

Sichuan Energy Investment Development Co., Ltd.



Stock Code: 1713

2022 Interim Report

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I. COMPANY PROFILE

1. CORPORATE INFORMATION

Chinese Name:

四川能投發展股份有限公司

English Name:

Sichuan Energy Investment Development Co., Ltd.*

Registered Address:

No. 789, Renhe Road
Wenjiang District, Chengdu City
Sichuan Province, the PRC

Headquarters/Principal Place of Business:

No. 789, Renhe Road
Wenjiang District, Chengdu City
Sichuan Province, the PRC

Place of Business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

Company Website:

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Tel:

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db@scntgf.com

2. STOCK PROFILE OF THE COMPANY

Classes of Shares:

H Shares, Domestic Shares and Unlisted Foreign Shares

Stock Exchange of Shares:

Main Board of The Stock Exchange of Hong Kong
Limited

Stock Abbreviation of H Shares:

SICHUAN EN INV

Stock Code of H Shares:

1713

3. EXECUTIVE DIRECTORS

Mr. Xiong Lin (*Chairman*)

Mr. Li Hui

Ms. Xie Peixi

4. NON-EXECUTIVE DIRECTORS

Ms. Han Chunhong

Ms. Li Yu

Ms. Liang Hong

Ms. Lv Yan

5. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kin Kwong Kwok Gary

Ms. He Zhen

Mr. Wang Peng

Prof. Li Jian

6. SUPERVISORS

Ms. Deng Ruipu (*Chairman*)

Ms. Fu Ruoxue

Ms. Wang Meng

Mr. Huang Yao

Ms. Li Jia

Mr. Liao Jun

7. AUTHORISED REPRESENTATIVES

Mr. Xiong Lin

Mr. Li Hui

8. AUDIT COMMITTEE

Mr. Kin Kwong Kwok Gary (*Chairman*)

Ms. Han Chunhong

Prof. Li Jian

9. REMUNERATION COMMITTEE

Mr. Wang Peng (*Chairman*)

Ms. Lv Yan

Ms. He Zhen

10. NOMINATION COMMITTEE

Mr. Xiong Lin (*Chairman*)

Ms. He Zhen

Mr. Wang Peng

* For identification purposes only

I. COMPANY PROFILE

11. RISK CONTROL COMMITTEE

Prof. Li Jian (*Chairman*)
Ms. Li Yu
Mr. Kin Kwong Kwok Gary

12. JOINT COMPANY SECRETARIES

Mr. Li Hui
Ms. Wong Wai Ling

13. H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

14. LEGAL ADVISORS

As to Hong Kong law:

Jingtian & Gongcheng LLP
Suites 3203–3207, 32/F
Edinburgh Tower, The Landmark
15 Queen's Road Central, Hong Kong

As to PRC law:

Zhong Yin (Chengdu) Law Firm
13/F, Block B, OCG International Center
No. 158 Tianfu 4th Avenue
Chengdu Hi-tech Industrial Development Zone
Sichuan Province, the PRC

15. PRINCIPAL BANKS

Bank of Communications Co., Ltd.,
Chengdu Branch, Wenjiang Sub-branch
(交通銀行股份有限公司成都溫江支行)
Agricultural Bank of China Limited, Chengdu Branch,
Jincheng Sub-branch
(中國農業銀行股份有限公司成都錦城支行)
Industrial Bank Co., Ltd., Chengdu Branch,
Jinniu Sub-branch
(興業銀行股份有限公司成都金牛支行)
Industrial and Commercial Bank of China Limited,
Chengdu Branch, Hi-tech Industry Development Zone
Sub-branch
(中國工商成都高新支行)
Bank of China Limited, Chengdu Branch,
Development Zone West Sub-branch
(中國銀行股份有限公司成都開發西區支行)
Bank of Chengdu Co., Ltd.,
Commercial Street Sub-branch
(成都銀行股份有限公司商業街支行)

II. INTERIM FINANCIAL HIGHLIGHTS

Summary of Consolidated Income Statement	Six months ended 30 June	
	2022 RMB	2021 RMB
Operating revenue	1,502,213,920.97	1,567,464,633.06
Total profit	158,898,304.34	165,907,988.12
Income tax expenses	29,157,529.52	27,089,737.01
Net profit	129,740,774.82	138,818,251.11
Attributable to:		
Minority interests	27,358.72	623,131.58

Summary of Consolidated Balance Sheet	30 June	
	2022 RMB	31 December 2021 RMB
Total current assets	1,365,135,901.47	1,169,811,050.92
Total non-current assets	3,442,316,937.59	3,461,642,156.46
Total assets	4,807,452,839.06	4,631,453,207.38
Total current liabilities	1,449,770,862.80	1,432,773,453.71
Total non-current liabilities	362,206,169.99	202,780,320.16
Total liabilities	1,811,977,032.79	1,635,553,773.87
Total shareholders' equity	2,995,475,806.27	2,995,899,433.51

III. MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY OVERVIEW

The value chain of the power industry in China composed of power generation, power transmission and distribution, and sales of electricity. The power generation sector converts other types of energy into electricity, such as power generated by hydropower plants that use water flux energy. The core of the power supply sector is the transmission and distribution system of the power grid, which comprises electricity transmission networks that reach provinces and cities in China, electricity distribution networks that serve end uses, and step-up and step-down substations. Lastly, the electricity sales sector directly distributes electricity to end users.

On 27 January 2022, the Sichuan Provincial Development and Reform Commission issued the Notice on Issues Concerning Clarifying the Temporary Settlement Methods among Power Grid Enterprises in Sichuan (Chuan Fa Gai Jia Ge [2022] No. 36). Electricity in supply areas of local existing power grids directly traded on the market and electricity for industrial and commercial purposes included in the scope of third-party purchase by State Grid Sichuan Electric Power Company is subject to the flat rate tariff; the previous wholesale price of electricity for residents and agricultural purpose shall be restored to guarantee stable tariff for residents and agricultural power consumption, and State Grid Sichuan Electric Power Company and existing local power grids will not implement the floating tariff policy for peak and slack seasons in settlement for the time being, which will be adjusted when appropriate in subsequent periods based on power supply and demand.

On 29 January 2022, the Sichuan Provincial Development and Reform Commission issued the Notice on Adjusting the Catalogue Electricity Price of Local Power Grids (Chuan Fa Gai Jia Ge [2022] No. 49). The catalogue electricity price for industrial and commercial purpose of local power grids was completely cancelled. The local power grids shall only keep the existing catalogue electricity price for residents and agricultural production, and shall prioritize the acquisition of directly grid-connected hydropower in the supply area to guarantee supply.

On 25 February 2022, the Sichuan Provincial Development and Reform Commission issued the Notice on Further Clarifying Issues Concerning Electricity Purchase by Local Power Grids (Chuan Fa Gai Jia Ge [2022] No. 90). (1) Local power grids should reasonably predict the power consumption by residents and agricultural production and line loss in the supply area, and give priority to the acquisition of internally accounted power plants and local grid-connected and directly-regulated hydropower to guarantee supply. If the electricity generated from the above sources cannot meet the demand of local residents and agricultural production, the gap will be included in the overall scale of guaranteed power purchase amount of State Grid Sichuan Electric Power Company to ensure that the electricity price for residents and agricultural production remains stable. (2) The industrial and commercial users within the local power grid can independently choose the power grid enterprises that supply power to them to purchase electricity, or directly participate in the market transaction with all the electricity after the system data collection function and transaction mechanism are improved. The electricity consumption of consumers who purchase electricity by agent is predicted by the local power grid on a monthly basis, and priority is given to the local power grid's own electricity supply in the area (including the surplus directly-regulated hydropower after guaranteeing residents' and agricultural electricity consumption, as well as wind-solar and new energy, waste heat, gas power generation, etc.), the gap in electricity purchase among local power grids within the same province, and the electricity purchase among provincial power grids shall be covered by third-party purchase by State Grid Sichuan Electric Power Company. (3) The third-party purchase electricity price charged to industrial and commercial users by local power grids is composed of third-party purchase price, transmission and distribution price, government funds and surcharges. Among them, the third-party purchase price of local power grids for industrial and commercial users in non-low-cost areas is subject to the third-party purchase price at the provincial level, and the transmission and distribution price is subject to the transmission and distribution price standard of State Grid Sichuan Electric Power Company (all of the Company's power supply areas are located out of the low cost region of the local power grids).

During the first half of 2022, total power consumption in China reached 4.0977 trillion kWh, representing a year-on-year increase of 2.9%. In terms of industry sectors, power consumption in the primary sector reached 51.2 billion kWh, representing a year-on-year increase of 10.3%; power consumption in the secondary sector reached 2.7415 trillion kWh, representing a year-on-year increase of 1.3%; power consumption in the tertiary sector reached 693.8 billion kWh, representing a year-on-year increase of 3.1%; urban and rural household consumption reached 611.2 billion kWh, a year-on-year growth of 9.6%.

III. MANAGEMENT DISCUSSION AND ANALYSIS

2. BUSINESS OVERVIEW

2.1 Overview

The Company is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation and electricity distribution and sales. We have a stable user base and a comprehensive network of power supply in Yibin City, which allows us to optimise the balance usage of power resources within our power supply network through efficient allocation of electricity. Our business currently consists of (i) power business, which includes power production, distribution and sales, and is divided into general power supply business and incremental power transmission and distribution business; and (ii) EECS business, which consists of electrical engineering construction service and sales of electric equipment and materials.

During the first half of 2022, the Company realised operating revenue of RMB1,502.2 million, representing a year-on-year decrease of 4.2%. Our total profit was RMB158.9 million, representing a year-on-year decrease of 4.2%. During the same period, we achieved a net profit of RMB129.7 million, representing a year-on-year decrease of 6.5%, and net profit attributable to equity shareholders of the parent company of RMB129.7 million, representing a year-on-year decrease of 6.1%.

As at 30 June 2022, we had a total of 34 hydropower plants with an aggregated installed capacity of 138,355 kW. We also had two units of 220 kV substations with a capacity of 720,000 kVA, 19 units of 110 kV substations with an aggregated capacity of 942,000 kVA and 59 units of 35 kV substations with an aggregated capacity of 572,050 kVA.

2.2 Operating Results

The following table sets forth the operating revenue, cost of sales, gross profit margin and percentage of changes by business segments for the six months ended 30 June 2021 and 2022.

Business	Six months ended 30 June								
	2022			2021			Change in percentage (%)/percentage points		
	Operating revenue RMB	Cost of sales RMB	Gross profit margin %	Operating revenue RMB	Cost of sales RMB	Gross profit margin %	Operating revenue	Cost of sales	Gross profit margin
General power supply business	1,190,640,941.12	982,779,916.14	17.5	1,100,419,979.45	889,500,942.51	19.2	8.2	10.5	(1.7)
Incremental power transmission and distribution business	134,125,049.62	129,834,078.07	3.2	255,444,541.04	249,991,701.37	2.1	(47.5)	(48.1)	1.1
EECS business ⁽¹⁾	177,447,930.23	134,176,001.06	24.4	211,600,112.57	175,071,953.92	17.3	(16.1)	(23.4)	7.1
Total	1,502,213,920.97	1,246,789,995.27	17.0	1,567,464,633.06	1,314,564,597.80	16.1	(4.2)	(5.2)	0.9

Note:

- (1) Includes operating revenue from the sales of electric equipment and materials of RMB11.8 million for the six months ended 30 June 2022.

III. MANAGEMENT DISCUSSION AND ANALYSIS

General Power Supply Business

The following table sets forth the breakdown of operating revenue from our general power supply business by customer category for the periods indicated.

