



新天绿色能源股份有限公司

China Suntien Green Energy Corporation Limited*

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

Stock Code : 00956.HK 600956.SH



Annual Report 2020

IMPORTANT NOTICE

- I. THE BOARD OF DIRECTORS (THE "BOARD"), THE BOARD OF SUPERVISORS AND THE DIRECTORS (THE "DIRECTORS"), SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY CONFIRM THAT THE INFORMATION CONTAINED IN THIS ANNUAL REPORT IS TRUE, ACCURATE, AND COMPLETE WITHOUT ANY FALSE AND MISLEADING STATEMENTS OR MATERIAL OMISSIONS, AND SEVERALLY AND JOINTLY ACCEPT LEGAL RESPONSIBILITY FOR THE ABOVE.
- II. ALL DIRECTORS OF THE COMPANY ATTENDED THE BOARD MEETING.
- III. ERNST & YOUNG HUA MING LLP HAS ISSUED AN AUDITORS' REPORT WITH STANDARD UNQUALIFIED OPINIONS FOR THE COMPANY.
- IV. DR. CAO XIN, THE PERSON IN CHARGE OF THE COMPANY, MS. FAN WEI HONG, THE PERSON IN CHARGE OF ACCOUNTING AND MR. YANG ZHAN QING, THE HEAD OF ACCOUNTING DEPARTMENT (ACCOUNTING IN CHARGE), WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE FINANCIAL STATEMENTS SET OUT IN THE ANNUAL REPORT.

V. PROFIT DISTRIBUTION PROPOSAL OR PROPOSAL FOR TRANSFER OF CAPITAL RESERVE TO THE SHARE CAPITAL CONSIDERED BY THE BOARD

In 2020, the net profit attributable to shareholders of the parent company in the audited consolidated statements of the Company is RMB1,510,555,357.16, and the undistributed profit is RMB4,928,503,066.37. The Company intends to use the total share capital of 3,849,910,396 shares as the base, and distribute cash dividends of RMB1.36 (including tax) for every 10 shares, and a total cash dividend of RMB523.5878 million. The balance of the undistributed profits of the Company will be carried forward to the next year. The total cash dividends proposed in the plan account for 34.66% of the net profit attributable to shareholders of the parent company in the Company's consolidated statements for 2020.

If the Company's total share capital changes before the date of the equity registration for the implementation of the equity distribution, the Company intends to maintain the total distribution unchanged, adjust the distribution amount per share accordingly, and will separately announce the specific adjustments.

VI. STATEMENT FOR RISKS INVOLVED IN THE FORWARD-LOOKING STATEMENTS

Forward looking statements, including development strategies and future business plans, contained in this report do not constitute a real commitment to investors by the Company. Investors should understand the difference between plans, forecasts and commitment, and be aware of the investment risks.

VII. IS THERE ANY MISAPPROPRIATION OF NON-OPERATING FUNDS BY THE CONTROLLING SHAREHOLDER(S) AND ITS/THEIR RELATED PARTIES?

No

VIII. IS THERE ANY EXTERNAL GUARANTEE MADE IN VIOLATION OF THE REQUIRED DECISION-MAKING PROCEDURES?

No

IX. IS THERE A CIRCUMSTANCE WHERE MORE THAN HALF OF THE DIRECTORS CANNOT WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE ANNUAL REPORT DISCLOSED BY THE COMPANY?

No

X. WARNING OF MAJOR RISKS

The Company has described in detail the potential relevant risks and countermeasures in this report. Investors are reminded to read the description of risks faced by the Company set out in relevant chapters including "Business Discussion and Analysis".

XI. OTHERS

Applicable Not Applicable



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DEFINITIONS

I. DEFINITIONS

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

Definitions of frequently-used terms

"availability factor"	the amount of time that a power plant is able to produce electricity after it starts commercial operations over a certain period divided by the amount of time in such period
"average utilization hours"	the consolidated gross power generation in a specified period (in MWh or GWh) divided by the consolidated installed capacity in the same period (in MW or GW)
"Company"	China Suntien Green Energy Corporation Limited (新天綠色能源股份有限公司)
"Group"	the Company and its wholly-owned, controlling subsidiaries
"Financial Statements"	the audited financial statements for the year ended 31 December 2020
"consolidated gross power generation"	the gross power generation of the project companies that the Group fully consolidates in its consolidated Financial Statements. For a specified period, the gross power generation of a power plant in that period includes net power delivered to grid, auxiliary electricity and electricity generated during the construction and testing period
"consolidated installed capacity"	the aggregate installed capacity or operating capacity (as the case may be) of the project companies that the Group fully consolidates in its consolidated Financial Statements. This is calculated by including 100% of the installed capacity or operating capacity of the project companies that the Group fully consolidates in its consolidated Financial Statements and are deemed as its subsidiaries. Consolidated installed capacity and consolidated operating capacity do not include the capacity of the Group's associated companies
"gross power generation"	for a specified period, the total amount of electricity produced by a power plant in that period, including net power delivered to grid, auxiliary electricity and electricity generated during the construction and testing period
"GW"	unit of power, 1 GW = 1,000 MW
"GWh"	unit of energy, gigawatt-hour. 1 GWh = 1 million kWh. GWh is typically used for measurement of the annual power production of a large wind farm
"HECIC"	Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company, which is primarily engaged in the investment in and development of projects in the foundation, infrastructures and provincial pillar industries, such as energy, transportation, water supply and commercial real estates
"Group Finance Company"	HECIC Group Finance Company Limited (河北建設集團財務有限公司), a limited liability company incorporated in the PRC, a non-banking financial institution under the supervision of the People's Bank of China and the CBIRC, and a non-wholly owned subsidiary of HECIC
"HECIC Water"	HECIC Water Investment Co., Ltd. (河北建投水務投資有限公司), a subsidiary of HECIC incorporated in the PRC and one of the promoters and a connected person of the Company
"HECIC Communications"	HECIC Communications Investment Co., Ltd. (河北建投交通投資有限責任公司), a subsidiary of HECIC incorporated in the PRC and a connected person of the Company
"JEI"	Jointo Energy Investment Co., Ltd. Hebei (河北建投能源投資股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 000600), controlled by HECIC, formerly known as Shijiazhuang International Building (Group) Co., Ltd. (石家莊國際大廈(集團)股份有限公司), and a connected person of the Company
"Caofeidian Company"	Caofeidian Suntien Liquefied Natural Gas Co., Ltd. (曹妃甸新天液化天然氣有限公司), a limited liability company incorporated in the PRC on 22 March 2018 and a subsidiary of the Company
"HK\$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards, including the standards and interpretation announcements approved by the International Accounting Standard Board and its predecessor, the International Accounting Standard Committee
"installed capacity"	the capacity of the wind turbines that have been completely assembled and erected
"kW"	unit of power, kilowatt. 1 kW = 1,000 watts



"kWh"	unit of energy, kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be consumed by a 1 kW electrical appliance in one hour
"Hebei Natural Gas"	Hebei Natural Gas Company Ltd.(河北省天然氣有限責任公司), a non-wholly-owned subsidiary of the Company
"HECIC New Energy"	HECIC New Energy Co., Ltd. (河北建投新能源有限公司), a wholly-owned subsidiary of the Company
"Towngas"	The Hong Kong and China Gas Company Limited, a company listed on the Stock Exchange (stock code: 3)
"Towngas (Hebei)"	Hong Kong & China Gas (Hebei) Limited* (香港中華煤氣(河北)有限公司), a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of Towngas and a substantial shareholder of Hebei Natural Gas
"Tangshan Haohua"	Tangshan Haohua Trading Co., Ltd.* (唐山皓華貿易有限公司), a limited liability company incorporated in the PRC on 24 June 2020, a wholly-owned subsidiary of Towngas
"Fengning Pumped Storage Company"	Hebei Fengning Pumped Storage Co., Ltd., a 20% owned investee of the Company
"Maokang Investment"	Ganzhou Maokang Investment Management Partnership (LLP)* (贛州茂康投資管理合夥企業(有限合夥)), holding 2% equity interest of Hebei Natural Gas
"CISF"	Hebei Construction & Investment State Financing Energy Services Ltd. (河北建投國融能源服務有限公司), a non-wholly-owned subsidiary of JEI
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"A Share Listing Rules"	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
"LNG"	liquefied natural gas
"CNG"	compressed natural gas
"MW"	unit of power, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW
"MWh"	unit of energy, megawatt-hour. 1 MWh = 1,000 kWh
"National Energy Administration"	National Energy Administration of the People's Republic of China (中華人民共和國國家能源局)
"NDRC"	National Development and Reform Commission of the People's Republic of China (中華人民共和國國家發展和改革委員會)
"operating capacity"	the capacity of the wind turbines that have been connected to power grids and started generating electricity
"projects under construction"	projects for which the project company has received approval, detailed engineering and construction blueprints have been completed, and the construction work on the roads, foundations or electrical infrastructure has commenced
"Reporting Period"	the fiscal period from 1 January 2020 to 31 December 2020
"RMB" or "RMB'000" or "RMB'0,000" or "RMB'00 million"	Renminbi or Renminbi thousand or Renminbi ten thousand or Renminbi hundred million
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
"SSE"	the Shanghai Stock Exchange
"CSRC"	China Securities Regulatory Commission
"A shares"	the domestic listed RMB ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the SSE
"H shares"	the Hong Kong listed HKD ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the Hong Kong Stock Exchange

CHAIRMAN'S STATEMENT





Dear Shareholders,

Year 2020 will not be easily forgotten in the course of human history. The COVID-19 outbreak at the beginning of the year quickly put millions of lives on 'pause'. In China, the government acted quickly and decisively to contain the pandemic and spur a relatively fast economic recovery. However, the global crisis continues, deepening economic recession, weakening recovery, and giving rise to a new tide of anti-globalisation sentiment. The impact of protectionism and unilateralism cannot be underestimated; when the international environment is turbulent, the course of human development is challenged. On the other hand, the international landscape continues to evolve toward a new technological and industrial transformation, on a scale unseen in over a century.

It was a crucial year for us to solidify our foundation, focus on target, constantly strive to advance and pursue our dreams. It was also a year for us to successfully wrap up the "Thirteenth Five-Year Plan" and look ahead to the "Fourteenth Five-Year Plan" in the midst of severe and complex challenges. Looking back at 2020, our main accomplishment was not only surviving the difficult business situation caused by the pandemic, but continuing to move forward. The year saw us complete the IPO of A-shares and become the first 'A+H' listed wind and gas power company. Our 'safety first' concept was successfully applied to precise pandemic prevention and control, helping us to expeditiously resume our production and operations. By continuously optimising our internal management, we ensured the Company's asset structure remained stable. We made steady progress on our projects and achieved our operating indicators. As at the end of 2020, the Group realised a total wind and photovoltaic generation of 9,398 million kWh and natural gas sales of 3,525 million cubic metres. Presenting a satisfactory result to shareholders, the Group recorded consolidated total assets of RMB57.258 billion, revenue of RMB12.511 billion, total profit of RMB2.264 billion and net profit of RMB1.933 billion, of which net profit attributable to the shareholders of the parent company amounted to RMB1.511 billion.

Looking forward into 2021, at the historical intersection of the 'Two Centenaries', China is undergoing the progressive stages of a transformation of its development model, optimisation of its economic structure, and a shift of its driving force for growth. The economic development outlook is positive. Nevertheless, China is facing many complex structural, institutional and cyclical challenges. The '3060' goal set by Xi Jinping, General Secretary of the Communist Party of China, has outlined a blueprint for our future work and has brought unprecedented development opportunities to the Group. At the same time, we must recognise the challenges we will face, as well as the intensified market competition the future will bring.

In 2021, under the leadership of the Board of Directors, we will closely monitor the market, seize emerging opportunities, and maintain the entrepreneurial spirit of 'tackling tough challenges for a bright future'. We will continue to capitalise on our successes to accelerate the high-quality development of Suntien. Ultimately, the Group will strive to achieve a 'win-win' situation by driving its business development whilst supporting the prevention and control of COVID-19.

Cao Xin
Chairman

Shijiazhuang, PRC, 19 March 2021

CORPORATE PROFILE

China Suntien Green Energy Corporation Limited was established on 9 February 2010 by HECIC and HECIC Water, and was listed on the Main Board of the Hong Kong Stock Exchange and SSE on 13 October 2010 and 29 June 2020 respectively.

The Group is primarily engaged in the exploration and utilization of new energy and clean energy, with two major business segments: the wind power business and the natural gas business.

The Group is engaged in the planning, development and operation of wind farms as well as the sale of electricity. The Group owns wind power projects in Hebei, Shanxi, Xinjiang, Shandong, Yunnan and Inner Mongolia, etc. Based in Hebei, the Group has invested and developed wind power projects across the country, and has actively sought suitable investment projects overseas. As of 31 December 2020, the Group had wind power consolidated installed capacity of 5,471.95 MW as well as attributable installed capacity of 4,965.90 MW. In 2020, the gross wind power generation of the Group was 9,881 million kWh with 2,420 utilization hours.

The Group possesses and operates natural gas transmission and ancillary facilities in Hebei province, and sells natural gas through natural gas distribution channels. As of 31 December 2020, the Group owned 6 long-distance natural gas transmission pipelines, 18 high-pressure branch pipelines, 30 urban gas projects, 22 distribution stations, 18 gate stations, 7 CNG primary filling stations, 7 CNG secondary filling stations, and 3 LNG refilling station. In 2020, the sales volume of natural gas of the Group was 3,525 million cubic meters.





CORPORATE PROFILE

I. SUMMARY OF THE WIND AND PHOTOVOLTAIC POWER GENERATION PROJECTS OF THE GROUP

1. Summary of the consolidated wind power projects

Province	Project name (by region)	Installed capacity (MW)
Hebei Province	Zhangjiakou Regional Wind Farm	1,976.5
	Chengde Regional Wind Farm	1,634.75
	Cangzhou Regional Wind Farm	49.5
	Baoding Regional Wind Farm	99
	Qinhuangdao Regional Wind Farm	78
	Tangshan Regional Wind Farm	300
	Xingtai Regional Wind Farm	50
Shanxi Province	Shanxi Regional Wind Farm	198
Xinjiang Uyghur Autonomous Region	Xinjiang Regional Wind Farm	100
Yunnan Province	Yunnan Regional Wind Farm	193.6
Inner Mongolia Autonomous Region	Inner Mongolia Regional Wind Farm	249.3
Shandong Province	Shandong Regional Wind Farm	40
Guangxi Zhuang Autonomous Region	Guangxi Regional Wind Farm	100
Henan Province	Henan Regional Wind Farm	64.2
Jiangsu Province	Jiangsu Regional Wind Farm	130.6
Heilongjiang Province	Heilongjiang Regional Wind Farm	99
Jiangxi Province	Jiangxi Regional Wind Farm	65.5
Hunan Province	Hunan area wind farm	44
Total		5,471.95

Note: 1. Wind farms in which the Group has shareholding include Weichang Zhangjiawan Wind Farm, Weichang Guangfayong Wind Farm, Weichang Shanwanzi Wind Farm, Weichang Zhuzixia Wind Farm and Weichang Dishuihu Wind Farm, each of which has an installed capacity of 49.5 MW; 2. The installed capacity of Fengning Guandaoliang Wind Farm managed and operated by the Group is 47.5 MW.

2. Summary of the photovoltaic power generation projects

Province	Project name (by region)	Installed capacity (MW)
Hebei Province	Baoding Regional Photovoltaic Power Generation Project	14.03
	Qinhuangdao Regional Photovoltaic Power Generation Project	20
	Tangshan Regional Photovoltaic Power Generation Project	1.2
	Zhangjiakou Regional Photovoltaic Power Generation Project	0.2
	Hengshui Regional Photovoltaic Power Generation Project	2.13
	Cangzhou Regional Photovoltaic Power Generation Project	1.21
	Xingtai Regional Photovoltaic Power Generation Project	9.82
Xinjiang Uyghur Autonomous Region	Xinjiang Regional Photovoltaic Power Generation Project	20
Liaoning Province	Liaoning Regional Photovoltaic Power Generation Project	10
Heilongjiang Province	Heilongjiang Regional Photovoltaic Power Generation Project	40
Total		118.59



II. DISTRIBUTION OF THE WIND AND PHOTOVOLTAIC POWER PROJECTS OF THE GROUP



III. SUMMARY OF THE MAJOR NATURAL GAS PROJECTS OF THE GROUP

Project type	Project location	Ownership held by Hebei Natural Gas	Project summary
Long-distance transmission pipeline	Zhuozhou City to Handan City ¹	100%	Transmits natural gas from the Group's natural gas supplier to the Group's various branch pipelines and city gas pipeline networks
	Gaoyi County to Qinghe County ²	100%	Supplies natural gas by the Group's natural gas supplier to pipelines from Gaoyi County to Qinghe County and surrounding cities
	Suning County to Shenzhou City ³	100%	Supplies natural gas by the Group's natural gas supplier to pipelines from Suning County to Shenzhou City and surrounding cities
	Gaocheng District to Shenzhou City ⁴	100%	Supplies natural gas by the Group's natural gas supplier to pipelines from Gaocheng District to Shenzhou City and surrounding cities
	Xingzhou Station of Chengde (承德興洲首站) to Chengde City ⁵	90%	Supplies natural gas to Chengde City by the Group's natural gas supplier
	Qinghe County to Linxi County ⁶	60%	Supplies natural gas to Linxi County and Linqing City by the Group's natural gas supplier
City gas project	Shijiazhuang High-Tech Industrial Development Zone, Economic Development Zone, Chang'an District	100%	Distributes natural gas to retail customers of Shijiazhuang Economic and Technological Development Zone, High-Tech Industrial Development Zone and Chang'an District
	Shijiazhuang Recycling Chemical Industrial Zone	60%	Distributes natural gas to retail customers within Shijiazhuang Recycling Chemical Industrial Zone and in surrounding areas
	Industrial Zone of Southern Shijiazhuang	55%	Distributes natural gas to retail customers of the Industrial Zone of Southern Shijiazhuang
	Xinji City	100%	Distributes natural gas to retail customers in areas under the administration of Xinji City
	Jinzhou City	100%	Distributes natural gas to retail customers in areas under the administration of Jinzhou City
	Gaoyi County	100%	Distributes natural gas to retail customers within the area of Gaoyi County
	Baoding City	100%	Distributes natural gas to Baoding City
	Baoding Development Zone	17%	Distributes natural gas to retail customers of Baoding National High-Tech Industrial Development Zone
	Laiyuan County	100%	Distributes natural gas to retail customers in areas under the administration of Laiyuan County
	Anguo City	51%	Distributes the natural gas to retail customers under the administration of Anguo City
	Li County	60%	Distributes natural gas to retail customers under the administration of Li County
	Shahe City	100%	Distributes natural gas to Shahe City and retail customers in surrounding areas
	Qinghe County	80%	Distributes natural gas to retail customers in areas under the administration of Qinghe County
	Ningjin County	51%	Distributes natural gas to retail customers in areas under the administration of Ningjin County
	Dacaozhuang Management District	51%	Distributes natural gas to retail customers in areas under the administration of Dacaozhuang Management District
	Linxi County	60%	Distributes natural gas to retail customers under the administration of Linxi County
Handan Development Zone	52.5%	Distributes natural gas to retail customers of Handan Economic and Technological Development Zone	
Feixiang County	52.5%	Distributes natural gas to retail customers of the area under the administration of Feixiang County	

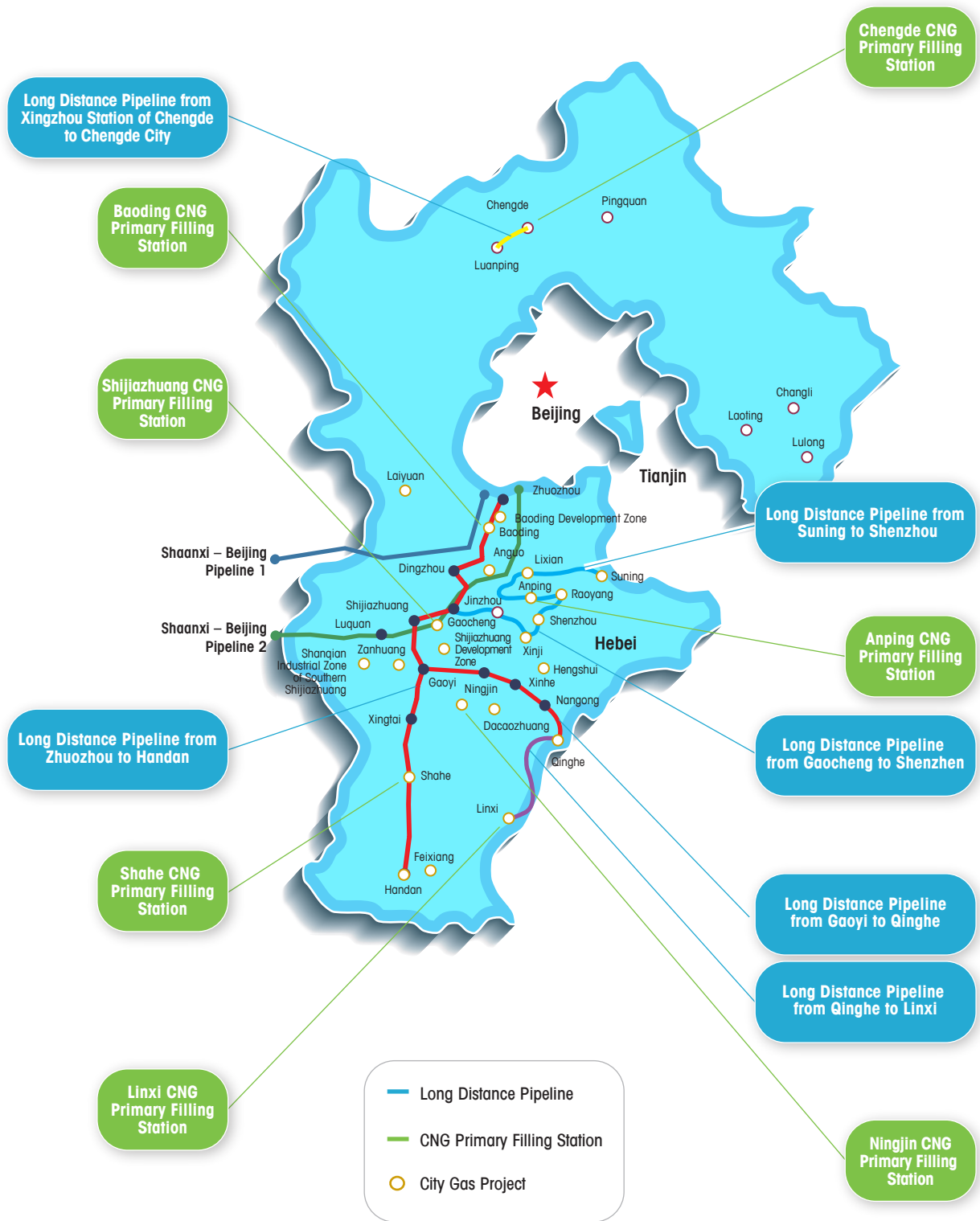


Project type	Project location	Ownership held by Hebei Natural Gas	Project summary
	Hengshui City	51%	Distributes natural gas to retail customers under the administration of Hengshui City
	Shenzhou City	100%	Distributes natural gas to retail customers in areas under the administration of Shenzhou City
	Raoyang County	60%	Distributes natural gas to retail customers under the administration of Raoyang County
	Anping County	100%	Distributes natural gas to retail customers within the area of Anping County
	Chengde City	90%	Distributes natural gas to retail customers in areas under the administration of Chengde City
	Luanping County	90%	Distributes natural gas to retail customers in areas under the administration of Luanping County
	Pingquan County	100%	Distributes natural gas to retail customers in areas under the administration of Pingquan County
	Lulong County	100%	Distributes natural gas to retail customers of Qinhuangdao Western Industrial Area Lulong Park
	Changli County	100%	Distributes natural gas to retail customers in areas under the administration of Qinhuangdao Western Industrial Park Changli Park (including Zhugezhuang Town)
	Laoting County	100%	Distributes natural gas to retail customers of Laoting New District
	Suning County	100%	Distributes natural gas to retail customers under the administration of Suning County
	Zanhuang County	100%	Distributes natural gas to retail customers under the administration of Zanhuang County
CNG primary filling station	Shijiazhuang ⁷	100%	Shijiazhuang Development Zone
	Shahe ⁸	100%	Eastern Ring Road, Shahe City
	Linxi County ⁹	60%	Linxi County
	Chengde City ¹⁰	90%	Shuangluan District, Chengde City
	Baoding City ¹¹	100%	Xinshi District, Baoding
	Ningjin County ¹²	51%	Ningjin County
	Anping County ¹³	100%	Madian Town, Anping County

Notes:

1. Specification of the long-distance transmission pipeline from Zhuozhou City to Handan City: 6.3 MPa standard pipeline of 374.9 km in length.
2. Specification of the long-distance transmission pipeline from Gaoyi County to Qinghe County: 6.3 MPa standard pipeline of 116 km in length.
3. Specification of the long-distance transmission pipelines from Suning County to Shenzhou City: 6.3 MPa standard pipeline of 125.14km in length.
4. Specification of the long-distance transmission pipelines from Gaocheng District to Shenzhou City: 6.3 MPa standard pipeline of 101 km in length.
5. Specification of the long-distance transmission pipelines from Xingzhou Station of Chengde to Chengde City: 4.0 MPa standard pipeline of 31.8 km in length.
6. Specification of the long-distance transmission pipelines from Qinghe County to Linxi County: 6.3 MPa standard pipeline of 35.2 km in length.
7. Total designed capacity of Shijiazhuang CNG primary filling station is 0.20 million m³ per day.
8. Total designed capacity of Shahe CNG primary filling station is 0.08 million m³ per day.
9. Total designed capacity of Linxi CNG primary filling station is 0.16 million m³ per day.
10. Total designed capacity of Chengde CNG primary filling station is 0.10 million m³ per day.
11. Total designed capacity of Baoding CNG primary filling station is 0.20 million m³ per day.
12. Total designed capacity of Ningjin CNG primary filling station is 0.04 million m³ per day.
13. Total designed capacity of Anping CNG primary filling station is 0.05 million m³ per day.

