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)

2017 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 2017. The full text of 2017 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 2017 interim report of the Company will be dispatched to the holders of H shares of the Company in early September 2017 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 of directors ("Board") of China Suntien Green Energy Corporation Limited hereby presents the unaudited interim results of the Group for the six months ended 30 June 2017 prepared in accordance with the International Financial Reporting Standards. The Audit Committee of the Board has also reviewed the 2017 interim results of the Group and relevant financial information.

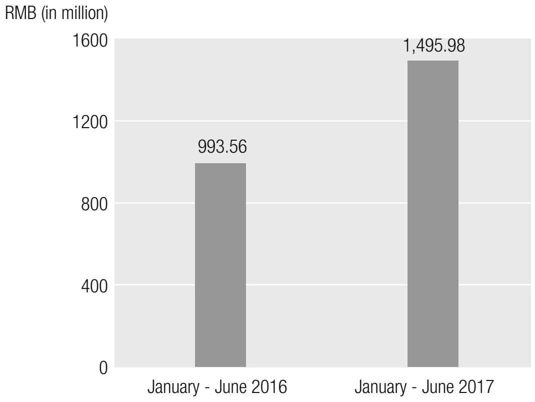
For the six months ended 30 June 2017, the Group recorded a consolidated operating revenue of RMB3,221 million, up 53.4% over the same period of 2016; profit before tax of approximately RMB806 million; net profit attributable to the owners of the Company of RMB601 million and earnings per share of approximately RMB0.1619. As at 30 June 2017, net assets per share of the Company (excluding the interests held by non-controlling interest holders) amounted to RMB2.23.

I. Financial Highlights

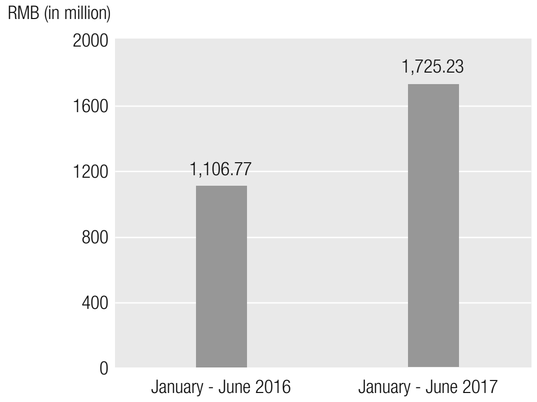
	For the six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**3,221,209**	2,100,326
Profit before tax	**806,126**	486,683
Income tax expense	**95,413**	69,030
Profit for the period	**710,713**	417,653
Attributable to:		
Owners of the Company	**601,351**	353,229
Non-controlling interests holders	**109,362**	64,424
Total comprehensive income for the period	**710,713**	417,653
Earnings per share attributable to ordinary equity holders of the Company		
Basic (RMB)	**16.19 cents**	9.51 cents
Diluted (RMB)	**16.19 cents**	9.51 cents

II. Major Operation Data

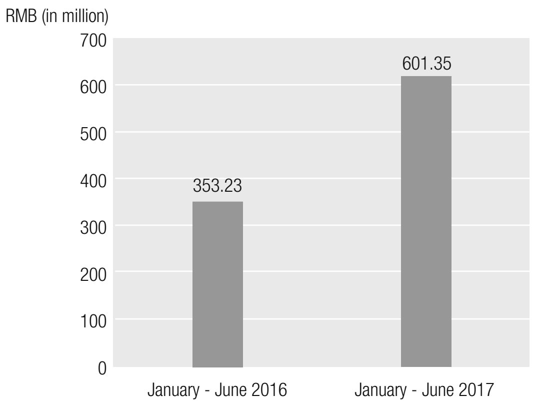
Consolidated Revenue of Wind and Photovoltaic Power Generation Businesses



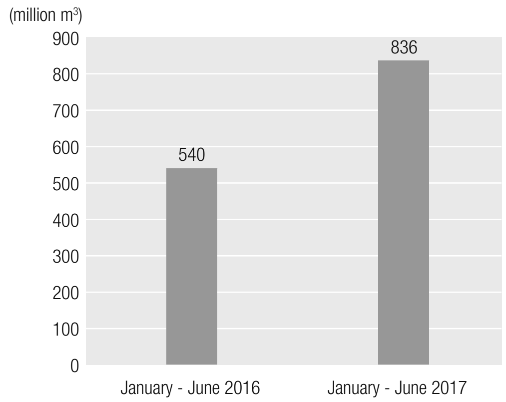
Consolidated Revenue of Natural Gas Business



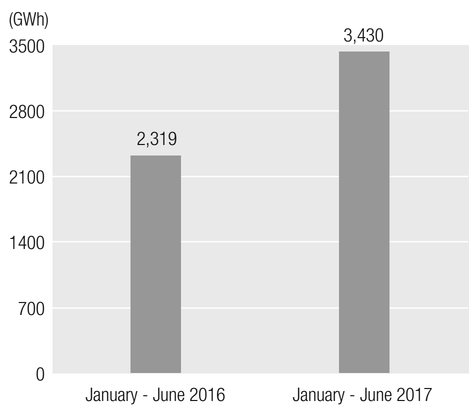
Net Profit Attributable to Owners of the Company



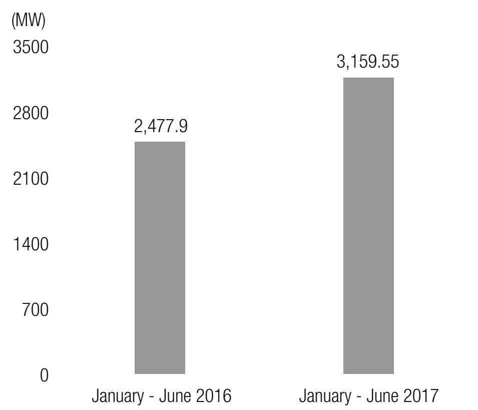
Natural Gas Sales Volume



Wind Power Consolidated Gross Power Generation



Wind Power Consolidated Installed Capacity



I. OPERATING ENVIRONMENT

In the first half of 2017, the global economy continued its recovery trend and China's economic operation was maintained at a reasonable range with upward momentum getting more visible and overall consumption of energy on the rise. To advocate green consumption in the whole society, promote usage of clean energy and further enhance the subsidy mechanisms for wind power and photovoltaic power generation, the NDRC, the Ministry of Finance and the National Energy Administration jointly issued the "Notice on Trial Implementation of Renewable Energy Green Power Certificate Issuance and Voluntary Subscription Trading System" (《關於試行可再生能源綠色電力證書核發及自願認購交易制度的通知》) in February 2017, and intended to establish a voluntary subscription system for renewable energy green power certificates, which marked a transformation of those supporting policies for renewable energy projects from a rigid direct subsidy system to a market-oriented mechanism.

In June 2017, the NDRC published the "Guiding Opinions on Strengthening Gas Distribution Price Regulation" (《關於加強配氣價格監管的指導意見》) which requires a post-tax investment rate of return of no more than 7%. It is expected that future price regulation of the natural gas industry will be further strengthened and the traditional high gross profit model will no longer exist.