Customer	Six months ended 30 June					
	2022		2021		Change in percentage (%)	
	Electricity Sales (MWh)	Operating revenue RMB	Electricity Sales (MWh)	Operating revenue RMB	Electricity Sales	Operating revenue
Household	701,531.17	362,108,191.94	647,962.49	355,054,351.61	8.3	2.0
General industrial and commercial	502,429.02	280,679,429.55	494,939.20	293,559,195.28	1.5	(4.4)
Large industrial	960,978.22	508,381,856.43	812,934.06	428,619,645.58	18.2	18.6
State Grid	70,659.16	15,861,207.38	8,053.32	2,072,738.99	777.4	665.2
Others	47,038.62	23,610,255.82	48,745.91	21,114,047.99	(3.5)	11.8
Total	2,282,636.19	1,190,640,941.12	2,012,634.98	1,100,419,979.45	13.4	8.2

Most of our operating revenue for the six months ended 30 June 2022 was derived from our general power supply business, including generation, distribution and sales of power. We generated RMB1,190.6 million of operating revenue from our general power supply business, which accounted for 79.3% of our total operating revenue.

Incremental Power Transmission and Distribution Business

Our operating revenue from incremental power transmission and distribution business mainly consists of electricity retail business outside our normal power supply service area and other power distribution business related to new-energy vehicles. By implementing measures to diversify the industry chain, we generated RMB134.1 million of operating revenue from incremental power transmission and distribution business for the six months ended 30 June 2022, which accounted for 8.9% of our total operating revenue.

EECS Business

We also derived operating revenue from our EECS business, which mainly involves undertaking the engineering construction projects for, and selling electric equipment and materials to, the users and grid companies in our power supply area. For the six months ended 30 June 2022, we generated RMB177.4 million of operating revenue from our EECS business, which accounted for 11.8% of our total operating revenue.

III. MANAGEMENT DISCUSSION AND ANALYSIS

2.3 Major Operational Measures

Firstly, the Group endeavoured to expedite further improvement in operating efficiency with an on-going focus on reform and innovation. It completed the three-year action plan for corporate reform and strengthened the tenure system and contract-based remuneration and appraisal management for the executives. Secondly, the Group earnestly facilitated the formulation of its "14th Five-year" strategic planning, further improved grid structure, vigorously explored the "power source + power grid" business model, and promoted the transformation from traditional grids to intelligent new grids featuring source-grid-load-storage integration. Thirdly, the Group superseded the industrial and commercial catalogue electricity price with agency purchase service to maintain reasonable investment in the grid assets. Fourthly, the Group optimised service capacity, constantly improved service offerings and quality, made on-going efforts to build up its 96598 service hotline, and proactively promoted the "online case acceptance" and "unified online services" business to effectively improve user satisfaction and sense of fulfillment. Fifthly, the Group continued to reinforce safety production responsibilities, conscientiously implemented the new Safety Production Law, cemented the foundation of safety management and further strengthened security standards. Sixthly, the Group capitalised on the political advantages of state-owned enterprises and expedited quality development leveraging remarkable Party building, and continued to strengthen construction of political ideologies, management team, culture, discipline and the masses, thus providing strong ideological guarantee, spiritual driving force and cultural sustainment for the reform and development of the Company.

3. FINANCIAL REVIEW

Analysis of Key Items in the Consolidated Income Statement

Operating Revenue

Business	Six months ended 30 June	
	2022 (RMB)	2021 (RMB)
General power supply business	1,190,640,941.12	1,100,419,979.45
Incremental power transmission and distribution business	134,125,049.62	255,444,541.04
EECS business ⁽¹⁾	177,447,930.23	211,600,112.57
Total	1,502,213,920.97	1,567,464,633.06

Note:

(1) Includes operating revenue from the sales of electric equipment and materials of RMB11.8 million for the six months ended 30 June 2022.

Operating revenue decreased by 4.2% from RMB1,567.5 million for the six months ended 30 June 2021 to RMB1,502.2 million for the six months ended 30 June 2022, primarily due to the scale reduction of the incremental power transmission and distribution business in the first half of 2022, leading to a decrease in operating revenue of RMB121.3 million.

General Power Supply Business

Operating revenue generated from general power supply business increased by 8.2% from RMB1,100.4 million for the six months ended 30 June 2021 to RMB1,190.6 million for the six months ended 30 June 2022. The increase was primarily due to an increase in the number of household and general industrial and commercial customers of over 48,232 and 3,472, respectively in the first half of 2022, as compared with the corresponding period of 2021, and the increase in power consumption of large-scale industrial customers, resulting in an increase in electricity sales made to such customers of 209,102.7 MWh in the first half of 2022. Operating revenue from general power supply business accounted for 70.2% and 79.3% of our total operating revenue for the six months ended 30 June 2021 and 2022, respectively.

III. MANAGEMENT DISCUSSION AND ANALYSIS

Incremental Power Transmission and Distribution Business

Operating revenue generated from incremental power transmission and distribution business decreased by 47.5% from RMB255.4 million for the six months ended 30 June 2021 to RMB134.1 million for the six months ended 30 June 2022. The decrease was primarily due to the reduction of the scale of the incremental power transmission and distribution business in the first half of 2022. Operating revenue from incremental power transmission and distribution business accounted for 16.3% and 8.9% of our total operating revenue for the six months ended 30 June 2021 and 2022, respectively.

EECS Business

Operating revenue generated from undertaking EECS business decreased by 16.1% from RMB211.6 million for the six months ended 30 June 2021 to RMB177.4 million for the six months ended 30 June 2022. The decrease was primarily due to a reduction in scale of the EECS business as affected by market sentiment. Operating revenue from EECS business accounted for 13.5% and 11.8% of our total operating revenue for the six months ended 30 June 2021 and 2022, respectively.

Cost of Sales

Business	Six months ended 30 June	
	2022 (RMB)	2021 (RMB)
General power supply business	982,779,916.14	889,500,942.51
Incremental power transmission and distribution business	129,834,078.07	249,991,701.37
EECS business	134,176,001.06	175,071,953.92
Total	1,246,789,995.27	1,314,564,597.80

Cost of sales decreased by 5.2% from RMB1,314.6 million for the six months ended 30 June 2021 to RMB1,246.8 million for the six months ended 30 June 2022, mainly due to scale reduction of the incremental power transmission and distribution business.

General Power Supply Business

Cost of sales associated with our general power supply business increased by 10.5% from RMB889.5 million for the six months ended 30 June 2021 to RMB982.8 million for the six months ended 30 June 2022. The increase was primarily due to the scale expansion of the general power supply business in the first half of 2022, resulting in an increase in external electricity purchase amount of 9.1% as compared with the corresponding period in 2021. Cost of sales associated with third-party power supply business accounted for 45.9% and 54.5% of our total cost of sales for the six months ended 30 June 2021 and 2022, respectively.

Incremental Power Transmission and Distribution Business

Cost of sales associated with the incremental power transmission and distribution business decreased by 48.1% from RMB250.0 million for the six months ended 30 June 2021 to RMB129.8 million for the six months ended 30 June 2022. The decrease was mainly due to scale reduction of the incremental power transmission and distribution business in the first half of 2022.

III. MANAGEMENT DISCUSSION AND ANALYSIS

EECS Business

Cost of sales associated with the EECS business decreased by 23.4% from RMB175.1 million for the six months ended 30 June 2021 to RMB134.2 million for the six months ended 30 June 2022. The decrease was primarily due to a reduction in scale of the EECS business as affected by market sentiment.

Gross Profit and Gross Profit Margin

Business	Six months ended 30 June			
	2022		2021	
	Gross Profit (RMB)	Gross Profit Margin %	Gross Profit (RMB)	Gross Profit Margin %
General power supply business	207,861,024.98	17.5	210,919,036.94	19.2
Incremental power transmission and distribution business	4,290,971.55	3.2	5,452,839.67	2.1
EECS business	43,271,929.17	24.4	36,528,158.65	17.3
Total	255,423,925.70	17.0	252,900,035.26	16.1

As a result of the above, our gross profit increased by 1.0% from RMB252.9 million for the six months ended 30 June 2021 to RMB255.4 million for the six months ended 30 June 2022, which was mainly due to an increase in the gross profit of the EECS business.

General Power Supply Business

The gross profit of our general power supply business decreased by 1.4% from RMB210.9 million for the six months ended 30 June 2021 to RMB207.9 million for the six months ended 30 June 2022. The corresponding gross profit margin decreased from 19.2% for the six months ended 30 June 2021 to 17.5% for the six months ended 30 June 2022, which was mainly due to the new tariff policies imposed on the price of electricity for industrial and commercial purposes charged by our subsidiaries in the first half of 2022.

Incremental Power Transmission and Distribution Business

The gross profit of our incremental power transmission and distribution business decreased by 21.3% from RMB5.5 million for the six months ended 30 June 2021 to RMB4.3 million for the six months ended 30 June 2022. The decrease was primarily due to scale reduction of the incremental power transmission and distribution business in the first half of 2022. The corresponding gross profit margin increased from 2.1% for the six months ended 30 June 2021 to 3.2% for the six months ended 30 June 2022. The increase was primarily due to relatively high gross profit margin of our new business during the first half of 2022.

EECS Business

The gross profit of EECS business increased by 18.5% from RMB36.5 million for the six months ended 30 June 2021 to RMB43.3 million for the six months ended 30 June 2022. The corresponding gross profit margin increased from 17.3% for the six months ended 30 June 2021 to 24.4% for the six months ended 30 June 2022. The increase was primarily due to completion and settlement of construction projects with higher gross profit margin during the Reporting Period.

III. MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

Finance costs decreased by 67.9% from RMB14.1 million for the six months ended 30 June 2021 to RMB4.5 million for the six months ended 30 June 2022, which was mainly due to the fact that significant amount of foreign exchange loss was incurred in the corresponding period of 2021 as the Group had more outstanding balance of foreign currency loans on average as compared with the Reporting Period.

Gain on Investment in Associates

Gain on investment in associates increased by 465.2% from gains of RMB0.7 million for the six months ended 30 June 2021 to gains of RMB3.9 million for the six months ended 30 June 2022, primarily due to the fact that except for business suspension of one power generation company due to policy requirements, other associates recorded certain income in the first half of 2022.

Income Tax

Income tax expenses were RMB27.1 million and RMB29.2 million for the six months ended 30 June 2021 and 2022, representing effective tax rates of 16.3% and 18.3%, respectively.

Net Profit

As a result of the above, net profit decreased by 6.5% from RMB138.8 million for the six months ended 30 June 2021 to RMB129.7 million for the six months ended 30 June 2022.

Analysis of Key Items of Consolidated Balance Sheet

Fixed Assets, Construction in Progress and Right-of-use Assets

	As at 30 June 2022 RMB	As at 31 December 2021 RMB
Fixed assets	2,735,366,669.56	2,785,047,920.89
Construction in progress	263,141,425.13	115,141,311.68
Right-of-use assets	5,460,169.56	5,844,877.08
Total	3,003,968,264.25	2,906,034,109.65

As at 31 December 2021 and 30 June 2022, our fixed assets, construction in progress and right-of-use assets were RMB2,906.0 million and RMB3,004.0 million, respectively, which mainly included plant and building, machinery, vehicles, office equipment, projects under construction and right-of-use assets. Fixed assets, construction in progress and right-of-use assets increased from RMB2,906.0 million as at 31 December 2021 to RMB3,004.0 million as at 30 June 2022, mainly due to the increase in the balance of construction in progress due to the addition of rural power grid upgrading and reconstruction projects in the first half of 2022.

III. MANAGEMENT DISCUSSION AND ANALYSIS

Intangible Assets

Our intangible assets decreased by 1.1% from RMB128.1 million as at 31 December 2021 to RMB126.7 million as at 30 June 2022, mainly due to amortisation of intangible assets in the first half of 2022.

