cao Xin (an non-executive Director), Mr. Mei Chun Xiao (an executive Director), Mr. Wang Hong Jun (an executive Director), Mr. Qin Gang (a non-executive Director) and Mr. Wu Hui Jiang (a non-executive Director) and Dr. Cao Xin served as the chairman of the Nomination Committee.

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

## 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 2019, 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 2019, among the net proceeds from the placing of H shares by the Company in January 2014 of approximately HK$1,564 million, the Company has applied approximately HK$1,088 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$213 million in replenishing the Company's working capital. The remaining net proceeds from the placing of approximately HK$3 million are currently deposited in the bank account of the Company.

## 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 2019.

## 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 2019 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 2019.

## 5. INITIAL PUBLIC OFFERING OF A SHARES

The Company convened the first extraordinary general meeting in 2017 on 10 November 2017 for the consideration and passing of the resolution for the initial public offering of A shares. The Company intended to issue no more than 134,750,000 A shares which were planned to be listed on the Shanghai Stock Exchange (the "A Share Offering"). The second extraordinary general meeting in 2018 was convened on 18 September 2018, and upon the approval obtained at the extraordinary general meeting, the valid period for the A Share Offering plan would be extended for 12 months. The Company proposes to convene the first extraordinary general meeting in 2019 on 30 August 2019 to extend the 12-month valid period of the A Share Offering plan to 29 August 2020. For details of the A Share Offering plan, please refer to the announcements dated 25 September 2017, 2 August 2018 and 11 July 2019 and circulars of the Company dated 20 October 2017, 23 August 2018 and 7 August 2019.

The Company has received a form of acceptance issued by the China Securities Regulatory Commission on 2 November 2018 with respect to the Company's application for the A Share Offering. Please refer to the announcement of the Company dated 2 November 2018 for details. On 23 April 2019, the Company prior disclosed the updates of the application materials of A Share Offering of the Company on CSRC website. Currently, the work streams in relation to the A Share Offering are being carried out in an orderly manner.

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

As of 30 June 2019, 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 | 275,978,568 (long position) | 15.00% | 7.43% |
| | | Approved lending agent | 275,510,998 (lending pool) | 14.98% | 7.42% |
| | | Interests of corporation controlled by the substantial shareholder | 401,000 (short position) | 0.02% | 0.01% |
| GIC Private Limited | H shares | Investment Manager | 202,829,000 (Long position) | 11.03% | 5.46% |
| National Social Security Council | H shares | Beneficial owner | 128,163,000 (Long position) | 6.97% | 3.45% |

Note: (1) Citigroup Inc.'s controlled corporations, namely, Citibank N.A. and 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.

## 7. 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 2019

| | Notes | Six-month period ended 30 June 2019 RMB'000 (Unaudited) | 2018 RMB'000 (Unaudited) |
|---|---|---|---|
| **REVENUE** | 3 | **6,360,653** | 4,838,724 |
| Cost of sales | 6 | **(4,431,394)** | (3,255,198) |
| Gross profit | | **1,929,259** | 1,583,526 |
| Other income and gains, net | 5 | **52,907** | 65,698 |
| Selling and distribution expenses | | **(117)** | (57) |
| Administrative expenses | | **(217,690)** | (172,661) |
| Other expenses | | **4,447** | (142,763) |
| **PROFIT FROM OPERATIONS** | | **1,768,806** | 1,333,743 |
| Finance costs | 7 | **(422,268)** | (390,288) |
| Share of profits and losses of: | | | |
| Joint ventures | | **(5,719)** | (3,881) |
| Associates | | **116,271** | 138,334 |
| **PROFIT BEFORE TAX** | 6 | **1,457,090** | 1,077,908 |
| Income tax expense | 8 | **(245,846)** | (121,323) |
| **PROFIT FOR THE PERIOD** | | **1,211,244** | 956,585 |
| Attributable to: | | | |
| Owners of the Company | | **967,641** | 822,200 |
| Non-controlling interests | | **243,603** | 134,385 |
| | | **1,211,244** | 956,585 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **1,211,244** | 956,585 |
| Total comprehensive income for the period attributable to: | | | |
| Owners of the Company | | **967,641** | 822,200 |
| Non-controlling interests | | **243,603** | 134,385 |
| | | **1,211,244** | 956,585 |
| **EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY** | | | |
| Basic | 10 | **25.20 cents** | 21.84 cents |
| Diluted | 10 | **25.20 cents** | 21.84 cents |

# Interim Condensed Consolidated Statement of Financial Position

30 June 2019

| | Notes | 30 June 2019 RMB'000 (Unaudited) | 31 December 2018 RMB'000 (Audited) |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 11 | **25,156,680** | 26,584,025 |
| Investment properties | | **28,795** | 29,348 |
| Right-of-use assets | | **2,972,534** | – |
| Prepaid land lease payments | | **–** | 457,070 |
| Goodwill | | **39,412** | 39,412 |
| Intangible assets | | **1,707,079** | 1,756,582 |
| Investments in associates | | **2,110,353** | 1,831,205 |
| Investments in joint ventures | | **80,851** | 86,476 |
| Equity investments designated at fair value through other comprehensive income | | **115,206** | 115,206 |
| Deferred tax assets | | **192,284** | 195,720 |
| Prepayments and other receivables | 13 | **1,813,830** | 1,647,611 |
| Total non-current assets | | **34,217,024** | 32,742,655 |
| **CURRENT ASSETS** | | | |
| Prepaid land lease payments | | **–** | 11,162 |
| Inventories | | **36,396** | 45,809 |
| Trade and bills receivables | 12 | **3,976,510** | 3,296,067 |
| Prepayments, deposits and other receivables | 13 | **664,005** | 811,925 |
| Pledged deposits | 14 | **28,266** | 12,885 |
| Cash and cash equivalents | 14 | **2,169,950** | 2,240,325 |
| Total current assets | | **6,875,127** | 6,418,173 |
| **CURRENT LIABILITIES** | | | |
| Trade and bills payables | 15 | **124,301** | 148,445 |
| Other payables and accruals | 16 | **4,006,224** | 3,655,242 |
| Lease liabilities | | **110,045** | – |
| Finance lease payables | | **–** | 84,908 |
| Interest-bearing bank and other borrowings | 17 | **4,868,667** | 4,643,777 |
| Tax payable | | **82,824** | 70,073 |
| Total current liabilities | | **9,192,061** | 8,602,445 |
| **NET CURRENT LIABILITIES** | | **(2,316,934)** | (2,184,272) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **31,900,090** | 30,558,383 |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | | **1,347,697** | – |
| Finance lease payables | | **–** | 1,269,309 |
| Interest-bearing bank and other borrowings | 17 | **16,568,051** | 16,683,183 |
| Other payables and accruals | 16 | **185,039** | 183,954 |
| Deferred tax liabilities | | **28,469** | 25,385 |
| Total non-current liabilities | | **18,129,256** | 18,161,831 |
| Net assets | | **13,770,834** | 12,396,552 |
| **EQUITY** | | | |
| Equity attributable to owners of the Company | | | |
| Issued share capital | | **3,715,160** | 3,715,160 |
| Reserves | | **7,653,480** | 6,321,197 |
| Non-controlling interests | | **2,402,194** | 2,360,195 |
| Total equity | | **13,770,834** | 12,396,552 |