In July, in order to expedite the promotion of using natural gas and increase the proportion of natural gas in the primary energy consumption structure of China, 13 authorities including the NDRC and the National Energy Administration jointly published the "Opinions on Speeding up in Promoting the Utilization of Natural Gas" (《加快推進天然氣利用的意見》) (the "Opinions"). The Opinions proposed to gradually promote natural gas as one of the major energy in China's modern clean energy system and strive to increase the proportion of natural gas in primary energy consumption structure to about 10% by 2020 and to about 15% by 2030. The Opinions highlighted the leading position of natural gas, which will surely become one of the major energy in China, and is expected to boost the growth in consumption of natural gas.

According to the statistics of the National Energy Administration, during the first half of 2017, the national total electricity consumption amounted to 2.9508 trillion kWh, representing an increase of 6.3% as compared with the same period of last year. From January to June, the nationwide wind power generation amounted to 0.1490 trillion kWh, representing an increase of 21% as compared with the same period of last year, while the average utilization hours of wind power generation units were 984 hours, 67 hours more than the same period of last year; and the average utilization hours of wind power generation units in Hebei Province were 1,145 hours. The national wind curtailment amounted to 23.5 billion kWh, representing a decrease of 9.1 billion kWh as compared with the same period of last year, with significant improvement in wind power curtailment situation.

According to statistics of the operation report of NDRC, during the first half of 2017, production of natural gas amounted to 74.3 billion cubic meters, representing an increase of 10.1% as compared with the same period of last year. The import of natural gas amounted to 41.9 billion cubic meters, representing an increase of 17.9% as compared with the same period of last year; and the consumption of natural gas amounted to 114.6 billion cubic meters, representing an increase of 15.2% 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) Operating capacity of wind power and its power generation have increased

During the Reporting Period, due to the increase in operating capacity of the wind farms controlled by the Group, such wind farms realized a power generation of 3,430 million kWh, representing an increase of 47.91% as compared with the same period of last year; the utilization hours of the wind farms controlled by the Group was 1,230 hours, representing a decrease of 46 hours as compared with the same period of last year, and this was 246 hours higher than the nationwide average utilization hours and 85 hours higher than the average utilization hours in Hebei Province; the average availability factor was 97.94%, representing an increase of 0.63 percentage point over the same period of last year.

(2) Infrastructural construction of projects developed steadily

By the end of the Reporting Period, the Group had projects under construction with a total installed capacity of 651.6MW, which comprised installed capacity of 351.6MW of onshore projects and 300MW of offshore projects. Fengning Senjitu Wind Farm Phase II has fully connected to grid, and construction of other projects progressed as scheduled.

During the Reporting Period, the Group further standardized its project management flow and conducted a comprehensive examination on the control over the quality, progress, investment and safety of projects to guarantee the construction of each project as planned.

(3) Actively expanding wind resource reserves

During the Reporting Period, the Group acquired 49.5MW newly approved capacity and the accumulative approved reserve capacity amounted to 1,960MW.

In the first half of 2017, the newly approved capacity of the Group (alternatives inclusive) amounted to 697MW. By the end of the Reporting Period, the accumulative national approved capacity of the Group reached 5,948.8MW, spreading over 12 provinces across the country.

During the Reporting Period, the Group acquired an agreed volume of new wind power of 3,800MW, resulting in total agreed volume of wind resources of the Group reaching 28,372.5MW in over 20 provinces across the country.

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

(1) Revenue

During the Reporting Period, the Group realized wind power business sales revenue of RMB1,496 million, representing an increase of 50.7% as compared with the same period of last year, which was mainly due to the increase in volume of power delivered to grid as compared with the same period of last year. The increase in volume of power delivered to grid was mainly due to 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 RMB569 million, representing an increase of 42.3% 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 RMB970 million, representing an increase of 57.5% as compared with the same period of last year, which was mainly due to an increase in volume of power delivered to grid; the gross profit margin of wind power business was 66.0%, representing an increase of 1.8 percentage points as compared with 64.2% in the same period of last year, which was mainly due to better wind resources in the first half year and the increase in volume of power delivered to grid, which led to an increase in gross profit margin.

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

1. Business review of natural gas segment

(1) Significant rebound in sales volume of natural gas

During the Reporting Period, due to the rebound in prices of crude oil and coal, the gradual recovery in the real economy, and the active promotion of air pollution prevention by the State, including policies such as establishing coal-forbidden areas and promoting replacement of coal by gas, the Group's sales volume of natural gas amounted to 836 million cubic meters, representing an increase of 54.89% as compared with the same period of last year, of which, wholesale volume amounted to 482 million cubic meters, representing an increase of 23.21% as compared with the same period of last year; retail sales volume amounted to 319 million cubic meters, representing an increase of 187.41% as compared with the same period of last year; and the sales volume of CNG/LNG amounted to 35 million cubic meters, representing a decrease of 6.57% as compared with the same period of last year.

(2) Steadily proceeding with the construction of natural gas pipeline infrastructure projects

As of 30 June 2017, the aggregate length of the Group's pipeline in operation was 2,316.8 kilometers. The main part of the project of pipelines for ten counties in central Hebei Province (Phase II) has been completed and the construction of Xiaoxinzhuang branch (小辛莊支線) was almost completed. Shanxi Licheng-Hebei Shahe Coalbed Mathane Pipeline Project was almost completed and is expected to be put into trial operation in the second half of 2017.

(3) Smooth development of CNG and LNG projects

In the first half of 2017, the Group has developed 7 CNG and LNG projects in total. Among them, construction of Anping compression primary station was completed and it was put into operation. By the end of the Reporting Period, 7 CNG primary refilling stations, 7 CNG refilling stations and 1 LNG refilling station of the Group were in operation.

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

During the Reporting Period, the Group newly acquired 11,157 residential customers and 148 non-residential customers (78 small traders inclusive). As of 30 June 2017, the Group had an aggregate of 184,106 residential customers and 2,162 non-residential customers (1,399 small traders inclusive).

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

During the Reporting Period, the Group established a joint venture company together with Tianjin Energy Investment Co., Ltd. (天津能源投資集團有限公司) and Shanxi Guohua Energy Co., Ltd. (山西國化能源有限責任公司) and intended to build natural gas resource pipelines which connect Shanxi, Hebei and Tianjin.

2. Major financial information of natural gas

(1) Revenue

During the Reporting Period, the Group recorded a natural gas sales revenue of RMB1,725 million, representing an increase of 55.8% as compared with the same period of last year, which was mainly due to the facts that (i) customers of Shahe Big Industry (沙河大工業) increased and the wholesale volume of mid-stream customers increased; and (ii) the gas sales unit price increased as compared with the same period of last year. In particular, the pipeline wholesale business recorded a sales revenue of RMB984 million, representing 57.0% 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 RMB619 million, representing 35.9% of the Group's sales revenue from natural gas. The CNG business recorded a sales revenue of RMB82 million, representing 4.8% of the Group's sales revenue from natural gas. Other income amounted to RMB40 million, representing 2.3% 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 RMB1,598 million, representing an increase of 57.3% as compared to RMB1,016 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 cost.

(3) Profit from operations

During the Reporting Period, profit of the Group from operations of the natural gas business was RMB131 million, representing an increase of 39.4% as compared with the same period of last year. The increase was mainly due to the increase in sales volume as compared with the same period of last year. The gross profit margin was 10.4%, representing a decrease of 1.8 percentage points as compared with the same period of last year, which was mainly due to the effect of the decrease in the gross profit of the retail business of the branch in Shahe.

(iii) Solar energy generation project

In the first half of 2017, the agreed capacity of the new photovoltaic projects amounted to 70MW and the accumulated agreed capacity amounted to 4,509MW.