IV. DISTRIBUTION OF THE NATURAL GAS PROJECTS OF THE GROUP



CORPORATE PROFILE AND PRINCIPAL FINANCIAL INDICATORS

I. COMPANY PROFILE

Company name in Chinese	新天綠色能源股份有限公司
Abbreviation in Chinese	新天綠色能源
Company name in English	China Suntien Green Energy Corporation Limited
Abbreviation in English	China Suntien Green Energy
Legal representative of the Company	Cao Xin

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	Ban Ze Feng	Yu Ping
Contact Address	No. 9 Yuhua West Road, Shijiazhuang	No. 9 Yuhua West Road, Shijiazhuang
Telephone	86-311-85516363	86-311-85516363
Fax	86-311-85288876	86-311-85288876
E-mail	ir@suntien.com	ir@suntien.com

III. BASIC INFORMATION

Registered address of the Company	No. 9 Yuhua West Road, Shijiazhuang
Postal code of the registered address of the Company	050001
Office address of the Company	Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang
Postal code of the office address of the Company	050001
Website of the Company	www.suntien.com
Email	ir@suntien.com

IV. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	"Shanghai Securities News", "China Securities Journal", "Securities Times" and "Securities Daily"
Website designated by CSRC for publishing the annual report of the Company	www.sse.com.cn
Website designated by Hong Kong Stock Exchange for publishing the annual report of the Company	www.hkexnews.hk
Place of inspection of the annual report of the Company	Office of the Board of the Company at Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang

V. BASIC INFORMATION OF THE COMPANY'S SHARES

BASIC INFORMATION OF THE COMPANY'S SHARES

Class of shares	Stock exchanges on which the shares are listed	Stock abbreviation	Stock code	Stock abbreviation before the change
A Shares	SSE	新天綠色	600956	N/A
H Shares	Hong Kong Stock Exchange	China Suntien	00956	N/A

VI. OTHER RELEVANT INFORMATION

Auditor appointed by the Company (domestic)	Name	Ernst & Young Hua Ming LLP
	Office address	Level 15, Ernst & Young Tower, Oriental Plaza, No.1 East Chang An Ave., Dong Cheng District, Beijing, China
Sponsor performing continuous supervisory duty during the Reporting Period	Signing auditors	Chen Jing, Qi Lina
	Name	Zhong De Securities Company Limited
	Office address	22nd Floor, Tower 1, China Central Place, 81 Jianguo Road, Chaoyang District, Beijing
	Signing representatives of sponsor	Chen Xiangyou, Cui Shengchao
	Period of continuous supervision	29 June 2020 to 31 December 2022

VII. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE RECENT THREE YEARS

(I) Principal accounting data

Unit: Yuan Currency: RMB

Principal accounting data	2020	2019		Increase/ decrease for the period as compared to the same period last year (%)	2018
		After adjustment	Before adjustment		
Operating revenue	12,510,885,312.89	11,985,837,618.15	11,969,418,632.36	4.38	9,992,012,599.22
Net profit attributable to shareholders of the listed company	1,510,555,357.16	1,420,669,278.97	1,414,785,620.62	6.33	1,268,505,976.29
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,466,927,837.58	1,371,644,796.33	1,365,761,137.98	6.95	1,252,209,910.09
Net cash flows from operating activities	3,898,510,463.71	3,756,177,980.07	3,748,697,615.51	3.79	3,170,604,688.10

	At the end of 2020	At the end of 2019		Increase/ decrease at the end of the period as compared to the end of last year (%)	At the end of 2018
		After adjustment	Before adjustment		
Net assets attributable to shareholders of the Company	13,164,966,950.11	11,854,399,559.40	11,816,388,061.18	11.06	10,036,356,738.91
Total assets	57,257,714,548.41	46,047,677,000.01	45,954,778,312.11	24.34	39,160,827,406.66

(II) Principal Financial Indicators

Principal Financial Indicators	2020	2019		Increase/ decrease for the period as compared to the same period last year (%)	2018
		After adjustment	Before adjustment		
Basic earnings per share (Yuan/share)	0.38	0.36	0.36	5.56	0.33
Diluted earnings per share (Yuan/share)	0.38	0.36	0.36	5.56	0.33
Basic earnings per share after deducting non-recurring profit/loss (Yuan/share)	0.37	0.35	0.35	5.71	0.33
Weighted average return on net assets (%)	11.46	12.83	12.83	-10.68	13.72
Weighted average return on net assets after deducting non-recurring profit/loss (%)	11.11	12.36	12.36	-10.11	13.54

Particulars of principal accounting data and financial indicators of the Company over the past three years preceding the end of Reporting Period

Applicable Not Applicable

CORPORATE PROFILE AND PRINCIPAL FINANCIAL INDICATORS

- (III) Principal accounting data and financial indicators of the Company over the past five years preceding the end of the Reporting Period are as follows (excerpted from the financial statements prepared in accordance with the Chinese Accounting Standards for Business Enterprises):

Items	Unit: Yuan Currency: RMB				
	2020	2019	2018	2017	2016
INCOME STATEMENT HIGHLIGHT					
Operating revenue	12,510,885,312.89	11,985,837,618.15	9,992,012,599.22	7,070,948,867.62	4,395,064,654.87
Total profit	2,264,016,314.19	2,190,641,643.43	1,743,157,955.55	1,203,873,552.36	743,880,929.88
Income tax expense	331,284,660.61	356,306,759.24	167,993,960.34	99,148,430.88	96,708,939.37
Net profit	1,932,731,653.58	1,834,334,884.19	1,575,163,995.21	1,104,725,121.48	647,171,990.51
Net profit attributable to owners of the parent company	1,510,555,357.16	1,420,669,278.97	1,268,505,976.29	939,615,013.68	541,574,437.09
Basic/diluted earnings per share	0.38	0.36	0.33	0.25	0.15
Balance Sheet highlights					
Total assets	57,257,714,548.41	46,047,677,000.01	39,160,827,406.66	34,348,944,879.14	29,374,038,797.56
Total liabilities	40,562,225,451.00	31,256,950,889.38	26,764,275,590.58	23,847,857,267.11	19,840,104,039.01
Net assets	16,695,489,097.41	14,790,726,110.63	12,396,551,816.08	10,501,087,612.03	9,533,934,758.55
Net assets attributable to owners of the parent company	13,164,966,950.11	11,854,399,559.40	10,036,356,738.91	8,604,833,091.73	7,900,405,734.22

VIII. DISCREPANCIES OF ACCOUNTING DATA UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

- (I) Discrepancies in the net profit and net assets attributable to shareholders of the listed company disclosed in the financial reports prepared under both the International Accounting Standards and the Chinese Accounting Standards
 Applicable Not Applicable
- (II) Discrepancies in the net profit and net assets attributable to shareholders of the listed company disclosed in the financial reports prepared under both the Foreign Accounting Standards and the Chinese Accounting Standards
 Applicable Not Applicable
- (III) Note on Discrepancies under the Domestic and Foreign Accounting Standards:
 Applicable Not Applicable

IX. PRINCIPAL FINANCIAL DATA FOR 2020 BY QUARTERS

	Unit : Yuan Currency : RMB			
	First quarter (January-March)	Second quarter (April-June)	Third quarter (July-September)	Fourth quarter (October-December)
Operating revenue	4,393,143,937.86	2,193,540,407.29	1,731,774,853.92	4,192,426,113.82
Net profit attributable to shareholders of the listed company	604,248,341.90	343,184,001.12	-5,675,046.47	568,798,060.61
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	597,389,596.93	331,498,281.25	-21,797,670.57	559,837,629.97
Net cash flows from operating activities	818,932,455.77	407,704,474.39	1,588,918,630.32	1,082,954,903.23

Explanation on the discrepancies between quarterly data and disclosed regular reporting data:

- Applicable Not Applicable

X. NON-RECURRING ITEMS AND AMOUNTS

Non-recurring items	Unit:Yuan Currency:RMB			
	Amount for 2020	Notes (if any)	Amount for 2019	Amount for 2018
Profit or loss from disposal of non-current assets	-362,282.14		68,341.60	-12,328,311.46
Tax refund or exemption from ultra vires approval or without official approval document or received occasionally	-		-	-
Government subsidies included in profit or loss in the current period, but excluding those closely related to the Company's normal business operations, in line with national policies and regulations and in accordance with certain fixed amounts on a continuous basis	7,087,202.36		1,125,417.84	273,090.00
Capital utilization fee received from non-financial enterprises and included in profit or loss for the period	-		-	-
Gain on investments of subsidiaries, associates and joint ventures in which the investment cost was less than the interest in fair value of identifiable net assets of the investees at the time of acquisition	-		-	-
Gain or loss on exchange of non-monetary assets	-		-	-
Gain or loss on entrusted investments or assets under management	-		-	-
Asset impairment provisions for force majeure such as natural disasters	-		-	-
Gain or loss on debt restructuring	-		-	-
Corporate restructuring fees such as staff settlement expenses and consolidation charges	-		-	-
Gain or loss arising from unfair trading transactions prices over their fair value	-		-	-
Net gain or loss of subsidiaries from the beginning of the period to the consolidation date arising from the consolidation of enterprises under common control	397,456.14			
Gain or loss on contingency items unrelated to the normal business operations of the Company	-		-	-
Gain or loss on changes in fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other equity investments, except for effective hedging transactions that are closely related to the Company's normal operation	-		-	-
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test	82,232,221.12		27,626,987.98	4,827,144.74
Gain or loss from external entrusted loans	274,873.47		510,678.65	509,367.59
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurements	-		-	-
Effect on profit or loss for the period from one-off adjustment to profit or loss for the period according to the requirements of the tax and accounting laws and regulations	-		-	-
Custody fee income received from custody operation	-		-	-
Other non-operating income and expenses apart from the aforesaid items	10,068,452.28		52,451,549.09	33,230,607.81
Other items of non-recurring gains or losses	-62,600.00			
Effect of minority interests	-31,937,780.84		-12,410,035.59	-3,128,573.76
Effect of income tax	-24,070,022.81		-20,348,456.93	-7,087,258.72
Total	43,627,519.58		49,024,482.64	16,296,066.20

XI. ITEMS MEASURED AT FAIR VALUE

Unit : Yuan Currency : RMB

Items	Opening balance	Closing balance	Changes in current period	Amounts that affect the profit of the current period
Investment in other equity instruments	115,205,700.00	218,605,700.00	103,400,000.00	—
Receivables financing	451,561,157.28	420,392,697.68	-31,168,459.60	—
Total	566,766,857.28	638,998,397.68	72,231,540.40	—

XII. OTHERS

As at the end of the Reporting Period, principal accounting data the Company over the past five years are as follows:

Items	2020	2019	2018	2017	2016
wind power consolidated installed capacity (unit: MW)	5,471.95	4,415.75	3,858.15	3,348.35	2,796.15
wind power consolidated net power delivered to grid (unit: MWh)	9,233,497.2	8,347,450.2	7,263,374.4	6,599,265.8	4,043,788.2
natural gas sales volume (Unit: '00 million m ³)	35.249	32.369	26.311	18.792	11.114

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

(I) Principal business and business model

The Company is a leader in the development and utilization of clean energy in northern China. The Company's principal business focuses on two segments: sale of natural gas and wind power generation. The other businesses in the principal business are ancillary or extended businesses that the Company develops by making use of its resources and technical advantages in the natural gas and wind power sectors. The photovoltaic power generation business is also one of the Company's important future strategic investment and business development directions.

1. Natural gas business

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

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

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

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

(2) Sale of natural gas

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

2. Wind power business

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

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

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

(2) Sale of electricity

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



(II) Industry situation

During the "13th Five-Year Plan" period, despite a slowdown in the domestic economic growth and an increasing downward pressure, the overall situation remained stable, with the economic resilience increasingly strengthened. During the "14th Five-Year Plan" period, the domestic economy will shift from high-speed development to high-quality development, and technological innovation and green economy will become one of the themes of future economic development. From the perspective of the macro-economic environment, under the situation and requirements of strictly controlling the total amount and intensity of traditional energy consumption and continuous improvement of the ecological environment, wind power, photovoltaic power and natural gas, as green and clean energy, will remain one of the major strategic energy sources in China for a period in the future. The analysis of the industry situation of new energy and gas segments is as follows:

1. Gas segment

- (1) The State has made significant efforts to promote the coordinated and stable development of the natural gas industry and the development prospect of the industry is relatively optimistic

Natural gas is a high-quality, efficient, green and clean low-carbon energy. Accelerating the development and utilization of natural gas is an important path for China to promote the energy production and consumption revolution and establish a clean, low-carbon, safe and efficient system for modern energy. In recent years, the State has continuously introduced various policies to promote the utilization of natural gas. In 2017, the NDRC issued the "Opinions on Accelerating the Utilization of Natural Gas" (《加快推進天然氣利用的意見》). The Opinions propose that natural gas will be gradually cultivated as one of the major energy resources in China's modern energy system. The proportion of natural gas in the primary energy consumption structure will reach about 10% by 2020, and will increase to about 15% by 2030. At present, the average proportion of natural gas in the primary energy consumption structure of various countries in the world is 23%. Generally speaking, the room of future development of natural gas in China is huge.

In the domestic situation, the accelerating reform of the oil and gas system and the steady economic and social development will drive the continuous growth of oil and gas demands, and the development of China's natural gas industry will also be presented with an important strategic opportunity. According to the "China's Natural Gas Development Report (2019)" (《中國天然氣發展報告(2019)》), China's natural gas consumption will maintain a trend of rapid growth before 2030. It is estimated that natural gas consumption will increase from 350 billion cubic meters at the end of the "13th Five-Year Plan" to 450 billion cubic meters at the end of the "14th Five-Year Plan" period.

- (2) The State has vigorously promoted the construction of natural gas reserve system

In recent years, the State has strived to build a multi-level natural gas reserve system. Gas storage facilities are important infrastructure to promote the dynamic balance of natural gas supply and demand and enhance the ability to ensure supply. In recent years, China's natural gas industry has developed rapidly and its importance in the national energy system has continued to increase. However, at the same time, the construction of gas storage infrastructure is relatively lagging behind, and its gas storage capacity is lower than the global average level, which has become a weakness for the safe and stable supply of natural gas and the healthy development of the industry. The State has focused on solving the bottleneck problem in gas storage capacity building and operation, and actively promoted the construction of gas storage facilities to improve its gas storage capacity.

In the first half of 2020, the State successively issued documents such as the "Opinions on Accelerating the Construction of Gas Storage Facilities and Improving the Market Mechanism for Gas Storage Peak Capacity Auxiliary Services" (《關於加快儲氣設施建設和完善儲氣調峰輔助服務市場機制的意見》), the "Several Opinions of the State Council on Promoting the Coordinated and Stable Development of the Natural Gas Industry" (《國務院關於促進天然氣協調穩定發展的若干意見》), and the "Implementation Opinions on Accelerating the Construction of Natural Gas Storage Capacity" (《關於加快推進天然氣儲備能力建設的實施意見》) to encourage the deepening of reform on systems and mechanisms, speed up the realization of infrastructure interconnection and fair opening, and promote gas storage facility operators to improve internal management mechanisms, and carry out operational model innovation and product innovation.

- (3) The establishment of the State Piping Network Corporation will break the monopoly of existing resources and pipelines and lead to the reconstruction of the natural gas market system

On 18 May 2020, the Central Committee of the Chinese Communist Party and the State Council issued the "Opinions on Accelerating the Improvement of the System of Socialist Market Economy in a New Era" (《關於新時代加快完善社會主義市場經濟體制的意見》), proposing to steadily advance the reform of natural monopoly industries and accelerate the marketization of competitive links. In the oil and gas sector, it is proposed that the fair opening of oil and gas pipeline networks to market participants shall be advanced, the sources and sales prices of natural gas shall be deregulated in a timely manner, and the competitive oil and gas circulation market shall be improved.

With the establishment of the State Piping Network Corporation, the infrastructure of the natural gas market will become more fair and open. The natural gas pipeline network, LNG receiving stations and other infrastructures will be opened in an orderly and fair manner under the national supervision, and various oil and gas pipeline network facilities will be interconnected. The monopoly of existing resources and pipelines will be broken, natural gas companies will have more diversified choice of pipelines, and the industry landscape of the natural gas market is expected to be reshaped.

- (4) Gas companies are expected to establish a whole industrial chain, and market competition is becoming increasingly fierce

With the official launch of State Piping Network Corporation, "network sales separation", which is the most critical, closely watched and difficult in the process of industry market reform, has also taken a solid step. At present, both upstream resource parties and city gas operators hope to improve or even establish the entire industrial chain of natural gas supply to cope with the impact of reforms. Therefore, there is an industry phenomenon in which downstream companies hurried to expand into the upstream, and upstream companies are tapping into the terminal market. A new oil and gas market system with multi-subject and multi-channel supply of upstream oil and gas resources, a midstream unified pipeline network for efficient collection and transmission, and full competition in the downstream sales market is gradually formed, resulting in competition for high-quality terminal projects becoming increasingly fierce.

- (5) The trend of diversification of natural gas import resources will become more obvious

In recent years, China has accelerated and continuously deepened the oil and gas system reform, achieving a steady growth of natural gas consumption. In the future, China will further deepen the market-oriented mechanism reform of the natural gas industry. In order to ensure the security of national energy supply, the State will continue to implement the strategy of opening up natural gas and the strategy of diversified natural gas trade, and gradually change the relatively concentrated natural gas importing place and the relatively uniform transportation mode so as to realize the decentralization of import sources and channels, and diversify transportation methods. It is expected that the structure of the domestic market will undergo major adjustments, the competitive landscape will gradually take shape, the price of gas supply will tend to be rationalized and balanced, and the enthusiasm of natural gas companies for production and import will further increase.

- (6) The layout of LNG receiving stations will be further improved

Further improving the layout of LNG receiving stations will become an important part for the construction of China's natural gas production, supply, storage and marketing system. China will continue to improve its LNG receiving stations and other infrastructures, and actively seek for new LNG resources around the world. The source of imported gas will be further diversified, and the supply capacity will gradually increase. The external pipelines of LNG receiving stations will be interconnected with pipeline networks at all levels and connected to inland cities to realize the full connection between imported LNG and domestic gas to make up for the gap in supply and demand, meet China's growing demand for natural gas, and ensure the security of future natural gas supply.

2. *New energy segment*

- (1) The State encourages the promotion of green power upgrade and transformation during the "14th Five-Year Plan" period

The "14th Five-Year Plan" period is an important period of opportunities for China to comprehensively build a modern and powerful country after the completion of building a moderately prosperous society in all respects. The State supports the vigorous development of renewable resources such as wind power and photovoltaic power. The National Energy Administration pointed out that during the "14th Five-Year Plan" period, we should focus on promoting the green power upgrade and transformation, improving the capability of power safety protection, advancing the structural reforms of electricity on the supply side, and focusing on fully mobilizing response resources on the demand side, rationally promoting the planning and construction of supporting and basic power source projects and promoting the green power upgrade and transformation.



- (2) The State continues to vigorously support the development of wind power and photovoltaic power with huge room for development

In April 2017, the NDRC and the National Energy Administration issued the "Energy Production and Consumption Revolution Strategy (2016-2030)" (《能源生產和消費革命戰略(2016-2030)》). According to the energy structure adjustment target proposed in the document, the proportion of non-fossil fuel in the energy structure will reach 15% by 2020, 20% by 2030 and 50% by 2050, respectively. To adjust the energy structure and achieve the established targets of the proportion of non-fossil fuel, wind power and photovoltaic power will inevitably become the main energy substitutes. For a long time to come, wind power and photovoltaic power will become the main contributors to the increase in installed capacity of China. According to the predictions of relevant experts from the State Grid Energy Research Institute and the General Institute of Water Conservancy and Hydropower Planning and Design, during the "14th Five-Year Plan" period, China's installed capacity of both wind power and photovoltaic power are expected to achieve a development scale of "400 million kW".

- (3) New wind power and photovoltaic power projects enters parity era and the participation of completed projects in the power market transaction may become the norm

In May 2019, the NDRC issued the "Notice on Improving Wind Power On-Grid Tariff Policy" (《關於完善風電上網電價政策的通知》), requiring that all newly approved onshore wind power projects shall fully achieve grid parity from 1 January 2021 and will no longer be subsidized by the State. Currently, photovoltaic power projects are also dealt with pursuant to the comprehensive grid parity policy in 2021. In January 2020, the Ministry of Finance, NDRC and the National Energy Administration jointly issued the "Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Power Generation" (《關於促進非水可再生能源發電健康發展的若干意見》), which clearly clarified that the central ministry of finance will no longer provide subsidies for new offshore wind power projects from 2022. That means offshore wind power projects will also enter an era of no national subsidies in advance.

In addition, according to the "Notice on Actively Promoting the Grid Parity of Wind Power and Photovoltaic Power without Subsidies" (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》), power generated by the centralized grid parity projects will be consumed by grid enterprises and will not be traded on the power market. However, in some provinces, cities and autonomous regions, completed wind power and photovoltaic power projects have participated in the power market transactions and the tariff has declined.

Therefore, it will be critical to improve the quality of project resources by in-depth analysis of new projects, promote the refined and large-scale development of new projects, strengthen the operation and maintenance of completed projects, rationally carry out technological transformation, and fully tap into any space of the profit in completed projects.

- (4) The consumption is still an important factor restricting the development of the wind power and photovoltaic industries

In recent years, with the rapid development of China's wind power and photovoltaic industries, the industrial scale and technical equipment have continuously jumped to a new level. But the contradictions of unbalanced and inadequate development have gradually become prominent. In particular, the issue of consumption has become increasingly prominent, which is still an important factor restricting the development of the wind power and photovoltaic industries. The State strives to solve the problem of renewable energy consumption. In October 2018, the NDRC and the National Energy Administration issued the "Clean Energy Consumption Action Plan (2018-2020)" (《清潔能源消納行動計劃(2018-2020年)》), which aims to further solve the issues of consumption of new energy such as wind power and photovoltaic power, and has achieved good results. At present, the state strictly implements the wind power and photovoltaic power investment monitoring and early warning mechanism while actively implements the prioritised clean energy power generation system. Especially in recent years, it has actively improved the power grid collection and transmission capacity and a large number of UHV channels have been completed and put into production. With a package of measures to solve consumption, the problem of wind and PV power curtailment has stabilized and improved. However, affected by the delivery capacity and construction of power grids, local consumption capacity, the COVID-19 pandemic and other factors, the situation of power consumption was still severe in some areas, and the rate of wind curtailments and power constraints maintained at a high level. In the future, during the "14th Five-Year Plan" period, whether grid construction can effectively match the growth of wind power and photovoltaic power sources will still be a key concern of the industries.