Inventories

Our inventories primarily consisted of raw materials, spare parts and others, which amounted to RMB70.3 million and RMB80.2 million as at 31 December 2021 and 30 June 2022, respectively. The following table sets forth a breakdown of our inventories as at the dates indicated:

	As at 30 June 2022 (RMB)	As at 31 December 2021 (RMB)
Raw materials	80,082,207.64	70,153,683.83
Spare parts and others	121,639.04	126,155.28
Total	80,203,846.68	70,279,839.11

Our inventories increased from RMB70.3 million as at 31 December 2021 to RMB80.2 million as at 30 June 2022, mainly due to the delay in project settlement progress as affected by market sentiment.

The average turnover days of our inventories (calculated by using the average value of the opening and closing balance of inventories of the relevant period divided by the cost of sales for the period, and then multiplied by the number of days in the period) were 6.3 days and 10.9 days as at 30 June 2021 and 2022, respectively.

Receivables

Receivables include notes receivable, accounts receivable, prepayments and other receivables. Our receivables increased from RMB407.9 million as at 31 December 2021 to RMB521.1 million as at 30 June 2022, mainly due to the rural power grid projects in progress newly undertaken in the first half of 2022, leading to an increase in prepaid construction amounts and material costs.

Payables

Payables include accounts payable, contract liabilities, employee benefits payable, tax payable and other payables. Our payables remained relatively stable at RMB1,119.5 million as at 31 December 2021 and RMB1,136.6 million as at 30 June 2022, respectively.

The average turnover days of our payables (calculated by using the average value of opening and closing balance of the payables for a period divided by the cost of the period, and then multiplied by the number of days in the period) increased from 144.5 days as at 30 June 2021 to 162.9 days as at 30 June 2022, primarily due to the increase in balance of payables as a result of increase in general power supply business in the first half of 2022, and the corresponding decrease in cost of sales during the Reporting Period due to scale reduction of the incremental power transmission and distribution business.

III. MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Financial Resources

The Group manages its capital to ensure that entities in the Group will be able to continue operating as going concern while maximizing the return to our Shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the year. The capital structure of the Group consists of net debts (which includes borrowings net of cash and cash equivalents) and total equity (comprising paid-in capital/share capital, capital reserve, statutory surplus reserve, retained profits and non-controlling interests). The Group is not subject to any externally imposed capital requirements.

As at 30 June 2022, our cash amounted to RMB480.4 million (31 December 2021: RMB584.0 million).

As at 30 June 2022, the total borrowings of the Group amounted to RMB312.9 million (31 December 2021: RMB313.3 million), including bank and other borrowings. All of our bank and other borrowings bear interest at floating rate.

Foreign Exchange Risk

The Group currently does not engage in hedging activities that are designed or intended to manage foreign exchange rate risk. The Group conducts business in the PRC and receives revenue and pays its costs/expenses in RMB. The Group distributes dividends in Hong Kong dollars.

Gearing Ratio

As at 30 June 2022, the gearing ratio of the Group was 10.5% (31 December 2021: 10.5%). Gearing ratio is calculated based on our total interest-bearing liabilities divided by total equity as at the same date.

Capital Commitments

We have certain capital commitments relating to the construction of our comprehensive information-based power dispatching and control center. We will undertake those classified as authorised but not contracted for if our management has identified potential capital commitment and has determined that it is likely to make the commitment.

The following table sets forth our capital commitments outstanding for the periods indicated:

	As at 30 June 2022 (RMB)	As at 31 December 2021 (RMB)
Contracted for	48,709,528.39	91,909,064.99

Pledges of our Group's Assets

No property, plant and equipment was pledged to banks as at 30 June 2022 (31 December 2021: nil).

Contingent Liabilities

As at 30 June 2022, the Group did not have any contingent liabilities (31 December 2021: nil).

III. MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments Held, Major Acquisitions and Disposals

During the six months ended 30 June 2022, the Group did not hold any significant investments, nor were there any major acquisitions or disposals of subsidiaries, associates or joint ventures.

The Group will pay close attention to changes in the market and proactively seek investment opportunities to constantly improve its results and profitability.

Interim Dividend

The Board does not recommend the declaration of any interim dividend in respect of the six months ended 30 June 2022 (2021 interim dividend: nil).

Global Offering and Use of Proceeds from Global Offering

The Company was listed on the Stock Exchange on 28 December 2018 and issued 268,800,000 H Shares with a nominal value of RMB1.00 each at HK\$1.77 per share ("**Global Offering**"). Net proceeds from the Global Offering were approximately RMB380.5 million. As at 30 June 2022, the Group has used the proceeds from the Global Offering of approximately RMB225.1 million in accordance with the relevant disclosure in the prospectus of the Company dated 13 December 2018 (the "**Prospectus**"), and the unused proceeds amounted to approximately RMB155.4 million. Use of proceeds is as follows:

Use of proceeds as disclosed in the Prospectus	Percentage of net proceeds from the initial public offering (as set out in the Prospectus)	Planned use of net proceeds from the initial public offering (as set out in the Prospectus) (RMB'000)	Amount unused as at 1 January 2022 (RMB'000)	Amount used for the Reporting Period (RMB'000)	Amount unused as at 30 June 2022 (RMB'000)	Estimated schedule ⁽¹⁾
Acquisition of power-related assets	40%	152,193	152,193	–	152,193	2022
Power grid construction and optimisation	30%	114,145	–	–	–	N/A
Establishment of centralised power dispatching control center and promotion of intelligent power grid system	20%	76,097	–	–	–	N/A
Working capital	10%	38,048	3,426	184	3,242	2030
Total	100%	380,483	155,619	184	155,435	

Note:

- (1) The estimated schedule for utilising the remaining proceeds is based on the best estimation made by the Group of future market condition and may change with the current market condition and future development.

III. MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2022, the unused net proceeds from the Global Offering for each business strategy mentioned in the above table have been deposited as deposits in licensed banks in China and will be used in accordance with the progress of the Company's investment projects. As disclosed in the Prospectus, the Company intended to use 40% of the net proceeds for the acquisition of power-related assets. However, due to the persistent outbreaks of the COVID-19 pandemic and the social restrictions caused by regional pandemic prevention measures, the intended investment project was not expected to complete as scheduled considering that both parties of the transaction have not reached an agreement on the transaction conditions as the progress of the investigation and research work related to the project failed to meet the expectation. It is expected to be postponed to the end of 2022 to complete the acquisition of power-related assets. The Company is expediting the progress of the project and improving the efficiency of the use of proceeds.

The net proceeds from the Global Offering have been and are expected to be used as previously disclosed in the Prospectus. As at 30 June 2022, save for the delay in the acquisition of power-related assets, there have been no major changes or delays in the use or timeline for use of the net proceeds of the Company.

Environmental Policies and Performance

For the six months ended 30 June 2022, the Company had not encountered any environmental pollution event; all operating power stations under our operation control were in compliance with the relevant domestic environmental protection regulations and we were not subject to any penalty or prosecution due to non-compliance incident.

During the Reporting Period, the Company had strictly complied with all national environmental laws and regulations, including the China Environmental Protection Law, the Environmental Impact Assessment Law and the Water Pollution Prevention and Control Law of the PRC. The Company, in accordance with the requirements of laws and regulations, guaranteed the investment of funds in environmental protection and complied with regulatory and industry standards set by central and local government departments and industry associations. The main environmental risks that arose in the course of production of the Company include: (1) the wastes that were drifted from the upstream of the hydropower station; and (2) a small amount of oily wastes generated during equipment maintenance. These two types of substances are not hazardous wastes, but we collected, stored and disposed them as hazardous wastes. We signed agreements with qualified entities to transport these wastes to landfills or handling areas designated by relevant government departments for standardized processing. During the Reporting Period, the Company's production fulfilled environmental-friendly requirements without violation records.

Operation Safety

For the six months ended 30 June 2022, no accident had occurred involving employees, equipment or power grid of the Company. All operating power stations under our operation control were in compliance with the relevant domestic regulations relating to production safety, and we were not subject to any fine or prosecution due to non-compliance with the regulations.

During the Reporting Period, the Company conscientiously fulfilled the relevant performance requirements imposed by the competent government authorities, conducted stringent evaluation on production safety, enhanced the basic management of safety and environment, strengthened production safety and performed environmental protection responsibilities, conducted serious training and education on safety, carried out large-scale inspections to identify and control potential danger, and achieved the goal of production safety with superior performance.

III. MANAGEMENT DISCUSSION AND ANALYSIS

Employees and Remuneration Policy

As at 30 June 2022, the Company had a total of 2,854 employees (30 June 2021: 2,875 employees). During the Reporting Period, staff cost (including Directors' fees) amounted to approximately RMB203.0 million (six months ended 30 June 2021: approximately RMB201.4 million).

The Group continued to press ahead with the "three-system" reform, and has established a total salary allocation system that is linked to the operating results of the Company and a remuneration allocation mechanism that is linked to the performance appraisal results of employees, so as to give full play to the incentive and constraint role of remuneration and activate the enthusiasm, initiatives and creativity of employees.

During the Reporting Period, no labour disputes had occurred in the Company and its subsidiaries which would affect the operations of the Group.

Important Events Subsequent to the Reporting Period

In addition to the events detailed elsewhere in this report, the Group had the following event after the Reporting Period:

On 15 August 2022, the Shareholders approved the amendments to the Articles of Association at the 2022 second extraordinary general meeting. For details of the amendments to the Articles of Association, please refer to the circular of the Company dated 29 July 2022.

Save as disclosed above, there are no material events affecting the Company or any of its subsidiaries after the Reporting Period and up to the date of this report.

Outlook

During the first half of 2022, the Group constantly stepped up the foundation for power supply, maintained a steady upward trend for its operating results and further improved corporate management policies. The Group will focus on the following tasks in the second half of 2022:

- (1) Focus on "management enhancement" to unleash the Company's development potential. Firstly, the Company will continue to press ahead with the "state-owned enterprise reform three-year action plan", comprehensively summarize reform experience, explore and establish a long-term effective mechanism, constantly tap into the driving force of innovation, unleash development potential and boost corporate vitality, striving to break new grounds for sustainable growth. Secondly, the Company will remain committed to cost reduction and efficiency enhancement, step up lean management, continue to seek, refine and improve the procurement management policy, expedite the construction of the waste material recycling system and strictly control costs and expenditure, in an endeavor to achieve increase in both incremental value and profitability. Thirdly, the Company will constantly optimize supervision and appraisal, effectively tap into the guiding role of appraisal, further improve appraisal indicators, innovate on appraisal approaches, streamline appraisal measures, and gradually build up a scientific, performance-oriented and easy-to-implement appraisal system, so as to efficiently impose pressure, stimulate mobility and ensure effective duty performance.