# Interim Condensed Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2019

| | Attributable to owners of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Issued share capital RMB'000 (note 10) | Other equity instruments RMB'000 (note 18) | Other comprehensive income RMB'000 | Capital reserve RMB'000 | Reserve funds RMB'000 | Retained profits RMB'000 | Total RMB'000 | Non-controlling interests RMB'000 | Total equity RMB'000 |
| **As at 1 January 2019** | **3,715,160** | **587,640** | **6,493** | **2,134,633** | **284,353** | **3,308,078** | **10,036,357** | **2,360,195** | **12,396,552** |
| Profit and total comprehensive income for the period (unaudited) | **-** | **-** | **-** | **-** | **-** | **967,641** | **967,641** | **243,603** | **1,211,244** |
| Final 2018 dividend declared (unaudited) | **-** | **-** | **-** | **-** | **-** | **(464,395)** | **(464,395)** | **-** | **(464,395)** |
| Dividends declared to non-controlling shareholders (unaudited) | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(263,744)** | **(263,744)** |
| Contribution by non-controlling shareholders (unaudited) | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **61,716** | **61,716** |
| Transfer from retained profits | **-** | **-** | **-** | **-** | **74,576** | **(74,576)** | **-** | **-** | **-** |
| Issuance of first tranche of 2019 renewable green corporate bonds (unaudited) | **-** | **906,360** | **-** | **-** | **-** | **-** | **906,360** | **-** | **906,360** |
| Other equity instruments' distribution (unaudited) | **-** | **-** | **-** | **-** | **-** | **(77,934)** | **(77,934)** | **-** | **(77,934)** |
| Others | **-** | **-** | **-** | **611** | **-** | **-** | **611** | **424** | **1,035** |
| **As at 30 June 2019 (unaudited)** | **3,715,160** | **1,494,000** | **6,493** | **2,135,244** | **358,929** | **3,658,814** | **11,368,640** | **2,402,194** | **13,770,834** |
| At 31 December 2017 | 3,715,160 | – | – | 2,135,064 | 210,715 | 2,543,895 | 8,604,834 | 1,896,256 | 10,501,090 |
| Effect of adoption of IFRS 9 | – | – | 6,493 | – | – | – | 6,493 | 5,313 | 11,806 |
| At 1 January 2018 (Restated) | 3,715,160 | – | 6,493 | 2,135,064 | 210,715 | 2,543,895 | 8,611,327 | 1,901,569 | 10,512,896 |
| Profit and total comprehensive income for the year | – | – | – | – | – | 1,268,506 | 1,268,506 | 306,658 | 1,575,164 |
| Final 2017 dividend declared | – | – | – | – | – | (382,662) | (382,662) | – | (382,662) |
| Dividends declared to non-controlling shareholders | – | – | – | – | – | – | – | (117,409) | (117,409) |
| Contributions by non-controlling shareholders | – | – | – | – | – | – | – | 255,200 | 255,200 |
| Changes in non-controlling interests due to capital injection | – | – | – | (921) | – | (12,859) | (13,780) | 13,780 | – |
| Transfer from retained profits | – | – | – | – | 73,638 | (73,638) | – | – | – |
| Issuance of first tranche of 2018 renewable green corporate bonds | – | 587,640 | – | – | – | – | 587,640 | – | 587,640 |
| Other equity instruments' distribution | – | – | – | – | – | (35,164) | (35,164) | – | (35,164) |
| Others | – | – | – | 490 | – | – | 490 | 397 | 887 |
| At 31 December 2018 | 3,715,160 | 587,640 | 6,493 | 2,134,633 | 284,353 | 3,308,078 | 10,036,357 | 2,360,195 | 12,396,552 |

* These reserve accounts comprise the consolidated reserves of RMB 7,653,480,000 (31 December 2018: RMB6,321,197,000) in the interim condensed consolidated statement of financial position as at 30 June 2019.

# Interim Condensed Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2019

| | Notes | Six-month period ended 30 June 2019 RMB'000 (Unaudited) | 2018 RMB'000 (Unaudited) |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit before tax | | **1,457,090** | 1,077,908 |
| Adjustments for: | | | |
| Finance costs | 7 | **422,268** | 390,288 |
| Foreign exchange loss/(gain), net | 6 | **(440)** | 1,436 |
| Share of losses of joint ventures | | **5,719** | 3,881 |
| Share of profits of associates | | **(116,271)** | (138,334) |
| Depreciation of items of property, plant and equipment | 6 | **572,679** | 520,745 |
| Depreciation of right of use assets | | **47,813** | – |
| Depreciation of investment properties | 6 | **553** | 767 |
| Amortisation of prepaid land lease payments | 6 | **–** | 6,665 |
| Amortisation of intangible assets | 6 | **53,200** | 52,533 |
| Gain from financial assets at fair value through other comprehensive income | 6 | **(6,289)** | (4,306) |
| Impairment/(reversal)of trade and bills receivables, net | 6 | **(1,580)** | 115,364 |
| Reversal of prepayments, deposits and other receivables, net | 6 | **(2,865)** | (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 | | **(506)** | (184) |
| | | **2,431,371** | 2,052,727 |
| Decrease/(increase) in inventories | | **9,413** | (928) |
| Increase in trade and bills receivables | | **(699,916)** | (697,348) |
| Decrease in prepayments, deposits and other receivables | | **244,190** | 57,204 |
| Increase/(decrease) in trade and bills payables | | **(32,794)** | 14,083 |
| Decrease in other payables and accruals | | **(243,094)** | (373,489) |
| Cash generated from operations | | **1,709,170** | 1,052,249 |
| Income tax paid | | **(226,575)** | (143,867) |
| Net cash flows from operating activities | | **1,482,595** | 908,382 |