(5) Hydrogen energy is expected to be included in the national energy strategy system

The State attaches great importance to the development of the hydrogen energy industry. The “Energy Technology Innovation Action Plan (2016-2030)” (《能源技術革命創新行動計劃(2016–2030年)》) jointly released by the NDRC and the National Energy Administration set out 15 key tasks including “technological innovation in hydrogen energy and fuel cell”, and clarified the development goals and routes of hydrogen energy. In March 2019, the Prime Minister proposed in the government report that “the construction of hydrogen refueling facilities shall be promoted”. In October 2019, it was proposed at the National Energy Commission meeting to tackle key problems in the research and development of key technology and major equipment to explore the way for the commercialization of hydrogen energy. In January 2020, Wan Gang, vice chairman of the National Committee of the CPPCC and chairman of the China Association for Science and Technology, delivered a keynote speech, suggesting that hydrogen energy shall be included in the national energy strategy system.

It can be seen that, despite the fact that with the continuous deepening of the national power system reforms and natural gas market reforms, the main business of the market of wind power segment and natural gas segment have become more competitive, the overall situation still presents both opportunities and challenges.

II. SIGNIFICANT CHANGES IN THE COMPANY'S MAJOR ASSETS DURING THE REPORTING PERIOD

Applicable Not Applicable

III. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

1. The Company is a leading clean energy company in northern China, with its major businesses within Hebei Province.
2. The Company's management team has been engaged in the clean energy industry for many years and has extensive management experience in the wind power and natural gas fields. The Company has established a team consisting of several hundreds of production and technical service personnel with high-level professional knowledge and relevant technical qualifications, and strong professional operation and maintenance capabilities.
3. The Company's two major businesses, namely the wind power business and the natural gas business, can form a benign complement, which can effectively reduce the volatility of the Company's profits, prevent adverse changes in a single business and diversify operational risks.



I. BUSINESS DISCUSSION AND ANALYSIS

(I) Operating Environment

In 2020, in the face of severe and complicated domestic and international environment, especially the severe impacts of the COVID-19 outbreak, through the joint efforts of the whole country, China took the lead in effectively controlling the epidemic, resuming work and production and achieving positive economic growth. China's economic operation recovered steadily. With strong support for employment and livelihood, the completion of its main objectives and tasks for economic and social development was better than expected. According to preliminary calculations, China's annual gross domestic product was RMB101,598.6 billion, representing an increase of 2.3% as compared with 2019 at comparable prices.

In 2020, driven by a series of policies and measures such as deepening the structural reform of the energy supply side and giving priority to the development of non-fossil energy, the scale of development and utilization of renewable energy in China had expanded rapidly. The proportion of clean energy consumption was further increased, and its energy structure continued to be optimised. The change in the energy consumption structure in China towards clean and low-carbon consumption was accelerated, and the objective that the proportion of non-fossil energy consumption would reach approximately 15% in 2020 was achieved ahead of schedule. In 2020, the primary power production such as hydropower, nuclear power, wind power and solar power generation by industrial enterprises above state designated scale accounted for 28.8% of total power generation, 1.0 percentage point higher than 2019. The proportion of green energy consumption further increased. According to preliminary calculations, the percentage of clean energy consumption including natural gas, hydropower, nuclear power and wind power to total energy consumption in 2020 increased by 1.1 percentage points as compared with 2019, and the percentage of coal consumption decreased by 1.0 percentage point. The reform of the natural gas supply and marketing system was further advanced and the State Piping Network Corporation was formally established.

1. *Operating environment for the natural gas industry*

(1) Steady growth of total demand for natural gas

In 2020, with the steadily developing macroeconomic situation and the continuous promotion of "replacing coal by gas", the consumption of natural gas has been increasing.

According to the statistics disclosed by the National Energy Administration and the NDRC, in 2020, 188.8 billion cubic meters of natural gas were produced, representing an increase of 9.8% as compared with 2019; 102 million tons of natural gas were imported, representing an increase of 5.3% as compared with 2019. The apparent consumption of natural gas amounted to 324 billion cubic meters, representing an increase of 5.6% as compared with 2019.

(2) The establishment of the State Piping Network Corporation promoted the reconstruction of natural gas market system

On 18 May 2020, the Central Committee of the Chinese Communist Party and the State Council issued the "Opinions on Accelerating the Improvement of the System of Socialist Market Economy in a New Era" (《關於新時代加快完善社會主義市場經濟體制的意見》), proposing to steadily advance the reform of natural monopoly industries and accelerate the marketization of competitive links. In the oil and gas sector, it is proposed that the fair opening of oil and gas pipeline networks to market participants shall be advanced, the sources and sales prices of natural gas shall be deregulated in a timely manner, and the competitive oil and gas circulation market shall be improved.

With the establishment of the State Piping Network Corporation, the infrastructure of the natural gas market will become fairer and more open. The natural gas pipeline network, LNG receiving stations and other infrastructures will be opened in an orderly and fair manner under the national supervision, and various oil and gas pipeline network facilities will be interconnected. The monopoly of existing resources and pipelines will be broken, natural gas companies will have more diversified choice of pipelines, and the industry landscape of the natural gas market is expected to be reshaped.

(3) The construction of the China-Russia east-route natural gas pipeline progressed smoothly.

In July 2020, the construction of south section of the China-Russia east-route natural gas pipeline project (Yongqing, Hebei-Shanghai) officially commenced. On 3 December 2020, the central section of the China-Russia east-route natural gas pipeline (Changling, Jilin-Yongqing, Hebei) began operation. Following the completion and commencement of operation of the China-Russia east-route natural gas pipeline, it can provide a steady supply of 38 billion cubic meters of clean, high-quality natural gas resources each year to Northeast China, Bohai Rim and Yangtze River Delta. The pipeline enhanced China's natural gas resource guarantee capacity. At the same time, on the basis of China's overall natural gas flow "from west to east", it added the natural gas flow "from north to south", which further improved the natural gas pipeline network in eastern China. The pipeline is interconnected with the Northeast Pipeline Network System (東北管網系統), the Shaanxi-Beijing System (陝京系統) and the West to East Gas Transmission System (西氣東輸系統). Jointly, they form a network that runs from south to north, crosses from east to west, and connects to overseas, which is critical to ensuring China's energy security.

2. *Operating environment for the wind power and photovoltaic industry*

(1) Steady expansion of renewable energy installed capacity and continuous growth of power generation

According to the statistics published by the National Energy Administration, the nationwide power consumption in 2020 was 7,511 billion kWh, representing an increase of 3.1% as compared with 2019.

In 2020, the newly installed grid-connected capacity of wind power in China was 71.67 million KW, and total installed capacity reached 281 million KW. The annual wind power generation was 466.5 billion kWh, representing an increase of approximately 15% as compared with 2019, with 2,097 hours of wind power utilization for the year, representing an increase of 15 hours as compared with 2019. The newly installed photovoltaic capacity was 48.2 million KW, and total installed capacity reached 253 million KW. The annual photovoltaic power generation was 260.5 billion kWh, representing an increase of 16.1% as compared with 2019, with 1,160 hours of photovoltaic power utilization for the year, representing a decrease of 9 hours as compared with 2019.

In 2020, the newly installed capacity of wind power in Hebei Province was 5.24 million KW, and total grid-connected capacity reached 22.74 million KW.

(2) Utilization of renewable energy remained at a high level

In 2020, the utilization of renewable energy in China remained at a high level, of which, the wind power utilization rate was 97%, representing an increase of 1 percentage point as compared with 2019. The photovoltaic power utilization rate was 98%, remaining at the same level as the utilization rate in 2019.

In 2020, the national wind curtailment amounted to 16.6 billion kWh, with an average wind curtailment rate of 3%, representing a decrease of 1 percentage point as compared with 2019, and therefore, the situation of wind curtailments and power constraints in China was further relieved. The curtailment rate of photovoltaic power was 5.26 billion kWh, with an average curtailment rate of photovoltaic power of 2%, generally remaining at the same level as in 2019.

(3) Official announcement of total amount and duration of subsidies

To promote the high quality development of renewable energy, in January 2020, the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration issued the Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Power Generation (《關於促進非水可再生能源發電健康發展的若干意見》), setting out the settlement rules for the additional subsidy funds for renewable energy electricity prices (the "Subsidy Funds"). To further clarify relevant policies and stabilize industry expectations, in October 2020, the aforesaid authorities issued the Supplementary Circular on Issues related to the "Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Power Generation" (《關於<關於促進非水可再生能源發電健康發展的若干意見>有關事項的補充通知》), setting out the reasonable utilization hours in the whole life cycle, calculation formula of subsidized electricity and capacity determination standard, project subsidy standard and subsidy duration of various non-hydro renewable energy power generation projects. Any excess of power generation over the subsidized electricity in the whole life cycle is no longer entitled to the Subsidy Funds from the central government and will be issued a green certificate and allowed to participate in green certificate trading.

(II) BUSINESS OVERVIEW

1. *Business review of natural gas business*

(1) Increase in sales volume of natural gas as compared with 2019

During the Reporting Period, the Group recorded an increase in its sales volume of natural gas thanks to the continuous implementation of environmental protection policies and the policy of "replacing coal by gas", and realized a gas sales volume of 3,525 million cubic meters for the year, representing an increase of 8.90% as compared with 2019, of which the wholesale volume amounted to 2,091 million cubic meters, representing an increase of 4.39% as compared with 2019 and accounting for 59.3% of total sales volume; the retail sales volume amounted to 1,351 million cubic meters, representing an increase of 19.02% as compared with 2019 and accounting for 38.3% of total sales volume; the sales volume of CNG amounted to 70 million cubic meters, representing a decrease of 28.41% as compared with 2019 and accounting for 2.0% of total sales volume; the sales volume of LNG amounted to 13 million cubic meters, representing an increase of 1,170.73% as compared with 2019 and accounting for 0.4% of total sales volume.



(2) Active promotion of the construction of infrastructural projects

The Group's natural gas pipelines increased by 1,333.11 kilometers in 2020. As at 31 December 2020, the Group operated pipelines with a total of 6,501.77 kilometers, including 958.26 kilometers of long-distance transmission pipelines and 5,543.51 kilometers of city gas pipelines; and the Group operated a total of 22 distribution stations and 18 gate stations.

During the Reporting Period, the main body of the Zanhuang County Sub-high Pressure Natural Gas Pipeline Project (贊皇縣次高壓天然氣管道工程) was completed; the Zhuozhou-Yongqing Transmission Pipeline Project (涿州—永清輸氣管道工程) and the Connection Line Project of Sinopec Erdos-Anping-Cangzhou Gas Pipeline and Beijing-Handan Gas Pipeline (中石化鄂安滄輸氣管道與京邯輸氣管道連接線項目) commenced construction and was expected to meet the production conditions in 2021; the "Jingshihan" Dual Track Gas Pipeline Project ("京石邯"輸氣管道複線工程) commenced construction.

(3) Continuous exploration of markets for natural gas

During the Reporting Period, leveraging on its newly operating pipelines, the Group vigorously developed its end user base of natural gas and resulted in an increase of 85,927 customers. As at 31 December 2020, the Group had an aggregate of 430,854 customers.

During the Reporting Period, the Group steadily promoted the development of regional markets. The Centra Hebei Pipeline Network Phase IV Project (冀中管網四期工程), the South Baoding Connection Line Project of Sinopec Erdos-Anping-Cangzhou Gas Pipeline and Beijing-Handan Pipeline (中石化鄂安滄與京邯線保定南部聯絡線項目) and the Connection Line Project of Sinopec Erdos-Anping-Cangzhou Luquan Gas Transmission Station and the Luquan Station of the Company (中石化鄂安滄鹿泉輸氣站與公司鹿泉站連接線項目) were approved by Hebei Provincial Development and Reform Commission. The Group completed the acquisition of 30% equity interest in Hengshui Honghua Gas Co., Ltd. (衡水鴻華燃氣有限公司) and participated in the investment in and construction of the Erdos-Anping-Cangzhou Hengshui Branch Natural Gas Pipeline Project (鄂安滄衡水支線天然氣管道工程).

For the Tangshan LNG Project, the 3# wharf commenced construction; the construction of 4 external storage tanks of the receiving station project was basically completed, of which the air pressure lifting of 3# and 4# storage tanks was completed. For the outbound pipeline Caofeidian-Baodi section, crossing projects were completed for 11 directional drills including Nachao River, one railway and 8 general highways. A total of 59.65 kilometers of pipes were laid and 41.61 kilometers were welded. For the outbound pipeline Baodi-Yongqing section, crossing projects were completed for 7 directional drills including Yongding River, 4 railways, 4 expressways and 8 general highways and rivers. A total of 60.60 kilometers of pipes were laid and 53.53 kilometers were welded.

(4) Gradual improvement in the transmission network

During the Reporting Period, the Group actively participated in the construction of transmission pipelines and further improved its transmission network. The Connection Line Project of Sinopec Erdos-Anping-Cangzhou Gas Pipeline and Beijing-Handan Gas Pipeline (中石化鄂安滄輸氣管道與京邯輸氣管道連接線項目) and the "Jingshihan" Dual Track Gas Pipeline Project ("京石邯"輸氣管道複線工程) commenced construction, and the pre-construction preparation work was carried out for the Qinhuangdao-Fengnan Gas Pipeline Project (秦皇島—豐南輸氣管道工程) and the Centra Hebei Pipeline Network Phase IV Project (冀中管網四期工程).

(5) Development of CNG and LNG businesses in a steady manner

During the Reporting Period, the Group developed its CNG and LNG businesses in a steady manner and added one operating CNG secondary filling station. As at 31 December 2020, the Group operated a total of 7 CNG primary filling stations, 7 CNG secondary filling stations and 3 LNG refilling stations.

(6) Innovation-driven development

Hebei Natural Gas, a subsidiary of the Group, keeps up with the development of the times and actively explores new technologies and new business forms. It continuously transforms rich operational experience into intelligent operational capability, and accelerates the process of "smart gas" with the objective of data convergence and intelligent decision-making. In 2020, it started to carry out the renovation of unmanned stations and the construction of automatic distribution control system. With the renovation of old station equipment and systems and the construction of data center, it will build a "smart brain" of the pipeline network, gradually realize unmanned operation of long-distance pipeline stations, and further improve the automation and modernization level of stations. It seized the opportunities for new infrastructure development by laying accompanying optical cables for new long-distance pipelines in view of the 5G information development trend to make early preparations informatization.

2. Business review of wind power business

(1) Stable growth of installed capacity

In 2020, the Group's consolidated installed capacity of wind power increased by 1,056.2 MW, and its accumulative consolidated installed capacity was 5,471.95 MW; its attributable installed capacity of wind power increased by 1,026.28 MW, and its accumulated attributable installed capacity was 4,965.90 MW. The Group's commercial operation project capacity during the year increased by 694.1 MW, and its accumulated commercial operation project capacity was 4,400.25 MW.

As at 31 December 2020, the total designed capacity of the wind power projects under construction of the Group was 632MW.

(2) The utilization hours of wind farms continued to remain a relatively high level

In 2020, the average utilization hours of the Group's consolidated wind farms were 2,420 hours, representing a decrease of 52 hours as compared with 2019, mainly due to the slight decrease in average wind speed of the regions where the Group's consolidated wind farms are located as compared with 2019, as well as the increase in the curtailment rate as a result of peak regulation and power rationing in different periods due to COVID-19 outbreak. The Group's consolidated wind farms realized a power generation of 9,881 million kWh, representing an increase of 11.86% as compared with 2019. The average availability rate of wind power generation units was 98.31%.

(3) Steady progress in wind resources reserves

In 2020, the Group's approved capacity increased by 200 MW and the total approved unstarted project capacity amounted to 1,178 MW.

During the Reporting Period, the Group's wind power projects with a total of 615.8 MW were included in national approved plans. The accumulative capacity of the Group's wind power projects falling within the national approved plans has reached 7,309.1 MW and its wind power projects are located in 16 provinces across China.

During the Reporting Period, the Group's agreed wind power capacity increased by 3,100 MW across 23 regions including Hebei, Henan, Shandong, Shanxi, Liaoning, Yunnan, Anhui, Gansu, Jiangxi, Jiangsu, Shaanxi, Sichuan, Tibet, Hubei, Hunan, Guangxi, Qinghai, Heilongjiang, Zhejiang, Chongqing, Xinjiang, Inner Mongolia and Jilin.

(4) Vigorous promotion of technological innovations

The Company adheres to the integration of integrity and innovation and vigorously promoted technological innovations. In 2020, the Company obtained 7 invention patents, 28 utility patents and 35 software copyrights. The "Key Technologies and Application Demonstration of Large-scale Coupled Hydrogen Production from Renewable Energy Sources" (大規模可再生能源耦合制氫關鍵技術及應用示範) project developed by the Company together with entities including Hebei University of Science & Technology received special fund support with the approval of Hebei Provincial Science and Technology Department, setting a new record of the Company in special fund support received for undertaking provincial key research and development plan projects. The "Wind Power Cluster Smart Regulation and Efficient Consumption Technology based on Big Data and Cloud Platform and the Application Thereof" (基於大數據雲平臺的風電集群智慧調控與高效消納技術及應用) project received the Second Prize of Science and Technology Progress in Hebei Province in 2020, which is of great significance to the Company's future scientific and technological innovation.

3. Other clean energy business

During the Reporting Period, the Group not only put efforts in the development of its wind power and natural gas businesses, but also steadily promoting the development and construction of other new energy projects.

In 2020, the Group steadily developed photovoltaic power generation projects. The Group's agreed capacity for new photovoltaic projects amounted to 1,300 MW, while the accumulated agreed capacity amounted to 7,349 MW. There was no approved capacity of photovoltaic projects and the accumulative approved unstarted project capacity was 260 MW.

As at the end of 2020, the Group operated photovoltaic power generation projects with accumulated operating capacity of 118.59 MW.



II. MAJOR OPERATIONS DURING THE REPORTING PERIOD

According to the audited consolidated financial statements for 2020, the Group's net profit for the year was RMB1.933 billion, representing an increase of 5.36% as compared with 2019, of which the net profit attributable to the shareholders of the listed company was RMB1.511 billion, representing an increase of 6.33% as compared with 2019, mainly due to an increase in realized revenue from the wind power of the Group as compared with last year.

(I) ANALYSIS OF PRINCIPAL BUSINESS

1. Analysis of changes in relevant items of Income Statement and Statement of Cash Flows

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period	Amount for the corresponding period of previous year	Percentage Change (%)
Operating revenue	12,510,885,312.89	11,985,837,618.15	4.38
Operating costs	9,100,644,582.09	8,643,814,515.46	5.29
Selling expenses	1,985,327.57	562,620.01	252.87
Administration expenses	528,112,484.93	555,015,462.87	-4.85
R&D expenses	36,417,584.20	10,292,552.11	253.82
Finance costs	912,722,221.39	871,659,354.20	4.71
Net cash flows from operating activities	3,898,510,463.71	3,756,177,980.07	3.79
Net cash flows from investing activities	-9,814,026,374.24	-6,126,481,409.77	60.19
Net cash flows from financing activities	5,438,451,386.17	2,461,531,389.18	120.94

2. Analysis on revenue and costs

Overview

In 2020, the Group recorded operating revenue of RMB 12.511 billion, representing an increase of 4.38% as compared with 2019, which was mainly due to the increase in electricity sales of new wind farms and the increase in sales of natural gas.

In 2020, the Group recorded operating costs of RMB9.101 billion, representing an increase of 5.29% as compared with 2019, which was mainly due to the increase in investment and operation costs of new wind farms and the increase in gas sales.

Net profit

During the Reporting Period, the Group recorded a net profit of RMB1.933 billion, representing an increase of 5.36% as compared with 2019. During the Reporting Period, the increase in the revenue of electricity sales of the wind power segment led to net profit of RMB1.519 billion, representing an increase of 15.36% as compared with 2019, which was mainly due to an increase in profit as a result of the increase in the revenue of electricity sales of the wind power segment; the natural gas business segment realized a net profit of RMB516 million, representing a decrease of 14.42% as compared with 2019, mainly due to the decrease in unilateral gross profit of natural gas.

Net Profit attributable to shareholders of the listed company

During the Reporting Period, the net profit attributable to shareholders of the listed company was RMB1.511 billion, representing an increase of RMB90 million compared with the RMB1.421 billion in the same period of the last year, which was mainly due to the increase in the Group's net profit over the same period of last year.

The basic earnings per share attributable to shareholders of the Company is RMB0.38.

(1) Analysis of Principal Business by Industry, Products and Regions

Unit: Yuan Currency: RMB

Product	Principal business by product			Increase/ (decrease) of revenue as compared with last year (%)	Increase/ (decrease) of operating costs as compared with last year (%)	Increase/ (decrease) of gross profit margin as compared with last year (%)
	Operating revenue	Operating costs	Gross profit (%)			
Natural gas sales business	7,827,098,737.36	7,262,932,061.06	7.21	0.68	2.74	Decrease of 2.36 percentage points
Wind/photovoltaic power generation business	4,445,613,164.39	1,734,401,549.74	60.99	11.98	13.88	Decrease of 0.65 percentage point
Connection and construction of gas pipeline network business	155,538,880.76	93,397,211.21	39.95	8.31	26.62	Decrease of 8.68 percentage points
Other main business	54,021,662.70	3,210,275.56	94.06	-26.29	-312.34	Increase of 8.52 percentage points

Explanations on principal business by industry, products and regions

During the Reporting Period, the operating revenue of wind/photovoltaic power generation business of the Group was RMB4.446 billion, representing an increase of 11.98% as compared with 2019 and the revenue of the wind/photovoltaic power generation business accounted for 35.53% of the Group's operating revenue. The main reason for the increase in revenue was the increase of operational installed capacity of the wind farms of the Group, which resulted in an increase in sales volume of electricity and revenue of electricity sales as compared with 2019.

During the Reporting Period, the Group recorded operating revenue of RMB7.827 billion from its natural gas sales business, representing an increase of 0.68% as compared with 2019, and accounting for 62.71% of the Group's total revenue. The increase of revenue was mainly attributable to an increase in sales volume of the Group's natural gas as compared with the 2019. In particular, the pipe wholesale business recorded sales revenue of RMB4.798 billion, accounting for 61.30% of the Group's business revenue from its natural gas sales business; the Group's retail business, such as city natural gas, recorded sales revenue of RMB2.796 billion, accounting for 35.72% of the Group's sales business revenue from natural gas; CNG business recorded sales revenue of RMB200 million, accounting for 2.56% of the Group's business revenue from its natural gas sales business; and other revenue was RMB33 million, accounting for 0.42% of the Group's business revenue from its natural gas sales business.

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

(2) Table of production and sales analysis

Applicable Not Applicable



(3) Cost analysis table

Unit: Yuan

By products	Costs component	Amount for the period	By products		Year-on-year change (%)	Explanation
			Percentage of the amount for the period in total costs (%)	Amount for the corresponding period of last year		
Natural gas	Operating costs	7,365,137,863.91	80.93	7,116,625,753.57	3.49	Null
Wind and photovoltaic generation	Operating costs	1,734,401,549.74	19.06	1,526,083,593.45	13.65	Null
Others	Operating costs	1,105,168.44	0.01	1,105,168.44	0.01	Null

Cost analysis and explanation

During the Reporting Period, the operating costs of the Group's wind power business were RMB1.734 billion, representing an increase of 13.65% as compared with 2019. This was mainly due to an increase in operating costs resulting from the wind power projects gradually being put into operation.

During the Reporting Period, the costs of the Group's natural gas business amounted to RMB7.365 billion, representing an increase of 3.49% from RMB7.117 billion of 2019. This was mainly due to an increase in corresponding costs of operating as a result of the increase in purchase volume of natural gas as compared with 2019.

(4). Information on major customers and major suppliers

Sales to five largest customers amounted to RMB6,828.9112 million, accounting for 54.58% of total sales for the year, of which sales to related parties were RMB0.00, representing 0.00% of total sales for the year.

Procurement from five largest suppliers amounted to RMB10,510.0128 million, accounting for 57.98% of total procurement for the year, of which procurement from related parties was RMB0.00, representing 0.00% of total procurement for the year.