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

III. DISCUSSION AND ANALYSIS ON OPERATING RESULTS

(1) Overview

During the Reporting Period, the Group realized a net profit of RMB711 million, representing an increase of 70.1% as compared with the same period of last year. In particular, the net profit attributable to owners of the Company was RMB601 million, representing an increase of 70.3% 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 RMB3,221 million, representing an increase of 53.4% 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 solar energy businesses amounted to approximately RMB1,496 million, representing an increase of 50.7%, which was mainly due to the increase in sales volume during the Reporting Period.

2. revenue from the natural gas business amounted to approximately RMB1,725 million, representing an increase of 55.8% as compared with the same period of last year. This was mainly attributable to the increase in sales volume during the Reporting Period.

(3) Other income and net gains

During the Reporting Period, the Group recorded other income and net gains of RMB49.62 million, representing a decrease of RMB11.88 million as compared with the same period of last year, which was mainly due to the receipt of revenue on financial management in 2016.

(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 RMB2,203 million, representing an increase of 53.0% as compared with the same period of last year, of which:

1. cost of sales was RMB2,055 million, representing an increase of 54.6% 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 and unit price led to an increase in the cost of sales.

2. administrative expenses were RMB140 million, representing an increase of 26.1% as compared with the same period of last year, which was mainly due to the increase in administrative expenses as a result of the increase in production scale.

(5) Finance costs

During the Reporting Period, the Group's finance costs were RMB337 million, representing an increase of 26.7% as compared with RMB266 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 RMB75 million, representing an increase of RMB44 million as compared with RMB31 million in the same period of last year. This was mainly due to the increase in net profit of associates.

(7) Income tax expenses

During the Reporting Period, the Group's net income tax expenses were RMB95 million, representing an increase of 37.7% as compared with RMB69 million in the same period of last year. The main reason for this 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 RMB711 million, representing an increase of RMB293 million as compared with RMB418 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 RMB601 million, representing an increase of RMB248 million as compared with RMB353 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 amounted to RMB0.1619.

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

During the Reporting Period, the profit attributable to non-controlling interests holders was RMB109 million, representing an increase of RMB45 million as compared with RMB64 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 at 30 June 2017, the Group's trade and bills receivables amounted to RMB2,527 million, representing an increase of RMB751 million as compared with that as at 31 December 2016, which was mainly attributable to the unrecovered part of the renewable energy subsidies which led to an increase in receivables in the wind power sector.

(12) **Bank and other borrowings**

As at 30 June 2017, the Group's long-term and short-term borrowings amounted to RMB18,713 million, representing an increase of RMB1,668 million as compared with RMB17,045 million as at 31 December 2016. Among all borrowings, short-term borrowings (including current portion of long-term borrowings) amounted to RMB4,583 million and long-term borrowings amounted to RMB14,130 million. Among all borrowings, fixed-rate borrowings amounted to RMB3,995 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 cost, 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 at 30 June 2017, the Group's net current liabilities value was RMB2,374 million. The net cash and cash equivalents increased by RMB646 million. The Group has obtained banking facilities of RMB56.100 billion in total granted by various domestic banks, of which RMB16.033 billion was utilized. During the Reporting Period, the total amount of borrowings repaid by the Group was RMB3.465 billion.

(14) Capital expenditures

During the Reporting Period, capital expenditures mainly included construction costs for new wind power projects, natural gas pipeline, additions to property, plant and equipment and prepayment for leased land. Capital resources mainly included self-owned fund, bank borrowings and cash flows from the Group's operating activities. During the Reporting Period, the Group's capital expenditures were RMB1,856 million, representing a decrease of 2.1% from RMB1,895 million over the same period of last year. Segment information of capital expenditures is as follows:

	Six-month period ended 30 June		
	2017 (RMB'000) (Unaudited)	2016 (RMB'000) (Unaudited)	Percentage change (%)
Natural gas	**160,809**	178,426	-9.9%
Wind power and solar energy	**1,694,798**	1,715,520	-1.2%
Unallocated capital expenditures	**55**	559	-90.2%
Total	**1,855,662**	1,894,505	-2.1%

(15) Net gearing ratio

As at 30 June 2017, the net gearing ratio (net liabilities divided by the sum of net liabilities and equity) of the Group was 65.9%, representing an increase of 0.1 percentage points as compared with 65.8% as at 31 December 2016.

(16) Foreign exchange risk

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

(17) Material acquisitions and disposals

On 12 April 2017, the Group entered into the Equity Transfer Agreements with its connected persons, Jointo Energy Investment Co., Ltd. and Yanshan International Investment Co., Ltd., pursuant to which, the Group agreed to dispose of an aggregate of 35% equity interest in Shenzhen Suntien Huihai Financial Leasing Co., Ltd. (currently renamed as Huihai Financial Leasing Co., Ltd., "Huihai Leasing") to those companies. Upon completion of the equity transfer, the registered capital of Huihai Leasing increased from RMB300 million to RMB650 million and its connected persons, HECIC and its subsidiaries (namely, Jointo Energy Investment Co., Ltd., Yanshan International Investment Co., Ltd. and Maotian Capital Co., Ltd.) subscribed for the increased registered capital. Upon completion of the capital contribution, the shareholding of Huihai Leasing held by the Group decreased from 100% to 30% and Huihai Leasing is no longer a subsidiary of the Company. The above transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules. For details of the aforesaid transaction, please refer to the announcement headed "Connected Transaction and Disclosable Transaction – Equity Transfer and Capital Contribution of Shenzhen Huihai" of the Company dated 12 April 2017 and the circular dated 18 May 2017.

Save as the disclosed above, the Group had no material acquisitions or disposals during the Reporting Period.

(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 at 30 June 2017, the guarantee of RMB200 million provided by the Company to the Handan Branch of China Minsheng Banking Co., Ltd.（中國民生銀行股份有限公司邯鄲分行）for Hebei Suntien Guohua Gas Co., Ltd.（河北新天國化燃氣有限責任公司）, a joint venture of the Company, for its application of credit line, has been fully utilized.

(20) Material litigation

During the Reporting Period, the Group was not involved in any material litigation.

(21) Change in accounting estimates

At the beginning of 2017, based on the latest available information relating to the market condition, usage, physical wear and tear, and maintenance of natural gas pipelines, the Directors were of the view that the estimated useful life of natural gas pipelines to be used was longer than that they estimated previously and as such, the estimated useful life of natural gas pipelines was revised from 20 years to 30 years effective from the beginning of 2017. The effect of the above change in the estimated useful life of natural gas pipelines was to decrease the depreciation charge of natural gas pipelines by RMB11,256,000 and to increase the income tax expense by RMB 2,814,000 for the six-month period ended 30 June 2017.

IV. PROSPECTS FOR THE SECOND HALF OF 2017

In the second half of 2017, the Group will keep a wide horizon and capture opportunities for strategic development so as to devote every effort in facilitating various projects and promoting business development, with the following continuous measures:

1. exploring cooperation mechanisms in depth, taking use of high-quality wind power resources in the Central and Eastern regions, well-preparing the preliminary work for the occupied resources and striving to obtain early approval for the projects.

2. taking advantages of the integrated development of Beijing-Tianjin-Hebei Region, policies for “replacing coal by gas” and development opportunities from construction of Xiongan New Area, strengthening its existing market exploration and focusing on the planning of the gas market structure.