III. MANAGEMENT DISCUSSION AND ANALYSIS

- (2) Adhere to the “safety guarantee” bottom line to cement the foundation for corporate development. Firstly, the Company will make uncompromised efforts to guarantee production safety. Specifically, the Company will improve the comprehensive safety responsibility system featuring “joint safety responsibilities for Party members and government authorities, two duties for one post and participation by all staff”, proactively promote the production safety standardization construction, effectively establish a standardized, regulated and procedural production safety system, in a bid to constantly improve the basic safety level of the Company and adhere to the bottom line of precluding safety accidents. Secondly, the Company will spare no effort in strengthening risk prevention. In particular, the Company will comprehensively enhance budget management, establish and improve internal control management system, reinforce auditing and supervision over key business processes, and resolutely prevent systematic risks. Besides, the Company will continue to press ahead with the special task on reducing “balance of inventories and accounts receivable” and periodically announce the progress, so as to guarantee that the growth rate of balance of inventories and accounts receivable does not exceed that of operating revenue. Thirdly, the Company will make dedicated efforts to enhance compliance management. Particularly, the Company will thoroughly carry out General Secretary Xi Jinping’s thoughts on rule of law, step up prevention, control and management of legal risks, constantly improve legal approval process, facilitate legal approval of the Company’s important rules and regulations, economic contracts and major decisions, expedite the compliance management system, regulate connected transactions, and strive to build itself into a law-governed state-owned enterprise with well-established governance, compliance operation, standardized management and legality and honesty. Fourthly, the Company will make persistent efforts to prevent and control COVID-19 pandemic. It will strictly implement normalized pandemic control measures, improve anti-COVID-19 plans based on actual conditions, and coordinate with local government authorities to strengthen control over key regions and personnel, thereby effectively enhancing pandemic prevention and emergency responding capability.
- (3) Remain committed to the “quality service” goal to boost development driving force. Firstly, the Company will continue to improve the power supply capacity. In particular, the Company will strictly implement the Company’s power supply service rectification plan, make systematic planning and pledged rectification for problems identified in power supply services and marketing business standards through specifying the time limit for rectification, so as to achieve closed-loop rectification. Secondly, the Company will comprehensively step up complaint management. Specifically, it will establish power supply service emergency response management measures, and regulate response via the 96598 customer service hotline, so as to achieve standardized, procedural and timely service response. Meanwhile, the Company will develop a complaint handling mechanism covering “precaution, rectification, analysis, circulation, interview and appraisal”, so as to establish clear standards, define responsibilities, impose strict appraisal, and materialize reward and penalty, thus further promoting the regulated and procedure-based service offerings. Thirdly, the Company will comprehensively optimize service means. It will improve services with a focus on “three zeros, three saves and three upgrades” for users demanding power services, promote improvement in process and efficiency and cost reduction with higher standards and greater efforts, and earnestly establish a “transparent power grid platform”. In addition, the Company will innovate on customized personal power services, free-of-charge power equipment inspection, mobile business hall and other door-to-door service activities with prominent themes and distinctive features, and realize the change from “urging by users” to “proactive service provision” in a real sense, so as to effectively improve users’ satisfaction in electricity consumption.

III. MANAGEMENT DISCUSSION AND ANALYSIS

- (4) Strengthen the philosophy of “promoting transformation” to enhance the Company’s development strength. Firstly, the Company will continue to develop the power grid business. In particular, the Company will continue to promote interconnection of 220 kV grid based on the actual situation in the supply area, vigorously promote the construction of key power grid projects, and propose to build a new power grid with 220 kV as the core and integrating power source, grid, load and storage. Besides, the Company will vigorously popularize the application of “four new” technologies, comprehensively expedite the construction of production management system, distribution automation system and centralized control management system of hydropower stations, and further enhance the power grid resource allocation capability, security guarantee capability and intelligent interaction capability. Secondly, the Company will earnestly expand the comprehensive energy business. Specifically, the Company will focus on the green low-carbon energy, optimize and integrate the energy resources in the supply area, establish a new power grid core industry featuring “source-grid-load-storage” integration, build a distributed photovoltaic storage, wind, solar and water (storage) integration project, and develop multi-energy supply, new energy utilization, energy trading, smart energy utilization and clean energy services with a focus on electricity. Thirdly, the Company will constantly venture into the capital operation business. It will accurately grasp the fundamental requirements of high-quality development, give full play to the advantages of the listing platform, scientifically pool various resources, proactively seek merger and acquisition investment opportunities, and promote high-quality cooperation projects.
- (5) Fulfill the “Party building enhancement” responsibility to pool concerted efforts for corporate development. Firstly, the Company will constantly strengthen the Party’s political construction. Guided by the implementation of the spirit of the 20th National Congress of the CPC, the Company will thoroughly study and understand the thoughts on socialism with Chinese characteristics in the new era proposed by General Secretary Xi Jinping and the spirit of the series of important speeches of the General Secretary Xi Jinping, profoundly appreciate the decisive significance of the “two establishments”, and constantly consolidate the ideological foundation of keeping abreast of the Party and maintaining the core position of the Party. Secondly, the Company will vigorously make efforts to promote the in-depth integration of Party building and business development. It will focus on the Company’s reform and development and the production and operation objectives and tasks, earnestly highlight the overall leadership role of the Party, fully implement the responsibility system for ideological work, endeavor to promote the construction of grass-roots Party organizations, and ensure the fulfillment of the function of Party committees in “managing the overall situation, steering the direction and promoting implementation”. Thirdly, the Company will continue to strengthen the construction of discipline and style. It will be committed to deployment, promotion and implementation of building the Party conduct and integrity and business operations at the same time. The Company will further rectify the discipline style, stick to the guiding principle of strictly promoting discipline, and build a well-trained team with rigorous discipline. Fourthly, the Company will promote cultural construction. It will focus on the overall situation and key tasks of the Company’s reform and development, integrate cultural construction and image building into the whole process and fields of the Company’s production, operation and management, and utilize multi-media channels to conduct publicity and reporting, so as to provide strong ideological guarantee, spiritual motivation and cultural support for the Company’s reform and development.

IV. CORPORATE GOVERNANCE AND OTHER INFORMATION

1. ACQUISITION OF INTEREST IN SHARES OR DEBENTURES BY DIRECTORS AND SUPERVISORS

During the six months ended 30 June 2022, no rights were granted to any Directors or Supervisors or their respective spouses or children aged below 18 to derive gains by purchasing the Shares or debentures of the Company and they did not exercise any such rights; the Company or any of its subsidiaries did not enter into any arrangements, including share option scheme, that would enable the Directors or Supervisors to purchase such rights of any other legal entities.

2. CHANGES IN THE INFORMATION OF DIRECTORS AND SUPERVISORS

According to Rule 13.51B(1) of the Listing Rules, changes in information about Directors and Supervisors since the date of the 2021 annual report of the Company are as follows:

Ms. Han Chunhong has been appointed as the general manager of the capital operation department of China Power International Development Limited (stock code: 2380.HK) since April 2022.

Ms. He Zhen has been appointed as an independent director of Sichuan Xichang Electric Power Co., Ltd (四川西昌電力股份有限公司) (stock code: 600505.SH) since May 2022. She has been appointed as a supervisor of Leshan City Commercial Bank Co., Ltd (樂山市商業銀行股份有限公司) since June 2022.

Mr. Yan Yi and Mr. Peng Yu resigned as Supervisors due to work rearrangement commencing from 17 June 2022, and Ms. Deng Ruipu and Ms. Wang Meng were appointed as Supervisors at the 2021 Annual General Meeting. For further details, please refer to the announcements of the Company dated 12 April 2022 and 17 June 2022, respectively.

Mr. Tang Hong resigned as a Supervisor due to work rearrangement commencing from 15 August 2022, and Mr. Huang Yao was appointed as a Supervisor at the 2022 second extraordinary general meeting of the Company. For further details, please refer to the announcements of the Company dated 17 June 2022 and 15 August 2022, respectively.

After making specific enquiries by the Company and confirmed by the Directors and Supervisors, save as disclosed above, there are no other changes in the information of any Directors and Supervisors during the Reporting Period that are required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Listing Rules or subject to disclosure pursuant to Rule 13.51B(1) of the Listing Rules.

3. COMPLIANCE WITH CODE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high-quality corporate governance. The Company believes that corporate governance practices are essential to the stability, efficiency and transparency of the Company's operation, as well as its ability to attract investment, and can protect the rights of Shareholders and enhance the value of shares held by Shareholders.

For the six months ended 30 June 2022, the Company had complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules and had adopted most of the recommended best practices as set out in Appendix 14 to the Listing Rules.

4. COMPLIANCE WITH CODE PROVISIONS OF THE MODEL CODE BY DIRECTORS AND SUPERVISORS

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors and the Supervisors of the Company. Having made specific enquiries with all Directors and Supervisors of the Company, all Directors and Supervisors of the Company confirmed that they have complied with the required standard set out in the Model Code regarding securities transactions of directors during the six months ended 30 June 2022.

IV. CORPORATE GOVERNANCE AND OTHER INFORMATION

5. RISK MANAGEMENT AND INTERNAL CONTROL

5.1 Risk management

(1) Industry Policy Risk

Since the implementation of the market-oriented reform of the on-grid power tariff of coal-fired power generation, industrial and commercial users (including the former general industrial and commercial and other large-scale industrial categories) entered into the market, and the catalogue electricity tariff of industrial and commercial users has been cancelled, which will have a great impact on the Company's business model and profitability.

(2) Operating risk

1. As the electricity load in our power supply areas has been under rapid growth, and due to the mixed impacts from capacity restraint in interconnection with the State Grid, instable power supply capacity of the Southern Power Grid and seasonal fluctuation in the power generation capacity of on-grid power stations, the Company may be subject to great pressure in meeting peak power demands.
2. The Company is transforming from a traditional electric power provider to an integrated energy service provider. However, the integrated energy service involves a variety of energy supplies, most of which are simply a physical combination with poor organic integration effect and thus generates low economies of scale. The economic efficiency of projects is significantly affected by resource conditions and local policies, which makes it challenging to improve the overall economic benefits of the integrated energy projects.

(3) Significant Investment Risk

The Company is currently in the phase of accelerated development, various types of significant investment projects and constructions will commence and proceed successively. If the load development grows at a slow speed, the investment income will not reach expectation, which will have an impact on the future development of the Company.

(4) Financial Risk

1. Exchange rate risk: the Company primarily operates in mainland China and conducts business mainly in Renminbi. The Company held a small amount of Hong Kong dollars. Fluctuation of Renminbi exchange rate against Hong Kong dollars will lead to certain exchange gains and losses on Hong Kong dollars held by the Company. In general, it has little impact on the Company's financial condition and operating performance.
2. Capital risk: the Company will increase investment activities during its course of development. Capital sufficiency will have a significant impact on the operation and development of the Company, and capital operations are exposed to relevant financial risk.

5.2 Internal control

The Company strictly rectifies the problems identified in audits and special inspections, and strengthens the Company's internal control supervision and prevention of major risks from the management system, decision-making procedures and operational supervision mechanism.

IV. CORPORATE GOVERNANCE AND OTHER INFORMATION

6. INVESTOR RELATIONS

The Company values investor relations, cordially provides accurate and timely information to investors, and strives to maintain efficient communication with Shareholders and investors by establishing various channels, in order to facilitate their understanding of our latest business development and financial performance and improve transparency on disclosure of information by the Company.

The Company welcomes the attendance of Shareholders at the Shareholders' general meeting and the Directors have been making every effort to respond to any questions raised by Shareholders at the annual and extraordinary general meetings of the Company.

The contact information of the Company is set out below for making enquiries on matters concerned by Shareholders, and the Company will reply to the enquiries in an appropriate and timely manner:

Address: No. 789 Renhe Road, Wenjiang District, Chengdu City, Sichuan Province, the PRC

Tel: +86 (28) 86299666

Fax: +86 (28) 86299666

Email: db@scntgf.com

Company website: <http://www.scntgf.com>

The Company will release information timely, investors may obtain information about the latest development, announcements and press releases of the Company through the Stock Exchange website (hk.hkexnews.www) and the Company's website (www.scntgf.com).

In future, the Company will further develop activities on investor relations to provide better services for investors.

7. SHARE OPTION SCHEME

For the six months ended 30 June 2022, the Company did not have any share option scheme.

8. INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES HELD BY DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As at 30 June 2022, according to the information obtained by the Company and to the best knowledge of the Company, none of the Directors, Supervisors and chief executives of the Company has any interest or short positions (including those deemed or considered as interests or short positions held pursuant to Divisions 7 and 8 of the SFO) in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or any interest or short positions which have to be recorded in the equity register to be kept pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

IV. CORPORATE GOVERNANCE AND OTHER INFORMATION

9. INTEREST IN SECURITIES HELD BY SUBSTANTIAL SHAREHOLDERS

As at 30 June 2022, to the best knowledge of the Directors, the following persons (other than the Directors, Supervisors or chief executives of the Company) have interest or short positions in Shares or underlying Shares required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or interest or short positions required to be recorded in the register to be kept pursuant to section 336 of the SFO:

Name of Shareholder	Capacity	Class of Shares	Number of Shares (Note 1)	Percentage of total Shares (%)	Percentage of issued Shares of the same class (%)
Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限責任公司) (Note 2)	Beneficial owner and interest of controlled corporations	Domestic Shares	419,336,000	39.03	59.27
Sichuan Energy Investment Group Co., Ltd.* (四川省能源投資集團有限責任公司) (Note 2)	Interest of controlled corporations	Domestic Shares	394,398,400	36.71	55.74
Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司)	Beneficial owner	Domestic Shares	394,398,400	36.71	55.74
China Power International Development Limited (中國電力國際發展有限公司)	Beneficial owner	Unlisted Foreign Shares	98,039,200	9.13	100
China Three Gorges Corporation* (中國長江三峽集團有限公司) (Note 3)	Interest of controlled corporations	Domestic Shares	98,039,200	9.13	13.86
Three Gorges Capital Holdings Company Limited* (三峽資本控股有限責任公司)	Beneficial owner	Domestic Shares	98,039,200	9.13	13.86
Gao County State-owned Assets Operation Co., Ltd.* (高縣國有資產經營管理有限責任公司)	Beneficial owner	Domestic Shares	92,406,000	8.60	13.06
Yibin City State-owned Assets Operation Co., Ltd.* (宜賓市國有資產經營有限公司)	Beneficial owner	Domestic Shares	65,359,500	6.08	9.24
Tian Qiu (田秋) (Note 4)	Interest of controlled corporations and interest of spouse	H Shares	62,386,000	5.81	23.21
Wang Wenxiang (Note 4)	Interest of controlled corporations and interest of spouse	H Shares	62,386,000	5.81	23.21
Sichuan Jinneng Energy Group Co., Ltd.* (四川金能能源集團有限公司) (Note 4)	Interest of controlled corporations	H Shares	62,386,000	5.81	23.21
Jinneng Holding (Hong Kong) Limited	Beneficial owner	H Shares	62,386,000	5.81	23.21
Beijing Forever Technology Company Limited* (北京恒華偉業科技股份有限公司)	Beneficial owner	H Shares	55,366,000	5.15	20.60
Sichuan Provincial Investment Group Company Limited* (四川省投資集團有限責任公司) (Note 5)	Interest of controlled corporations	H Shares	46,326,000	4.31	17.23
SCIG International Limited	Beneficial owner	H Shares	46,326,000	4.31	17.23
Sichuan Furun Enterprise Reorganisation Investment Co., Ltd.* (四川富潤企業重組投資有限責任公司)	Beneficial owner	H Shares	31,072,000	2.89	11.56

IV. CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. As at 30 June 2022, the Company had issued 707,518,500 Domestic Shares, 98,039,200 Unlisted Foreign Shares and 268,800,000 H Shares. The total number of issued Shares was 1,074,357,700.
2. As at 30 June 2022, Hydropower Group held 394,398,400 Domestic Shares. Hydropower Group is held as to 77.74% of equity interest by Energy Investment Group which is in turn wholly-owned by Sichuan Development. Therefore, Energy Investment Group is deemed to be interested in 394,398,400 Domestic Shares held by Hydropower Group pursuant to Part XV of the SFO. Sichuan Development is also deemed to be interested in the said 394,398,400 Domestic Shares. In addition, Sichuan Development directly held 24,937,600 Domestic Shares of the Company, thus Sichuan Development was deemed to hold a total of 419,336,000 Domestic Shares.
3. As at 30 June 2022, Three Gorges Capital Holdings Company Limited held 98,039,200 Domestic Shares. Three Gorges Capital Holdings Company Limited is directly wholly-owned by China Three Gorges Corporation. Therefore, according to Part XV of the SFO, China Three Gorges Corporation is deemed to be interested in 98,039,200 Domestic Shares.
4. As at 30 June 2022, Jinneng Holding (Hong Kong) Limited held 62,386,000 H Shares. Jinneng Holding (Hong Kong) Limited is directly wholly-owned by Sichuan Jinneng Energy Group Co., Ltd., which was owned as to 70% and 30% by Mr. Tian Qiu and Ms. Wang Wenxiang, respectively. In addition, Mr. Tian Qiu and Ms. Wang Wenxiang are couples. Therefore, according to Part XV of the SFO, Sichuan Jinneng Energy Group Co., Ltd. is deemed to be interested in 62,386,000 H Shares held by Jinneng Holding (Hong Kong) Limited. Mr. Tian Qiu and Ms. Wang Wenxiang are also deemed to be interested in the 62,386,000 H Shares above.
5. As at 30 June 2022, SCIG International Limited held 46,326,000 H Shares. SCIG International Limited is directly wholly-owned by Sichuan Provincial Investment Group Company Limited. Therefore, pursuant to Part XV of the SFO, Sichuan Provincial Investment Group Company Limited is deemed to be interested in 46,326,000 H Shares held by SCIG International Limited.

Save as disclosed above, as at 30 June 2022, the Company was not aware of any other persons (other than the Directors, Supervisors or chief executives of the Company) have any interest or short position in the Shares or underlying Shares that would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept pursuant to Section 336 of the SFO.

10. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY BY THE LISTED ISSUER OR ITS SUBSIDIARIES

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

11. PUBLIC FLOAT

During the six months ended 30 June 2022, based on the information that was publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float required by the Listing Rules.

12. REVIEW OF INTERIM REPORT

The audit committee under the Board had reviewed the Company's interim report including the unaudited financial statements of the Group for the six months ended 30 June 2022.

13. MATERIAL LITIGATION

During the six months ended 30 June 2022, the Company had not been involved in any material legal proceedings or arbitration.

14. CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

V. CONSOLIDATED BALANCE SHEET

As at 30 June 2022 – unaudited
(Expressed in RMB)

	Notes	As at 30 June 2022 RMB	As at 31 December 2021 RMB
Assets			
Current assets			
Cash and cash equivalents	6	490,401,801.49	589,976,784.39
Financial assets held for trading		152,169,906.85	–
Notes receivable	7	28,134,172.42	3,200,000.00
Accounts receivable	8	383,023,520.51	372,059,985.23
Prepayments	9	88,096,661.62	12,858,110.54
Other receivables	10	21,883,940.58	19,733,589.89
Inventories	11	80,203,846.68	70,279,839.11
Contract assets	12	100,151,722.27	92,746,010.09
Other current assets		21,070,329.05	8,956,731.67
Total current assets		1,365,135,901.47	1,169,811,050.92
Non-current assets			
Long-term equity investments		274,630,108.57	270,722,499.22
Other non-current financial assets		170,250.00	112,170,250.00
Fixed assets	13	2,735,366,669.56	2,785,047,920.89
Construction in progress		263,141,425.13	115,141,311.68
Right-of-use assets		5,460,169.56	5,844,877.08
Intangible assets		126,656,896.62	128,127,272.98
Long-term prepaid expenses		4,329,861.01	3,110,622.73
Deferred income tax assets		32,561,557.14	41,477,401.88
Total non-current assets		3,442,316,937.59	3,461,642,156.46
Total assets		4,807,452,839.06	4,631,453,207.38

The notes to the financial statements on pages 33 to 48 form part of these financial statements.

V. CONSOLIDATED BALANCE SHEET

As at 30 June 2022 – unaudited (Continued)
(Expressed in RMB)

	Notes	As at 30 June 2022 RMB	As at 31 December 2021 RMB
Liabilities and shareholders' equity			
Current liabilities			
Short-term borrowings	14	300,000,000.00	300,000,000.00
Accounts payable	15	503,467,590.28	602,593,587.62
Contract liabilities	16	263,385,171.15	206,432,892.20
Employee benefits payable	17	62,617,712.26	112,931,581.63
Taxes payable		27,684,134.47	60,005,845.38
Other payables		279,487,711.10	137,499,593.52
Non-current liabilities due within one year		13,128,543.54	13,309,953.36
Total current liabilities		1,449,770,862.80	1,432,773,453.71
Non-current liabilities			
Lease liabilities		3,881,832.52	4,257,394.52
Deferred income		140,004,885.07	143,468,073.24
Deferred income tax liabilities		17,660,165.31	17,660,165.31
Long-term payables		200,659,287.09	37,394,687.09
Total non-current liabilities		362,206,169.99	202,780,320.16
Total liabilities		1,811,977,032.79	1,635,553,773.87

The notes to the financial statements on pages 33 to 48 form part of these financial statements.

V. CONSOLIDATED BALANCE SHEET

As at 30 June 2022 – unaudited (Continued)
(Expressed in RMB)

	Notes	As at 30 June 2022 RMB	As at 31 December 2021 RMB
Shareholders' equity			
Share capital	18	1,074,357,700.00	1,074,357,700.00
Capital reserve	19	1,081,447,605.75	1,081,447,605.75
Other comprehensive income		–	–
Special reserve		19,203,671.75	19,925,149.81
Surplus reserve		104,468,551.68	104,468,551.68
Undistributed profit	20	700,251,304.21	699,460,812.11
Total equity attributable to shareholders of the parent company		2,979,728,833.39	2,979,659,819.35
Non-controlling interests		15,746,972.88	16,239,614.16
Total shareholders' equity		2,995,475,806.27	2,995,899,433.51
Total liabilities and shareholders' equity		4,807,452,839.06	4,631,453,207.38

These financial statements have been approved by the Board of Directors.

Xiong Lin
Legal representative

(Signature and seal)

Li Bi
Person in charge of accounting of the Company
and head of the accounting department
(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 33 to 48 form part of these financial statements.

VI. CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2022 – unaudited
(Expressed in RMB)

	Notes	Six months ended 30 June	
		2022 RMB	2021 RMB
Operating revenue	21	1,502,213,920.97	1,567,464,633.06
Less: Cost of sales		1,246,789,995.27	1,314,564,597.80
Taxes and surcharges	22	9,356,010.24	7,561,044.89
General and administrative expenses		85,596,927.76	83,520,784.61
Finance costs	23	4,526,607.04	14,100,333.94
Including: Interest expenses		5,049,699.71	4,637,106.94
Interest income		2,927,699.67	2,465,821.02
Add: Investment income	24	4,790,775.71	21,418,547.74
Including: gain on investment in associates		3,907,609.35	691,349.64
Gain/(loss) on fair value changes		169,906.85	(1,128,601.92)
Credit impairment loss	25	(5,118,552.05)	(2,908,159.95)
Asset impairment loss	26	(328,549.78)	(3,114,402.87)
(Loss)/gain from asset disposals		(320.27)	2,678.02
Other income		109,897.31	22,879.34
Operating profit		155,567,538.43	162,010,812.18
Add: Non-operating income	27(1)	7,667,963.58	4,240,717.87
Less: Non-operating expenses	27(2)	4,337,197.67	343,541.93
Total profit		158,898,304.34	165,907,988.12
Less: Income tax expenses	28	29,157,529.52	27,089,737.01
Net profit		129,740,774.82	138,818,251.11

The notes to the financial statements on pages 33 to 48 form part of these financial statements.