Other explanation

Nil

3. Expenses

- (1) During the Reporting Period, the selling expenses of the Group was RMB1.9853 million, representing an increase of 252.87% as compared with 2019. This was mainly due to the establishment of a new sales department of Hebei Natural Gas, and the salaries of sales staff are included in selling expenses.
- (2) During the Reporting Period, the administrative expenses of the Group were RMB528 million, representing a decrease of 4.85% as compared with 2019. This was mainly due to the reduced maintenance costs for wind turbines and other equipment. Among which, the administrative expenses of wind power business were RMB270 million, representing a decrease of 10.94% as compared with 2019, mainly due to the reduction in maintenance costs for wind turbines and other equipment; the administrative expenses of natural gas business were RMB175 million, representing a decrease of 2.68% as compared with 2019, mainly due to the fact that China introduced a series of policies to reduce social security contributions given the impact of the epidemic in 2020, resulting in a decline in social security payments in the current period.
- (3) During the Reporting Period, the finance costs of the Group were RMB913 million, representing an increase of 4.71% as compared with RMB872 million in 2019. This was mainly due to the increase in interest expenses over the same period of 2019. Among which, the finance costs of wind power business were RMB805 million, representing an increase of 7.73% as compared with 2019, mainly due to termination of capitalization of borrowing costs resulting in an increase in interest expenses included in current expenses as wind power projects came into operation one after another; the finance costs of natural gas business were RMB84 million, representing a decrease of 19.03% as compared with 2019, mainly due to the decrease in interest expenses as a result of the decrease in interest rates on bank borrowings compared to the same period of 2019.
- (4) During the Reporting Period, the Group's R&D expenses were RMB36.4176 million, representing an increase of 253.82% as compared with RMB10.2926 million in the same period of 2019. This was mainly due to the increase in the Group's R&D investment.

4. R&D investment

(1) Table of R&D investment

	Unit: Yuan
Expensed research and development expenses for the period	36,417,584.20
Capitalized research and development expenses for the period	12,425,222.01
Total R&D investment	48,842,806.21
Percentage of the total R&D investment to operating revenue (%)	0.39
Number of research and development personnel in the Company	54
Percentage of research and development personnel in the total number of persons in the Company (%)	2.26
Percentage of R&D expenditure capitalized (%)	25.44

(2) Explanation

Applicable Not Applicable

5. Cash flows

Items	Unit: Yuan Currency: RMB	
	2020	2019 (retrospectively adjusted)
Net cash flows from operating activities	3,898,510,463.71	3,756,177,980.07
Net cash flows from investing activities	-9,814,026,374.24	-6,126,481,409.77
Net cash flows from financing activities	5,438,451,386.17	2,461,531,389.18

(1) operating activities

In 2020 and 2019, the net cash flows from operating activities of the Company were RMB3,898,510,463.71 and RMB3,756,177,980.07, respectively, representing a year-on-year increase of 3.79%. In 2020 and 2019, the cash inflows from operating activities of the Company mainly came from cash received from sales of goods and rendering for services, accounting for 99.23% and 99.01% of cash inflows from operating activities, respectively.

The cash outflows from operating activities of the Company was mainly cash paid for purchasing goods and receiving labor services, etc., accounting for 85.00% and 85.70% of the cash outflows from operating activities in 2020 and 2019, respectively.

(2) Investing activities

In 2020 and 2019, the net cash flows from investing activities of the Company was RMB-9,814,026,374.24 and RMB-6,126,481,409.77, respectively. The investing activities of the Company were mainly cash paid for the purchase and construction of fixed assets during this period.

The cash inflows from investing activities of the Company were mainly cash received from investment income, accounting for 72.48% and 97.98% of the cash inflows from investing activities in 2020 and 2019, respectively. Cash outflows mainly consisted of cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets, accounting for 98.05% and 94.44% of the cash outflows from investing activities in 2020 and 2019, respectively.

(3) Financing activities

In 2020 and 2019, the net cash flows from financing activities of the Company were RMB5,438,451,386.17 and RMB 2,461,531,389.18, respectively. The large net inflow of financing activities was mainly due to the increase in the amount of financing obtained from financial institution in the current period such as borrowings and issuance of mid-term bonds over the same period of the previous year. The cash inflows from financing activities of the Company were mainly cash received from obtaining loans, accounting for 92.85% and 87.17% of the cash inflows from financing activities in 2020 and 2019, respectively; the cash outflows from financing activities of the Company were mainly for debt repayment and distribution of dividends, accounting for 76.89%, 19.97% and 76.56%, 21.38% of the cash outflows from financing activities in 2020 and 2019, respectively.



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

Applicable Not Applicable

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan

Items	Balance as at the end of the Reporting Period	Balance as at the end of the Reporting Period as a percentage of total assets (%)	Balance as at the end of the corresponding period of last year	Balance as at the end of the corresponding period of last year as a percentage of total asset (%)	Change in balance as at the end of the Reporting Period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Accounts receivable	4,866,274,731.98	8.50	3,531,778,335.16	7.67	37.79	Increase in renewable energy subsidies
Other receivables	94,391,151.51	0.16	71,906,561.15	0.16	31.27	Increase in deposits and penalties receivable for overdue completion this year
Non-current assets due within one year			11,209,374.14	0.02	-100.00	Investment in entrusted loans due for recovery
Other current assets	915,759,257.54	1.60	612,710,559.96	1.33	49.46	Increase in VAT to be deducted in the current period
Investment in other equity instruments	218,605,700.00	0.38	115,205,700.00	0.25	89.75	Due to the increase in investment in HECIC Group Finance Company Limited this year
Construction in progress	13,983,364,988.28	24.42	7,644,129,190.52	16.60	82.93	Increase in investment in wind farm infrastructure projects in this period
Other non-current assets	1,853,716,395.86	3.24	2,904,137,094.15	6.31	-36.17	Decrease in prepayments for equipment and construction
Notes payable	4,516,529.53	0.01	39,213,163.34	0.09	-88.48	Due to the decrease in the use of bank acceptance bills for settlement
Accounts payable	176,947,893.06	0.31	97,832,792.03	0.21	80.87	Mainly due to the increase in payable for purchase of materials of the wind power segment
Contract liabilities	1,580,107,357.02	2.76	971,735,061.57	2.11	62.61	Due to the increase in sales of natural gas received in advance and the increase in commissioned construction costs for storage tanks received in advance this year
Other payables	6,133,744,755.20	10.71	3,767,240,806.98	8.18	62.82	Mainly due to the increase in equipment and construction payables
Non-current liabilities due within one year	3,691,634,649.12	6.45	2,216,640,342.34	4.81	66.54	Mainly due to the increase in debentures payable due within one year

Items	Balance as at the end of the Reporting Period	Balance as at the end of the Reporting Period as a percentage of total assets (%)	Balance as at the end of the corresponding period of last year	Balance as at the end of the corresponding period of last year as a percentage of total asset (%)	Change in balance as at the end of the Reporting Period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Other current liabilities	500,000,000.00	0.87	1,500,000,000.00	3.26	-66.67	The super short-term commercial papers due for redemption in this period
Long-term borrowings	23,837,385,993.66	41.63	16,808,168,215.19	36.50	41.82	Due to the increase in the Company's borrowing from financial institutions in this period
Lease liabilities	738,279,841.86	1.29	1,341,771,847.92	2.91	-44.98	Repayment of current financial lease
Long-term payable	204,163,944.97	0.36	112,824,781.79	0.25	80.96	Due to the increase in borrowings from financial leasing companies in this period

Other explanation

Nil

2. RESTRICTIONS ON MAIN ASSETS AS AT THE END OF THE REPORTING PERIOD

Items	Carrying amount as at the end of the period	Reasons for such restriction
Cash	35,051,339.40	Land reclamation deposit, guarantee deposit, etc.
Receivables financing	12,100,000.00	Financing pledges
Accounts receivable	3,251,297,679.34	Financing pledges
Fixed assets	300,513,810.27	Financing pledges
Intangible assets	3,385,818.14	Financing pledges
Total	3,602,348,647.15	

Material charge on assets

During the year, the Group had no material charges on its assets.

3. Other explanation

(1) Contingent liabilities

As of 31 December 2020, RMB98 million was used as a guarantee provided by the Group to a joint venture, Hebei Suntien Guohua Gas Co., Ltd., for its application to a financial institution for credit line.

(2) Cash flows

As of 31 December 2020, the Group's total current liabilities were RMB13.536 billion, and the net decrease in cash and cash equivalents was RMB471 million. The Group has obtained credit facilities of a total amount of RMB72.221 billion from various domestic banks, of which an amount of RMB21.597 billion was utilized.

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



(3) Capital expenditure

During the Reporting Period, capital expenditures mainly included project construction costs for new wind power projects, natural gas pipelines and additions to properties, plants and equipment and prepayment for leased lands. Capital resources mainly included self-owned capital, bank borrowings and cash flows from the Group's operating activities. During the Reporting Period, the Group's capital expenditure was RMB11.398 billion, representing an increase of 71.71% as compared with RMB6.638 billion last year. A breakdown of capital expenditure is as follows:

	2020 (RMB'000)	Unit: RMB'000 2019 (RMB'000)	Currency: RMB Change (%)
Natural gas	4,270,009	841,352	407.52
Wind power and solar energy	7,124,245	5,786,894	23.11
Unallocated capital expenditures	3,602	9,581	-62.40
Total	11,397,856	6,637,827	71.71

(4) Borrowings

As at 31 December 2020, the Group's long-term and short-term borrowings totaled RMB27.340 billion, representing an increase of RMB6.747 billion as compared with the end of 2019. Among all borrowings, the short-term borrowings (including long-term loans due within one year) aggregated to RMB3.503 billion, the long-term borrowings amounted to RMB23.837 billion.

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

(5) Debt-to-asset Ratio

As at 31 December 2020, the Group's debt-to-asset ratio (the ratio of total liabilities divided by total assets) was 70.84%, representing an increase of 2.96 percentage points from 67.88% as at 31 December 2019, mainly due to the increase in bank borrowings of the Group.

(IV) Analysis on operational information in the industry

Applicable Not Applicable

(V) Analysis of investment status

1. *General analysis of external equity investments*

During the Reporting Period, the Group's investment income from joint ventures and associates was RMB254 million, representing an increase of RMB39 million as compared with RMB215 million of 2019. This was mainly due to the increase in profits of joint ventures and associates during this year.

During the Reporting Period, net profit attributable to minority interests of the Company was RMB422 million, representing an increase of RMB8 million as compared with RMB414 million in 2019. This was primarily attributable to the increase in net profit of the wind power segment of the Company.

BUSINESS DISCUSSION AND ANALYSIS

During the Reporting Period, the Group's external investments amounted to RMB185 million, representing a decrease of RMB155 million as compared with RMB340 million in the corresponding period of 2019, mainly due to the decrease in additional investments in associates as compared to 2019.

Unit: RMB'0,000

Investment amount during the Reporting Period	Investment amount of the corresponding period last year	Percentage change
18,495.72	33,997.36	-45.60%

- (1) Material equity investments
 Applicable Not Applicable
- (2) Material non-equity investments
 Applicable Not Applicable
- (3) Financial assets measured at fair value

Item	Unit: Yuan Amount
Investments in other equity instruments	218,605,700.00
Receivables financing	420,392,697.68

(VI) Material disposal of assets and equity interest

Applicable Not Applicable

(VII) Analysis of major subsidiaries and investee companies

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

Company name	Proportion of share holding	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
HECIC New-energy Co., Ltd. (河北建投新能源有限公司)	100%	Wind power generation, wind farm investment and service consulting	481,730.00	2,466,217.93	738,767.97	276,733.03	87,438.99	74,075.48
Hebei Natural Gas Company Limited (河北省天然氣有限責任公司)	55%	Sale of natural gas and gas appliances, as well as the connection and construction of natural gas pipelines	168,000.00	835,566.48	320,713.58	803,886.42	71,811.60	58,358.16
Hebei Fengning CIC New Energy Co., Ltd. (河北豐寧建投新能源有限公司)	100%	Wind power generation	83,783.00	477,088.65	160,653.39	73,717.77	44,779.56	41,446.15

Unit: RMB'0,000

(VIII) STRUCTURED ENTITIES CONTROLLED BY THE COMPANY

Applicable Not Applicable



III. DISCUSSION AND ANALYSIS ON THE COMPANY'S FUTURE DEVELOPMENT

(I) Industry landscape and Trend

During the 13th Five-Year Plan period, the PRC economic growth slowed, and downward pressure increased. However, the overall station was stable, and China's economic resilience continued to be strengthened. During the 14th Five-Year Plan period, the PRC economy will shift from high-speed development to high-quality development, and technological innovation and green economy will become one of the themes of future economic development. For macroeconomic environment, under the situation and requirements of strictly controlling the total amount and intensity of traditional energy consumption and continuous improvement of the ecological environment, especially the announcement of "3060" objective, wind power, photovoltaic power and natural gas, as green and clean energy, will become the main strategic energy in China in the future.

In the new energy segment, the state encourages focusing on promoting the green upgrading and transformation of electric power and continues to vigorously support the development of wind and photovoltaic power during the 14th Five-Year Plan period. Given the huge room for development, how to seize high-quality wind and photovoltaic resources will become the primary task of industry development. New wind and photovoltaic power projects will enter the parity era. It may become a norm that the existing projects participate in market-based electricity trading. The issue of consumption will remain an important factor restricting the development of wind power and photovoltaic industries. China will continue to explore the development of other green and clean energy sources, and hydrogen energy is expected to be included in the national energy strategy system.

In the natural gas segment, the state focuses on promoting the coordinated and stable development of natural gas, and the development prospect of the industry is promising. The state vigorously promotes the construction of natural gas reserve system. The establishment of the State Piping Network Corporation has broken the monopoly of existing resources and pipelines. The construction of natural gas production, supply, storage and marketing system in China has taken a key step, resulting in a major restructuring of the original natural gas market system. The layout of LNG receiving stations will be further improved. The trend of diversification of natural gas import sources will become more obvious, and the competition in the upstream and downstream markets of the industrial chain will become increasingly fierce.

In view of the above, with the deepening of national power system reform and market-oriented natural gas reform, market competition in the wind power generation and natural gas business in which the Company operates will become increasingly fierce. However, opportunities and challenges coexist on the whole.

(II) Development strategies of the Company

As the socialism with Chinese characteristics enters a new era, China's economic development has also entered a new era. China's economy has shifted from high-speed growth stage to high-quality development stage. During the 14th Five-Year Plan period, the Company will fully grasp the general trend and direction of national energy development and follow the trend. The Company will closely follow its development and the general trend of state-owned enterprise reform, insist on adjusting the structure, making up for shortcomings, grasping innovation, and increasing potential as the main direction to promote high-quality development. The Company will adhere to its strategic objectives and effectively push forward work by centering around its two main businesses, being new energy and clean energy. It will focus on diversified business market development, promoting the implementation of key projects, expanding financing channels, building a digital Suntien, strengthening technological innovation and ensuring production safety. The Company will continue to improve its internal management mechanism, strive to build a team of employees with strong comprehensive quality, professional quality and good cultivation, vigorously develop corporate culture, cultivate a corporate culture with Suntien characteristics, and strive to improve the market-oriented, professional and international level of the Company.

(III) Business plan

2021 is the first year of the 14th Five-Year Plan period and also the centenary of the founding of the Communist Party of China. While the 100-year-old Communist Party of China is in its youth, the 10-year-old Suntien has embarked on a new journey. As the Company forges ahead and pursues dream, let's work together to accelerate our high-quality development.

1. *New energy business*

By 2030, the proportion of non-fossil energy consumption in primary energy consumption in China will reach about 25%, and the installed capacity of wind power and solar power generation will reach over 1.2 billion KW. This has set up a new navigation mark for China's energy industry and provides a broad space for the follow-up development of the Company's new energy business. To this end, the Group will:

- (1) Strive to seize a new round of historical development opportunities and achieve high-quality development of wind power business. For onshore wind power, it will strengthen the promotion of existing agreed resources, and strive to obtain the approval of agreed resources as soon as practicable. In the meantime, it will focus on researching "Big channel, big base" projects and promote the scale and base development of wind power projects. For offshore wind power, on the basis of summing up the experience in the operation of the Puti Island Phase I project, it will closely follow the planning of projects in Jiangsu, Guangdong, Fujian and other southeast coastal areas, and strive to make new breakthroughs as soon as possible.
- (2) Actively promote the development of photovoltaic business, step up the effort into resource reserve and development, seek exploitable project resources in a wider scope, and advance the construction of large-scale ground-based centralized and parity photovoltaic projects.
- (3) Carry out strict and comprehensive project management and control, make concerted efforts at all levels, adjust the workflow of wind power and photovoltaic infrastructure, promote project construction in a planned and step-by-step manner, in order to ensure the safety, quality, progress and investment control of construction projects, so that the projects under construction are put into production on schedule with quality and effectiveness.
- (4) Conscientiously implement various safety precautions, and strictly implement the "five simultaneities" requirements for production safety in equipment selection, engineering infrastructure, production and operation, etc. to ensure the continuous and stable production safety of the Group.
- (5) Commercialize the Company's existing scientific research achievements and promote their application in the market as soon as possible. It will strengthen the development of external channels and accelerate the conversion of scientific research results into value; further explore and develop technologies related to high-end equipment and monitoring systems to create large-scale services and products for the post-wind power market; improve the level of informatization construction of production management.

2. *Natural gas business*

2021 is the first year of the 14th Five-Year Plan period. In the face of the new situation caused by the national oil and gas system reform and the establishment of the State Piping Network Corporation, an oil and gas market system is gradually taking shape, with multi-source and multi-channel supply of oil and gas resources in the upstream, a unified network for efficient collection and transmission in the middle stream and market-oriented healthy competition in the downstream. Oil and gas enterprises face both challenges and opportunities. To this end, the Group will:

- (1) Push forward the construction of the Tangshan LNG Project as scheduled, including completing the civil construction of 4 storage tanks, 80% welding for the outbound pipeline Caofeidian-Baodi section, and the main body of the outbound pipeline Baodi-Yongqing section. It will also actively promote the communication and cooperation with international gas source enterprises in order to enter into long-term overseas LNG cooperation agreements and realize the diversification of upstream gas sources.
- (2) Stick to its development strategy of "market is king" by leveraging its advantages of existing provincial natural gas trunk pipelines to actively expand urban natural gas projects and taking various measures such as acquisitions and mergers to continuously explore new downstream markets in order to steadily expand the scale of its end-user market.
- (3) Accelerate the construction of the Beijing-Handan Dual Track (京邯複線), the Zhuozhou-Yongqing Pipeline (涿州—永清管線) and the Handan Connection Line (邯鄲聯絡線), the preliminary procedures for the Qinfeng Track (秦豐管線) and the Phase IV Project of Ten Counties in Central Hebei Province (冀中十縣四期項目), and further improve its unified network to enhance the ability to provide safe and steady gas supply.
- (4) Continue to promote scientific and technological innovation, build "smart gas", continue to promote the renovation of unmanned stations and the construction of automatic distribution control system, strive to complete the construction of these projects and fully realize unmanned and automatic management of stations within the year to lower labour cost. It will further strengthen the automation of engineering, customer service, operation and other functions to improve the quality and efficiency.



3. Continuous expansion on financing methods

In 2021, the Group will continue to explore channels for financing and innovative financing means and to obtain capital at low cost for project construction in order to ensure the stability of the Group's capital chain.

- (1) The Group will timely review its existing loans for reasonable replacement with low-interest loans to further optimize financing structure and reduce financing cost. It will keep an eye on the adjustment of relevant fiscal, taxation and financial policies of the state and local governments, communicate with major financial institutions on a regular basis, and actively draw facilities.
- (2) It will make steady progress on non-public issue projects, pay close attention to the latest policies and review standards for issue, continue to optimize and adjust the relevant proposals and work pace to ensure smooth project implementation, and issue debt financing products such as corporate bonds and financing bonds in a timely manner to meet the Group's future capital needs.

(IV) Potential risks

1. *Wind power business*

(1) Uncertain wind resources

The major climatic risk confronted by the wind power industry is the annual fluctuation of wind resources, which is represented by the higher power generation in years of high wind speed and the lower power generation in years of low wind speed than that in normal years. Due to the randomness and uncontrollability of wind resources, there might be a risk of decreasing wind speed in 2021 as compared to 2020. During the project planning phase and before the construction of wind farms, the Group will conduct a comprehensive wind resources test to evaluate the potential installed capacity of such locations in order to reduce the climatic risks.

(2) Risk of decrease in tariff rate

In accordance with the relevant national policies, the objective of "same price for wind power and coal-fired power" is achieved by 2020. As such, the Group will fully study the relevant national policies, understand the actual situations of the projects to be developed and actively and reasonably arrange the project development and construction progress to ensure the projects will be connected to grid and put into operation as soon as possible. At the same time, the Group will continue to strengthen the operation, maintenance and management, enhance the safety and reliability of equipment, improve the level of production and operation maintenance, and strive to lay a solid foundation for the development of subsequent projects.

(3) Continuation of wind curtailment and power constraints

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

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

(4) Increase in management difficulty of construction

Uncontrollable factors such as project obstacles, slow land approval and complicated formalities of forest land for projects located at pastures and natural reserves during the construction of certain wind power projects affect the overall progress of the construction. The Group will arrange reasonable schedule and coordinate and communicate with the wind power equipment manufacturers and local governments to effectively control the unfavorable factors in the construction of wind power project, to ensure that the projects will commence operation as scheduled.

(5) Risk of market-based electricity trading

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

2. *Natural gas business*

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

In recent years, the state has continued to promote natural gas price reforms in accordance with the general idea of “enhancing control in the middle and deregulating on both ends”. In the future, if the structural reforms on the supply side continues to deepen and the energy prices continue to decrease to support the real economy, there will be a risk that the profit margin of the Company’s natural gas business may decline. The Company will seize the favorable opportunity of promoting clean energy in China, fully utilize the government’s policy guidance of promoting clean energy and strengthening pollution control, give full play to its resources and service advantages, continue to expand the development of natural gas customers, and strive to expand the scope of the Company’s operating regions and increase its market share.

(2) Risk of insufficient supply of upstream resources

Gas supply in winter is a matter of people’s livelihood and bears a great responsibility. As the Company’s resource structure continued to improve and the pressure on resources eased, the gas supply capacity of its pipeline network continued to increase. However, the peak-valley difference for gas consumption remains at a high level, and the gas supply situation in winter is still not optimistic.

The Group will make early overall resource planning and related arrangements, rely on its years of experience in gas supply to identify and analyze issues, carry out early examination of all equipment and renovation of gas transmission bottleneck to ensure that all gas supply equipment meet the requirements for supply in winter. It will leverage its “smart gas” platform to ensure the stable operation of production system, effectively strengthen production safety and operation management, closely communicate with upstream resource providers, downstream gas consumption enterprises and control centers, and carry out dynamic monitoring of supply and demand.

(3) Risk of further increased difficulty for market expansion

Currently natural gas market players are changing from a “one-to-one” model to a “many-to-many” model, and the transaction method is changing from bilateral negotiation to multilateral competition. As major upstream gas source suppliers continue to expand into downstream business, the Company will face the competition from major upstream enterprises. Direct supply to major users and price war will become a favourable measure for upstream enterprises to enter the end-user market, and the difficulty for market expansion will be further increased.

The Group will firmly adhere to the concept of “market is king”, further optimize its resource mix, market layout and sales policy, continue to broaden market reach, deeply tap the market potential, make full use of its resource and synergy advantages, open up new channels amid fierce market competition, and take multiple measures to ensure the continuous growth of gas volume.

(4) The risk of incomplete recovery of accounts receivable

Through the unremitting efforts of the Group, the number of its users in arrears in the downstream of natural gas and the overdue payment decreased year by year. However, it will still take some time to recover the remaining arrears.

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

(5) Risk of lower prices of other alternative energy

In 2020, as a result of international oil price fluctuations and downward pressure on the PRC macroeconomy, the prices of alternative energy sources such as oil and coal changed significantly. The competitive advantage of natural gas was somehow affected, which is expected to continue to have a certain adverse impact on the growth of gas sales volume of the Group in 2021. Therefore, the Group will actively introduce low cost gas sources, and develop downstream users and increase sales volume.