3. closely monitoring the construction projects, optimizing project management, overseeing the progress of key projects, ensuring the construction and operation of projects on schedule and achieving early operation of projects for early generation of revenues.

4. paying close attention to monetary policies of China for preparation of overall capital arrangement, continuously creating innovative financing models, refining capital management, enhancing utilization efficiency of capital, reducing capital precipitation and lowering capital cost.

5. continuously optimizing and perfecting the management system of regulations, enhancing the deployment of talents, strengthening awareness on support to function management and elevating corporate governance standard with the use of information technology.

6. further enhancing the standard of the fine safety management of the Company, conducting regular inspection and maintenance by taking advantages of seasonal characteristics in summer, the low gas-consumption period and low wind season for identification and removal of weakness and hazards, and making preparation for production in winter, the peak gas-consumption period and high wind season.

1. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board confirms that the Company 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 2017 to 30 June 2017. The Company has also established a modern corporate governance structure with characteristics of effective balance and independent operation, which comprises shareholders' meeting, the Board, the Board of Supervisors and senior management.

2. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

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

1. On 16 March 2017, Mr. Gao Qing Yu, an executive Director of the third session of the Board of the Company, resigned as an executive Director, the president and a member of the Strategic and Investment Committee of the Company, due to change in work arrangement, with effect from 16 March 2017.

2. On 31 March 2017, Mr. Mei Chun Xiao was appointed as the president of the Company.

3. On 8 June 2017, upon the approval of the 2016 AGM, Mr. Mei Chun Xiao was appointed as an executive Director of the third session of the Board until the expiry of the term of the third session of the Board and he is eligible for re-election upon expiry of his term according to the articles of association of the Company.

(2) NUMBER OF EMPLOYEES

As at 30 June 2017, the Company had 1,960 employees in total. The Group will further strengthen management of professionals and technical talents, expanding the career path for the talents, continue to standardize the managing policies, continue the employee recruitment, staff promotion and performance management, and strive to drive the specialization and refinement levels of the human resources management work of the Company and establish harmonious labour relationships actively on the basis that system construction has been perfected.

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

As at 30 June 2017, none of the Directors, supervisors or senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the "SFO")) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") (for this purpose, the relevant provisions of the SFO will be interpreted as if they were also applicable to the supervisors).

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

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

The Directors 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, four Board meetings, one Audit Committee meeting, one Remuneration and Appraisal Committee meeting, one Nomination Committee meeting, one Board of Supervisors meeting and one annual general meeting were held by the Company. All Directors of the Company have attended all the Board meetings and meetings of the relevant Committees. Mr. Qin Gang, Ms. Sun Min, Mr. Wang Hong Jun and Mr. Wang Xiang Jun attended the 2016 annual general meeting and answered questions from shareholders.

(1) AUDIT COMMITTEE

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

During the Reporting Period, the Audit Committee convened one meeting, at which the audit results of 2016 were considered and the 2016 Internal Audit and Risks Management Report of the Company was reviewed and approved and submitted to the Board for consideration.

(2) REMUNERATION AND APPRAISAL COMMITTEE

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

During the Reporting Period, the Remuneration and Appraisal Committee convened one meeting to determine the remuneration of newly appointed executive Director and the resolution was submitted to the Board for consideration.

(3) NOMINATION COMMITTEE

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

During the Reporting Period, the Nomination Committee convened one meeting, at which the resolution on the Nomination of Mr. Mei Chun Xiao as an Executive Director of the Third Session of the Board of the Company, the resolution on the Nomination of Mr. Mei Chun Xiao as the President of the Company and the resolution on the Nomination of Mr. Wang Hong Jun as an Authorized Representative of the Company were considered and submitted to the shareholders' meeting and/or the Board for consideration.

(4) STRATEGIC AND INVESTMENT COMMITTEE

During the Reporting Period, the Strategic and Investment Committee of the Company consisted of three Directors, including Dr. Cao Xin (a non-executive Director), Mr. Gao Qing Yu (高慶余, an executive Director, resigned on 16 March 2017), Dr. Li Lian Ping (a non-executive Director) and Mr. Mei Chun Xiao (梅春曉, an executive Director who was appointed as a member of the Strategic and Investment Committee on 8 June 2017). Dr. Cao Xin serves as the chairman of the Strategic and Investment Committee.

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

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 at 30 June 2017, 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 at 30 June 2017, 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$882 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$202 million in replenishing the Company's working capital. The remaining net proceeds from the placing of approximately HK$270 million are currently deposited in the bank account of the Company. It is expected that all of the remaining net proceeds will be applied in the Company's investment in the wind power generation projects.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2017.

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 2017 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 2017.

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

As at 30 June 2017, 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%
GIC Private Limited	H Shares	Investment Manager	201,844,000 (Long position)	10.98%	5.43%
Hillhouse Capital Management, Ltd. (1)	H Shares	Investment Manager	131,103,000 (Long position)	7.13%	3.53%
National Social Security Council	H Shares	Beneficial owner	129,779,000 (Long position)	7.06%	3.49%
Gaoling Fund, L.P.	H Shares	Beneficial owner	129,074,000 (Long position)	7.02%	3.47%
Citigroup Inc. (2)	H Shares	Interests of corporation controlled by the substantial shareholder and person having a security interest in shares	93,122,877 (Long position)	5.06%	2.51%
		Custodian corporation/approved lending agent	85,283,679 (Lending pool)	4.64%	2.30%

Note: (1) Hillhouse Capital Management, Ltd. indirectly holds Gaoling Fund L.P. and YHG Investment, LP. Therefore, Hillhouse Capital Management, Ltd. is deemed to have the share interests in the Company held by Gaoling Fund L.P. and YHG Investment, LP

(2) Citigroup Inc.'s controlled corporations, namely, Citicorp Holdings Inc., Citibank N.A., Citigroup Global Markets Holdings Inc., Citigroup Global Markets Europe Limited and Citigroup Global Markets Limited which hold share interests in the Company and Citigroup Inc. is deemed to have the share interests in the Company held by those companies.

6. CONTACT PERSON FOR THE EXTERNAL JOINT COMPANY SECRETARY

During the Reporting Period, the main contact person of the Company for Ms. Lam Yuen Ling, Eva, the external joint company secretary, is Mr. Ban Ze Feng, the internal 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 2017

	Notes	Six-month period ended 30 June **2017** **RMB'000** **(Unaudited)**	 2016 RMB'000 (Unaudited)
REVENUE	5	**3,221,209**	2,100,326
Cost of sales	6	**(2,054,726)**	(1,328,664)
Gross profit		**1,166,483**	771,662
Other income and gains, net	5	**49,620**	61,500
Selling and distribution expenses		**(102)**	(27)
Administrative expenses		**(139,905)**	(111,428)
Other expenses		**(8,092)**	(337)
PROFIT FROM OPERATIONS		**1,068,004**	721,370
Finance costs	7	**(336,959)**	(266,036)
Share of profits or losses of:			
A joint venture		**(210)**	–
Associates		**75,291**	31,349
PROFIT BEFORE TAX	6	**806,126**	486,683
Income tax expense	8	**(95,413)**	(69,030)
PROFIT FOR THE PERIOD		**710,713**	417,653
Attributable to:			
Owners of the Company		**601,351**	353,229
Non-controlling interests		**109,362**	64,424
		710,713	417,653
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**710,713**	417,653
Total comprehensive income for the period attributable to:			
Owners of the Company		**601,351**	353,229
Non-controlling interests		**109,362**	64,424
		710,713	417,653
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	10	**16.19 cents**	9.51 cents
Diluted	10	**16.19 cents**	9.51 cents