VI. CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2022 – unaudited (Continued)
(Expressed in RMB)

	Notes	Six months ended 30 June	
		2022 RMB	2021 RMB
(i) Breakdown by continuity of operation:			
1. Net profit from continuing operations		129,740,774.82	138,818,251.11
2. Net profit from discontinued operations		–	–
(ii) Breakdown by attributable interests:			
1. Net profit attributable to shareholders of the parent company		129,713,416.10	138,195,119.53
2. Minority interests		27,358.72	623,131.58
Other comprehensive income, after tax		–	–
Total comprehensive income		129,740,774.82	138,818,251.11
Total comprehensive income attributable to shareholders of the parent company		129,713,416.10	138,195,119.53
Total comprehensive income attributable to non-controlling interests		27,358.72	623,131.58
Earnings per share			
Basic and diluted	29	0.12	0.13

The notes to the financial statements on pages 33 to 48 form part of these financial statements.

VII. CONSOLIDATED STATEMENT OF CASH FLOWS

As at 30 June 2022 – unaudited
(Expressed in RMB)

	Notes	Six months ended 30 June	
		2022 RMB	2021 RMB
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from sales of goods or rendering of services		1,657,475,010.55	1,629,886,837.89
Refund of taxes and surcharges		885,758.04	859.96
Cash received relating to other operating activities		21,654,094.86	27,034,470.01
Subtotal of cash inflows from operating activities		1,680,014,863.45	1,656,922,167.86
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash paid for goods and services		1,228,678,898.79	1,279,353,755.73
Cash paid to and on behalf of employees		248,181,798.28	237,688,679.90
Cash paid for all types of taxes		137,605,063.25	107,216,285.75
Cash paid relating to other operating activities		55,850,345.06	38,486,848.57
Subtotal of cash outflows from operating activities		1,670,316,105.38	1,662,745,569.95
Net cash flows from operating activities		9,698,758.07	(5,823,402.09)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received from disposal of investments		419,000,000.00	160,000,000.00
Cash received from return on investments		12,409,887.11	—
Net cash received from disposal of fixed assets		—	90,715.80
Cash received relating to other investing activities		5,003,608.67	729,750.00
Subtotal of cash inflows from investing activities		436,413,495.78	160,820,465.80
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		231,288,476.51	49,161,536.65
Cash paid for acquisition of investments		471,000,000.00	171,000,000.00
Cash paid relating to other investing activities		3,853,330.26	63,000.00
Subtotal of cash outflows from investing activities		706,141,806.77	220,224,536.65
Net cash flows from investing activities		(269,728,310.99)	(59,404,070.85)

The notes to the financial statements on pages 33 to 48 form part of these financial statements.

VII. CONSOLIDATED STATEMENT OF CASH FLOWS

As at 30 June 2022 – unaudited (Continued)
(Expressed in RMB)

	Notes	Six months ended 30 June	
		2022 RMB	2021 RMB
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received from capital contribution			
Cash received from borrowings		446,864,170.00	300,000,000.00
Cash received relating to other financing activities		163,264,600.00	-
Subtotal of cash inflows from financing activities		610,128,770.00	300,000,000.00
Cash paid for debt repayment		449,076,574.98	380,638,857.25
Cash paid for distribution of dividends or payment of interest expenses		4,597,625.00	4,757,529.66
Including: Profits distributed to non-controlling interests by subsidiaries		520,000.00	-
Repayment of principal of lease liabilities		-	-
Repayment of interest on lease liabilities		-	-
Subtotal of cash outflow from financing activities		453,674,199.98	385,396,386.91
Net cash flows from financing activities		156,454,570.02	(85,396,386.91)
Effect of foreign exchange rate changes on cash and cash equivalents		-	38,723.06
Net (decrease)/increase in cash and cash equivalents		(103,574,982.90)	(150,585,136.79)
Add: Balance of cash and cash equivalents at the beginning of the year		583,976,784.39	504,799,252.74
Balance of cash and cash equivalents at the end of the year		480,401,801.49	354,214,115.95

The notes to the financial statements on pages 33 to 48 form part of these financial statements.

VIII. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2022 – unaudited
(Expressed in RMB)

	Attributable to owners of the parent company							Non-controlling interests	Total owners' equity	
	Notes	Paid-in capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings			Subtotal
Balance at 1 January 2022		1,074,357,700.00	1,081,447,605.75	-	19,925,149.81	104,468,551.68	699,460,812.11	2,979,659,819.35	16,239,614.16	2,995,899,433.51
Movements during the year ("+" for increase)		-	-	-	-	-	-	-	-	-
1. Total comprehensive income		-	-	-	-	-	129,713,416.10	129,713,416.10	27,358.72	129,740,774.82
2. Profit distribution		-	-	-	-	-	-	-	-	-
– Appropriation for surplus reserve		-	-	-	-	-	-	-	-	-
– Distribution to owners	30	-	-	-	-	-	(128,922,924.00)	(128,922,924.00)	(520,000.00)	(129,442,924.00)
– Others		-	-	-	-	-	-	-	-	-
3. Specific reserve		-	-	-	-	-	-	-	-	-
– Appropriation of specific reserve		-	-	-	4,900,252.34	-	-	4,900,252.34	-	4,900,252.34
– Use of specific reserve		-	-	-	(5,621,730.40)	-	-	(5,621,730.40)	-	(5,621,730.40)
Subtotal of items 1 to 3 above		-	-	-	(721,478.06)	-	790,492.10	69,014.04	(492,641.28)	(423,627.24)
Balance at 30 June 2022		1,074,357,700.00	1,081,447,605.75	-	19,203,671.75	104,468,551.68	700,251,304.21	2,979,728,833.39	15,746,972.88	2,995,475,806.27

The notes to the financial statements on pages 33 to 48 form part of these financial statements.

VIII. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2022 – unaudited (Continued)
(Expressed in RMB)

	Notes	Attributable to owners of the parent company							Non-controlling interests	Total owners' equity
		Paid-in capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Subtotal		
Balance at 1 January 2021		1,074,357,700.00	1,081,447,605.75	-	20,480,082.77	78,069,693.85	585,224,902.92	2,839,579,985.29	14,880,200.51	2,854,460,185.80
Movements during the year ("-" for decrease)		-	-	-	-	-	-	-	-	-
1. Total comprehensive income		-	-	-	-	-	269,557,691.02	269,557,691.02	1,359,413.65	270,917,104.67
2. Contribution from non-controlling interests		-	-	-	-	-	-	-	-	-
3. Profit distribution		-	-	-	-	-	-	-	-	-
- Appropriation for surplus reserve		-	-	-	-	26,398,857.83	(26,398,857.83)	-	-	-
- Distribution to owners		-	-	-	-	-	(128,922,924.00)	(128,922,924.00)	-	(128,922,924.00)
4. Specific reserve		-	-	-	-	-	-	-	-	-
- Appropriation of specific reserve		-	-	-	19,830,235.85	-	-	19,830,235.85	-	19,830,235.85
- Use of specific reserve		-	-	-	(20,385,168.81)	-	-	(20,385,168.81)	-	(20,385,168.81)
Subtotal of items 1 to 4 above		-	-	-	(554,932.96)	26,398,857.83	114,235,909.19	140,079,834.06	1,359,413.65	141,439,247.71
Balance at 31 December 2021		1,074,357,700.00	1,081,447,605.75	-	19,925,149.81	104,468,551.68	699,460,812.11	2,979,659,819.35	16,239,614.16	2,995,899,433.51

The notes to the financial statements on pages 33 to 48 form part of these financial statements.

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 BASIC INFORMATION OF THE COMPANY

Sichuan Energy Investment Development Co., Ltd.* (the "Company") is a joint stock limited liability company established in Chengdu, Sichuan Province and headquartered in Wenjiang District, Chengdu, Sichuan Province. The Company's legal representative is Xiong Lin, its parent company is Sichuan Province Hydropower Investment and Management Group Co., Ltd., and the ultimate controlling company is Sichuan Development (Holding) Co., Ltd.

The Company and its subsidiaries (collectively, the "Group") operate in the electric power industry with main business scope including development, construction and operation management of power projects; development, construction and operation management of power distribution network and power plants; production and sale of power products; new energy technology research, development and advisory services; installation, commissioning and repair of power facilities and inspection of electrical equipment, sale of material (excluding commodities subject to state-run trade management, and for commodities subject to quota and permit management, application shall be made in accordance with relevant national regulations; projects subject to approval as required by the law shall be carried out after approval by relevant authorities). The operating term of the Company is perpetual.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Company prepares its financial statements on a going concern basis.

As at 30 June 2022, the Group's current liabilities exceeded its current assets by RMB84,634,961.33. As the Group's cash flow from operating activities continues to be a net cash inflow, the balance of undrawn bank credit facilities as at 30 June 2022 was RMB2,401 million, and based on the communication with banks, the Group believes that it can renew or extend the term of short-term borrowings (if necessary) based on its good credit history, the Board of Directors considers that the Group has sufficient funds to meet its working capital commitments and debt obligations, and therefore these financial statements have been prepared on a going concern basis.

(1) Statement of Compliance with Accounting Standards for Business Enterprises

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China ("MOF") and give a true and complete view of the consolidated financial position and financial position as of 30 June 2022, the consolidated operating results and operating results and the consolidated cash flows and cash flows for the period from January to June 2022 of the Company.

(2) Accounting Year

The Group's accounting year begins on 1 January and ends on 31 December of a calendar year.

(3) Functional Currency and Presentation Currency

The Company's functional currency is RMB and the currency used in preparing the financial statements is RMB. The Company and its subsidiaries have selected the functional currency based on the currency of denomination and settlement of major business income and expenditures.

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

3 MAJOR ACCOUNTING POLICIES AND ESTIMATES

No changes in accounting policies has a material impact on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 TAXATION

- (1) The taxes applicable to the Group in relation to the sales of products and provision of services include value-added tax, urban maintenance and construction tax, education surcharge, local education surcharge and housing property tax.

Tax	Calculation and payment standards
Value-added tax	The output tax is calculated at 3% to 16% of the taxable revenue from electricity sales and taxable revenue from electricity installation engineering service calculated according to the tax law, and after deducting the input tax deductible for the current period, the difference is the value-added tax payable.
Urban maintenance and construction tax	5% or 7% of the actual value-added tax paid.
Education surcharge	3% of the actual value-added tax paid.
Local education surcharge	2% of the actual value-added tax paid.
Housing property tax	12% of the taxable rental income or 1.2% of the residual value of the taxable property.

(2) Income tax

The Company is subject to statutory tax rate of 25% during the Reporting Period (2021: 25%).