# Interim Condensed Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2019

| | Notes | Six-month period ended 30 June 2019 RMB'000 (Unaudited) | 2018 RMB'000 (Unaudited) |
|---|---|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for acquisition of items of property, plant and equipment | | **(1,806,889)** | (1,464,617) |
| Payments for intangible assets | | **(3,697)** | (3,369) |
| Capital contributions to joint ventures | | **(170,000)** | (6,500) |
| Proceeds from disposal of property, plant and equipment | | **689** | – |
| Gain from financial assets at fair value through other comprehensive income | | **6,289** | 4,306 |
| Other cash flows from investing activities | | **21,928** | 2,582 |
| Other cash flows used in investing activities | | **(15,381)** | (199) |
| Net cash flows used in investing activities | | **(1,967,061)** | (1,467,797) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| New bank and other borrowings | | **2,757,007** | 4,096,234 |
| Repayment of bank and other borrowings | | **(2,689,934)** | (3,564,524) |
| Proceeds from discount of bill receivable | | **63,550** | – |
| Dividends paid to minority shareholders | | **(73,301)** | (59,074) |
| Distribution of other equity instruments | | **(35,164)** | – |
| Capital contributions by non-controlling shareholders | | **61,716** | 177,050 |
| Proceeds from issuance of renewable green corporate bonds | | **906,360** | 587,640 |
| Principal portion of lease payments/finance lease rental payments | | **(121,540)** | (107,000) |
| Interest paid | | **(455,043)** | (410,960) |
| Net cash flows from financing activities | | **413,651** | 719,366 |
| Effect of exchange rate changes on cash and cash equivalents | | **440** | (943) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | **(70,375)** | 159,008 |
| Cash and cash equivalents at beginning of period | | **2,240,325** | 2,110,035 |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | 14 | **2,169,950** | 2,269,043 |

## 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 unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2019 have been prepared in accordance with International Accounting Standards ("IASs") 34 *Interim Financial Reporting* and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018.

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 RMB2,317 million as at 30 June 2019, and its net cash inflow from operating activities and financing activities was approximately RMB1,483 million and 414 million respectively, and its net cash outflow used in investing activities amounted to approximately RMB1,967 million for the six-month period ended 30 June 2019. The Group recorded an decrease in cash and cash equivalents of approximately RMB 70 million for the six-month period ended 30 June 2019.

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 RMB20,613 million as at 30 June 2019.

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 New standards, interpretations and amendments adopted by the Group

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 2018, except for the adoption of the standards effective as of 1 January 2019. 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 16 *Leases*. As required by IAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial statements of the Group.

**IFRS 16 *Leases***

IFRS 16 replaces IAS 17 *Leases*, *IFRIC-Int 4 Determining whether an Arrangement contains a Lease, SIC-Int 15 Operating Leases-Incentives and SIC-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17.

*New definition of a lease*

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC-Int 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

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

### 2.2 New standards, interpretations and amendments adopted by the Group (continued)

**IFRS 16 *Leases* (continued)**

*As a lessee – Leases previously classified as operating leases*

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of land, property, wind turbines and related equipment and vehicles. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers and telephones); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and presented separately in the statement of financial position.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of RMB2,271 million that were reclassified from property, plant and equipment.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application

- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics,

- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application

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

### 2.2 New standards, interpretations and amendments adopted by the Group (continued)

**IFRS 16 *Leases* (continued)**

*As a lessee – Leases previously classified as operating leases* (continued)

Impacts on transition (continued)

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

| | **Increase/ (decrease) (Unaudited) RMB'000** |
|---|---|
| **Assets** | |
| Increase in right-of-use assets | **2,807,355** |
| Decrease in property, plant and equipment | **(2,270,977)** |
| Decrease in prepaid land lease payments | **(468,232)** |
| Decrease in prepayments, other receivables and other assets | **(184)** |
| Increase in total assets | **67,962** |
| **Liabilities** | |
| Increase in lease liabilities | **1,422,180** |
| Decrease in finance lease payables | **(1,354,218)** |
| Increase in total liabilities | **67,962** |

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

| | **(Unaudited)** RMB'000 |
|---|---|
| **Operating lease commitments as at 31 December 2018** | 93,612 |
| Weighted average incremental borrowing rate as at 1 January 2019 | 4.85% |
| Discounted operating lease commitments as at 1 January 2019 | 65,914 |
| Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019 | 10,165 |
| Add: Payments for optional extension periods not recognised as at 31 December 2018 | 12,213 |
| **Lease liabilities as at 1 January 2019** | 67,962 |

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

### 2.2 New standards, interpretations and amendments adopted by the Group (continued)

**IFRS 16 *Leases* (continued)**

*Summary of new accounting policies*

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office buildings, staff dormitory and vehicles. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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

### 2.2 New standards, interpretations and amendments adopted by the Group (continued)

**IFRS 16 *Leases* (continued)**

*Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss*

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the period are as follow:

| | Right-of-use assets | | | | | |
|---|---|---|---|---|---|---|
| | Land (Unaudited) RMB'000 | Buildings (Unaudited) RMB'000 | Motor vehicles (Unaudited) RMB'000 | Wind turbines and related equipment (Unaudited) RMB'000 | Total (Unaudited) RMB'000 | Lease Liabilities (Unaudited) RMB'000 |
| **As at 1 January 2019** | 519,390 | 18,523 | 2,550 | 2,266,892 | 2,807,355 | (1,422,180) |
| **Additions** | 60,896 | 965 | – | 152,436 | 214,297 | (153,400) |
| Depreciation charge | (8,369) | (3,263) | (501) | (36,985) | (49,118) | – |
| Interest expense | – | – | – | – | – | (3,702) |
| Payments | – | – | – | – | – | 121,540 |
| **As at 30 June 2019** | 571,917 | 16,225 | 2,049 | 2,382,343 | 2,972,534 | (1,457,742) |

The Group recognised rental expenses from short-term leases of RMB 4,570,000 for the six months ended 30 June 2019.

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

### 2.2 New standards, interpretations and amendments adopted by the Group (continued)

**IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment***

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements of the Group.