Interim Condensed Consolidated Statement of Financial Position

30 June 2017

	Notes	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	**20,098,773**	19,668,018
Investment properties		**31,506**	32,273
Prepaid land lease payments		**395,664**	373,664
Goodwill		**47,666**	47,666
Intangible assets		**1,920,967**	1,973,044
Investments in associates		**1,229,585**	1,153,766
Investments in joint ventures		**75,372**	75,582
Held-to-maturity investments		**–**	7,500
Available-for-sale investments		**103,400**	103,400
Deferred tax assets		**75,497**	77,090
Trade receivables	12	**124,394**	179,102
Prepayments and other receivables	13	**2,686,533**	1,813,788
Total non-current assets		**26,789,357**	25,504,893
CURRENT ASSETS			
Prepaid land lease payments		**11,504**	10,686
Inventories		**37,419**	45,393
Trade and bills receivables	12	**2,402,584**	1,596,579
Prepayments, deposits and other receivables	13	**695,112**	725,250
Held-to-maturity investments		**5,000**	–
Pledged deposits	14	**65**	65
Cash and cash equivalents	14	**2,137,011**	1,491,173
Total current assets		**5,288,695**	3,869,146
CURRENT LIABILITIES			
Trade and bills payables	15	**623,410**	464,885
Other payables and accruals	16	**2,428,803**	2,213,395
Interest-bearing bank and other borrowings	17	**4,582,900**	5,112,741
Tax payable		**27,726**	26,724
Total current liabilities		**7,662,839**	7,817,745
NET CURRENT LIABILITIES		**(2,374,144)**	(3,948,599)
TOTAL ASSETS LESS CURRENT LIABILITIES		**24,415,213**	21,556,294
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	17	**14,129,674**	11,932,724
Other payables and accruals	16	**80,567**	89,636
Total non-current liabilities		**14,210,241**	12,022,360
Net assets		**10,204,972**	9,533,934
EQUITY			
Equity attributable to owners of the Company			
Issued share capital		**3,715,160**	3,715,160
Reserves		**4,551,366**	4,185,246
		8,266,526	7,900,406
Non-controlling interests		**1,938,446**	1,633,528
Total equity		**10,204,972**	9,533,934

Interim Condensed Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2017

	Attributable to owners of the Company						
	Share capital 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 2017 (audited)	**3,715,160**	**2,136,197***	**174,327***	**1,874,722***	**7,900,406**	**1,633,528**	**9,533,934**
Profit and total comprehensive income for the period (unaudited)	**–**	**–**	**–**	**601,351**	**601,351**	**109,362**	**710,713**
Final 2016 dividend declared (note 9) (unaudited)	**–**	**–**	**–**	**(234,055)**	**(234,055)**	**–**	**(234,055)**
Dividends declared to non-controlling shareholders (unaudited)	**–**	**–**	**–**	**–**	**–**	**(68,108)**	**(68,108)**
Contribution by a non-controlling shareholder (unaudited)	**–**	**290**	**–**	**–**	**290**	**262,198**	**262,488**
Transfer from retained profits	**–**	**–**	**41,356**	**(41,356)**	**–**	**–**	**–**
Others	**–**	**(1,466)**	**–**	**–**	**(1,466)**	**1,466**	**–**
As at 30 June 2017 (unaudited)	**3,715,160**	**2,135,021***	**215,683***	**2,200,662***	**8,266,526**	**1,938,446**	**10,204,972**
As at 1 January 2016 (audited)	3,715,160	2,134,854	164,861	1,398,341	7,413,216	1,487,304	8,900,520
Profit and total comprehensive income for the period (unaudited)	–	–	–	353,229	353,229	64,424	417,653
Final 2015 dividend declared (note 9) (unaudited)	–	–	–	(55,727)	(55,727)	–	(55,727)
Dividends declared to non-controlling shareholders (unaudited)	–	–	–	–	–	(12,650)	(12,650)
Contribution by a non-controlling shareholder (unaudited)	–	–	–	–	–	2,000	2,000
As at 30 June 2016 (unaudited)	3,715,160	2,134,854	164,861	1,695,843	7,710,718	1,541,078	9,251,796

* These reserve accounts comprise the consolidated reserves of RMB4,551,366,000 (31 December 2016: RMB4,185,246,000) in the interim condensed consolidated statement of financial position as at 30 June 2017.

Interim Condensed Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2017

	Notes	Six-month period ended 30 June 2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**806,126**	486,683
Adjustments for:			
Finance costs	7	**336,959**	266,036
Foreign exchange loss/(gain), net	6	**7,236**	(6,401)
Share of losses of a joint venture		**210**	–
Share of profits of associates		**(75,291)**	(31,349)
Depreciation of items of property, plant and equipment	6	**450,571**	307,951
Depreciation of investment properties	6	**767**	750
Amortisation of prepaid land lease payments	6	**6,205**	4,550
Amortisation of intangible assets	6	**51,989**	52,227
Gain from available-for-sale investments	6	**(2,299)**	(26,418)
Other adjustments		**(3,091)**	(14,598)
		1,579,382	1,039,431
Decrease/(increase) in inventories		**7,974**	(17,504)
Increase in trade and bills receivables		**(739,706)**	(285,765)
Decrease/(increase) in prepayments, deposits and other receivables		**199,184**	(180,545)
Increase/(decrease) in trade and bills payables		**37,525**	(132,614)
Decrease in other payables and accruals		**(29,393)**	(62,139)
Cash generated from operations		**1,054,966**	360,864
Income tax paid		**(94,411)**	(70,174)
Net cash flows from operating activities		**960,555**	290,690
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of items of property, plant and equipment		**(1,858,597)**	(1,204,067)
Additions to prepaid land lease payments		**(4,452)**	(61,230)
Capital contributions to joint ventures		**–**	(3,000)
Decrease in non-pledged time deposits with original maturity of three months or more than three months when acquired		**–**	23,321
Proceeds from disposal of held-to-maturity investments		**2,500**	–
Proceeds from disposal of available-for-sale investments		**–**	230,000
Interest from available-for-sale investments		**2,299**	26,418
Other cash flows from investing activities		**6,437**	15,222
Other cash flows used in investing activities		**(391)**	(328)
Net cash flows used in investing activities		**(1,852,204)**	(973,664)

Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six-month period ended 30 June 2017

	Notes	Six-month period ended 30 June 2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		**5,132,572**	2,368,567
Repayment of bank and other borrowings		**(3,465,463)**	(2,132,090)
Dividends paid to non-controlling shareholders		**(5,172)**	(7,078)
Capital contributions by non-controlling shareholders		**261,960**	2,000
Interest paid		**(379,210)**	(354,056)
Net cash flows from/(used in) financing activities		**1,544,687**	(122,657)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**653,038**	(805,631)
Cash and cash equivalents at beginning of period		**1,491,173**	3,026,940
Effect of exchange rate changes on cash and cash equivalents		**(7,200)**	6,458
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	**2,137,011**	2,227,767

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. (河北建設投資集團有限責任公司, "HECIC"), a state-owned enterprise in the PRC.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2017 have been prepared in accordance with International Accounting Standards ("IASs") 34 *Interim Financial Reporting* and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016.