Information related to the income tax of each of the Company's subsidiaries is set out as follows:

Company name	Preferential tax rate	Reason for preferential treatment
Sichuan Energy Yibin City Xuzhou Electricity Co., Ltd.	15%	Preferential tax rate for western development
Sichuan Energy Yibin Electricity Engineering Co., Ltd.	15%	Preferential tax rate for western development
Sichuan Energy Investment Gong County Electricity Co., Ltd.	15%	Preferential tax rate for western development
Sichuan Energy Investment Gao County Electricity Co., Ltd.	15%	Preferential tax rate for western development
Sichuan Energy Investment Yibin Power Generation Co., Ltd.	25%	Not applicable
Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.	15%	Preferential tax rate for western development
Sichuan Energy Investment Xingwen Electricity Co., Ltd.	15%	Preferential tax rate for western development
Sichuan Energy Investment Junlian Electricity Co., Ltd.	15%	Preferential tax rate for western development
Shuifu Yangliutan Power Generation Co., Ltd.	15%	Preferential tax rate for western development
Sichuan Energy Investment Electricity Energy Co., Ltd.	25%	Not applicable

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

5 BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022, the subsidiaries included in the scope of the Company's consolidated financial statements were as follows:

Name of subsidiary	Place of registration and principal place of business	Business nature	Registered capital RMB	Percentage of direct and indirect shareholding by the Company	Percentage of voting rights directly and indirectly held by the Company
Sichuan Energy Yibin City Xuzhou Electricity Co., Ltd.	Yibin, Sichuan Province	Electricity sale	60,000,000.00	100%	100%
Sichuan Energy Yibin Electricity Engineering Co., Ltd.	Yibin, Sichuan Province	Electrical installation	100,000,000.00	100%	100%
Sichuan Energy Investment Gong County Electricity Co., Ltd.	Gong County, Yibin, Sichuan Province	Electricity sale	11,960,000.00	100%	100%
Sichuan Energy Investment Gao County Electricity Co., Ltd.	Gao County, Yibin, Sichuan Province	Electricity sale	78,100,000.00	100%	100%
Sichuan Energy Investment Yibin Power Generation Co., Ltd.	Gao County, Yibin, Sichuan Province	Power generation	3,000,000.00	100%	100%
Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.	Pingshan County, Yibin, Sichuan Province	Electricity sale	111,111,400.00	100%	100%
Sichuan Energy Investment Xingwen Electricity Co., Ltd.	Xingwen County, Yibin, Sichuan Province	Electricity sale	32,020,000.00	100%	100%
Sichuan Energy Investment Junlian Electricity Co., Ltd.	Junlian County, Yibin, Sichuan Province	Electricity sale	40,000,000.00	100%	100%
Shuifu Yangliutan Power Generation Co., Ltd.	Shuifu, Yunnan Province	Power generation	10,000,000.00	100%	100%
Sichuan Energy Investment Electricity Energy Co., Ltd.	Yibin, Sichuan Province	Electricity sale	50,000,000.00	74%	74%

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

6 CASH AND CASH EQUIVALENTS

	Note	30 June 2022 RMB	31 December 2021 RMB
Cash		–	7,317.07
Bank deposit		480,401,801.49	583,969,467.32
Other cash and cash equivalents	(1)	10,000,000.00	6,000,000.00
Total		490,401,801.49	589,976,784.39

(1) Other cash and cash equivalents at the end of the year represent the deposits for letter of guarantee deposited by Sichuan Energy Investment Electricity Energy Co., Ltd. in its bank deposit account.

7 NOTES RECEIVABLE

(1) Breakdown of notes receivable

	30 June 2022 RMB	31 December 2021 RMB
Bank acceptance notes	28,134,172.42	3,200,000.00
Total	28,134,172.42	3,200,000.00

All notes receivable above are due within one year.

8 ACCOUNTS RECEIVABLE

(1) Analysis of accounts receivable by customer type is as follows:

	30 June 2022 RMB	31 December 2021 RMB
Receivable from subsidiaries	–	–
Receivable from related companies	31,843,126.52	48,956,274.42
Other customers	478,509,092.27	443,389,205.54
Subtotal	510,352,218.79	492,345,479.96
Less: Allowance for doubtful debts	127,328,698.28	120,285,494.73
Total	383,023,520.51	372,059,985.23

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

8 ACCOUNTS RECEIVABLE (Continued)

(2) Ageing analysis of accounts receivable is as follows:

	30 June 2022 RMB	31 December 2021 RMB
Within 1 year (inclusive)	364,048,449.20	355,106,675.42
1 to 2 years (inclusive)	30,949,153.75	24,095,118.30
2 to 3 years (inclusive)	23,302,934.21	33,462,377.21
Over 3 years	92,051,681.63	79,681,309.03
Subtotal	510,352,218.79	492,345,479.96
Less: Allowance for doubtful debts	127,328,698.28	120,285,494.73
Total	383,023,520.51	372,059,985.23

Ageing is counted starting from the date when accounts receivable are recognised.

(3) Assessment of expected credit loss on accounts receivable:

The Group has been measuring the impairment provision of accounts receivable according to the amount equivalent to the life-time expected credit loss, and calculates its expected credit loss based on the comparison table of overdue days and loss given default. As the Group's historical credit loss experience indicates significantly different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between electricity fee receivables and receivables for construction work. The Group considers that the counterparties of receivables from related companies have a strong ability to meet their contractual cash flow obligations in the short term with a lower risk of default, and such receivables are expected to be recovered within one year, so no provision for bad debts is required. For customers that have become bankrupt or ceased operations, the Company considers that the counterparties' ability to meet contractual cash flow obligations is weak and the risk of default is high, so a full provision for bad debts is provided.

9 PREPAYMENTS

(1) Breakdown of prepayments by category is as follows:

	30 June 2022 RMB	31 December 2021 RMB
Construction cost	46,761,474.05	4,617,422.15
Electricity bill	13,044,525.89	3,100,614.62
Payment for materials and equipment	18,642,295.21	2,675,103.00
Others	9,648,366.47	2,464,970.77
Total	88,096,661.62	12,858,110.54

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

10 OTHER RECEIVABLES

	30 June 2022 RMB	31 December 2021 RMB
Dividend receivable	–	–
Others	21,883,940.58	19,733,589.89
Total	21,883,940.58	19,733,589.89

11 INVENTORIES

Type of inventories	30 June 2022			31 December 2021		
	Book balance RMB	Provision for impairment of inventories RMB	Carrying amount RMB	Book balance RMB	Provision for impairment of inventories RMB	Carrying amount RMB
Raw materials	80,154,753.17	72,545.53	80,082,207.64	70,226,229.36	72,545.53	70,153,683.83
Low-value consumables	121,639.04	–	121,639.04	126,155.28	–	126,155.28
Total	80,276,392.21	72,545.53	80,203,846.68	70,352,384.64	72,545.53	70,279,839.11

The Group has no inventories for guarantee as at 30 June 2022 (31 December 2021: Nil).

Analysis of the Group's provision for impairment of inventories is as follows:

	As at 1 January 2022 Balance RMB	Provision for the year RMB	Decrease during the year		As at 30 June 2022 Balance RMB
			Reversal RMB	Write-off RMB	
Raw materials	72,545.53	–	–	–	72,545.53
Low-value consumables	–	–	–	–	–
Engineering construction	–	–	–	–	–
Total	72,545.53	–	–	–	72,545.53

	As at 1 January 2021 Balance RMB	Provision for the year RMB	Decrease during the year		As at 31 December 2021 Balance RMB
			Reversal RMB	Write-off RMB	
Raw materials	72,573.03	–	–	27.50	72,545.53
Low-value consumables	–	–	–	–	–
Engineering construction	–	–	–	–	–
Total	72,573.03	–	–	27.50	72,545.53

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

12 CONTRACT ASSETS

Breakdown of contract assets by nature is as follows:

Type of inventories	30 June 2022			31 December 2021		
	Book balance RMB	Provision for impairment RMB	Carrying amount RMB	Book balance RMB	Provision for impairment RMB	Carrying amount RMB
Unsettled electrical installation projects under construction	103,252,708.86	3,100,986.59	100,151,722.27	95,846,996.68	3,100,986.59	92,746,010.09

13 FIXED ASSETS

	Buildings RMB	Machinery equipment RMB	Transportation equipment RMB	Office and other equipment RMB	Total RMB
Cost					
Balance as at 1 January 2021	1,140,527,417.24	2,953,076,560.32	43,235,914.27	75,404,387.18	4,212,244,279.01
Purchase	13,980,422.78	26,628,475.36	821,321.82	9,717,643.64	51,147,863.60
Transferred from construction in progress	183,756,625.97	61,980,010.86	—	98,684,044.63	344,420,681.46
Disposal or scrap	—	(2,757,626.94)	(2,992,709.34)	(2,409,955.35)	(8,160,291.63)
Balance as at 31 December 2021	1,338,264,465.99	3,038,927,419.60	41,064,526.75	181,396,120.10	4,599,652,532.44
Purchase	551,067.65	26,389,192.08	904,053.09	3,097,089.93	30,941,402.75
Transferred from construction in progress	1,083,657.81	16,688,405.87	—	308,147.04	18,080,210.72
Disposal or scrap	(3,633,613.85)	(19,309,827.08)	(670,953.32)	(965,515.23)	(24,579,909.48)
Balance as at 30 June 2022	1,336,265,577.60	3,062,695,190.47	41,297,626.52	183,835,841.84	4,624,094,236.43
Less: Accumulated depreciation					
Balance as at 1 January 2021	397,323,416.67	1,152,096,333.48	29,418,971.14	50,210,182.68	1,629,048,903.97
Depreciation charged during the year	35,382,049.97	96,298,410.68	2,692,483.10	14,099,639.92	148,472,583.67
Depreciation write-off	—	(336,467.01)	(2,823,093.97)	(2,283,677.93)	(5,443,238.91)
Balance as at 31 December 2021	432,705,466.64	1,248,058,277.15	29,288,360.27	62,026,144.67	1,772,078,248.73
Depreciation charged during the year	16,072,185.94	56,945,796.84	1,220,759.28	9,505,154.61	83,743,896.67
Depreciation write-off	(67,787.08)	(7,314,790.44)	(637,405.65)	(912,194.76)	(8,932,177.93)
Balance as at 30 June 2022	448,709,865.50	1,297,689,283.55	29,871,713.90	70,619,104.52	1,846,889,967.47
Less: Impairment provisions					
Balance as at 1 January 2021	6,259,242.71	21,587,987.77	20,830.10	115,792.79	27,983,853.37
Charge for the year	1,081,847.54	13,270,106.89	166,537.35	39,301.92	14,557,793.70
Written off on disposal	—	(158.74)	(15,125.51)	—	(15,284.25)
Balance as at 31 December 2021	7,341,090.25	34,857,935.92	172,241.94	155,094.71	42,526,362.82
Charge for the year	—	328,411.32	—	138.46	328,549.78
Written off on disposal	(1,804.86)	(991,683.32)	(14,653.80)	(9,171.22)	(1,017,313.20)
Balance as at 30 June 2022	7,339,285.39	34,194,663.92	157,588.14	146,061.95	41,837,599.40
Carrying amount					
As at 30 June 2022	880,216,426.71	1,730,811,243.00	11,268,324.48	113,070,675.37	2,735,366,669.56
As at 31 December 2021	898,217,909.10	1,756,011,206.53	11,603,924.54	119,214,880.72	2,785,047,920.89

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

14 SHORT-TERM BORROWINGS

	30 June 2022 RMB	31 December 2021 RMB
Unsecured borrowings		
Unsecured bank borrowings	300,000,000.00	300,000,000.00
Total	300,000,000.00	300,000,000.00

15 ACCOUNTS PAYABLE

	30 June 2022 RMB	31 December 2021 RMB
Accounts payable	503,467,590.28	602,593,587.62

As at the end of the Reporting Period, the ageing analysis of accounts payable, based on the invoice date, is as follows:

	30 June 2022 RMB	31 December 2021 RMB
Within 1 year (inclusive)	480,194,911.24	576,821,572.75
1 to 2 years (inclusive)	4,661,519.83	12,577,364.61
2 to 3 years (inclusive)	6,075,465.54	6,130,333.67
Over 3 years	12,535,693.67	7,064,316.59
Total	503,467,590.28	602,593,587.62

16 CONTRACT LIABILITIES

The balance of contract liabilities by nature is as follows:

	30 June 2022 RMB	31 December 2021 RMB
Electricity payment received in advance	209,252,400.06	184,609,627.94
Electricity project payment	54,132,771.09	21,823,264.26
Total	263,385,171.15	206,432,892.20

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

16 CONTRACT LIABILITIES (Continued)

Movements in contract liabilities during the Reporting Period are as follows:

Reason for change	Electricity payment received in advance <i>RMB</i>	Electricity project payment <i>RMB</i>	Total <i>RMB</i>
Increase due to cash received (excluding amount recognized as revenue during the Reporting Period)	209,252,400.06	36,158,257.33	245,410,657.39
Revenue recognized from the amount included in the opening book value of contract liabilities	(184,609,627.94)	(3,848,750.50)	(188,458,378.44)
Total	24,642,772.12	32,309,506.83	56,952,278.95

The Group normally receives prepayment for electricity from customers. Prior to selling electricity to these customers, the Group will recognise contract liability for the prepaid amount. If the Group receives advance payments from customers before construction begins or if the amount settled exceeds the progress of the project, contract liability will be recognised until the progress of the project recognised exceeds the amount of advance payments received. All contract liabilities at the end of the current year are expected to be recognised as revenue within one year.