**Amendments to IFRS 9: *Prepayment Features with Negative Compensation***

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

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

### 2.2 New standards, interpretations and amendments adopted by the Group (continued)

**Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement***

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

These amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

**Amendments to IAS 28: *Long-term interests in associates and joint ventures***

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 *Investments in Associates and Joint Ventures*.

These amendments had no impact on the consolidated financial statements.

**Annual Improvements 2015-2017 Cycle**

IFRS 3 *Business Combinations*

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

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

### 2.2 New standards, interpretations and amendments adopted by the Group (continued)

**Annual Improvements 2015-2017 Cycle (continued)**

IFRS 11 *Joint Arrangements*

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

IAS 12 *Income Taxes*

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

IAS 23 *Borrowing Costs*

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

## 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.

| | |
|---|---|
| Amendments to IFRS 3 | *Definition of a Business*[1] |
| Amendments to IFRS 10 and IAS 28 | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3] |
| Amendments to IAS 1 and IAS 8 | *Definition of Material*[1] |
| IFRS 17 | *Insurance Contracts*[2] |

1 Effective for annual periods beginning on or after 1 January 2020
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 2019** | 30 June 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Sale of natural gas | **4,161,654** | 2,959,066 |
| Sale of electricity | **2,097,892** | 1,838,472 |
| Construction and connection of natural gas pipelines | **45,166** | 16,674 |
| Natural gas transportation | **39,629** | 15,331 |
| Wind power services | **1,459** | 633 |
| Others | **14,853** | 8,548 |
| | **6,360,653** | 4,838,724 |

Six-month period ended 30 June 2019

| | **Natural gas** | **Wind power and solar energy** | **Total** |
|---|---|---|---|
| | **RMB'000** | **RMB'000** | **RMB'000** |
| | **(Unaudited)** | **(Unaudited)** | **(Unaudited)** |
| Good transferred at a point in time | **4,162,712** | **2,098,812** | **6,261,524** |
| Services transferred over time | **91,693** | **7,436** | **99,129** |
| Total revenue from contracts with customers | **4,254,405** | **2,106,248** | **6,360,653** |

## 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 2019 and 2018.

Six-month period ended 30 June 2019

| | Natural gas RMB'000 (Unaudited) | Wind power and solar energy RMB'000 (Unaudited) | Total RMB'000 (Unaudited) |
|---|---|---|---|
| Segment revenue | 4,254,405 | 2,103,925 | 6,358,330 |
| Inter-segment revenue | – | – | – |
| Total revenue from external customers | 4,254,405 | 2,103,925 | 6,358,330 |
| **Segment results** | 503,767 | 1,387,392 | 1,891,159 |
| Interest income | 2,207 | 4,120 | 6,327 |
| Finance costs | (50,279) | (364,360) | (414,639) |
| Income tax expense | (110,416) | (135,412) | (245,828) |
| Profit of segments for the period | 345,279 | 891,740 | 1,237,019 |
| Unallocated revenue | | | 2,323 |
| Unallocated cost | | | (553) |
| Unallocated interest income | | | 1,696 |
| Corporate and other unallocated expenses | | | (25,263) |
| Unallocated income tax expense | | | (18) |
| Unallocated finance costs | | | (7,629) |
| Unallocated Share of profits and losses of an associate | | | 3,669 |
| Profit for the period | | | 1,211,244 |
| **Segment assets** | 6,407,534 | 33,298,812 | 39,706,346 |
| Corporate and other unallocated assets | | | 1,385,805 |
| Total assets | | | 41,092,151 |
| **Segment liabilities** | 3,951,514 | 22,507,098 | 26,458,612 |
| Corporate and other unallocated liabilities | | | 862,705 |
| Total liabilities | | | 27,321,317 |
| **Other segment information:** | | | |
| Impairment of trade and bills receivables, net | (1,330) | (250) | (1,580) |
| Impairment/(reversal) of prepayments, deposits and other receivables, net | 635 | (3,500) | (2,865) |
| Depreciation and amortisation | (74,570) | (598,624) | (673,194) |
| Unallocated depreciation and amortisation | | | (2,359) |
| | | | (675,553) |
| Share of profits of a joint venture | (5,719) | – | (5,719) |
| Share of profits of associates | 85,822 | 26,780 | 112,602 |
| Unallocated share of profits of an associate | | | 3,669 |
| | | | 110,552 |
| Investments in joint ventures | 47,161 | 33,690 | 80,851 |
| Investments in associates | 1,201,397 | 711,831 | 1,913,228 |
| Unallocated investments in an associate | | | 197,125 |
| Capital expenditure* | 186,415 | 1,899,438 | 2,085,853 |
| Unallocated capital expenditure* | | | 1,313 |
| | | | 2,087,166 |

## 4. OPERATING SEGMENT INFORMATION (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) |
|---|---|---|---|
| **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 |

* 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 | |
|---|---|---|
| | **2019** | 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| **Other income and gains, net** | | |
| Government grants: | | |
| – Value-added tax refunds | **34,484** | 23,434 |
| Bank interest income | **8,023** | 8,104 |
| Gain from financial assets at fair value through other comprehensive income | **6,289** | 4,306 |
| Others | **4,111** | 29,854 |
| | **52,907** | 65,698 |

## 6. PROFIT BEFORE TAX

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

| | Six-month period ended 30 June | |
|---|---|---|
| | **2019** | 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Cost of goods sold | **4,396,638** | 3,236,110 |
| Cost of services rendered | **34,756** | 19,088 |
| Total cost of sales | **4,431,394** | 3,255,198 |
| Depreciation of items of property, plant and equipment | **572,679** | 520,745 |
| Depreciation of investment properties | **553** | 767 |
| Depreciation of right of use assets | **47,813** | |
| Amortisation of prepaid land lease payments | **–** | 6,665 |
| Amortisation of intangible assets | **53,200** | 52,533 |
| Total depreciation and amortisation | **674,245** | 580,710 |
| Minimum lease payments under operating leases of land and buildings | **–** | 6,567 |
| Employee benefit expenses(including directors', supervisors' and chief executive's remuneration): | | |
| Wages, salaries and allowances | **156,995** | 136,366 |
| Pension scheme contributions (defined contribution scheme) | **18,527** | 15,941 |
| Welfare and other expenses | **51,352** | 37,452 |
| | **226,874** | 189,759 |
| Gain from Financial assets at fair value through other comprehensive income | **(6,289)** | (4,306) |
| Gain on disposal of items of property, plant and equipment, net | **(259)** | (71) |
| Rental income on investment properties | **(1,115)** | (1,064) |
| Foreign exchange (gain)/loss, net | **(440)** | 1,436 |
| Impairment/ (reversal) of prepayments, deposits and other receivables, net | **(2,865)** | (1,030) |
| Impairment/ (reversal) of trade receivables, net | **(1,580)** | 115,364 |
| 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 | |
|---|---|---|
| | **2019** | 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Interest expense on bank loans and other borrowings | **494,964** | 476,357 |
| Less: Interest capitalised to items of property, plant and equipment | **(72,696)** | (86,069) |
| | **422,268** | 390,288 |