3. *Interest rate risk*

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



(V) Others

Applicable Not Applicable

IV. EXPLANATION ON THE COMPANY'S FAILURE TO MAKE DISCLOSURE IN ACCORDANCE WITH THE STANDARDS DUE TO INAPPLICABILITY OF STANDARDS OR SPECIAL REASONS AND THE REASONS THEREOF

Applicable Not Applicable

I. PROPOSAL FOR PROFIT DISTRIBUTION FOR ORDINARY SHARES OR TRANSFER OF CAPITAL RESERVE TO SHARE CAPITAL

(I) Formulation, Implementation or Adjustment of Cash Dividend Policy

According to the "Articles of Association" and the "the Plan of China Suntien Green Energy Corporation Limited for Distribution of Dividends to Shareholders for the Three Years Following the Initial Public Offering and Listing of A Shares (新天綠色能源股份有限公司首次公開發行A股股票並上市後三年的股東分紅回報規劃)" approved by the shareholders meeting, the Company shall fully take into account the returns for investors and shall maintain the consistency and stability of designing the profit distribution policy taking into account the long-term interests of the Company, the entire interests of shareholders as a whole, and the sustainable development of the Company. Specifically, it includes:

1. *Forms of profit distribution*

The Company may distribute profit in cash, in shares or in a combination of both or otherwise permitted under the laws, regulations and normative documents, and cash dividend shall take precedence in profit distribution;

- (1) Subject to the conditions for cash dividends set out in the Articles of Association, the Company shall distribute dividend actively in cash and shall distribute cash dividend once each year in principle. The board of directors may propose the distribution of interim dividends taking account into the profitability and capital needs of the Company;
- (2) In order to increase of share capital of the Company coupling with its business growth, the Company may distribute profits by means of share dividends taking account into the total distributable profit, capital reserve and cash flow position, subject to the satisfaction of minimum percentage of cash dividend and the aforesaid conditions for cash dividends.

2. *Specific conditions and proportions of cash dividend distribution*

Dividends may be distributed in cash providing that a positive was recorded in the distributable profit realised by the Company (i.e. the profit after taxation after offsetting loss and setting aside reserves) in for the year and a standard auditor's report without qualifying opinions on the Company's financial report for the year is issued by the auditor. The total profit distributed in cash by the Company each year shall be no less than 15% of the distributable profit attributable to the shareholders of the Company for the year. The distributable profit undistributed in the year can be carried forward for distribution in subsequent years. The profit distribution of the Company shall not exceed the total distributable profit or affect the Company's sustainable operation ability;

3. *Differentiated cash dividend policy*

The board of directors shall propose differentiated cash dividend policies, after taking into full consideration the characteristics of the industry in which the Company operates, the stage of development, the business model, profitability and any arrangements for significant capital expenses:

- (1) If the Company is at mature stage and has no arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 80% of the total profit to be distributed;
- (2) If the Company is at mature stage and has arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 40% of the total profit to be distributed;
- (3) If the Company is at growth stage and has arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 20% of the total profit to be distributed;
- (4) If the stage of development of the Company is difficult to identify and having arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 20% of the total profit to be distributed.

The "arrangements for significant capital expenses" above refer to the proposed total expenses of the Company in investments, acquisition of assets or purchase of equipment and buildings in the forthcoming 12 months reach or exceed 20% of the latest audited net assets of the Company and are over RMB50 million in absolute value.

4. *Procedures for review on profit distribution proposal*

- (1) The annual profit distribution proposal of the Company shall be raised and prepared by the board of directors in accordance with the requirements of the Articles of Association and in view of the profitability and capital supply and needs. Independent directors shall issue their independent opinions on the profit distribution proposal, which is subject to the consideration and approval by the board of directors before submission to the shareholders' meeting for consideration and approval by the shareholders. Independent directors may seek opinions of minority shareholders, prepare a distribution proposal and submit it directly to the board of directors for consideration



- (2) In considering the profit distribution proposal at the shareholders' meeting, the Company shall provide shareholders with the channel for online voting, or the board of directors, independent directors and shareholders meeting the relevant conditions may solicit voting rights from shareholders, in particular the minority shareholders, in respect of the voting on the profit distribution proposal during the period from the date of registration of shareholding of the shareholders' meeting to the date of the shareholders' meeting.
- (3) Subject to the conditions of cash dividends set out in the Articles of Association, in the event that the Company is under special circumstances such as material investment opportunity, great prospects for investment and significant capital needs, and the Company intends not to execute the cash dividend proposal in the immediate future, the board of directors shall explain the specific reason for no cash dividends, the actual and planned uses of proceeds not distributed as dividends and disclose the same in regular reports, which shall be proposed at the shareholders' meeting for consideration after the independent directors have expressed their opinions and shall be disclosed on the media designated by the Company.
- (4) In the event that any adjustment or change of the policy of cash dividends of the Company indeed required, protection of the interests of the shareholders shall be first considered. The board of directors shall thoroughly discuss the reasonableness of the adjustment or change to the profit distribution proposal and pass a specific resolution before submission to the shareholders' meeting for consideration. When such resolution is considered at the shareholders' meeting, it shall be passed by shareholders holding more than 2/3 voting rights of all shareholders attending the shareholders' meeting.

5. *Explanation on 2020 Profit Distribution Proposal and Opinions of Independent Directors*

As audited, the Company recorded the net profit attributable to shareholders of parent company of RMB1,510.5554 million in 2020. The profit distribution plan for 2020 is as follows: the Company proposes to distribute a cash dividend of RMB1.36 (tax inclusive) for every 10 shares to all shareholders, and calculated based on the total number of issued shares of the Company as at 31 December 2020, being 3,849,910,396 shares, the total distributable cash dividend is RMB523.5878 million.

Should there be any change to the total share capital registered on the registration date for the subsequent implementation of the interest distribution, the Company intends to keep the total distribution amount unchanged and make corresponding adjustment to the distribution amount for each share.

The above profit distribution plan is subject to consideration and approval at the 2020 annual general meeting of the Company. The independent non-executive Directors of the Company are of the view that the profit distribution plan is formulated based on the consideration of reasonable returns of investors and the Company's long-term development, and profit distribution by cash was adopted; the content and decision-making procedures of the Company's profit distribution plan comply with the laws, regulations and regulatory documents such as the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號-上市公司現金分紅》) and the relevant provisions of the Articles of Association of China Suntien Green Energy Corporation Ltd., and there is no obvious unreasonable or relevant shareholder abuse of shareholders' rights to improperly interfere with the Company's decision-making; the Company's profit distribution plan was agreed and submitted to the Company's general meeting for consideration.

6. *Policies of withholding and exemption of dividend income tax*

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation rules effective on 1 January 2008, where a PRC domestic enterprise distributes dividends for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of final dividends as enterprise income tax, distribute the final dividends to non-resident enterprise shareholders, i.e. any shareholders who holds the Company's shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or shareholder of H shares registered in the name of other organizations and groups.

Due to changes in the PRC tax laws and regulations, according to the Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents (《關於公布全文失效廢止、部份條款失效廢止的稅收規範性文件目錄的公告》) issued by the State Taxation Administration on 4 January 2011, individual shareholder who hold the Company's H shares and whose names appeared on the H Share Register of the Company can no longer be exempted from individual income tax pursuant to the Notice on Matters Concerning the Taxation of Gains on Transfer and Dividends from Shares (Equities) Received by Foreign Investment Enterprises, Foreign Enterprises and Foreign Individuals (Guo Shui Fa [1993] No. 045) (《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]045號)) issued by the State Taxation Administration, whilst pursuant to the letter titled Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies (《有關香港居民就內地企業派發股息的稅務安排》) issued by the Hong Kong Stock Exchange to the issuers on 4 July 2011 and the Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the

SIGNIFICANT EVENT

Repeal of Guo Shui Fa [1993] No. 045 of State Administration of Taxation (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅征管問題的通知》(國稅函[2011]348號)), it is confirmed that the overseas resident individual shareholders holding shares of domestic non-foreign invested enterprises issued in Hong Kong are entitled to the relevant preferential tax treatments pursuant to the provisions in the tax arrangements between the countries where they reside and the PRC or the tax arrangements between the PRC and Hong Kong (Macau). Therefore, the Company will withhold 10% of the dividend as individual income tax, unless it is otherwise specified in the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividends in accordance with the tax rates and the relevant procedures as specified by the relevant regulations.

Subject to the approval of the profit distribution proposal for 2020 at the annual general meeting, the Company shall distribute cash dividends within two months upon conclusion of the annual general meeting in accordance with the Articles of Association. As per current work plan, the Company expects to complete the distribution of cash dividends by 31 August 2021. In case of any change in the above-mentioned expected time schedule and distribution arrangement, the Company will make an announcement in due course in accordance with the rules of the places where the shares are listed.

- (II) The Company's plan or proposal for dividend distribution for ordinary shares or transfer of capital reserve to share capital of the Company for the recent three years (including the Reporting period)

Unit : RMB '0,000 Currency : RMB

Year of dividend distribution	Bonus shares for every 10 shares (shares)	Dividend distributed for every 10 shares (tax inclusive)	New shares for every 10 shares (shares)	Amount of cash dividend (tax inclusive)	Net profits in the consolidated statements for the dividend year attributable to ordinary shareholders of the listed company	Percentage in the net profits in the consolidated statements attributable to ordinary shareholders of the listed company
					151,055.54	34.66
2020	0	1.36	0	52,358.78	151,055.54	34.66
2019	0	1.25	0	48,123.88	141,478.56	34.01
2018	0	1.25	0	46,439.50	126,850.60	36.61

- (III) Share repurchase by cash counted into cash dividends

Applicable Not Applicable

- (IV) Provided that the Company has made profits and the parent company's profits distributable to ordinary shareholders are positive, but no plan for distribution of profits from ordinary shares by cash has been proposed during the reporting period, the Company shall disclose in details the reasons therefor and use and plan of usage of the undistributed profit

Applicable Not Applicable



II. PERFORMANCE OF UNDERTAKINGS

(1) Undertakings made by relevant parties such as the actual controller, shareholders, related parties and acquirers of the Company and the Company during the Reporting Period or subsisting to the Reporting Period

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in details	If not performed timely, specify further plans
Undertakings relating to the initial public offering of shares	Selling restrictions on shares	HECIC	Complying with the requirements on lock-up period and selling restriction for the controlling shareholders of the listed company	36 months from the date of listing of A shares of the Company	Yes	Yes	/	/
	Other	HECIC	Complying with the requirements on reduction of shares for the controlling shareholder of the listed company	Long-term effective	No	Yes	/	/
	Other	the Company	True, accurate and complete disclosures in the Prospectus	Long-term effective	No	Yes	/	/
	Other	HECIC	True, accurate and complete disclosures in the Prospectus	Long-term effective	No	Yes	/	/
	Other	Directors, supervisors and senior management	True, accurate and complete disclosures in the Prospectus	Long-term effective	No	Yes	/	/
	Other	HECIC, the Company, Directors (excluding independent Directors) and senior management	Complying with the requirements on stock price stabilization measures for the controlling shareholder of the listed company, the Company, its Directors (excluding independent Directors) and senior management	Within three years from the date of listing of A shares of the Company	Yes	Yes	/	/
	Other	HECIC	Adoption of remedial measures for the dilution of current return as a result of the initial public offering of shares of the Company	Long-term effective	No	Yes	/	/
	Other	Directors, supervisors and senior management	Adoption of remedial measures for the dilution of current return as a result of the initial public offering of shares of the Company	Long-term effective	No	Yes	/	/
	Other	The Company	Measures to be taken if undertakings disclosed in the Prospectus fail to be performed	Long-term effective	No	Yes	/	/
	Other	HECIC	Measures to be taken if undertakings disclosed in the Prospectus fail to be performed	Long-term effective	No	Yes	/	/
	Other	Directors, supervisors and senior management	Measures to be taken if undertakings disclosed in the Prospectus fail to be performed	Long-term effective	No	Yes	/	/
	Other	HECIC	Avoiding horizontal competition	Long-term effective	No	Yes	/	/
	Resolving title defects in land, etc.	HECIC	Full compensation shall be made to the Company for any actual losses suffered by the Company or its subsidiaries as a result of any disputes, risks or administrative penalty imposed by competent authorities or being unable to carry out normal production and operation arising from or in connection with any use of land non-conformity with standards, defect of property, defect of leased property or incomplete leasing procedures (excluding land grant fee or rent, land requisition fee, title registration fee, tax and levies and other related expenses payable by the Company according to laws and regulations) after the actual losses caused by such matters are ascertained by the Company in accordance with legal procedures.	Long-term effective	No	Yes	/	/

(II) When there is profit forecast regarding assets or projects of the Company, and if the Reporting Period remains in the span of the forecast period, the Company shall disclose whether such assets or projects have realized the original profit forecast and relevant reasons

Realized Not Realized Not Applicable

(III) Fulfillment of performance undertakings and its impact on goodwill impairment test

Applicable Not Applicable

SIGNIFICANT EVENT

III. THE STATUS OF CAPITAL USED AND SETTLEMENT DURING THE REPORTING PERIOD

Applicable Not Applicable

IV. EXPLANATION OF THE COMPANY ON "NON-STANDARD AUDITORS' REPORT" ISSUED BY THE AUDITORS

Applicable Not Applicable

V. THE COMPANY'S ANALYSIS AND EXPLANATION ON THE REASONS FOR AND IMPACTS OF CHANGES OF ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR CORRECTION OF SIGNIFICANT ACCOUNTING ERRORS

(I) The Company's analysis and explanation on the reasons for and impacts of changes of accounting policies and accounting estimates

Applicable Not Applicable

(II) The Company's analysis and explanation on the reasons for and impacts of correction of significant accounting errors

Applicable Not Applicable

(III) Communication with the former accounting firm

Ernst & Young Hua Ming LLP ("Ernst & Young Hua Ming") was appointed as the reporting accountant of A-share IPO of the Company in the second half of 2017 with its provision of audit services to the reporting of A-share IPO of the Company until 2020, and had performed audit of the financial statements of the A-share IPO reporting in years of 2017, 2018 and 2019 whereby audit reports were issued and it was indicated that the net assets and net profit for each year were consistent with the disclosed H-share financial statements of the Company. In the course of each annual audit, Ernst & Young Hua Ming had maintained continuous and effective communications with the Company's domestic auditor, Reanda Certified Public Accountants LLP("Reanda"), and reserved consistency on significant events. At the same time, Ernst & Young Hua Ming and Reanda had fully communicated with each other on matters which required communications between the former and the subsequent certified public accountants. Based on the results of the communications, it was noted that no matters affecting the acceptance of business engagement of Ernst & Young Hua Ming was observed. The former accountant and the subsequent accountant have communicated adequately in accordance with the requirements of China's Auditing Standards for the Chinese Certified Public Accountants No.1153 - Communication between the Former Certified Public Accountant and the Subsequent Certified Public Accountant.

In November 2020, Ernst & Young, the Company's international auditor, communicated with Ernst & Young Hua Ming. Based on the results of the communications, it was noted that no matters would be required for Ernst & Young to bring up to the attention of Ernst & Young Hua Ming in relation to the termination of the appointment of auditor.

(IV) Other explanation

Applicable Not Applicable

VI. DESCRIPTION OF APPOINTMENT AND DISMISSAL OF AUDITOR

Unit : Yuan Currency : RMB

	Former engagement	Current engagement
Name of domestic auditor	Reanda Certified Public Accountants LLP	Ernst & Young Hua Ming LLP
Remuneration of domestic auditor	1,743,750	2,520,000
Number of years of service of domestic auditor	7	1
Name of overseas auditor	Ernst & Young	
Remuneration of overseas auditor	2,900,000	
Number of years of service of overseas auditor	10	

Explanation on appointment and dismissal of auditor

Reanda Certified Public Accountants LLP had resigned as the Company's PRC auditor on 26 August 2020. On 13 October 2020, at an extraordinary general meeting of the Company, the appointment of Ernst & Young Hua Ming LLP as the Company's PRC auditor in year 2020 was approved. On 25 November 2020, at an extraordinary general meeting of the Company, it was unanimously resolved by votes that the financial statements were prepared in accordance with the Accounting Standards for Business Enterprises of PRC and the appointment of Ernst & Young as the Company's international auditor was terminated.



Ernst & Young Hua Ming LLP will audit the financial statements of the Company for the year 2020 in accordance with the Accounting Standards for Business Enterprises of PRC and will undertake the duties of the international auditor in accordance with the Hong Kong Listing Rules.

Explanation on the change in appointment of accounting firm during the audit period

Applicable Not Applicable

VII. RISKS EXPOSURE TO OF SUSPENSION OF LISTING

(I) REASONS OF SUSPENSION OF LISTING

Applicable Not Applicable

(II) MEASURES PROPOSED BY THE COMPANY IN RESPONSE TO RISKS

Applicable Not Applicable

VIII. SITUATION OF AND REASONS FOR DELISTING

Applicable Not Applicable

IX. EVENTS IN RELATION TO BANKRUPTCY AND REORGANISATION

Applicable Not Applicable

X. MATERIAL LITIGATIONS AND ARBITRATIONS

(I) Litigations and arbitrations that have been disclosed in interim announcements without further progress

Summary and type of event	Index for details
<p>In April 2011, Laiyuan and United Power entered into the Laiyuan Dongtuanbao Wind Farm Project Wind Turbine (50MW) Equipment Purchase Contract (《涞源東團堡風電場項目風力發電機組(50MW)設備採購合同》). As a result of disputes between the parties over the purchase contract, in October 2018, United Power filed an arbitration application with Shijiazhuang Arbitration Committee, requesting Laiyuan to pay United Power the overdue payment for goods, quality deposit, remaining related service fee, liquidated damages, attorney fees and arbitration fees totalling RMB180,091,360.</p> <p>On 6 March 2019, Laiyuan submitted the Application for Arbitration Counterclaim, requesting to increase the liquidated damages agreed in the contract and reduce equipment consideration and requesting United Power to pay compensation for losses in power generation and losses arising from failure to provide related services and bear the arbitration fee and other fees.</p> <p>On 18 February 2020, Shijiazhuang Arbitration Committee issued an award that Laiyuan shall pay United Power contractual equipment payment of RMB43,565,750, quality deposit of RMB9,102,250 and related service fee of RMB1,006,500; United Power shall pay Laiyuan compensation for losses in power generation of RMB46,152,000 and compensation for losses in related services of RMB503,519.94; The arbitration fee and counterclaim arbitration fee shall be jointly borne by both parties; Other arbitration claims of United Power were rejected; Other arbitration counter-claims of Laiyuan were rejected.</p> <p>Laiyuan paid RMB7,058,096.86, being the net amount of various award payments, to United Power on 9 March 2020.</p> <p>United Power was not satisfied with the award of Shijiazhuang Arbitration Committee and submitted the Application for Cancellation of Arbitration Award to Shijiazhuang Intermediate People's Court of Hebei Province to apply for cancellation of arbitration award.</p> <p>In February 2021, the Company received a civil ruling made by Shijiazhuang Intermediate People's Court of Hebei Province, which rejected United Power's application.</p>	<p>For details, please refer to the relevant announcements published by the Company on the website of the SSE (www.sse.com.cn) on 27 November 2020 and 20 February 2021.</p>

(II) Litigation and arbitration not disclosed in the temporary announcement or with subsequent development

Applicable Not Applicable

(III) Other explanation

- (1) In respect of the case of outstanding amount of RMB188 million payable by Hebei Yuanhua Glass Co., Ltd. (河北元華玻璃股份有限公司) ("Yuanhua Glass") to Hebei Natural Gas, details of which are set forth in the regular reports dated 19 April 2018, 6 September 2018, 23 April 2019, 5 September 2019 and 22 April 2020 of the Company published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.suntien.com), and the Prospectus.
- (2) In respect of the case of outstanding amount of RMB140 million payable by Yuanhua Glass to Hebei Natural Gas, details of which are set forth in the regular reports dated 14 April 2016 and 22 April 2020 of the Company published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.suntien.com), and the Prospectus.

On 6 May 2020, a civil ruling in respect of the two case mentioned-above were made by the Intermediate People's Court of Xingtai City, Hebei Province, the bankruptcy liquidation application of Yuanhua Glass was judged and accepted. On the same day, the Intermediate People's Court of Xingtai City, Hebei Province issued an announcement on the appointment of Hebei Bohai Liquidation Affairs Co., Ltd. (河北渤海清算事務有限公司) as the administrator of Yuanhua Glass. The creditors of Yuanhua Glass shall declare their creditor's rights to the administrator by 12 August 2020. According to the requirements of the aforementioned document, Hebei Natural Gas submitted the creditor's rights declaration materials to the administrator, with the principal and interest of its creditor's rights of RMB291,217,037.46 in total.

On 17 August 2020, the administrator issued a Notice of Administrator of Hebei Yuanhua Glass Co., Ltd., it was confirmed the amount of creditor's right claimed by Hebei Natural Gas. Among which, Hebei Natural Gas obtained the preemptive right of compensation for 3 parcels of land. Due to the absence of a written mortgage contract, however, Hebei Natural Gas did not obtain the preemptive right of compensation for the equipment of product lines No. 1 and No. 2. On 21 August 2020, the administrator convened the first creditors meeting. To the date of this report, the case is still in the liquidation process of bankruptcy.

XI. PUNISHMENTS AND RECTIFICATIONS INVOLVED BY THE LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS, ACUTAL CONTROLLERS AND ACQUIRERS

Applicable Not Applicable

XII. EXPLANATION ON CREDIBILITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND ACUTAL CONTROLLERS DURING THE REPORTING PERIOD

During the Reporting Period, the Company, the controlling shareholders and actual controllers operate in good faith with good credibility.

XIII. SHARE OPTION INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME AND OTHER INCENTIVE MEASURES OF THE COMPANY AND THE IMPACTS THEREOF

- (I) Relevant share incentive events which have been published in interim announcements and without further progress or changes in subsequent implementation

Applicable Not Applicable

- (II) Incentive events not disclosed in interim announcements or with subsequent development

Equity incentive

Applicable Not Applicable

Other explanation

Applicable Not Applicable

Employee share ownership plan

Applicable Not Applicable

Other incentive measures

Applicable Not Applicable



XIV. MATERIAL RELATED PARTY TRANSACTIONS

(I) Related party transactions in relation to ordinary operations

1 · *Events disclosed in interim announcements but without development or changes in subsequent implementation*

Applicable Not Applicable

2 · *Events disclosed in interim announcements but with progress or change in subsequent implementation*

(1) Master Tenancy Agreement

HECIC has leased continuously office properties at Yu Yuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, PRC to the Group, with a provision of certain ancillary office support services. In consideration of the Group's intent on continual usage of the office properties and the needs on expansion of office area subject to the future business development plan, the Company and HECIC had entered into a Master Tenancy Agreement on 27 December 2018, subject to a leasing term of three years from 1 January 2019 to 31 December 2021. The Company continued to rent such property from HECIC and its subsidiaries (the "Properties Renting Project"). Under the obligations of the new master Tenancy Agreement, the Group shall lease an office space floor area of up to 8,000 sq.m., 9,000 sq.m. and 10,000 sq.m. in aggregate for the three consecutive years ending on 31 December 2021 respectively at Yu Yuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC with HECIC whilst HECIC will also provide the Group with certain ancillary office support services to the Group. HECIC and/or its subsidiaries shall be responsible for insurance and maintenance of such properties. The Group shall be responsible for utility charges. Members of the Group will enter into individual agreements for the lease and management of relevant properties with HECIC according to the terms set out in the new master Tenancy Agreement. The annual cap of the Properties Renting Project in 2020 was RMB18 million, and the actual annual transaction amount of the year was RMB7.468 million.

HECIC is the controlling shareholder of the Company and a connected person of the Company. The Properties Renting Project constitutes a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios of the Properties Renting Project exceed 0.1% but are less than 5%, the Properties Renting Project is subject to the reporting and announcement requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Details are set out in the announcement titled "Renewal of Continuing Connected Transaction – New Master Tenancy Agreement" published by the Company on the websites of the Hong Kong Stock Exchange and the Company on 27 December 2018.

(2) Asset Financing Services Framework Agreement

Considering the industrial characteristics of heavy assets and the capital needs of the principal activities of the Group, the business scope and charges of Huihai Leasing, and the right of the Company to long-term equity investment returns as a shareholder of Huihai Leasing, on 28 February 2018, the Company had entered into an Asset Financing Services Framework Agreement (the "Asset Financing Services Framework Agreement") with Huihai Leasing, pursuant to which the Group will, on a voluntary and non-compulsory basis, utilize the asset financing services provided by Huihai Leasing, including finance leasing service, factoring service and other services.

The fees and charges payable by the Group to Huihai Leasing under the Asset Financing Services Framework Agreement are arrived at the following basis:

- (i) **Finance leasing service:** (1) the rent will be fixed through negotiations of both parties with reference to the benchmark interest rate on loans in the same period as promulgated by the PBOC; (2) the financing cost shall not be higher than the payable made by the Group to finance leasing companies, who are independent third parties, in respect of the same or similar services obtained for specific finance leasing arrangement.
- (ii) **Factoring service:** (1) the interest rate will be fixed through negotiation of both parties with reference to the benchmark interest rate on loans in the same period as promulgated by the PBOC; (2) the interest and service charges shall not be higher than the payable made by the Group to financial institutions, who are independent third parties, in respect of the same or similar services obtained for specific factoring services.
- (iii) **Other services:** fees to be charged (1) shall not be higher than the payable made by the Group to financial institutions, who are independent third parties for the same services; and (2) shall comply with the standard rates promulgated by the PBOC or the CBRC from time to time for comparable services (if applicable).