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 RMB2,374 million as at 30 June 2017, and its net cash inflow from operating activities and financing activities was approximately RMB961 million and RMB1,545 million respectively, and its net cash outflow from investing activities amounted to approximately RMB1,852 million for the six-month period ended 30 June 2017. The Group recorded an increase in cash and cash equivalents of approximately RMB653 million for the six-month period ended 30 June 2017.

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 Finance Company Limited of an amount up to RMB56,100 million as at 30 June 2017, of which approximately RMB16,033 million has been utilised as at 30 June 2017.

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

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

2.2 Impact of new and amended International Financial Reporting Standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the amendments effective as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these amendments were applied for the first time in 2017, they did not have a material impact on the interim condensed consolidated financial statements of the Group. The nature and the impact of each amendment are described below:

Amendments to IAS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its interim condensed consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

Amendments to IAS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Annual Improvements 2014-2016 Cycle* Amendments to IFRS 12 *Disclosure of Interests in Other Entities

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The Group has adopted the amendments retrospectively. As the disclosure requirements in IFRS 12 do not specifically apply to the unaudited interim condensed consolidated financial statements. The Group will disclose the required information in its annual consolidated financial statements for the year ended 31 December 2017.

3. CHANGE IN ACCOUNTING ESTIMATES

The accounting estimates made 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 2016, except for the changes in useful life of items of property, plant and equipment, as discussed below.

Changes in useful life of items of property, plant and equipment

At the beginning of 2017, based on the latest available information relating to the market condition, usage, physical wear and tear, and maintenance of natural gas pipelines, the directors were of the view that the estimation of the useful life of natural gas pipelines to be used was longer than they estimated previously and as such, the estimated useful life of natural gas pipelines was revised from 20 years to 30 years effective from the beginning of 2017. The effect of the above change in the estimated useful life of natural gas pipelines was to decrease the depreciation charge of natural gas pipelines by RMB11,256,000 and to increase the income tax expense by RMB 2,814,000 for the six-month period ended 30 June 2017.

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, gain from available-for-sale investments 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 2017 and 2016.

Six-month period ended 30 June 2017

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

4. OPERATING SEGMENT INFORMATION (continued)

Six-month period ended 30 June 2016

	Natural gas RMB'000 (Unaudited)	Wind power and solar energy RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue:			
Sales to external customers	1,106,767	993,559	2,100,326
Intersegment sales	–	–	–
Total revenue	1,106,767	993,559	2,100,326
Segment results	95,566	630,355	725,921
Interest income	1,298	9,371	10,669
Gain from available-for-sale investments	797	–	797
Finance costs	(36,788)	(229,248)	(266,036)
Income tax expense	(19,615)	(49,415)	(69,030)
Profit of segments for the period	41,258	361,063	402,321
Unallocated interest income			4,091
Unallocated gain from available-for-sale investments			25,621
Corporate and other unallocated expenses			(14,380)
Profit for the period			417,653
Segment assets	4,653,363	22,033,919	26,687,282
Corporate and other unallocated assets			1,088,316
Total assets			27,775,598
Segment liabilities	2,850,816	15,407,965	18,258,781
Corporate and other unallocated liabilities			265,021
Total liabilities			18,523,802
Other segment information:			
Reversal of impairment of trade receivables	114	–	114
Depreciation and amortisation	(41,729)	(321,832)	(363,561)
Unallocated depreciation and amortisation			(1,917)
			(365,478)
Share of profits of associates	4,046	27,303	31,349
Investments in joint ventures	78,600	–	78,600
Investments in associates	572,493	532,841	1,105,334
			1,183,934
Capital expenditure*	178,426	1,715,520	1,893,946
Unallocated capital expenditure*			559
			1,894,505

Note:

* 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. REVENUE, OTHER INCOME AND GAINS

Revenue represents: (1) the net invoiced value of natural gas and electricity sold, net of value-added tax and government surcharges; and (2) the value of services rendered.

An analysis of the Group's revenue, other income and gains is as follows:

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Sale of natural gas	**1,687,668**	1,076,982
Sale of electricity	**1,494,601**	993,304
Construction and connection of natural gas pipelines	**23,507**	18,670
Natural gas transportation	**9,996**	9,579
Wind power services	**406**	159
Others	**5,031**	1,632
	3,221,209	2,100,326
Other income and gains, net		
Government grants:		
– Value-added tax refunds	**37,878**	12,853
Bank interest income	**5,538**	14,760
Gain from available-for-sale investments	**2,299**	26,418
Foreign exchange gain, net	**–**	6,401
Others	**3,905**	1,068
	49,620	61,500

6. PROFIT BEFORE TAX

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

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of goods sold	**2,037,159**	1,317,050
Cost of services rendered	**17,567**	11,614
Total cost of sales	**2,054,726**	1,328,664
Depreciation of items of property, plant and equipment	**450,571**	307,951
Depreciation of investment properties	**767**	750
Amortisation of prepaid land lease payments	**6,205**	4,550
Amortisation of intangible assets	**51,989**	52,227
Total depreciation and amortisation	**509,532**	365,478
Minimum lease payments under operating leases of land and buildings	**5,657**	4,441
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration):		
Wages, salaries and allowances	**105,527**	54,700
Pension scheme contributions (defined contribution scheme)	**9,887**	8,805
Welfare and other expenses	**29,593**	29,568
	145,007	93,073
Gain from held-to-maturity investments	**–**	(173)
Gain from available-for-sale investments	**(2,299)**	(26,418)
Loss on disposal of items of property, plant and equipment, net	**448**	450
Rental income on investment properties	**(976)**	(96)
Foreign exchange loss/(gain), net	**7,236**	(6,401)
Impairment of prepayments, deposits and other receivables	**2,522**	–
Reversal of impairment of trade receivables	**(2,115)**	(114)

7. FINANCE COSTS

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense on bank loans and other borrowings	**407,614**	383,091
Less: Interest capitalised to items of property, plant and equipment	**(70,655)**	(117,055)
	336,959	266,036

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 2017 and 2016.

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 2017 and 2016.

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax – Mainland China	**93,821**	69,001
Deferred income tax	**1,592**	29
Tax charge for the period	**95,413**	69,030

9. DIVIDENDS

The dividends for the six-month periods ended 30 June 2017 and 2016 are set out below:

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends:		
Declared final 2016 dividend – RMB6.3 cents (final 2015 dividend: RMB1.5 cents) per share	**234,055**	55,727

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

At the annual general meeting held on 13 June 2016, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2015 of RMB0.015 per share, which amounted to RMB55,727,000 and was settled in full in July 2016.

The Directors did not recommend the payment of an interim dividend for the six-month period ended 30 June 2017 (six-month period ended 30 June 2016: 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 2017 and 2016 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.

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**601,351**	353,229

	Number of shares	
	Six-month period ended 30 June	
	2017	2016
	(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

The Company did not have any dilutive potential ordinary shares during the six-month periods ended 30 June 2017 and 2016.

11. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2017, the Group acquired property, plant and equipment at an aggregate cost amounting to approximately RMB906,765,000 (six-month period ended 30 June 2016: RMB2,197,149,000).

During the six-month period ended 30 June 2017, items of property, plant and equipment with an aggregate net carrying value of approximately RMB1,346,000 (six-month period ended 30 June 2016: RMB744,000) were disposed of, which resulted in a net loss on disposal of approximately RMB448,000 (six-month period ended 30 June 2016: RMB450,000) 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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Trade and bills receivables	**2,760,611**	2,018,242
Impairment	**(233,633)**	(242,561)
	2,526,978	1,775,681
Portion classified as non-current assets	**(124,394)**	(179,102)
	2,402,584	1,596,579

Included in the trade receivables as at 30 June 2017 were receivables under two service concession arrangements in an aggregate amount of RMB102,692,000 (31 December 2016: RMB99,790,000).