## 8. INCOME TAX EXPENSE

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

Under the relevant PRC Corporate Income Tax Law and respective regulations, except for certain preferential treatment available to certain subsidiaries of the Company as mentioned above, the PRC entities within the Group were subject to corporate income tax at a rate of 25% during the six-month periods ended 30 June 2019 and 2018.

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 2019 and 2018.

| | Six-month period ended 30 June | |
|---|---|---|
| | **2019** | 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Current income tax – Mainland China | **239,326** | 146,711 |
| Deferred income tax | **6,520** | (25,388) |
| Tax charge for the period | **245,846** | 121,323 |

## 9. DIVIDENDS

The dividends for the six-month periods ended 30 June 2019 and 2018 are set out below:

| | Six-month period ended 30 June | |
|---|---|---|
| | **2019** | 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Dividends: | | |
| Declared final 2018 dividend – RMB12.5 cents (final 2017 dividend: RMB10.3 cents) per share | **464,395** | 382,662 |

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

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.

The Directors did not recommend the payment of an interim dividend for the six-month period ended 30 June 2019 (six-month period ended 30 June 2018: 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 2019 and 2018 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 2019 and 2018.

| | Six-month period ended 30 June | |
|---|---|---|
| | **2019** | 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| **Earnings:** | | |
| Profit attributable to ordinary equity holders of the parent | **967,641** | 822,200 |
| Less: Distribution relating to the renewable green corporate bonds (i) | **(31,580)** | (10,745) |
| Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation | **936,061** | 811,455 |

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

| | Number of shares | |
|---|---|---|
| | Six-month period ended 30 June | |
| | **2019** | 2018 |
| | **(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 1 January 2019 to 30 June 2019, was deducted from earnings when calculating the earnings per share for the period ended 30 June 2019.

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

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2019, the Group acquired property, plant and equipment at an aggregate cost amounting to approximately RMB1,630,793,000 (six-month period ended 30 June 2018: RMB2,028,571,000).

During the six-month period ended 30 June 2019, items of property, plant and equipment with an aggregate net carrying value of approximately RMB439,000 (six-month period ended 30 June 2018: RMB93,000) were disposed of, which resulted in a net gain on disposal of approximately RMB259,000 (six-month period ended 30 June 2018: RMB71,000) 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 2019 RMB'000 (Unaudited)** | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Trade and bills receivables | **4,501,406** | 3,822,543 |
| Impairment | **(524,896)** | (526,476) |
| | **3,976,510** | 3,296,067 |
| Portion classified as non-current assets | **–** | – |
| | **3,976,510** | 3,296,067 |

Included in the trade receivables as at 30 June 2019 were receivables under two service concession arrangements in an aggregate amount of RMB231,238,000 (31 December 2018: RMB190,528,000).

## 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 2019 RMB'000 (Unaudited)** | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Within 3 months | **1,008,852** | 1,286,461 |
| 3 to 6 months | **665,806** | 397,264 |
| 6 months to 1 year | **717,588** | 804,586 |
| 1 to 2 years | **1,234,529** | 698,670 |
| 2 to 3 years | **298,703** | 65,166 |
| More than 3 years | **51,032** | 43,920 |
| | **3,976,510** | 3,296,067 |

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

| | **Provision for impairment of trade receivables RMB'000** |
|---|---|
| At 1 January 2019 (audited) | **526,476** |
| Impairment losses recognised(unaudited) | **1,048** |
| Reversal (unaudited) | **(2,628)** |
| At 30 June 2019 (unaudited) | **524,896** |
| At 1 January 2018 (audited) | 358,992 |
| Impairment losses recognised (audited) | 177,589 |
| Reversal (audited) | (10,105) |
| Write-off (audited) | – |
| At 31 December 2018 (audited) | 526,476 |

The Croup applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. As at 30 June 2019, a provision of RMB524,896 ,000 was made against the gross amounts of trade receivables.

## 12. TRADE AND BILLS RECEIVABLES (continued)

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

| | As at 30 June 2019 RMB'000 (Unaudited) | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Fellow subsidiaries | 6 | – |

## 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | As at 30 June 2019 RMB'000 (Unaudited) | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Prepayments to suppliers | 1,229,008 | 1,071,750 |
| Deductible VAT | 1,149,518 | 1,236,988 |
| Deposits and other receivables | 136,960 | 191,312 |
| | 2,515,486 | 2,500,050 |
| Less: Impairment | (37,651) | (40,514) |
| | 2,477,835 | 2,459,536 |
| Portion classified as non-current assets | (1,813,830) | (1,647,611) |
| Current portion | 664,005 | 811,925 |

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

| | As at 30 June 2019 RMB'000 (Unaudited) | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| HECIC | 3,413 | 804 |
| Associates | 29,817 | 46,896 |
| | 33,230 | 47,700 |

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 2019 RMB'000 (Unaudited)** | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Cash and bank balances | **2,198,216** | 2,188,210 |
| Time deposits | **–** | 65,000 |
| | **2,198,216** | 2,253,210 |
| Less: Time deposits pledged for letters of guarantee | **(28,266)** | (12,885) |
| Cash and cash equivalents in the consolidated statement of financial position | **2,169,950** | 2,240,325 |
| Less: Non-pledged time deposits with original maturity of more than three months when acquired | **–** | – |
| Cash and cash equivalents in the consolidated statement of cash flows | **2,169,950** | 2,240,325 |
| Cash and bank balances and time deposits denominated in: | | |
| – RMB | **2,194,517** | 2,154,289 |
| – Hong Kong dollar | **3,699** | 98,921 |
| | **2,198,216** | 2,253,210 |