The annual cap of the finance leasing service under the Asset Financing Services Framework Agreement in 2020 was RMB2,600 million and actual transaction amount of the year was RMB896.36 million; the annual cap of the factoring service under the Asset Financing Services Framework Agreement in 2020 was RMB100 million and actual transaction amount in the year was RMB0.

Huihai Leasing is a non-wholly owned subsidiary of HECIC, the controlling shareholder of the Company, and is a connected person of the Company. The Asset Financing Services Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more applicable percentage ratios of the finance leasing service and the factoring service under the Asset Financing Services Framework Agreement, in aggregate, exceed 5%, the finance leasing service and the factoring service under the Asset Financing Services Framework Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As all the applicable percentage ratios in respect of the other services under the Asset Financing Services Framework Agreement are below 0.1%, the other services under the Asset Financing Services Framework Agreement are exempted from the reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Chapter 14A of the Hong Kong Listing Rules.

Details are set out in the announcement and shareholders' circular published by the Company in relation to this continuing connected transaction on 28 February 2018 and 4 April 2018, respectively. The transaction was approved at the extraordinary general meeting of the Company on 25 April 2018. On the same day, the Company released the announcement regarding the poll results of the extraordinary general meeting on the websites of the Hong Kong Stock Exchange and the Company.

The Asset Financing Services Framework Agreement will expire on 24 April 2021, thus, on 21 December 2020, the Company entered into a new asset financing services framework agreement with Huihai Leasing, pursuant to which the Group will continue to, on a voluntary and non-compulsory basis, utilize the asset financing services provided by Huihai Leasing. Such agreement was considered and approved at the first extraordinary general meeting of 2021 of the Company on 8 February 2021 with an effective period ending on 31 December 2023. HECIC had abstained from voting as an interested shareholder.

(3) Financial Services Framework Agreement

The Group Finance Company has been providing financial services to the Group since the fourth quarter of 2013. In view of the Group's needs on the relevant financial services, the charges of the Group Finance Company and the service quality of the Group Finance Company, on 2 November 2018, the Company and the Group Finance Company entered into a Renewed Financial Services Framework Agreement (the "Financial Services Framework Agreement"), pursuant to which the Group will, on a voluntary and non-compulsory basis, continue to utilize the financial services provided by the Group Finance Company, including (i) the deposit service, (ii) the loan service, and (iii) the other financial services. Under the Renewed Financial Services Framework Agreement, the Group Finance Company had undertaken to the Company that the terms of its financial services provided to the Group at all times shall be no less favourable than those offered by any commercial banks or other financial institutions for comparable services. The Group will utilize the financial services of the Group Finance Company on a voluntary and non-compulsory basis and is not obliged to engage the Group Finance Company for any particular services. The term of the agreement is from 1 January 2019 to 31 December 2021. During the Reporting Period, the proposed maximum daily balance under the deposit service under the agreement was RMB3,570 million and the actual maximum daily balance under the deposit service was RMB2,011.36 million.

The fees and charges payable by the Group to the Group Finance Company under the Renewed Financial Services Framework Agreement are arrived at the following basis:

- (i) Deposit service: the interest rates shall not be lower than (1) the lower limits of the interest rates promulgated by the PBOC from time to time for the same category of deposits; (2) the interest rates offered to other members of HECIC by the Group Finance Company for the same category of deposits; and (3) the interest rates individually obtained from commercial banks by the Group member using the deposit service for deposits for the same period, of the same stage and same category.
- (ii) Loan service: the interest rates shall not be higher than (1) the upper limits of the interest rates promulgated by the PBOC from time to time for the same category of loans; and (2) the interest rates individually obtained from commercial banks by the Group member using the loan service for loans for the same period, of the same stage and same category.



- (3) Other financial services: the interest rates or service fees charged for the other financial services shall (i) comply with the standard rates as promulgated by the PBOC or the CBIRC for comparable services from time to time (if applicable); and (ii) not be higher than the interest or service fees charged by commercial banks for comparable services to the Group member using such services.

Group Finance Company is a non-wholly owned subsidiary of HECIC, the controlling shareholder of the Company, and is a connected person of the Company. The transactions contemplated under the Financial Services Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios of the maximum daily balance of the deposit service under the Financial Services Framework Agreement exceed 5%, the deposit service under the Financial Services Framework Agreement is subject to the reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the loan service under the Financial Services Framework Agreement is carried out on normal commercial terms (or on terms which are more favourable than those offered by third parties) and the Group will not make any pledges on its assets for the loan service, the loan service under the Financial Services Framework Agreement is exempted from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As all the applicable percentage ratios in respect of the other financial services under the Financial Services Framework Agreement are below 0.1%, the other financial services under the Financial Services Framework Agreement are exempted from the reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Chapter 14A of the Hong Kong Listing Rules.

Details are set out in the announcement and shareholders' circular published by the Company in relation to this continuing connected transaction on 2 November 2018 and 6 December 2018, respectively. The transaction was approved at the extraordinary general meeting of the Company on 27 December 2018. On the same day, the Company released the announcement regarding the poll results of the extraordinary general meeting on the websites of the Hong Kong Stock Exchange and the Company.

Confirmation by the independent non-executive Directors

The independent non-executive Directors of the Company have reviewed each of the aforementioned continuing connected transactions in Parts (1) to (3) and confirmed that the transactions have been conducted:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial or better terms; on conditions no less favourable to the Company than those offered to or by (as the case may be) independent third parties, if it was not practical to make such judgement based on comparable transactions as to whether such transactions have been carried out on normal commercial terms; and
3. in accordance with relevant agreement whose terms are fair and reasonable and in the interest of the shareholders of the Company as a whole.

Confirmation by auditor

Ernst & Young Hua Ming LLP ("Ernst & Young Hua Ming") has provided the Board with a letter confirming that, with respect to the aforesaid continuing connected transactions in Parts (1) to (3) for the year ended 31 December 2020:

1. nothing has come to Ernst & Young Hua Ming's attention that causes it to believe that the transactions have not been approved by the Board of Directors;
2. in relation to the transactions involving products and services supplied by the Group, nothing has come to Ernst & Young Hua Ming's attention that causes it to believe that the transactions have not followed the Group's pricing policy in any material aspect;
3. nothing has come to Ernst & Young Hua Ming's attention that causes it to believe that the transactions were not carried out, in any material respects, in accordance with the relevant agreements; and
4. nothing has come to Ernst & Young Hua Ming's attention that causes it to believe that the transaction amount of any of the aforesaid continuing connected transactions has exceeded its annual cap as stated above.

3. *Events not disclosed in interim announcements*

Applicable Not Applicable

(II) Connected transactions in relation to acquisition of assets or acquisition or disposal of equity

1. *Events disclosed in interim announcements yet with no progress or changes in subsequent implementation*

Applicable Not Applicable

2. *Matters disclosed in interim announcements with progress or change in subsequent implementation*

(1) First Capital Increase in Caofeidian Company

On 11 May 2020, an announcement was made by the Company, and on the date of the announcement, the Company had entered into a Capital Increase Agreement with HECIC, pursuant to which the registered capital of Caofeidian Company would be increased by RMB290 million, of which the Company shall contribute approximately RMB49.9 million (including the registered capital of RMB44.7 million which had been fully paid up as at the valuation benchmark date, and the additional capital contribution of approximately RMB5.2 million would be paid in cash under the Capital Increase Agreement), and HECIC shall contribute RMB240.1 million in cash. Upon completion of the capital increase, the registered capital of Caofeidian Company would be increased to RMB490 million, and 51% and 49% of equity interest of Caofeidian Company would be held by the Company and HECIC, respectively. As at the end of the Reporting Period, the parties had fully paid the aggregate amount of subscribed capital contribution to Caofeidian Company.

The Tangshan LNG Project and the Outbound Pipelines Projects constructed by Caofeidian Company have been listed as the projects to be sped up in the 2020 Oil and Natural Gas Infrastructure Key Constructions of the National Development and Reform Commission of the PRC (國家發改委2020年石油天然氣基礎設施重點工程), which are crucial for the enhancement of the capability of natural gas supply in Beijing, Tianjin and Hebei Provinces in winter and the capability of transmission and distribution of gas in the pipeline network. The introduction of investment from HECIC will introduce new shareholder capital to Caofeidian Company. In the mean time, the project financing ability of Caofeidian Company will be enhanced by leveraging on HECIC's leading position and advantages in the industry, which ensure that the projects can be carried out effectively and create the favourable condition for the projects to be put into operation as soon as possible.

Further details of the first capital increase of Caofeidian Company are set out in the announcements published by the Company on the websites of the Hong Kong Stock Exchange and the Company on 11 May 2020.

(2) Second Capital Increase in Caofeidian Company

On 26 August 2020, the Company had entered into the Capital Increase Agreement with HECIC, pursuant to which the registered capital of Caofeidian Company would be increased by RMB860 million, and the Company and HECIC would subscribe for it according to their respective shareholdings, of which, the Company shall contribute RMB438.6 million and HECIC shall contribute RMB421.4 million. Upon completion of the capital increase, the registered capital of Caofeidian Company would be increased to RMB1,350 million from the current RMB490 million, and the shareholdings of the Company and HECIC would remain unchanged as to 51% and 49%, respectively. Both parties shall pay the subscribed registered capital to the account of Caofeidian Company before 31 December 2020.

The Company made an announcement on 29 December 2020 that, having considered the construction progress and capital needs of Caofeidian Company project, and in order to avoid fund precipitation and reduce capital costs, the Company and HECIC had reached a consensus after further negotiation, to defer the payment deadline for the capital contribution of Caofeidian Company, and had entered into the "Supplemental Capital Increase Agreement of Caofeidian Suntien Liquefied Natural Gas Co., Ltd." on 29 December 2020, pursuant to which both parties had agreed to defer the capital contribution deadline from 31 December 2020 to 30 June 2021.

HECIC is the controlling shareholder of the Company, holding 10% or more equity interest in Caofeidian Company subsequent to the first capital increase, therefore, Caofeidian Company has become a connected subsidiary of the Company. The Company's capital contribution to Caofeidian Company constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio of the Company's Capital Contribution to Caofeidian Company exceeds 0.1% but is less than 5%, the Company's Capital Contribution to Caofeidian Company is subject to the reporting and announcement requirements but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. For details, please refer to the announcements of the Company dated 26 August 2020 and 29 December 2020.



(3) Entering into the Storage Tank Cooperation Contract with Tangshan Haohua

On 20 August 2020, an announcement was made by the Company and on the date of the announcement, Caofeidian Company, a subsidiary of the Company, had entered into a Storage Tank Cooperation Contract with Tangshan Haohua in relation to the cooperation concerning the capital contribution and management of the construction of the target storage tanks, pursuant to which (among other things) Caofeidian Company shall be responsible for the preliminary application procedures of the target storage tanks, the construction management, as well as the operations and management after completion; whereas Tangshan Haohua shall make capital contribution to the construction of the target storage tanks, totaling RMB2.2 billion and shall be entitled to the rights of possession, use and income of the target storage tanks and the contractual right of disposal under the Storage Tank Capital Contribution Contract.

Tangshan Haohua and Towngas (Hebei), a substantial shareholder of Hebei Natural Gas (a subsidiary of the Company), are both controlled by Towngas. Under the Hong Kong Listing Rules, Tangshan Haohua is a connected person at the subsidiary level of the Company. The transaction constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio of the transaction is 5% or more but less than 25%, pursuant to Rule 14A.101 of the Hong Kong Listing Rules, the transaction is subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules. Tangshan LNG Project is located and constructed in the Caofeidian Port Logistics Park, Tangshan City, Hebei Province, and the estimated total investment of the project amounts to RMB25.39 billion.

Given the substantial scale, huge investment, and long construction period of the Tangshan LNG Project, the cooperation with Tangshan Haohua may relieve pressure of Caofeidian Company on its construction funds. The Company expects that upon completion of construction of the target storage tanks, Caofeidian Company may provide Tangshan Haohua and Towngas with services such as the operation management of storage tanks, loading and unloading of LNG, gasified exportation and liquefied exportation, and the profitability of Caofeidian Company will be enhanced by charging service fees therefrom.

Further details of the transaction in respect of the entering into the Storage Tank Cooperation Contract with Tangshan Haohua are set out in the announcement of the Company dated 20 August 2020.

(4) Connected Transaction in respect of the Proposed Subscription of A Shares By Controlling Shareholder

In the announcement dated 21 December 2020, in order to enhance the profitability and sustainable development capabilities of the Company, lower the gearing ratio and enhance the risk resistance capacity, the Company proposed to make a non-public issuance of up to 1,154,973,118 A shares to target subscribers. Supportive and confident in the future development of the Company, HECIC, the controlling shareholder of the Company, intended to subscribe for A shares in the issuance at a cash consideration. On 21 December 2020, the Company entered into the Subscription Agreement with HECIC, pursuant to which HECIC agreed to conditionally subscribe for not less than 48.73% of the total number of A shares to be issued in the issuance, but not to exceed 661,319,941 A shares, and upon completion of the issuance, the shareholding of HECIC in the Company will not exceed 50.70%. The subscription price shall be determined in accordance with the issue price under the issuance, and the A shares subscribed for by HECIC under the issuance is subject to a moratorium of transfer within 18 months from the date of completion of the issuance. The Subscription Agreement shall come into effect upon duly execution and seal by both parties and is conditional upon: (i) consideration and approval of the issuance and subscription is given by the Board, and at the general meeting, the A share class meeting and the H share class meeting of the Company; (ii) review and approval of the issuance is given by state-owned asset-related regulatory authority in power; and (iii) permission is granted by CSRC.

The relevant details are set out in the announcements of the Company dated 21 December 2020 and 8 February 2021 and the shareholders' circular of the Company dated 15 January 2021. As the relevant resolutions were not adopted at the first A share class general meeting in 2021 of the Company, therefore, the issuance exercise had not been carried out.

Upon resolution of the board of directors of the Company, the Company intends to relaunch the A-share non-public issuance plan, and has re-signed a subscription agreement with HECIC on 5 March 2021. Compared with the original subscription agreement, the lock-up period of the A shares subscribed for by HECIC in this issuance will be extended to 36 months from the date of the completion of the issuance. For details, please refer to the Company's announcement on 5 March 2021.

3. *Events not disclosed in interim announcements*

Applicable Not Applicable

4. *Where an agreement on performance is involved, the performance achievements during the Reporting Period shall be disclosed*

Applicable Not Applicable

(III) Material related party transactions related to joint external investment

1. *Events disclosed in the interim announcements and with no progress or change in subsequent implementation*

Events Summary	Index for details
<p>On 26 August 2020, the Company considered and adopt the Resolution on Further Capital Contribution of RMB121 million by the Company to the Registered Capital of Hebei Natural Gas Company Limited in proportion to its Shareholding (《關於公司按股比向河北省天然氣有限責任公司增加1.21億元註冊資本金的議案》), pursuant to which the Company, Towngas (Hebei) and Maokang Investment intended to make further capital contribution to Hebei Natural Gas in proportion to their respective shareholding immediately preceding the transaction by the Hebei Natural Gas remaining undistributed profit available of the years prior to the end of 2019. Among other things, the Company would contribute RMB121 million; Towngas (Hebei) would contribute RMB94.6 million; Maokang Investment would contribute RMB4.4 million. Upon completion of the capital increase, the registered capital of Hebei Natural Gas became RMB1,900 million and the shareholding structure remained unchanged.</p> <p>The registered capital of Hebei Natural Gas before the capital increase was RMB1,680 million, held as to 55%, 43% and 2% by the Company, Towngas (Hebei) and Maokang Investment, respectively. Upon completion of the capital increase, the registered capital of Hebei Natural Gas became RMB1,900 million, and the shareholding structure remaining unchanged.</p>	<p>For details, please refer to the relevant announcement published by the Company on the website of the SSE on 27 August 2020.</p>
<p>On 28 September 2020, the Company considered and adopted the Resolution on Further Capital Contribution by the Company to the Registered Capital of Hebei Fengning Pumped Storage Company Limited in proportion to its Shareholding (《關於公司按股比向河北豐寧抽水蓄能有限公司增加註冊資本金的議案》), pursuant to which it was agreed that the Company and other shareholders of Fengning Pumped Storage would make further capital contribution to Fengning Pumped Storage in cash in proportion to their respective shareholding. Among other things, the Company would make further contribution of RMB309.328 million to the registered capital, and State Grid Xin Yuan Company Limited (國網新源控股有限公司), State Grid North Hebei Electric Power Co., Ltd. (國網冀北電力有限公司), State Grid Beijing Electric Power Company (國網北京市電力公司), State Grid Tianjin Electric Power Company (國網天津市電力公司) and Fengning Manchu Autonomous County Hydropower Development Company (豐寧滿族自治縣水電開發公司) would make further contribution of RMB695.988 million, RMB309.328 million, RMB77.332 million, RMB77.332 million and RMB77.332 million, respectively. Upon completion of the capital increase, the registered capital of Fengning Pumped Storage became RMB3,200 million, and the shareholding structure remained unchanged.</p>	<p>For details, please refer to the relevant announcement published by the Company on the website of the Shanghai Stock Exchange on 29 September 2020.</p>

2. *Events disclosed in the interim announcements but with progress or change in subsequent implementation*

Group Finance Company is jointly established and funded by the Company, HECIC, HECIC Communications, HECIC Water and JEI. The Company, HECIC, HECIC Communications, HECIC Water and JEI hold 10%, 60%, 10%, 10% and 10% equity interests in Group Finance Company, respectively. On 28 April 2020, the Company had entered into a capital increase agreement with HECIC, HECIC Communications, HECIC Water and JEI, pursuant to which the Company, HECIC, HECIC Communications, HECIC Water and JEI shall contribute a total of RMB1 billion in cash to Group Finance Company, of which, the Company, HECIC Communications, HECIC Water and JEI each subscribed for RMB100 million and HECIC subscribed for RMB600 million of the new registered capital and the registered capital of Group Finance Company would increase to RMB2 billion after the capital increase. The parties shall fully pay the newly-increased registered capital of Group Finance Company in cash in a lump sum in accordance with their respective shareholding percentages. The capital increase agreement shall come into effect upon execution of all parties and approval of CBIRC. In the event that CBIRC does not approve the capital increase agreement for any reasons, the parties shall not be obliged to capital contribution pursuant to the capital increase agreement



The capital adequacy ratio is an important indicator of Group Finance Company's ability to resist risks. With the rapid growth of Group Finance Company's credit business and investment business, its capital adequacy ratio is decreasing year by year, and the buffer zone between the capital adequacy ratio and the minimum regulatory indicator required by the CBIRC is narrowing year by year. Increasing the capital of Group Finance Company will help increase its capital adequacy ratio, thereby reducing systemic risk. In addition, doubling the registered capital of the Group Finance Company can correspondingly expand its investment business and guarantee business by about twice the size, thereby improving its business capacity, and its external financing and borrowing capacity will also increase, which helps provide funds to its member companies in a timely manner. Finally, as one of the shareholders and customers of Group Finance Company, the Company can enjoy long-term and stable financial support from Group Finance Company, and obtain certain investment return at the same time, which is beneficial to achieving the Company's strategic goals.

For details, please see the announcement headed "Connected Transaction Agreement on Capital Increase to Group Finance Company" posted on the website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company on 28 April 2020.

On 14 July 2020, the change of registered capital of Group Finance Company was approved by the CBIRC.

3. *Events not disclosed in interim announcements*

Applicable Not Applicable

(IV) Amounts due to or from related parties

1. *Events disclosed in interim announcements without subsequent development or changes during implementation*

Applicable Not Applicable

2. *Events disclosed in interim announcements with subsequent development or changes during implementation*

Applicable Not Applicable

3. *Events not disclosed in interim announcements*

Applicable Not Applicable

(V) Others

Applicable Not Applicable

XV. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

(I) Trusteeship, contracting and leasing

1. *Trusteeship*

Applicable Not Applicable

2. *Contracting*

Applicable Not Applicable

3. *Leasing*

Applicable Not Applicable

SIGNIFICANT EVENT

(II) Guarantees

Unit: RMB '0,000 Currency: RMB

Guarantor	Relationship between guarantor and the Company	Guaranteed party	Amount guaranteed	External guarantees provided by the Company (excluding guarantees provided for subsidiaries)									
				Guarantee date	Commencement of guarantee	Expiry of guarantee	Type of guarantee	Whether fully performed	Whether overdue	Overdue amount	Any counter guarantee	Whether provided for related parties	Related relationship
The Company	The Company's head office	Hebei Suntien Guohua Gas Co., Ltd.	10,000	2018.2.2	2018.2.2	2025.2.1	Joint liability guarantee	No	No	0	Yes	Yes	Joint venture
Total amount of guarantees incurred during the Reporting Period (excluding guarantees provided for subsidiaries)													
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries)													
Guarantees provided by the Company for subsidiaries													
Total amount of guarantees incurred for subsidiaries during the Reporting Period													
Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B)													
Total amount of guarantees provided by the Company (including guarantees provided for subsidiaries)													
Total amount of guarantees (A+B)													
Total amount of guarantees as a percentage of the net assets of the Company (%)													
Including:													
Amount of guarantees provided for shareholders, de facto controller and their related parties (C)													
Amount of debt guarantees directly or indirectly provided for guaranteed parties with a gearing ratio exceeding 70% (D)													
Total amount of guarantees in excess of 50% of net assets (E)													
Total amount of guarantees of the above three items (C+D+E)													
Statement on the potential joint liability in connection with unexpired guarantees													
Details of guarantees													

(III) Entrusting third parties with cash asset management

1. Asset management on trust

(1) Overall asset management on trust

Applicable Not Applicable

Others

Applicable Not Applicable

(2) Breakdown of entrusted wealth management

Applicable Not Applicable

Others

Applicable Not Applicable

(3) Provisions for impairment of entrusted wealth management

Applicable Not Applicable

2. Entrusted loans

(1) Overall entrusted loans

Applicable Not Applicable

Others

At the beginning of the Reporting Period, the entrusted loan investment amounting to RMB11,209,374.14 was fully matured 2020 and the balance of entrusted loan investment was nil at the end of the Reporting Period.



- (2) Breakdown of entrusted loans
 Applicable Not Applicable

Others
 Applicable Not Applicable

- (3) Provision of impairment of entrusted loans
 Applicable Not Applicable

3. Others
 Applicable Not Applicable

- (IV) Other Material Contracts
 Applicable Not Applicable

XVI. EXPLANATION ON OTHER MAJOR EVENTS

Applicable Not Applicable

XVII. ACTIVE PERFORMANCE OF SOCIAL RESPONSIBILITIES

(I) POVERTY ALLEVIATION BY THE LISTED COMPANY

1. Targeted poverty alleviation program

The Company strictly implemented various national decisions and deployments for poverty alleviation, established various mechanisms such as organisational leadership, system guarantee and work implementation, and concretely carried out targeted poverty alleviation. Meanwhile, through integrating with the main line of actual support for villages, focusing on weaknesses, industrial assistance and promoting collective income growth, the Company cooperated and worked together with local governments at all levels to alleviate poverty with scientific approach and ensure full achievement of poverty alleviation targets.

2. Summary of annual targeted poverty alleviation

In the poverty alleviation consolidation and improvement program in 2020, the Company was assigned to help the residents of Leguo Village, Huangqi Town, Fengning Manchu Autonomous County, Hebei Province. Through various measures including industrial employment and basic protection, 8 households with 19 people who were previously not steadily out of poverty had been removed from the monitoring list. The whole village has been lifted out of poverty steadily and there is no remaining poor population in the village. The Company invested in the construction of 10 vegetable cold sheds, which now belong to the village collective and have been put into operation. The Company organized all units within the Company to participate in the "Old clothes, true love" (舊衣真情) event, in which more than 1,700 pieces of clothes were collected and sent to people benefiting from the poverty alleviation policies.