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

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Within 3 months	**916,300**	845,992
3 to 6 months	**682,345**	175,294
6 months to 1 year	**520,074**	113,453
1 to 2 years	**283,640**	426,450
2 to 3 years	**122,138**	212,146
More than 3 years	**2,481**	2,346
	2,526,978	1,775,681

12. TRADE AND BILLS RECEIVABLES (continued)

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

	Provision for impairment of trade receivables RMB'000
At 1 January 2017 (audited)	**242,561**
Reversal (unaudited)	**(2,115)**
Write-off (unaudited)	**(6,813)**
At 30 June 2017 (unaudited)	**233,633**
At 1 January 2016 (audited)	268,183
Impairment losses recognised (audited)	40
Reversal (audited)	(131)
Write-off (audited)	(25,531)
At 31 December 2016 (audited)	242,561

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB233,633,000 (31 December 2016: RMB242,561,000) with an aggregate carrying amount before provision of RMB743,347,000 (31 December 2016: RMB866,397,000).

The individually impaired trade receivables relate to customers that were in default in principal payments or were in financial difficulties and only a portion of the receivables is expected to be recovered.

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

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Neither past due nor impaired	**1,516,935**	1,041,356
Less than 3 months past due	**280,441**	73,119
3 to 6 months past due	**207,949**	24,111
6 months to 1 year past due	**511**	11,919
1 to 2 years past due	**10,278**	147
More than 3 years past due	**1,150**	1,193
	2,017,264	1,151,845

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Prepayments to suppliers	2,087,889	1,136,022
Deductible VAT	1,189,902	1,277,387
Deposits and other receivables	107,811	127,064
	3,385,602	2,540,473
Less: Impairment	(3,957)	(1,435)
	3,381,645	2,539,038
Portion classified as non-current assets	(2,686,533)	(1,813,788)
Current portion	695,112	725,250

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

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
HECIC	1,967	1,224
A fellow subsidiary	10,750	10,697
	12,717	11,921

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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Cash and bank balances	**2,137,076**	1,478,238
Time deposits	**–**	13,000
	2,137,076	1,491,238
Less: Pledged deposits for letters of guarantee	**(65)**	(65)
Cash and cash equivalents in the consolidated statement of financial position	**2,137,011**	1,491,173
Less: Non-pledged time deposits with original maturity of three months or more than three months when acquired	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**2,137,011**	1,491,173
Cash and bank balances and time deposits denominated in:		
– RMB	**1,902,297**	1,234,476
– Hong Kong dollar	**234,779**	256,762
	2,137,076	1,491,238

15. TRADE AND BILLS PAYABLES

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

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Trade payables	**502,410**	464,885
Bills payable	**121,000**	–
	623,410	464,885

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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Within 6 months	**424,967**	305,323
6 months to 1 year	**106,522**	74,029
1 to 2 years	**60,079**	55,426
2 to 3 years	**16,794**	16,974
More than 3 years	**15,048**	13,133
	623,410	464,885

16. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Retention money payables	**608,604**	577,696
Dividend payable to owners of the Company	**237,122**	–
Dividend payable to non-controlling shareholders	**59,871**	–
Wind turbine and related equipment payables	**754,300**	841,426
Advances from customers	**224,241**	247,966
Construction payables	**278,501**	316,797
Accrued salaries, wages and benefits	**57,265**	64,097
Other taxes payable	**5,280**	8,980
Interest payable	**102,579**	74,175
Others	**181,607**	171,894
	2,509,370	2,303,031
Portion classified as non-current liabilities	**(80,567)**	(89,636)
Current portion	**2,428,803**	2,213,395

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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
HECIC	**173,618**	733
Fellow subsidiaries	**1,142**	1,322
	174,760	2,055

The amounts due to HECIC included dividend payable, the prepaid capital injection by HECIC to one of the subsidiaries of the Company and the fee charged by HECIC for providing guarantee to the issue of corporate bonds by the Company, which should be repaid annually (note 21(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 2017		As at 31 December 2016	
	Maturity	**RMB'000 (Unaudited)**	Maturity	RMB'000 (Audited)
Current				
Short term bank loans:				
– Unsecured	**2017-2018**	**2,073,000**	2017	1,675,500
– Secured	**2017**	**20,000**	2017	50,000
		2,093,000		1,725,500
Current portion of long term bank loans:				
– Unsecured	**2017-2018**	**1,080,167**	2017	675,940
– Secured	**2017-2018**	**409,733**	2017	411,872
		1,489,900		1,087,812
Current portion of long term other borrowing:				
– Unsecured	**–**	**–**	2017	1,299,429
Current portion of corporate bonds:				
– Unsecured	**2017**	**1,000,000**	2017	1,000,000
Total current portion		**4,582,900**		5,112,741
Non-current				
Long term bank loans:				
– Unsecured	**2018-2034**	**8,907,178**	2018-2034	6,992,013
– Secured	**2018-2031**	**4,222,496**	2018-2031	3,940,711
		13,129,674		10,932,724
Corporate bonds:				
– Unsecured	**2018**	**1,000,000**	2018	1,000,000
Total non-current portion		**14,129,674**		11,932,724
		18,712,574		17,045,465

18. 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 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Within one year	**1,411**	2,085
In the second to fifth years, inclusive	**1,760**	2,576
	3,171	4,661

As lessee

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

As at 30 June 2017, the Group had the following total future minimum lease payments under non-cancellable operating leases in respect of land and buildings:

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Within one year	**3,090**	3,784
In the second to fifth years, inclusive	**430**	1,070
After five years	**384**	403
	3,904	5,257

19. COMMITMENTS

In addition to the operating lease commitments detailed in note 18, the Group had the following capital commitments as at 30 June 2017:

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Contracted, but not provided for		
– Property, plant and equipment	**11,603,831**	8,712,655
– Capital contributions	**–**	–
	11,603,831	8,712,655

20. CONTINGENT LIABILITIES

As at 30 June 2017, the banking facility of RMB200,000,000 granted to a joint venture subject to a guarantee given to a bank by the Company was fully utilised (31 December 2016: RMB200,000,000).

21. RELATED PARTY TRANSACTIONS

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2017 and 2016:

(i) Transactions with HECIC*

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

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

In September and October 2014, the Group and HECIC renewed certain lease agreements, pursuant to which HECIC leased office space at Yu Yuan Plaza to the Group. The total rental expenses for the six-month period ended 30 June 2017 were RMB1,983,000 (six-month period ended 30 June 2016: RMB2,013,000).

On 30 August 2011, the Company entered into an agreement with HECIC pursuant to which HECIC agreed to provide a guarantee to the Company for the issuance of domestic corporate bonds with an aggregate nominal value of up to RMB2.0 billion. The guarantee was unconditional and irrevocable with an annual charge of 0.3% of the nominal value of the corporate bonds to the Company by HECIC. On 18 November 2011, the Company issued domestic corporate bonds with an aggregate nominal value of RMB2.0 billion. A guarantee fee of approximately RMB3,000,000 (six-month period ended 30 June 2016: RMB3,000,000) was payable to or charged by HECIC for the six-month period ended 30 June 2017.