## 15. TRADE AND BILLS PAYABLES

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

| | **As at 30 June 2019 RMB'000 (Unaudited)** | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Bills payable | **82,964** | 74,315 |
| Trade payables | **41,337** | 74,130 |
| | **124,301** | 148,445 |

## 15. TRADE AND BILLS PAYABLES (continued)

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 2019 RMB'000 (Unaudited)** | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Within 6 months | **96,714** | 133,539 |
| 6 months to 1 year | **15,276** | 4,112 |
| 1 to 2 years | **5,991** | 6,214 |
| 2 to 3 years | **2,239** | 1,570 |
| More than 3 years | **4,081** | 3,010 |
| | **124,301** | 148,445 |

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

| | **As at 30 June 2019 RMB'000 (Unaudited)** | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Joint ventures | **2,569** | 7,926 |

## 16. OTHER PAYABLES AND ACCRUALS

| | As at 30 June 2019 RMB'000 (Unaudited) | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Wind turbine and related equipment payables | 698,639 | 802,965 |
| Retention money payables | 788,091 | 667,177 |
| Contract liabilities | 374,682 | 691,578 |
| Construction payables | 1,193,396 | 1,212,471 |
| Accrued salaries, wages and benefits | 86,821 | 108,177 |
| Other taxes payable | 12,947 | 39,965 |
| Interest payable | 110,633 | 74,414 |
| Dividend payable to non-controlling shareholders | 210,011 | 19,568 |
| Dividend payable to owners of the company | 464,395 | – |
| Dividend payable to the renewable green corporate bonds | 77,934 | 35,164 |
| Others | 173,714 | 187,717 |
| | 4,191,263 | 3,839,196 |
| Portion classified as non-current liabilities | (185,038) | (183,954) |
| Current portion | 4,006,225 | 3,655,242 |

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 2019 RMB'000 (Unaudited) | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| HECIC | 238,973 | 671 |
| Fellow subsidiaries | 336 | 1,190 |
| Others | 189,364 | – |
| Associates | – | 1,157 |
| | 428,673 | 3,018 |

The amounts due to HECIC included dividend payable, the fee charged by HECIC for providing guarantee to the issue of corporate bonds by the Company, which should be repaid annually (note 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 2019 (Unaudited) | | | As at 31 December 2018 (Audited) | | |
|---|---|---|---|---|---|---|
| | **Effective interest rate (%)** | **Maturity** | **RMB'000** | Effective interest rate (%) | Maturity | RMB'000 |
| **Current** | | | | | | |
| Short term bank loans: | | | | | | |
| – Unsecured | **2.1-4.8** | **2019-2020** | **1,767,354** | 2.1-4.8 | 2019 | 1,272,254 |
| – Secured | **–** | **2019-2020** | **42,685** | – | – | – |
| | | | **1,810,039** | | | 1,272,254 |
| Short term other borrowings: | | | | | | |
| – Unsecured | **3.4-4.9** | **2019-2020** | **1,000,000** | 3.9-5.1 | 2019 | 1,500,000 |
| Current portion of long term bank loans: | | | | | | |
| – Unsecured | **1.2-5.0** | **2019-2020** | **1,328,258** | 1.2-5.0 | 2019 | 1,195,065 |
| – Secured | **4.4-5.9** | **2019-2020** | **730,370** | 4.4-5.9 | 2019 | 676,458 |
| | | | **2,058,628** | | | 1,871,523 |
| Current portion of long term other borrowings: | | | | | | |
| – Unsecured | **–** | **–** | **–** | – | – | – |
| Current portion of corporate bonds: | | | | | | |
| – Unsecured | **–** | **–** | **–** | – | – | – |
| Total current portion | | | **4,868,667** | | | 4,643,777 |
| **Non-current** | | | | | | |
| Long term bank loans: | | | | | | |
| – Unsecured | **1.2-5.0** | **2019-2034** | **8,187,845** | 1.2-5.0 | 2019-2034 | 8,081,977 |
| – Secured | **4.4-5.9** | **2019-2038** | **6,680,206** | 4.4-5.9 | 2019-2038 | 6,901,206 |
| | | | **14,868,051** | | | 14,983,183 |
| Long term other borrowings: | | | | | | |
| – Unsecured | **5.5-6.2** | **2021-2022** | **1,700,000** | 5.4-6.2 | 2021-2022 | 1,700,000 |
| Corporate bonds: | | | | | | |
| – Unsecured | **–** | **–** | **–** | – | – | – |
| Total non-current portion | | | **16,568,051** | | | 16,683,183 |
| | | | **21,436,718** | | | 21,326,960 |

## 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. In March 2019, the Company made public offering of first tranche of 2019 renewable green corporate bonds (the "Bonds") to qualified investors in an aggregate amount of RMB910 million at the initial distribution rate of 4.70%. 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 RMB906,360,000.

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 2019, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

| | **As at 30 June 2019 RMB'000 (Unaudited)** | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Within one year | **975** | 2,166 |
| In the second to fifth years, inclusive | **425** | 1,069 |
| | **1,400** | 3,235 |

## 19. OPERATING LEASE ARRANGEMENTS (continued)

### As lessee

### Rental fee supplemental information

The Group used the elective practical expedients when applying IFRS 16 and did not recognise the right-of-use assets and lease liabilities for the short-term lease and low-value asset leases. The variable lease payments for short-term leases are included in the current expenses as follows:

| | **For the six months ended 30 June 2019 RMB'000 (Unaudited)** |
|---|---|
| Short-term rental fee | **4,570** |

As at 31 December 2018, the Group had the following total future minimum lease payments under non-cancellable operating leases in respect of land and buildings:

| | As at 31 December 2018 RMB'000 (Audited) |
|---|---|
| Within one year | 12,650 |
| In the second to fifth years, inclusive | 22,632 |
| After five years | 58,375 |
| | 93,612 |

## 20. COMMITMENTS

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

| | **As at 30 June 2019 RMB'000 (Unaudited)** | As at 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Contracted, but not provided for | | |
| – Property, plant and equipment | **5,818,391** | 7,125,477 |
| – Capital contributions | **1,182,156** | 1,357,656 |
| | **7,000,547** | 8,483,133 |

## 21. CONTINGENT LIABILITIES

As at 30 June 2019, the banking facility granted to a joint venture subject to a guarantee given to a bank (2018: two banks) by the Company was utilised to the extent of approximately of RMB100,000,000 (31 December 2018: RMB127,500,000).