17 EMPLOYEE BENEFITS PAYABLE

	30 June 2022 <i>RMB</i>	31 December 2021 <i>RMB</i>
Short-term benefits	52,483,544.27	111,845,999.83
Post-employment benefits – defined contribution plans	10,134,167.99	1,085,581.80
Total	62,617,712.26	112,931,581.63

18 SHARE CAPITAL

The Group's share capital structure as at 30 June 2022 and 31 December 2021 is as follows:

	At the beginning and end of the period	
	<i>Number of shares</i>	<i>RMB</i>
Ordinary shares in issue	1,074,357,700.00	1,074,357,700.00
		At the beginning and end of the period
		<i>Number of shares</i>
Ordinary shares of RMB1 each		
– Domestic shares		707,518,500.00
– Unlisted foreign shares		98,039,200.00
– H shares		268,800,000.00
Total		1,074,357,700.00

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

19 CAPITAL RESERVE

	30 June 2022 RMB	31 December 2021 RMB
Share premium	203,429,005.75	203,429,005.75
State capital reserve benefits	878,018,600.00	878,018,600.00
Total	1,081,447,605.75	1,081,447,605.75

20 RETAINED PROFITS AS OF 30 JUNE 2022

As of 30 June 2022, the Group's retained profits attributable to the parent company include RMB122,200,369.65 (31 December 2021: RMB122,200,369.65) of surplus reserve appropriated by the Company's subsidiaries.

21 OPERATING REVENUE

(1) Operating revenue

Item	Six months ended 30 June	
	2022 RMB	2021 RMB
Revenue from principal business	1,498,732,043.43	1,564,348,778.40
Revenue from other business	3,481,877.54	3,115,854.66
Total	1,502,213,920.97	1,567,464,633.06
Including: Revenue from contracts	1,500,731,523.93	1,566,372,078.40

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

21 OPERATING REVENUE (Continued)

(2) Revenue from contracts of the Group

Type of contracts	Six months ended 30 June	
	2022 RMB	2021 RMB
Classified by contract type		
Power supply contracts	1,324,765,990.74	1,354,772,765.83
Contracts of power installation projects	165,606,118.60	205,557,273.95
Material sales contracts	10,359,414.59	6,042,038.62
Total	1,500,731,523.93	1,566,372,078.40
Classified by time of revenue recognition		
Revenue recognized at a point in time	1,335,125,405.33	1,360,814,804.45
Revenue recognized over time	165,606,118.60	205,557,273.95
Total	1,500,731,523.93	1,566,372,078.40

22 TAX AND SURCHARGE

	Six months ended 30 June	
	2022 RMB	2021 RMB
City maintenance and construction tax	2,573,312.43	2,253,693.44
Education surcharge	1,468,837.24	1,300,414.94
Housing property tax	1,958,720.11	1,372,021.94
Others	3,355,140.46	2,634,914.57
Total	9,356,010.24	7,561,044.89

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

23 FINANCE COSTS

	Six months ended 30 June	
	2022 RMB	2021 RMB
Interest expenses on loans and payables	5,049,699.71	4,637,106.94
Interest expenses on lease liabilities	135,864.14	128,489.76
Interest income on deposits	(2,927,699.67)	(2,465,821.02)
Foreign exchange losses	1,194,880.90	11,207,003.83
Other finance costs	1,073,861.96	593,554.43
Total	4,526,607.04	14,100,333.94

24 INVESTMENT INCOME

	Six months ended 30 June	
	2022 RMB	2021 RMB
Investment income from long-term equity investments accounted for under cost method	-	-
Investment income from long-term equity investments accounted for under equity method	3,907,609.35	691,349.64
Gain on investment in financial assets at fair value through profit or loss	883,166.36	20,727,198.10
Total	4,790,775.71	21,418,547.74

25 CREDIT IMPAIRMENT LOSS

	Six months ended 30 June	
	2022 RMB	2021 RMB
Accounts receivable	(7,043,203.55)	(3,674,961.18)
Other receivables	1,924,651.50	766,801.23
Contract assets	-	-
Total	(5,118,552.05)	(2,908,159.95)

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

26 ASSET IMPAIRMENT LOSS

	Six months ended 30 June	
	2022 RMB	2021 RMB
Fixed assets	(328,549.78)	(3,114,402.87)
Intangible assets	-	-
Inventories	-	-
Total	(328,549.78)	(3,114,402.87)

27 NON-OPERATING INCOME AND EXPENSES

(1) Non-operating income

	Six months ended 30 June	
	2022 RMB	2021 RMB
Government grants	3,643,159.20	3,528,876.14
Others	4,024,804.38	711,841.73
Total	7,667,963.58	4,240,717.87

(2) Non-operating expenses

	Six months ended 30 June	
	2022 RMB	2021 RMB
Donation expense	-	-
Others	4,337,197.67	343,541.93
Total	4,337,197.67	343,541.93

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

28 INCOME TAX EXPENSES

	Six months ended 30 June	
	2022 RMB	2021 RMB
Income tax	28,339,631.03	26,728,097.69
Change in deferred income tax	817,898.49	361,639.33
Total	29,157,529.52	27,089,737.01

29 EARNINGS PER SHARE

The calculation of basic earnings per Share is based on net profit attributable to ordinary equity Shareholders of the Company of RMB129,740,774.82 (six months ended 30 June 2021: RMB138,818,251.11) and the weighted average number of 1,074,357,700 ordinary Shares (six months ended 30 June 2021: 1,074,357,700 Shares) in issue during the interim period. There were no dilutive potential ordinary Shares for the six months ended 30 June 2022, and therefore, diluted earnings per Share are the same as the basic earnings per Share.

30 INTERIM DIVIDENDS

(1) **Dividends payable to equity shareholders of the Company attributable to the interim period**

No interim dividend is declared for the six months ended 30 June 2022 (2021 interim dividend: Nil).

(2) **Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period:**

	Six months ended 30 June	
	2022 RMB	2021 RMB
Final dividend approved in respect of previous financial year of RMB0.12 (2021: RMB0.12) per Share	128,922,924.00	128,922,924.00

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

31 CAPITAL MANAGEMENT

The Group's primary objectives of capital management are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for owners by pricing products and services commensurately with the level of risk and by ensuring access to finance at reasonable financial costs.

The Group defines "capital" as shareholders' equity less unrecognised profits proposed for distribution. The Group's capital excludes balances of related party transactions.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and returns to owners. The factors considered by the Group include: the Group's capital requirements in the future, capital efficiency, actual and expected profitability, expected cash flow, and estimated capital expenditures. If any change of the economic conditions affects the Group, the Group will adjust its capital structure.

The Group monitors its capital structure through adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes short-term loans, long-term loans and lease liabilities) plus unrecognised profits proposed for distribution and net of cash.

The adjusted net debt-to-capital ratio is as follows:

	30 June 2022 RMB	31 December 2021 RMB
Current liabilities		
Short-term borrowings	300,000,000.00	300,000,000.00
Long-term borrowings due within one year	12,868,329.54	12,868,329.54
Lease liabilities due within one year	260,214.00	441,623.82
Non-current liabilities		
Long-term borrowings	-	-
Lease liabilities	3,881,832.52	4,257,394.52
Total debt	317,010,376.06	317,567,347.88
Add: Profit proposed for distribution	-	128,922,924.00
Less: Cash and cash equivalents	480,401,801.49	583,976,784.39
Adjusted net debt	(163,391,425.43)	(137,486,512.51)
Shareholders' equity	2,995,475,806.27	2,995,899,433.51
Less: Profit proposed for distribution	-	(128,922,924.00)
Adjusted capital	2,995,475,806.27	2,866,976,509.51
Adjusted net debt-to-capital ratio	(5.5%)	(4.8%)

Neither the Company nor any of the Company's subsidiaries are subject to external mandatory capital requirements.

IX. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

32 CAPITAL COMMITMENTS

As at 30 June 2022 and 31 December 2021, the Group's capital commitments are as follows:

Item	30 June 2022 RMB	31 December 2021 RMB
Contracted	48,709,528.39	91,909,064.99

33 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) The amounts of transactions with related parties are as follows:

	Six months ended 30 June	
	2022 RMB	2021 RMB
Purchase of goods	96,378,819.90	1,827,289.45
Provision of services	2,988,296.61	—
Receiving services	26,679,797.77	13,035,391.77
Sale of goods	35,450.52	3,785,981.97
Maintenance of rural power grid assets	4,904,669.47	712,990.00
Use of rural power grid assets	8,714,139.75	1,234,640.00
Provision of borrowings	—	6,200,000.00
Receipt of repayment of borrowings	—	8,500,000.00
Interest income	—	92,311.11

(b) The balances of transactions with related parties as of 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022 RMB	31 December 2021 RMB
Accounts receivable	31,843,126.52	48,956,274.42
Other receivables	1,630,894.00	3,152,756.67
Accounts payable	15,330,450.76	28,711,423.93
Other payables	2,628,744.53	35,819,602.87
Prepayments	15,543,663.54	—
Contract liabilities	—	1,335,486.39

X. DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

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

“Annual General Meeting”	the annual general meeting convened by the Company on 17 June 2022
“Articles of Association”	the articles of association of the Company adopted by the written resolution of the Shareholders on 16 May 2017 and as amended, supplemented and otherwise modified from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this report, Hong Kong, Macau and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 1713), a company established in the PRC as a joint stock company with limited liability on 29 September 2011
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	corporate governance code contained in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Shares”	domestic ordinary Shares in the Company’s registered capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and held by PRC nationals or PRC-incorporated entities, and are not listed or traded on any stock exchange
“EECS business”	electrical engineering construction service and related business, which includes the construction, installation, testing and maintenance of power facilities and related sales of electric equipment and materials
“Energy Investment Group”	Sichuan Energy Investment Group Co., Ltd.* (四川省能源投資集團有限責任公司), a company established in China on 21 February 2011 with limited liability, one of our Controlling Shareholders
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

X. DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“H Share(s)”	the ordinary Share(s) issued of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Stock Exchange
“Hydropower Group”	Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司), a company established in China on 17 December 2004 with limited liability, one of our Controlling Shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix 10 of the Listing Rules
“Reporting Period”	the period from 1 January 2022 to 30 June 2022
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary Share(s) of RMB1.00 each in the share capital of the Company, including H Shares, Domestic Shares and Unlisted Foreign Shares
“Shareholder(s)”	the shareholder(s) of the Company
“Sichuan Development”	Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限責任公司), a wholly state-owned company established on 24 December 2008 under the laws of the PRC with limited liability, one of our Controlling Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Unlisted Foreign Shares”	ordinary Shares issued by the Company that are not listed on any stock exchange, with a nominal value of RMB1.00 each
“%”	per cent.

* For identification purposes only