3. Results of targeted poverty alleviation

Unit: '0,000 Currency: RMB

Indicator	Quantity and progress
I. General information	
Including: 1. Capital	24.90
3. Registered poor population lifted out of poverty (person)	337
II. Investment by project	
1. Poverty alleviation through industrial development	
Including: 1.1 Types of industrial poverty alleviation projects	<input checked="" type="checkbox"/> Agriculture and forestry industry poverty alleviation <input type="checkbox"/> Tourism poverty alleviation <input type="checkbox"/> E-commerce poverty alleviation <input type="checkbox"/> Asset income poverty alleviation <input type="checkbox"/> Technology poverty alleviation <input type="checkbox"/> Others
1.2 Number of industrial poverty alleviation projects	1
1.3 Amount of investment in industrial poverty alleviation projects	24.90
1.4 Number of registered poor population lifted out of poverty (person)	337

4. *Subsequent poverty alleviation plan*

The Company will continue to fully implement the initiatives of “removing poverty without removing responsibilities, policies, assistance and supervision”, consolidate and enhance the effect and result of poverty alleviation and strengthen the integration of poverty alleviation with enhancing confidence and education so as to enable the villages receiving assistance to drive sustainable internal motivation and ensure full and timely poverty alleviation with high quality.

(II) Social Responsibility Commitments

In 2020, the Company generated a total of 10,051 million kWh of green electricity, which is equivalent to a reduction of 8,422,700 tons of carbon dioxide emissions (approximately 838 g of carbon dioxide per kWh of thermal power generation nationwide), 1,879.54 tons of sulfur dioxide emissions (approximately 0.187 g of sulfur dioxide per kWh of thermal power generation nationwide), 1,959.95 tons of nitrogen oxide emissions (approximately 0.195 g of nitrogen oxide per kWh of thermal power generation nationwide) and 381.94 tons of dust emissions (approximately 0.038 g of soot per kWh of thermal power generation nationwide).

During the Reporting Period, HECIC New-energy, a subsidiary of the Company, carried out activities paying respect to the elderly at Guangrong Nursing Home of Lingqiu County, Shanxi Province (山西靈丘縣光榮敬老院). During the COVID-19 outbreak, the blood supply was tight. HECIC New-energy arranged a blood donation with the theme of “Blood donation to pass on warmth” (無償獻血傳遞溫暖). HECIC Offshore Wind Power Co., Ltd. (河北建投海上風電有限公司), a subsidiary of the Company, carried out voluntary service activities for the solitary elderly in Leling County. Hebei Natural Gas, a subsidiary of the Company, made donations to 3 poor students in Pingshan County, Shijiazhuang, so that they could continue their education.

(III) Environmental Information

1. *Explanation on environmental protection of companies and their significant subsidiaries classified as the key pollutant discharging units announced by the environmental protection department*

Applicable Not Applicable

2. *Explanation on environmental protection of companies other than those classified as the key pollutant discharging units*

The wind farms held by the Group have constructed customized hazardous waste storage room tailored for storage of wastes, used batteries and pollutants such as waste oil. Disposals of replaced batteries, waste transformer oil, waste hydraulic oil and waste lubricant of wind farms and waste fluid from compressors of gas companies are commissioned to qualified entities with relevant experience, and hazardous waste disposal agreements are signed. Relevant enterprises under the Group have formulated environmental emergency plans which are filed to environmental protection authorities.

3. *Explanation of reasons for the non-disclosure of environmental information by the Company other than those classified as the key pollutant discharging units*

Applicable Not Applicable

4. *Explanation of the follow-up progress or changes in the disclosure of environmental information during the Reporting Period*

Applicable Not Applicable

(IV) Other explanations

Applicable Not Applicable

XVIII. CONVERTIBLE CORPORATE BONDS

Applicable Not Applicable



I. BUSINESS REVIEW

1. Operating environment

The Company is principally engaged in the investment of projects involving the exploration and utilization of natural gas, LNG, CNG, coal gas and coalbed methane, as well as projects of new energy sources including wind power and solar power, etc. Details of principal subsidiaries of the Company are set out in "Financial Report – 9. INTERESTS IN OTHER ENTITIES – 1. Interests in subsidiaries" of this annual report. During the Reporting Period, the Company actively expanded the renewable energy and clean energy business and steadily promoted the reserve of wind resources, therefore, the installed capacity experienced steady growth, and the innovation management system is continually improved. With active facilitation of the construction of infrastructure of natural gas, continued expansion of the market of downstream users, development of CNG and LNG businesses in a steady manner and gradual improvement in the transmission network, the sales volume obviously increased. Details of the business environment policy of the Company are set out in "Chapter 6 BUSINESS DISCUSSION AND ANALYSIS" of this annual report.

2. Key financial indicators

In 2020, the Group realized a total sale of wind and photovoltaic power generation of 9.398 billion kWh, representing an increase of 10.52% as compared with 2019; sold 3,525 million cubic meters of natural gas, representing an increase of 8.90% as compared with 2019; realized operating revenue of RMB12.511 billion, representing an increase of 4.38% as compared with 2019; a total profit of RMB2.264 billion, representing an increase of 3.35% as compared with 2019; and a net profit of RMB1.933 billion, representing an increase of 5.36% as compared with 2019; of which the net profit attributable to the shareholders of the parent company amounted to RMB1.511 billion, representing an increase of 6.33% as compared with 2019.

As of 31 December 2020, the total share capital of the Company was 3,849,910,396 shares, comprising of 2,010,906,000 A shares and 1,839,004,396 H shares. Details of liquidity of the Company are set out in "BUSINESS DISCUSSION AND ANALYSIS" of this annual report.

3. Compliance with laws and regulations and performance

In 2020, the Group complied with laws and regulations that had material impacts on the establishment, production and operation of wind power, photovoltaic power and natural gas projects, including "The Environmental Protection Law of the PRC", "The Recycling Economy Promotion Law of the PRC", "The Renewable Energy Law of the PRC" and other relevant laws, regulations, management ordinances and environmental protection standards. Pursuant to the regulations above, and along with strategies related to the national ecological civilization construction and the setting of the target of energy saving and emission reduction for the community as a whole, the Company, building on its operational production characteristics, set up a leading group of energy saving and emission reduction with its president as the team leader. The Safety Production Department set up an energy saving and emission reduction office with the manager of Safe Production Department as the officer. The Company also formulated "energy management measures", "environmental protection measures" and "management measures for disposal of production wastes", so as to strictly control the consumption of various energy and resources by the Group, promoted new technology, skills, facilities and materials for energy saving, encouraged reasonable consumption of energy, enhanced utilization and economic efficiency of energy, water and ecological resources, actively reduced the wastage of resources and protected the ecological environment. In 2020, there were neither incidents nor complaints relating to environmental pollution.

4. Major risk factors

The major risks and uncertain factors of the Company include the slowdown of the growth of macroeconomy, competition of alternative energy, collection of account receivables, decrease in price of electricity, climate and wind curtailments and power constraints, details of which are set out in the "BUSINESS DISCUSSION AND ANALYSIS—III. Discussion and Analysis on the Company's Future Development—(IV) Potential risks" and of this annual report.

5. Business development forecast in the future

Subsequent to the Reporting Period, no significant event that has had impact on the Company occurs.

For the business development in 2021, please refer to "BUSINESS DISCUSSION AND ANALYSIS – III. Discussion and Analysis on the Company's Future Development" of this annual report.

6. Staff Relationship

Staff does not only provide services and maintain operations, but also the source power of innovation and development of the Company. In order to create a united and harmonious team, the Group actively protects the basic rights of the staff, set out clear regulations in respect of recruitment, employment, labor relations, and has standardized the employment of the Company, social security management and code of conduct of the staff, so as to maximize the protection of the staff's legal rights. The Company prepared a comprehensive management system from two aspects, namely occupational health and production safety, so as to create a safe production foundation, it has also paid attention to the staff's demands to ensure that the staff are healthy and happy. At the same time, it has set up a scientific staff promotion system and supplemented with specific trainings, to train and encourage outstanding talents, so as to build a professional and efficient team for the Group.

7. Client and supplier Relations

The Group shoulders the responsibility of supplying natural gases to urban residents and industrial enterprises in Hebei Province. Hebei Natural Gas has adopted specific management measures in respect of stable gas supply and enhancement of client services. Construction of natural gas pipeline projects and pipeline networks of Hebei Province is continuously carried out to further enhance gas supply capacity to customers. Following the service philosophy of "value customers, service comes first", the Group issued "Standardization of Customer Service Management Measures", and enhanced the proactive communications with customers through effective handling of complaints. The Group also performed satisfaction surveys, and conducted assessment on each subsidiary based on the surveys. Additionally, the Group implemented administrative measures such as "Administrative Rules of Customers Files" to prevent any leakage of clients' information.

The Group is at a stage of business expansion, from 2020 going forward to the long future, suppliers of project construction and related materials will be the main procurement source of the Group. The Group has formulated management procedures on suppliers of each product and service in compliance with relevant national and local regulations, to ensure that the procurement process is legitimate and compliant, and that the suppliers selected are highly efficient in managing different aspects of their business, such as quality, environmental protection and safety.

8. Environmental protection policies and performance

As a green energy company, the Group aligns closely with the adjusted national energy strategic direction and endeavors to develop natural gas, wind power and solar energy businesses as well as to deliver clean energy to various industries. Apart from creating economic value, the Group also reduces the impact to the environment through its products and services. Meanwhile, the Group has actively considered the impact on the environment during project construction and operations to further improve the environment. During project construction, the Group allocated a substantial funding resources on protection measures to minimize the impact to the environment during the construction, including sewage treatment, oil spill collection, shock absorption and noise reduction, dust reduction, ecological rehabilitation and poison waste treatment. The Group has also allocated capital to energy saving and consumption reduction and technology improvement, so as to minimize adversities caused to the environment during its operation

II. PRE-EMPTIVE RIGHTS

There is no provision relating to pre-emptive rights entitled to shareholders of the Company under laws and regulations, such as the PRC Company Law, and the Articles of Association of the Company.

III. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

None of the Directors or supervisors of the Company has entered into a service contract with the Company or its subsidiaries that is not determinable within one year without payment of compensation (other than statutory compensation).

IV. INTERESTS OF DIRECTORS AND SUPERVISORS (AND ITS ASSOCIATED ENTITIES) IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

As at the end of year 2020 or at any time during the year 2020, none of the Directors and supervisors (and any of their associated entities) of the Company had any personal interest, either directly or indirectly, in any transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party.

V. SUPERVISORS AND DIRECTORS' INTEREST IN BUSINESS COMPETING WITH THE COMPANY

During the Reporting Period, none of the Directors and supervisors and their associates (as defined under the Hong Kong Listing Rules) had any interests that competes either directly or indirectly, with the business of the Group.

VI. MANAGEMENT CONTRACTS

Save for the service contracts with Directors, supervisors and all employees of the Group, at any time during the Reporting Period, the Group has not entered into any contract with any individual, company or body corporate to manage or handle the whole department or any material part of the Company's business.

VII. PERMITTED INDEMNITY PROVISION

The Company purchased applicable liability insurance policies for all Directors of the Company on indemnification of liabilities that may be caused under corporate activities.



VIII. COMPLIANCE WITH NON-COMPETITION AGREEMENT

On 19 September 2010, the Company had entered into a "Non-Competition Agreement" with controlling shareholder HECIC. Pursuant to the Non-Competition Agreement, HECIC undertook that it would not and would procure its subsidiaries not to compete with the Group in the relevant businesses, and HECIC granted the Company the options of new business opportunity, acquisition of retained business, new business opportunities and pre-emptive rights.

Independent non-executive Directors of the Company will be responsible for review, consideration and decision-making in relation to acceptance of new business opportunities referred by HECIC or its subsidiaries, options of acquisitions and pre-emptive rights.

HECIC undertook that it had obliged to its undertakings of the "Non-Competition Agreement" in 2020. The independent non-executive Directors of the Company had reviewed the execution of the "Non-Competition Agreement" in 2020 and it was confirmed that HECIC had duly complied with the agreement and any violations of non-compliance of the agreement was not observed.

IX. RETIREMENT AND EMPLOYEE BENEFIT PLANS

Details of the Group's retirement and employee benefit plans are set out in "Financial Report – VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS – 38. Wages Payable" of this annual report.

X. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Hong Kong Stock Exchange, the Company strives to maintain a high standard of corporate governance practices and adopts the code provisions as set out in the "Corporate Governance Code and Corporate Governance Report" to Appendix 14 of the Hong Kong Listing Rules. During the Reporting Period, except for paragraph E.1.2 of the "Corporate Governance Code", the Company had complied with all provisions set out in the Code. In accordance with the requirements of paragraph E.1.2 of the "Corporate Governance Code", chairman of the Board shall attend annual general meeting. Mr. Cao Xin, the Chairman of the Company for work reason, was unable to attend the 2019 annual general meeting of the Company. According to relevant requirements, elected by over half of all the directors of the Company, executive director Mr. Mei Chun Xiao chaired the meeting.

XI. PUBLIC FLOAT

According to the information publicly available to the Company and to the knowledge of the Directors, as of the latest practicable date prior to the publication of this report (i.e. 19 March 2021), the issued A shares and H shares of the Company held by the public accounted for above 25% of the total issued share capital of the Company, maintaining a sufficient public float to meet the requirements under the Hong Kong Listing Rules

XII. AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the 2020 annual results of the Group and the Financial Statements for the year ended 31 December 2020 prepared in accordance with the PRC Accounting Standards for Business Enterprises.

XIII. AUDITORS

On 26 August 2020, Reanda Certified Public Accountants (利安達會計師事務所) tendered his resignation as the PRC auditor of the Company. On 13 October 2020, at an extraordinary general meeting of the Company, the resolution on the appointment of Ernst & Young Hua Ming LLP (Special General Partnership) (安永華明會計師事務所(特殊普通合夥)) as the domestic auditor of the Company in 2020 was passed. On 25 November 2020, at an extraordinary general meeting of the Company, the resolutions on the preparation of financial statements in accordance with the PRC Accounting Standards for Business Enterprises and the termination of the appointment of international auditors were passed.

Ernst & Young Hua Ming LLP (Special General Partnership) is appointed auditor for preparation of the financial statements for the year ended 31 December 2020 in accordance with the PRC Accounting Standards for Business Enterprises. The Financial Statements contained in this Report are prepared in accordance with the PRC Accounting Standards for Business Enterprises and have been audited by Ernst & Young Hua Ming LLP (Special General Partnership).

XIV. RELATED PARTY TRANSACTIONS

The following categories of related party transactions as set out in "Financial Report - XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS" of this annual report which constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules:

- (a) the transactions with HECIC: the transactions had been continued in year 2020;
- (b) the transactions with subsidiaries of HECIC: including the transactions with Group Finance Company, CISF, Hebei Construction & Investment Rongtan Asset Management Co., Ltd. and HECIC Mingjia Property Management Service Co., Ltd. (such transactions had been continued in year 2020) and the transactions with other subsidiaries of HECIC; and
- (c) the transactions with Huihai Leasing: the transactions had been continued in year 2020.

The above-mentioned transactions are in compliance with the requirements of Chapter 14A of the Hong Kong Listing Rules.

XV. INFORMATION OF TAX DEDUCTION FOR HOLDERS OF LISTED SECURITIES

Shareholders are taxed and/or enjoy tax relief for the dividend income received from the Company in accordance with the Individual Income Tax Law of the People's Republic of China, the Enterprise Income Tax Law of the People's Republic of China, and relevant administrative rules, governmental regulations and guiding documents. Please refer to the announcement published by the Company on the website of the SSE on 26 October 2020 for the information on income tax in respect of the dividend distributed to A shareholders during the Reporting Period, and the announcement published by the Company on the HKExnews website of the Hong Kong Exchanges and Clearing Limited on 13 October 2020 for the information on income tax in respect of the dividend distributed to H shareholders during the Reporting Period.

XVI. RESERVES

Details of the changes in the Company's reserves during the year are set out in "Financial Report – VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS – 59 Undistributed profits" of this annual report, and the details of the reserves available for distribution to shareholders are set out in "Financial Report – VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS – 59 Undistributed profits" of this annual report.



I. COMPOSITION OF THE BOARD OF SUPERVISORS

During the Reporting Period, Mr. Wang Chun Dong and Mr. Shao Jing Chun resigned as the chairman and an independent supervisor of the board of supervisors of the Company, respectively. The Company held the first 2020 extraordinary general meeting on 13 October 2020, and elected Ms. Gao Jun and Mr. Zhang Dong Sheng as an external supervisor and an independent supervisor of the Company, respectively. The Company held a meeting of the board of supervisors on 20 October 2020 to elect Ms. Gao Jun as the chairman of the board of supervisors.

As of 31 December 2020, the composition of the fourth session of the board of supervisors was as follows:

Name	Age	Position	Date of Appointment	Term of office
Gao Jun	50	Chairman of the Board of Supervisors	20 October 2020	until expiration of the term of the fourth session of the board of supervisors
Qiao Guo Jie	58	Employee representative supervisor	11 June 2019	until expiration of the term of the fourth session of the board of supervisors
Zhang Dong Sheng	60	Independent supervisor	13 October 2020	until expiration of the term of the fourth session of the board of supervisors

II. MEETINGS CONVENED BY THE BOARD OF SUPERVISORS

During the Reporting Period, the board of supervisors of the Company held eight meetings and all supervisors attended the meetings, the details of which were as follows:

1. The second meeting of the fourth session of the board of supervisors of the Company was held on 19 March 2020, at which the "Report on the Final Accounts of the Company for 2019", the "Financial Budget for 2020", the "Resolution on the Provision for Asset Impairment Loss and Recognition of Asset Loss for 2019", the "Resolution on the Profit Distribution Plan for 2019", the "Resolution on the Audited Financial Statements for 2019", the "Resolution on the Report on the Use of Proceeds Previously Raised by China Suntien Green Energy Corporation Limited" and the "Resolution on the Consideration and Approval of the 2019 Annual Report and Results Announcement" were considered and approved.
2. The third extraordinary meeting of the fourth session of the board of supervisors of the Company was held on 11 August 2020, at which the "Resolution on Using Raised Funds to Increase the Capital of Subsidiaries to Implement Projects Funded by Proceeds of Suntien Green Energy" and the "Resolution on the Application of Proceeds In Replacement of Self-Raised Funds Previously Invested in Projects for which the Proceeds are Intended of Suntien Green Energy" were considered and approved.
3. The fourth extraordinary meeting of the fourth session of the board of supervisors of the Company was held on 20 August 2020, at which the "Resolution on the 2019 Profit Distribution Plan" was considered and approved.
4. The third meeting of the fourth session of the board of supervisors of the Company was held on 26 August 2020, at which the "Resolution on the Nomination of Supervisors of the Fourth Session of the Board of Supervisors of the Company", "the 2020 President Interim Work Report", "Resolution on the Placement and Actual Use of the Proceeds for the First Half of 2020", "Resolution on the formulation of the 'Administrative Regulations on the Business Seals of the Board of Supervisors of China Suntien Green Energy Corporation Limited'" and "Resolution on the Consideration and Approval of the Interim Results Announcement and Report as at 30 June 2020 and Summary and Report of 2020 Interim Report" were considered and approved.
5. The fifth extraordinary meeting of the fourth session of the board of supervisors of the Company was held on 20 October 2020, at which the "Resolution on Election of Ms. Gao Jun as the Chairman of the Board of Supervisors of the Company" was considered and approved.
6. The sixth extraordinary meeting of the fourth session of the board of supervisors of the Company was held on 29 October 2020, at which the "Resolution on the Consideration and Approval of the 2020 Third Quarterly Report" was considered and approved.
7. The seventh extraordinary meeting of the fourth session of the board of supervisors of the Company was held on 3 November 2020, at which the "Resolution on Proposed Unified Use of the China Accounting Standards for Business Enterprises by the Company" was considered and approved.
8. The eighth extraordinary meeting of the fourth session of the board of supervisors of the Company was held on 21 December 2020, at which the "Resolution on the Satisfaction of the Criteria of the Non-public Issuance of A Shares by the Company", "Resolution on the Issuance Plan of the Non-public Issuance of A Shares by the Company", "Resolution on the Proposal on Non-public Issuance of A Shares of the Company", "Resolution on the Entering into of the Conditional Subscription Agreement and the Connected Transaction between the Company and Hebei Construction & Investment Group Co., Ltd.", "Resolution on the Feasibility Analysis Report on the Use of Proceeds from the Non-public Issuance of A Shares of the Company", "Resolution on the Report on the Use of the Previously-Raised Proceeds of the Company", "Resolution on the Dilution of Current Returns, Adoption of Remedial Measures and Related Subject Undertakings of the Non-public Issuance of A Shares", "Resolution on the Shareholders' Return Plan for the Next Three Years (2021-2023) Upon the Non-public Issuance" and "Resolution on Opening a Special Account for Proceeds from the Non-public Issuance of A Shares" were considered and approved.

III. MAJOR INSPECTION AND SUPERVISION WORK UNDERTAKEN BY THE BOARD OF SUPERVISORS

During the Reporting Period, the major inspection and supervision work of the board of supervisors of the Company was as follows:

(1) Monitoring the Company's operation

During the Reporting Period, members of the board of supervisors of the Company attended all Board meetings and shareholders' general meetings to review each resolution submitted to those meetings and supervised the business activities of the Company. The board of supervisors is of the opinion that the Company has strictly complied with all laws and regulations and the Articles of Association of the Company in proceed of business activities, and that the Company has not involved in business activities which violate laws and regulations or fall beyond its legally approved scope of business.

(2) Monitoring the performance of the Company's Directors and senior management

During the Reporting Period, members of the board of supervisors of the Company had attended Board meetings to review each resolution of the Board and supervised the performance of the Company's Directors and senior management by inspecting the Company's routine management of operations. The board of supervisors is of the opinion that the Company's Directors and senior management have diligently and dutifully fulfilled their duties, and no illegal, non-compliant behavior or behavior which harms the interests of the Company and its shareholders in the course of discharging their duties has been found.

(3) Monitoring the Company's financial condition

During the Reporting Period, the board of supervisors carefully reviewed the relevant financial information and auditors' report of the Company. The board of supervisors is of the opinion that the preparation of the financial statements has been in conformity with the financial reporting standards, and the report was consistent with past practice that presented an accurate, complete, true and fair view to the financial conditions and operating result of the Company.

(4) Monitoring the Company's connected/related transactions

During the Reporting Period, the board of supervisors reviewed the information of the connected/related transactions between the Company and the controlling shareholder. The board of supervisors is of the opinion that such connected/related transactions are conducted on normal commercial terms and are fair, justified and reasonable and have not caused any harm to the interests of the Company and other shareholders of the Company.

(5) Monitoring the Company's disclosure of information

During the Reporting Period, the board of supervisors reviewed the relevant documents publicly disclosed by the Company. The board of supervisors is of the opinion that the Company has disclosed information strictly in accordance with laws, regulations and the requirements of the Hong Kong Stock Exchange, such as the Hong Kong Listing Rules, and the information publicly disclosed is true, accurate and complete without false or misleading statements.



I. CHANGES IN ORDINARY SHARES

(I) Table of changes in ordinary shares

1. Table of changes in ordinary shares

Unit: Shares

	Before the change		Increase or decrease (+,-)				After the change		
	Number	Percentage (%)	New shares issued	Bonus issue	Capital reserve transferred to shares	Others	Sub-total	Number	Percentage (%)
I. Shares subject to restriction on sales	1,876,156,000	50.5						1,876,156,000	48.73
1. state-owned shares									
2. shares held by state-owned legal person	1,876,156,000	50.5						1,876,156,000	48.73
3. other domestically-owned shares Including: shares held by domestic non-state-owned legal person									
4. Shares held by foreign investors Including: shares held by overseas legal person									
II. shares not subject to restrictions on sales	1,839,004,396	49.5	134,750,000				134,750,000	1,973,754,396	51.27
1. RMB ordinary shares			134,750,000				134,750,000	134,750,000	3.5
2. Domestically-listed foreign shares									
3. Overseas-listed foreign shares	1,839,004,396	49.5						1,839,004,396	47.77
4. Others									
III. Total number of ordinary shares	3,715,160,396	100	134,750,000				134,750,000	3,849,910,396	100

2. Explanation for changes in shares

As approved by the "Reply Regarding the Approval of Initial Public Offering of Shares by China Suntien Green Energy Corporation Limited" (《關於核准新天綠色能源股份有限公司首次公開發行股票的批覆》) (Zheng Jian Xu Ke [2020] No. 1012) issued by the CSRC, the Company issued 134,750,000 A shares at the issue price of RMB3.18 per A share by way of initial public offering which were listed on the SSE on 29 June 2020. The original domestic shares were converted to A shares accordingly. After completion of the offering, the total share capital of the Company comprises 3,849,910,396 shares, of which, the A share capital and H share capital comprise 2,010,906,000 shares and 1,839,004,396 shares respectively.