A subsidiary of the Group is currently a defendant in a lawsuit with claim amount of RMB125,869,000 brought by a party alleging that the subsidiary breached and repudiated a contract to purchase wind turbines and related equipment. The directors, based on the advice from the Group's legal counsel, believe that the subsidiary has a valid defence against the allegation and, accordingly, have not provided for any claim arising from the litigation, other than the related legal and other costs.

## 22. RELATED PARTY TRANSACTIONS

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2019 and 2018:

**(i) Transactions with HECIC***

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

In the first half of 2019, the Group and HECIC renewed certain lease agreements, pursuant to which HECIC leased office space at Yu Yuan Plaza to the Group. The monthly rental fee is RMB451,000 for the tenancy of 2.75 to 3 years. The Company recognized right-of-use assets and lease liabilities at 1 January 2019. The depreciation and interest expense charged to interim condensed consolidated statement of profit and loss is RMB1,939,000 and RMB293,000. As at 30 June 2019, the carrying amounts of right-of-use assets and lease liabilities are RMB11,055,000 and RMB12,308,000. During the six months ended 30 June 2019, the rental expense paid to HECIC is RMB1,091,000.

The Company issued the first tranche of 2018 renewable green corporate bonds in March 2018,and issued the first tranche of 2019 renewable green corporate bonds in March 2019. HECIC agreed to provide a guarantee to the Company for the issuance of renewable green corporate bonds with an aggregate nominal value of up to RMB1.5 billion. The guarantee was unconditional and irrevocable with an annual charge of 0.2% of the nominal value of the corporate bonds to the Company by HECIC. A guarantee fee of approximately RMB1,173,000 (six-month period ended 30 June 2018: RMB356,000) was charged by HECIC for the six-month period ended 30 June 2019.

**(ii) Transactions with fellow subsidiaries***

*Transactions with HECIC Group Finance Company Limited*

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

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

## 22. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2019 and 2018: (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 2019 as summarised below:

| | **30 June 2019 RMB'000 (Unaudited)** | 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Cash and cash equivalents | **1,162,440** | 1,595,810 |
| Bills payable | **82,964** | 74,315 |
| Short term loans | **1,219,058** | 714,000 |
| Current portion of long term loans | **110,000** | 30,000 |
| Long term loans | **–** | 110,000 |

| | **Six-month period ended 30 June** | |
|---|---|---|
| | **2019 RMB'000 (Unaudited)** | 2018 RMB'000 (Unaudited) |
| Interest income | **7,080** | 8,133 |
| Interest expense | **21,413** | 18,009 |

On 8 March 2019, one of the subsidiaries of the Group entered into a long-term loan agreement with a bank. The bank lent RMB30 million to the subsidiary for a term of three years. The Group Finance Company agreed to provide a guarantee to the subsidiary for the loan. A guarantee fee of approximately RMB150,000 was charged by the Group Finance Company for the six-month period ended 30 June 2018.

## 22. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2019 and 2018: (continued)

**(ii) Transactions with fellow subsidiaries* (continued)**

*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. (河北建投國融能源股份有限公司, “CISF”) on 28 December 2017 and 16 November 2018. 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 2018 and 2019. 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 30 June 2019 (six-month period ended 30 June 2018: RMB0).

On 1 April 2016, CISF and a subsidiary of the Company entered into an operating lease agreement of commercial property for two years. In 2017, the lessee changed from CISF to Hebei Construction & Investment Rongtan Asset Management Co., Ltd. (河北建投融碳資產管理有限公司, “Rongtan”). In 2019, Rongtan changed the area while renew the agreement. The total rental income in six-month period ended 30 June 2019 was RMB28,000 (six-month period ended 30 June 2018: RMB46,000).

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

In 2018, HECIC replaced the property management company of its Yu Yuan Plaza to HECIC Mingjia Property Managerment Service Co., Ltd. (河北建投明佳物業服務有限公司, “Mingjia”), a company under its control. The tenant of Yu Yuan Plaza, including the Company and related subsidiaries, signed new property management agreement with Mingjia, the property management fee charged by Mingjia in six-month period ended 30 June 2019 was RMB768,000 (six-month period ended 30 June 2018: RMB0).

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

On 1 January 2019, Maotian (Beijing) Equity Investment Fund Management Co., Ltd. (茂天(北京)股權投資基金管理有限責任公司,“Maotian”) entered into an operating lease agreement of commercial property for a year. The total rental income in six-month period ended 30 June 2019 was RMB55,000 (six-month period ended 30 June 2018: RMB0).

## 22. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2019 and 2018: (continued)

**(iii) Transactions with the Company's joint venture**

| | Six-month period ended 30 June | |
|---|---|---|
| | **2019** | 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Sales of natural gas | **–** | 7,170 |
| Purchase natural gas | **–** | 8,054 |
| Purchase natural gas transportation service | **12,568** | 15,772 |

The Company has guaranteed a bank facility (six-month period ended 30 June 2018: two bank facilities) made to a joint venture of up to RMB100,000,000 in six-month period ended 30 June 2019 (six-month period ended 30 June 2018: RMB175,000,000) (note 21).

In August 2018, an agreement was signed between the Company and the joint venture, in which the coalbed methane (CBM) pipeline project of the joint venture with carrying amount approximately RMB440,000,000 was mortgaged to provide counter-guarantee for the Company.

**(iv) Transactions with the Company's associate***

Huihai Leasing was a subsidiary of the Group before 1 July 2017. Upon completion of the equity transfer, the total equity interests of Huihai Leasing held by the Group reduced from 100% to 30%. Prior to this transaction, several wind energy subsidiaries of the Group entered into various finance lease transactions with Huihai Leasing under the Financial Leasing Contracts. Finance lease receivables and payables were fully eliminated when preparing consolidated financial statements. After Huihai Leasing became an associate of the Group, the existing continuing finance lease transactions between Huihai Leasing and the Group became related party transactions of the Group. The total amount of the finance lease transactions of principal, interest and handling fee was RMB12,497,000 (six-month period ended 30 June 2018: RMB13,362,000).