(ii) Transactions with fellow subsidiaries*

Transactions with HECIC Group Finance Company Limited

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

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

21. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2017 and 2016: (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 2017 as summarised below:

	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
Cash and cash equivalents	**1,299,222**	1,032,264
Short term loans	**683,000**	845,500
Current portion of long term loans	**29,000**	123,000
Long term loans	**340,000**	260,000

	Six-month period ended 30 June	
	2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
Interest income	**5,467**	14,166
Interest expense	**22,033**	19,931

As at 30 June 2017, the Group had total loan facilities of RMB2,244 million (31 December 2016: RMB2,206 million) granted by Group Finance Company, of which RMB1,128 million (31 December 2016: RMB1,307 million) was utilised.

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

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 8 June 2017. CISF shall continue to be responsible for the unified management of the emission reduction units generated by the GHGER Projects (including wind power and photovoltaic power projects) of the Group that satisfy the development conditions in 2017. CISF will charge the Group 40% of the emission reduction revenue as management fees. The Group paid CISF management fees of approximately RMB869,000 for the six-month period ended 30 June 2017.

21. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2017 and 2016: (continued)

(iii) Transaction with the Company's joint venture

The Company had guaranteed a bank facility given to a joint venture of up to RMB200,000,000 as at 30 June 2017 (31 December 2016: RMB200,000,000) (note 20).

(iv) 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, the sale of electricity, depositing and borrowing money and the 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.

The individually significant transactions with SOEs are as follows:

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Continuing transactions		
Sale of electricity#		
– Jibei Electric Power Company Limited	**973,672**	584,118
– Hebei Electric Power Corporation	**345,325**	330,200
– Yunnan Power Grid Company Limited	**133,912**	–
– Shanxi Electric Power Corporation	**82,080**	53,584
– Xinjiang Electric Power Corporation	**33,363**	34,038
– Liaoning Electric Power Corporation	**6,187**	–
– Shandong Electric Power Company	**1,368**	–
	1,575,907	1,001,940
Purchase of natural gas		
– PetroChina Company Limited	**916,219**	851,459
– Sino Petroleum Corporation	**474,175**	15,081
	1,390,394	866,540

These transactions included in the sale of electricity generated during the construction and testing period, the revenue from which was not included in the revenue from the sale of electricity, but offset against the cost of property, plant and equipment.

21. RELATED PARTY TRANSACTIONS (continued)

(a) The Group had the following material transactions with related parties during the six-month periods ended 30 June 2017 and 2016: (continued)

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

The Group had certain of its cash and time deposits and outstanding interest-bearing bank loans with certain state-owned banks in the PRC as at 30 June 2017 as summarised below:

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Cash and time deposits	**799,000**	408,609
Short term bank loans	**1,410,000**	780,000
Current portion of long term bank loans	**1,369,370**	903,288
Long term bank loans	**11,919,814**	9,832,119
	14,699,184	11,515,407

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

(b) Outstanding balances with related parties

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

(c) Compensation of key management personnel of the Group

	Six-month period ended 30 June	
	2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
Short term employee benefits	**1,154**	777
Pension scheme contributions	**154**	148
	1,308	925

22. FINANCIAL INSTRUMENTS BY CATEGORY

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

	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
Financial assets		
Held-to-maturity investments	**5,000**	7,500
Available-for-sale investments	**103,400**	103,400
Loans and receivables:		
Trade and bills receivables	**2,526,978**	1,775,681
Financial assets included in prepayments, deposits and other receivables	**107,811**	102,176
Pledged deposits	**65**	65
Cash and cash equivalents	**2,137,011**	1,491,173
	4,880,265	3,479,995
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and bills payables	**623,410**	464,885
Financial liabilities included in other payables and accruals	**2,222,584**	1,981,988
Interest-bearing bank and other borrowings	**18,712,574**	17,045,465
	21,558,568	19,492,338

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amount		Fair value	
	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)	**30 June 2017 RMB'000 (Unaudited)**	31 December 2016 RMB'000 (Audited)
Financial assets				
Trade receivables	**124,394**	179,102	**124,394**	179,102
	124,394	179,102	**124,394**	179,102
Financial liabilities				
Financial liabilities included in other payables and accruals	**80,567**	89,636	**59,788**	67,969
Interest-bearing bank and other borrowings	**18,712,574**	17,045,465	**18,702,025**	17,021,228
	18,793,141	17,135,101	**18,761,813**	17,089,197

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, held-to-maturity investments, 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 analyzes 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 2017 was assessed to be insignificant.

23. 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 2017				
Trade receivables (unaudited)	**–**	**124,394**	**–**	**124,394**
As at 31 December 2016				
Trade receivables (audited)	–	179,102	–	179,102

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 2017				
Financial liabilities included in other payables and accruals (unaudited)	**–**	**59,788**	**–**	**59,788**
Interest-bearing bank and other borrowings (unaudited)	**–**	**18,702,025**	**–**	**18,702,025**
	–	**18,761,813**	**–**	**18,761,813**
As at 31 December 2016				
Financial liabilities included in other payables and accruals (audited)	–	67,969	–	67,969
Interest-bearing bank and other borrowings (audited)	–	17,021,228	–	17,021,228
	–	17,089,197	–	17,089,197

24. 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 14 August 2017.

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)
"CNG"	compressed natural gas
"Company" or "we"	China Suntien Green Energy Corporation Limited (新天綠色能源股份有限公司)
"consolidated gross power generation"	for a specified period, the aggregate gross power generation or net power delivered to grid (as the case may be) of the project companies that the Group fully consolidates in its Financial Statements
"consolidated installed capacity"	the aggregate installed capacity or operating capacity (as the case may be) of the project companies that the Group fully consolidates in its consolidated Financial Statements. This is calculated by including 100% of the installed capacity or operating capacity of the project companies that the Group fully consolidates in its consolidated Financial Statements and are deemed as its subsidiaries. Consolidated installed capacity and consolidated operating capacity do not include the capacity of the Group's associated companies
"Financial Statements"	the audited financial statements for the year ended 30 June 2017
"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 2017 to 30 June 2017
“RMB”	Renminbi, the lawful currency of the PRC

REGISTERED NAME:

新天綠色能源股份有限公司

NAME IN ENGLISH:

China Suntien Green Energy Corporation Limited

REGISTERED OFFICE AND HEADQUARTERS:

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Hebei Province
PRC

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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
Ms. Sun Min
Mr. Wu Hui Jiang

Executive Directors

Mr. Mei Chun Xiao
Mr. Wang Hong Jun

Independent non-executive Directors

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

SUPERVISORS OF THE COMPANY:

Mr. Yang Hong Chi
Mr. Liu Jin Hai
Mr. Qiao Guo Jie
Mr. Xiao Yan Zhao
Mr. Liang Yong Chun
Ms. Ma Hui

AUTHORIZED REPRESENTATIVES:

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Shijiazhuang City, Hebei Province
PRC

Bank of China
Shijiazhuang Yuhua Sub-branch
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PRC

Agricultural Bank of China
Shijiazhuang Xicheng Sub-branch
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Bank of Communications
Hebei Branch
Shijiazhuang Yuhua West Sub-branch
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Shijiazhuang City, Hebei Province
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By order of the Board of
China Suntien Green Energy Corporation Limited
Mei Chun Xiao
Executive Director and President

Shijiazhuang City, Hebei Province, the PRC, 14 August 2017

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

* *For identification purposes only*