**(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 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 | |
|---|---|---|
| | **2019** | 2018 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Short term employee benefits | **2,224** | 1,649 |
| Pension scheme contributions | **104** | 88 |
| | **2,328** | 1,737 |

## 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 2019 | | |
|---|---|---|---|
| | **Financial assets at amortised cost RMB'000 (Unaudited)** | **Fair value through other comprehensive income RMB'000 (Unaudited)** | **Total RMB'000 (Unaudited)** |
| Financial assets at fair value through other comprehensive income | **–** | **115,206** | **115,206** |
| Trade receivables | **3,059,430** | **–** | **3,059,430** |
| Bills receivables | **–** | **467,080** | **467,080** |
| Financial assets included in prepayments, deposits and other receivables | **100,094** | **–** | **100,094** |
| Pledged deposits | **28,266** | **–** | **28,266** |
| Cash and cash equivalents | **2,169,950** | **–** | **2,169,950** |
| | **5,807,740** | **582,286** | **6,390,026** |

## 23. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

### Financial Assets (continued)

| | 31 December 2018 | | |
|---|---|---|---|
| | Financial assets at amortised cost RMB'000 (Audited) | Fair value through other comprehensive income RMB'000 (Audited) | Total RMB'000 (Audited) |
| Equity investments designated at fair value through other comprehensive income | – | 115,206 | 115,206 |
| Trade receivables | 2,804,601 | – | 2,804,601 |
| Bills receivable | – | 491,466 | 491,466 |
| Financial assets included in prepayments, deposits and other receivables | 111,706 | – | 111,706 |
| Pledged deposits | 12,885 | – | 12,885 |
| Cash and cash equivalents | 2,240,325 | – | 2,240,325 |
| | 5,169,517 | 606,672 | 5,776,189 |

### Financial liabilities

| | **30 June 2019 RMB'000 (Unaudited)** | 31 December 2018 RMB'000 (Audited) |
|---|---|---|
| Financial liabilities at amortised cost: | | |
| Trade and bills payables | **124,301** | 148,445 |
| Financial liabilities included in other payables and accruals | **3,665,439** | 2,946,918 |
| Interest-bearing bank loans | **21,436,718** | 21,326,960 |
| Finance lease payables | **–** | 1,354,218 |
| Lease liabilities | **1,457,742** | – |
| | **26,684,200** | 25,776,541 |

## 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 2019 RMB'000 (Unaudited)** | 31 December 2018 RMB'000 (Audited) | **30 June 2019 RMB'000 (Unaudited)** | 31 December 2018 RMB'000 (Audited) |
| **Financial assets** | | | | |
| Equity investments designated at fair value through other comprehensive income | **115,206** | 115,206 | **115,206** | 115,206 |
| Bills receivable | **467,079** | 491,466 | **467,079** | 491,466 |
| Trade receivables | **–** | – | **–** | – |
| | **582,285** | 606,672 | **582,285** | 606,672 |
| **Financial liabilities** | | | | |
| Financial liabilities included in other payables and accruals | **185,040** | 183,952 | **138,280** | 136,906 |
| Interest-bearing bank and other borrowings | **16,568,051** | 16,683,183 | **16,662,509** | 16,719,398 |
| Finance lease payables | **–** | 1,269,310 | **–** | 1,269,310 |
| Lease liabilities | **1,347,697** | – | **1,347,697** | – |
| | **18,100,788** | 18,136,445 | **18,148,486** | 18,125,614 |

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 2019 was assessed to be insignificant.

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

Fair value hierarchy:

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

Assets for which fair values are disclosed:

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | **Quoted prices in active markets (Level 1) RMB'000** | **Significant observable inputs (Level 2) RMB'000** | **Significant unobservable inputs (Level 3) RMB'000** | **Total RMB'000** |
| **As at 30 June 2019** | | | | |
| Equity investments designated at fair value through other comprehensive income (unaudited) | **–** | **115,206** | **–** | **115,206** |
| Bills receivable(unaudited) | **–** | **467,079** | **–** | **467,079** |
| | **–** | **582,285** | **–** | **582,285** |
| As at 31 December 2018 | | | | |
| Equity investments designated at fair value through other comprehensive income (audited) | – | 115,206 | – | 115,206 |
| Bills receivable (audited) | – | 491,466 | – | 491,466 |
| | – | 606,672 | – | 606,672 |

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

Liabilities for which fair values are disclosed:

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) RMB'000 | Significant observable inputs (Level 2) RMB'000 | Significant unobservable inputs (Level 3) RMB'000 | Total RMB'000 |
| **As at 30 June 2019** | | | | |
| Financial liabilities included in other payables and accruals (unaudited) | **–** | **138,280** | **–** | **138,280** |
| Interest-bearing bank and other borrowings (unaudited) | **–** | **16,662,509** | **–** | **16,662,509** |
| Lease liabilities(unaudited) | **–** | **1,347,697** | **–** | **1,347,697** |
| | **–** | **18,148,486** | **–** | **18,148,846** |
| As at 31 December 2018 | | | | |
| Financial liabilities included in other payables and accruals (audited) | – | 164,058 | – | 164,058 |
| Interest-bearing bank and other borrowings (audited) | – | 16,663,888 | – | 16,663,888 |
| Finance lease payables (audited) | – | 1,269,310 | – | 1,269,310 |
| | – | 18,097,256 | – | 18,097,256 |

## 25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the Directors of the Company on 27 August 2019.

# 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 projects 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 2019 |
| "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 2019 to 30 June 2019 |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "CG Code" | the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules |
| "SFO" | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules |

## REGISTERED NAME:

新天綠色能源股份有限公司

## NAME IN ENGLISH:

China Suntien Green Energy Corporation Limited

## REGISTERED OFFICE AND HEADQUARTERS:

9th Floor
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No. 9 Yuhua West Road
Shijiazhuang City
Hebei Province
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG:

Suite 2103, 21st Floor
Prudential Tower
The Gateway
Harbour City
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
Mr. Wu Hui Jiang

### Executive Directors

Mr. Mei Chun Xiao
Mr. Wang Hong Jun

### Independent non-executive Directors

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

## SUPERVISORS OF THE COMPANY:

Mr. Wang Chun Dong
Mr. Qiao Guo Jie
Dr. Shao Jing Chun

## AUTHORIZED REPRESENTATIVES:

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

## INDEPENDENT AUDITORS:

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**As to PRC law**

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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
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Shijiazhuang City, Hebei Province
PRC

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

Shijiazhuang City, Hebei Province, the PRC, 27 August 2019

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

* *For identification purpose only*