3. Effects of changes in ordinary shares on financial indicators such as earnings per share and net assets per share for the most recent year and most recent period (if any)

The effects of this change in shares on financial indicators such as earnings per share and net assets per share for the most recent year and most recent period are as follows:

Item	Based on new share capital	Based on original share capital
Share capital (share)	3,849,910,396	3,715,160,396
Basic earnings per share (RMB/share)	0.38	0.39
Diluted earnings per share (RMB/share)	0.38	0.39
Net assets per share (RMB/share)	3.42	3.45

Notes:

- (1) Basic earnings per share and diluted earnings per share based on new share capital = Net profit attributable to ordinary shareholders of the Company/Weighted average share capital

CHANGES IN ORDINARY SHARES AND PUBLICATIONS OF SHAREHOLDERS

- (2) Net assets per share attributable to ordinary shareholders of the Company based on new share capital = Equity attributable to holders of ordinary shares of the Company as at the end of the period/Share capital as at the end of the period
- (3) Net assets per share attributable to holders of ordinary shares of the Company based on original share capital = (Equity attributable to holders of ordinary shares of the Company as at the end of the period – Newly added share capital during the period – Newly added capital reserve during the period + Dividends distributed out of new share capital)/Share capital as at the beginning of the period

4. Other information the disclosure of which is deemed necessary by the Company or is required by securities regulatory authorities

Applicable Not Applicable

(II) Change in restricted shares

Name of shareholder	Number of shares subject to restrictions on sales at the beginning of the year	Shares released from restrictions on sales in current year	Increase in shares subject to restrictions on sales in current year	Number of shares subject to restrictions on sales at the end of the year	Reason for restrictions on sales	Unit: Shares	
						Date of release from restrictions on sales	
Hebei Construction & Investment Group Co., Ltd.			1,876,156,000	1,876,156,000	shareholder prior to initial public offering	29 June 2023	
Total			1,876,156,000	1,876,156,000	/	/	

II. ISSUANCE AND LISTING OF SECURITIES

(I) Issue of Securities During the Reporting Period

Types of Shares and other derivative instruments	Date of issue	Issue price (or interest rate)	Issue amount	Listing date	Unit : Shares Currency : RMB	
					Transaction amount approved to be listed	Transaction Termination Date
Ordinary Shares						
A Share	12 June 2020	3.18	134,750,000	29 June 2020	134,750,000	N/A

Issue of securities during the Reporting Period (particulars of bonds with different interest rates during duration shall be provided separately):

Applicable Not Applicable

(II) Change in total number of ordinary shares, shareholding structure and asset and liability structure of the Company

For details of the change in the total number of ordinary shares and shareholding structure, please refer to the "Changes in Ordinary Shares and Particulars of Shareholders-I. Changes in Ordinary Shares-(I) Table of changes in ordinary shares" section of this report.

For details of the changes in asset and liability structure of the Company, please refer to "BUSINESS DISCUSSION AND ANALYSIS—II. MAJOR OPERATIONS DURING THE REPORTING PERIOD—(III) Analysis on assets and liabilities" section of this report.

(III) Information of current employee shares

Applicable Not Applicable



III. SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Total Number of Shareholders:

As of 31 December 2020, the number of shareholders of the Company was: 44,813 A-share shareholders and 1,521 H-share shareholders, totaling 46,334 shareholders.

Total number of holders of ordinary shares as at the end of the Reporting Period (person)	46,334
Total number of holders of ordinary shares as at the end of the month immediately before the publication date of the annual report (person)	39,763
Total number of holders of preference shares with restored voting right as at the end of the Reporting Period (person)	0
Total number of holders of preference shares with restored voting right as at the end of the month immediately before the publication date of the annual report (person)	0

(II) Table of shareholding of the top 10 shareholders and the top 10 shareholders of tradable shares or shares not subject to selling restrictions as at the end of the Reporting Period

Unit: Shares

Name of shareholder (full name)	increase/ decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Shareholding of the top 10 shareholders		Nature of shareholder
				Number of shares subject to selling restrictions held	Shares pledged or frozen Status of shares Number	
Hebei Construction & Investment Group Co., Ltd.	1,876,156,000	1,876,156,000	48.73	1,876,156,000	Nil	State-owned legal person Overseas
HKSCC NOMINEES LIMITED ⁽¹⁾	-90,000	1,834,687,295	47.66		Unknown	legal person Domestic natural person
Hu Lingjin	880,800	880,800	0.02		Nil	Domestic natural person
Shen Xiaoming	807,100	807,100	0.02		Nil	Domestic natural person
Xia Hongyan	806,000	806,000	0.02		Nil	Domestic natural person
Ningbo High-Flyer Quant Investment Mangement Partnership (Limited Partnership) – High-Flyer Quant Qingxi No. 5 Private Securities Investment Fund (幻方量化青溪5號 私募證券投資基金)	772,700	772,700	0.02		Nil	Others Domestic natural person
Liu Jia	770,900	770,900	0.02		Nil	Domestic natural person
Han Jian	752,028	752,028	0.02		Nil	Domestic natural person
Hong Kong Securities Clearing Company Limited	728,716	728,716	0.02		Nil	Others Domestic natural person
Wang Yan	520,000	520,000	0.01		Nil	Domestic natural person

Shareholding of the top 10 shareholders holding shares not subject to selling restrictions

Name of shareholder	Number of tradable shares not subject to selling restrictions held		Class and number of shares	Number
HKSCC NOMINEES LIMITED ⁽¹⁾	1,834,687,295		Overseas-listed foreign shares	1,834,687,295
Hu Lingjin	880,800		RMB ordinary shares	
Shen Xiaoming	807,100		RMB ordinary shares	
Xia Hongyan	806,000		RMB ordinary shares	
Ningbo High-Flyer Quant Investment Mangement Partnership (Limited Partnership) – High-Flyer Quant Qingxi No. 5 Private Securities Investment Fund (幻方量化青溪5號私募證券投資基金)	772,700		RMB ordinary shares	
Liu Jia	770,900		RMB ordinary shares	
Han Jian	752,028		RMB ordinary shares	
Hong Kong Securities Clearing Company Limited	728,716		RMB ordinary shares	
Wang Yan	520,000		RMB ordinary shares	
Liao Xueqiang	503,800		RMB ordinary shares	
Description of connected relationship or acting in concert among the above shareholders	The Company is not aware that there are any shareholders above with related party relationship or acting in concert under The Measures for the Administration of the Takeover of Listed Companies.			
Description of holders of preference shares subject to restored voting rights and their shareholdings	N/A			

Note :

- (1) The shares are the total number of H shares of the Company held by HKSCC Nominees Limited on behalf of investors, which are deposited into the central clearing and settlement system of the Hong Kong Stock Exchange and registered in the name HKSCC Nominees Limited, a wholly-owned subsidiary of the Hong Kong Stock Exchange.

Number of shares held by top 10 shareholders holding shares subject to selling restrictions and the terms of selling restrictions

Unit : Shares

No.	Name of shareholder holding shares subject to selling restrictions	Number of shares subject of selling restrictions held	Tradable status of shares subject to selling restrictions		
			Date tradable	Number of Additional shares tradable	Term of selling restriction
1	Hebei Construction & Investment Group Co., Ltd.	1,876,156,000	29 June 2023	0	36 months from the listing date of A shares of the Company
	Description of connected relationship or acting in concert among the above shareholders	Nil			



(III) Directors', supervisors' and senior management's interests and short positions of the shares, underlying shares and debentures

As of 31 December 2020, the interests of Directors, supervisors and senior management of the Company in the shares of the Company are as follows:

Name of shareholders	Class of shares	Position	Capacity	Number of shares	Percentage in the relevant class of share equity (%)	Percentage in the total share equity (%)
Cao Xin	H shares	Chairman	Beneficial owner	50,000 (Long position)	0.0027%	0.0013%
Mei Chun Xiao	H shares	Executive Director and President	Beneficial owner	50,000 (Long position)	0.0027%	0.0013%
Ban Ze Feng	H shares	Vice president and Secretary to the Board	Beneficial owner	50,000 (Long position)	0.0027%	0.0013%

Saved as disclosed above, as of 31 December 2020, none of other Directors, supervisors and senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they were also applicable to the supervisors).

(IV) Interests and short positions of substantial shareholders and other persons in shares and underlying shares

As of 31 December 2020, to the best knowledge of the Directors of the Company, the following persons (other than the Directors, supervisors or senior management of the Company) had interests or short positions in the shares or underlying shares of the Company which requires disclosure to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholders	Class of shares	Capacity	Number of shares/ underlying shares	Percentage in the relevant class of share equity (%)	Percentage in the total share equity (%)
HECIC	A shares	Beneficial owner	1,876,156,000	93.30%	48.73%
Citigroup Inc. ⁽¹⁾	H shares	Interest of a controlled corporation	218,857,860 (Long position)	11.90%	5.58%
		Interest of a controlled corporation	794,000 (Short position)	0.04%	0.02%
		Approved lending agent	218,063,190 (Shares available for lending)	11.85%	5.66%
GIC Private Limited	H shares	Investment manager	127,386,000 (Long position)	6.93%	3.31%

Note: (1) Citigroup Inc. holds the interests of the Company through its controlled entities Citibank N.A. and Citigroup Global Markets Limited. In particular, 794,000 H shares is a short position under unlisted derivatives – cash settled.

(V) Purchase, Sale or Redemption of the Listed Securities of Company

1. Initial public offering of A shares

In order to expand financing channels, optimise capital structure and further improve competitiveness and economic efficiency of the Company, the Company had completed the initial public offering and listing of 134,750,000 ordinary shares (A shares) (stock code: 600956) of RMB1 each on the SSE on 29 June 2020 and the existing domestic shares of the Company were converted to A shares accordingly. The issue price of A shares was RMB3.18 per share and the A shares were issued under the general mandate granted by the shareholders to the Board at the 2018 annual general meeting held on 11 June 2019. The total proceeds from the A share offering was RMB428.505 million and the net proceeds was RMB389.8293 million after deduction of offering expenses of RMB38.6757 million. After the offering, the total number of shares of the Company was 3,849,910,396, comprising 2,010,906,000 A shares and 1,839,004,396 H shares.

On 11 August 2020, it was resolved by the Board that the proceeds of RMB389,829,265.47 raised would be used for injection of funding of project in replacement of the previous fund raised by itself. As at 31 December 2020, the use of the proceeds from the A share offering by the Company were as follows:

	Unit: RMB'0,000
Project invested	Actual investment amount
Fengning Senjitu wind farm (phase 3) 150MW project	38,982.96

Note: The difference between the actual investment amount of proceeds and the committed investment amount upon fundraising represents the interest accrued from the special account for proceeds.

As at 31 December 2020, all the proceeds from the A share offering had been utilised, and the deposit balance of RMB202,034.17 in the special account represented deposit interest income.

For details of the initial public offering of A shares, please refer to the announcements of the Company dated 14 August 2017, 1 September 2017, 25 September 2017, 2 August 2018, 2 November 2018, 17 February 2019, 15 March 2019, 23 April 2019, 11 July 2019, 9 April 2020, 29 May 2020, 3 June 2020, 11 June 2020 and 24 June 2020, and the circulars of the Company dated 20 October 2017, 24 August 2018 and 7 August 2019.

2. Proposed Non-public Issuance of A Shares

In order to enhance the profitability and sustainable development capabilities, lower gearing ratio and enhance risk resistance capacity, on 21 December 2020, the Company made an announcement, per which, a non-public issuance of A shares with a nominal value of RMB1.00 each to not more than 35 investors including HECIC was proposed. The issue price shall be fixed at neither no less than 80% of the average trading price of A shares in the 20 trading days prior to the pricing benchmark date (average trading price of A shares in the 20 trading days before the pricing benchmark date = total trading amount of A shares in the 20 trading days before the pricing benchmark date ÷ total trading volume of A shares in the 20 trading days before the pricing benchmark date) and no less than the latest audited net asset per share attributable to holders of ordinary shares of parent company (if the CSRC made adjustments to the pricing method of the non-public issuance prior to the issuance, the minimum price under the issuance shall be adjusted by the Board, as authorized by the general meeting, pursuant to the requirements of relevant laws and regulations). The net proceeds from the issuance after deducting the relevant issuance expenses will be used for the construction of Tangshan LNG Project (first phase and second phase) and Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section and Baodi-Yongqing section), and it will also be used to replenish working capital and repay bank loan of the Company.

For details of the proposed non-public issuance of A shares, please refer to the announcement of the Company dated 21 December 2020 and the circular of the Company dated 15 January 2021. The relevant resolutions were not passed at the first A share class general meeting in 2021 of the Company, therefore, the plan had not been carried out.

After the resolution of the board of directors of the Company, the Company intends to relaunch the plan of A-share non-public issuance, and has re-signed a subscription agreement with HECIC on 5 March 2021. Compared with the original subscription agreement, the lock-up period of the A shares subscribed for by HECIC in the issuance shall be extended to 36 months from the date of the end of this issuance. For details, please refer to the Company's announcement on 5 March 2021.

3. Placing of H shares

In the net proceeds of approximately HK\$1,564 million of placing of H shares by the Company in January 2014, approximately HK\$1,034 million was applied by the Company in the investment of wind power generation projects in the PRC, approximately HK\$233 million was applied to the development of the Group's natural gas business in the PRC and the remaining amount of approximately HK\$171 million was applied to the replenishment of the Company's working capital (partial interest income and exchange gains derived from the proceeds was used by the Company in the replenishment of working capital). The proceeds had been used up.

(VI) Purchase, Sale or Redemption of Listed Securities of the Company

Save for initial non-public offering of A share, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities as at 31 December 2020.

(VII) Strategic investors or general legal persons became the top 10 shareholders as a result of the placement of new shares

Applicable Not Applicable



IV. CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Controlling shareholders

1 *Legal person*

Name	Hebei Construction & Investment Group Co., Ltd.
Person-in-charge or legal representative	Li Lian Ping
Date of establishment	21 March 1990
Principal business	Investment and management of energy, transportation, water affairs, agriculture, tourism, service industry, real estate, industry, and commerce.
Details of controlling interests and investments in other domestically-and foreign-listed companies during the Reporting Period	The controlling shareholder holds 65.63% of Jointo Energy Investment Co., Ltd. Hebei, 3.36% of Huaneng Power International, Inc and 6.93% of Datang International Power Generation Co., Ltd.
Other information and explanation	Nil

2 *Natural person*

Applicable Not Applicable

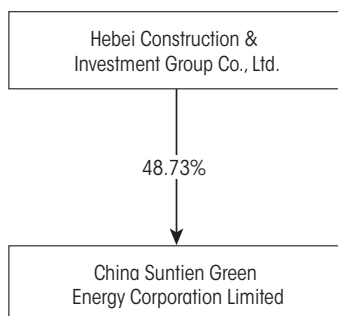
3 *Specific explanation on non-existence of controlling shareholder of the Company*

Applicable Not Applicable

4 *Index and date of changes changes in controlling shareholder during the Reporting Period*

Applicable Not Applicable

5 *Chart on the equity and controlling relationship between the Company and controlling shareholders*



(II) Actual controller

1 *Legal person*

Name	State-owned Assets Supervision and Administration Commission of The People's Government of Hebei Province
Other information and explanation	Nil

2 *Natural person*

Applicable Not Applicable

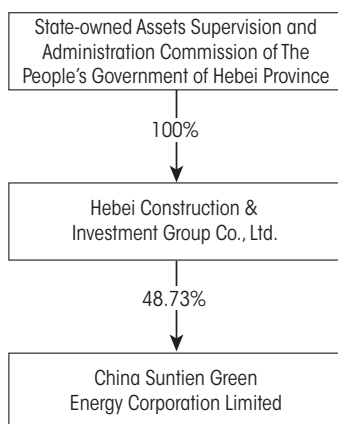
3 *Other explanation regarding the controlling shareholder and the actual controller*

Applicable Not Applicable

4 *Index and date of changes changes in actual controller during the Reporting Period*

Applicable Not Applicable

5. *Diagram of the equity and control relationship between the Company and the actual controllers*



6. *Actual controller controlling the Company through trust or other asset management*

Applicable Not Applicable

- (III) Other information on the controlling shareholder and actual controller

Applicable Not Applicable

V. OTHER LEGAL PERSON SHAREHOLDERS HOLING MORE THAN 10% OF THE SHARES

Applicable Not Applicable

VI. EXPLANATION OF RESTRICTIONS ON REDUCTION OF HOLDING OF SHARES/

Applicable Not Applicable



I. CHANGES IN SHAREHOLDING AND REMUNERATION

(1) PARTICULARS ABOUT CHANGES IN THE SHAREHOLDING AND REMUNERATION OF CURRENT AND RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

Unit : Shares

Name	Position (Note)	Gender	Age	Commencement date of term of office	End date of term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares during the year	Reason for the changes	Unit : Shares	
										Reporting Period (RMB'000)	Whether obtained remuneration from the connected parties of the Company
Cao Xin	Chairman, Non-executive Director	Male	49	2019.06.11	2022.06.10	50,000	50,000	0	Nil	0	Yes
Li Lian Ping	Non-executive Director	Male	58	2019.06.11	2022.06.10	0	0	0	Nil	0	Yes
Mei Chun Xiao	Executive Director, President	Male	52	2019.06.11	2022.06.10	50,000	50,000	0	Nil	182.48	No
Wang Hong Jun	Executive Director	Male	56	2019.06.11	2022.06.10	0	0	0	Nil	183.20	No
Qin Gang	Non-executive Director	Male	46	2019.06.11	2022.06.10	0	0	0	Nil	0	Yes
Wu Hui Jiang	Non-executive Director	Male	41	2019.06.11	2022.06.10	0	0	0	Nil	0	Yes
Guo Ying Jun	Independent non-executive Director	Male	47	2020.11.25	2022.06.10	0	0	0	Nil	0	No
Wan Yim Keung, Daniel	Independent non-executive Director	Male	62	2019.06.11	2022.06.10	0	0	0	Nil	8.87	No
Lin Tao	Independent non-executive Director	Male	50	2019.06.11	2022.06.10	0	0	0	Nil	8.87	No
Xie Wei Xian (Resigned)	Independent non-executive Director	Male	65	2019.06.11	2020.11.25	0	0	0	Nil	8.87	No
Gao Jun	Chairman of the board of supervisors	Female	50	2020.10.13	2022.06.10	0	0	0	Nil	0	Yes
Qiao Guo Jie	Employee representative supervisor	Male	58	2019.06.11	2022.06.10	0	0	0	Nil	160.05	No
Zhang Dong Sheng	Independent supervisor	Male	60	2020.10.13	2022.06.10	0	0	0	Nil	1.05	No
Wang Chun Dong (Resigned)	Chairman of the board of supervisors	Male	54	2019.06.11	2020.10.13	0	0	0	Nil	0	Yes
Shao Jing Chun (Resigned)	Independent supervisor	Male	64	2019.06.11	2020.10.13	0	0	0	Nil	3.38	No
Sun Xin Tian	Vice president	Male	56	2019.06.11	2022.06.10	0	0	0	Nil	154.62	No
Ding Peng	Vice president	Female	50	2019.06.11	2022.06.10	0	0	0	Nil	162.17	No
Lu Yang	Vice president	Male	51	2019.06.11	2022.06.10	0	0	0	Nil	159.04	No
Tan Jian Xin	Vice president	Male	41	2019.06.11	2022.06.10	0	0	0	Nil	169.13	No
Fan Wei Hong	Chief accountant	Female	50	2019.06.11	2022.06.10	0	0	0	Nil	146.97	No
Ban Ze Feng	Vice president, Secretary to the Board	Male	43	2019.06.11	2022.06.10	50,000	50,000	0	Nil	148.61	No
Total	/	/	/	/	/	150,000	150,000		/	1,497.31	/

Note: The shares of the Company held by Mr. Cao Xin, Mr. Mei Chun Xiao and Mr. Ban Ze Feng are H shares.

Major working experience of the Directors, supervisors and senior management of the Company are as follows:

Name	Major Work Experience
Cao Xin	Aged 49, Dr. Cao is currently a non-executive director, chairman of the Company, deputy general manager and member of the Standing Committee of the Party Committee of Hebei Construction & Investment Group Co., Ltd.. He obtained a doctorate in economics from Renmin University of China (中國人民大學) and is a chief senior economist. Dr. Cao successively served as the executive director, chairman and president of the Company, general manager of HECIC New-energy Co., Ltd, the assistant to the general manager of Hebei Construction & Investment Group Co., Ltd. and the manager of the Public Utilities Department II of Hebei Construction Investment Company
Li Lian Ping	Aged 58, Dr. Li served the Group from February 2010 to March 2013, resigned the directorship in March 2013 for job transfer and rejoined the Group in June 2016. He is currently a non-executive director of the Company, and the chairman and secretary of the Party committee of Hebei Construction & Investment Group Co., Ltd. He obtained a doctorate in materials processing engineering from the University of Science and Technology Beijing (北京科技大學) and is a chief senior engineer. Dr. Li successively served as deputy secretary of the Party committee, deputy officer (departmental level) of State-owned Assets Supervision and Administration Commission of Hebei Province, director, deputy general manager and a member of the standing committee of the Party committee of Hebei Iron & Steel Group Co., Ltd. and general manager, deputy chairman and deputy secretary of the Party committee of Handan Iron & Steel Group Co., Ltd.
Mei Chun Xiao	Aged 52, Mr. Mei joined the Group in August 2006, and is currently an executive Director, president and deputy secretary of the Party committee of the Company. He obtained a master's degree in electrical engineering from Beijing Jiaotong University (北京交通大學) and is a chief senior engineer. Mr. Mei successively served as vice president of the Company, general manager, deputy general manager and chief engineer, and an assistant to the general manager of HECIC New-energy.
Wang Hong Jun	Aged 56, Mr. Wang joined the Group in March 2013, and is an executive Director of the Company and deputy secretary of the Party Committee. He obtained a master's degree in business administration from Tianjin University (天津大學). Mr. Wang successively served as director of the general office of HECIC, and director of the general manager office of Hebei Construction Investment Company (the predecessor of HECIC).
Qin Gang	Aged 46, Mr. Qin is currently a non-executive Director of the Company and assistant to the general manager and general manager of the Capital Operation Department of Hebei Construction & Investment Group Co., Ltd.. He obtained a master's degree in corporate management from Nankai University (南開大學) and is a senior economist. Mr. Qin successively served as deputy departmental manager of the capital operation department of HECIC and deputy manager of the financial management department of Hebei Construction Investment Company (the predecessor of HECIC).
Wu Hui Jiang	Aged 41, Mr. Wu joined the Group in June 2015, and is currently a non-executive Director of the Company and general manager of Investment Development Department of Hebei Construction & Investment Group Co., Ltd.. He obtained a master's degree in political economy of Zhejiang University and is a senior economist.. Mr. Wu was deputy general manager of the Investment Development Department of HECIC, deputy general manager of CIC Huaxin Capital Co., Ltd. (建設華信資本有限公司), manager of the Investment Development Department of HECIC Water Investment Co., Ltd. and project manager of the Public Utilities Department I of Hebei Construction Investment Company (the predecessor of HECIC).
Guo Ying Jun	Aged 47, Mr. Guo is currently an independent non-executive director of the Company, the dean of the School of Electrical Engineering, Hebei University of Science and Technology, and the director of Hebei Engineering Laboratory for Wind Power/Photovoltaic Coupling Hydrogen Production and Comprehensive Utilization. He obtained a master's degree in control theory and control engineering from Beijing Institute of Technology. He is an associate professor. Mr. Guo worked in the Mechatronics Engineering Technology Center of Hebei University of Science and Technology from July 1996 to August 2001, and studied for a master's degree in control theory and control engineering at Beijing Institute of Technology from September 2001 to March 2004. He has been working at the School of Electrical Engineering, Hebei University of Science and Technology since April 2004 and studying for a doctoral degree in control theory and control engineering at Hebei University of Technology since September 2016. He was a visiting scholar at the University of Manchester from 13 August to 12 September 2011.



Name	Major Work Experience
Wan Yim Keung, Daniel	Aged 62, Mr. Wan is currently an independent non-executive director of the Company, the vice chairman and chief executive officer of Haifu International Finance Holding Group Limited. He obtained master's degrees in business administration from The Chinese University of Hong Kong and the University of Wales. Mr. Wan is a fellow member of each of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Wan was the managing director and chief financial officer of Shui On Land Limited, the general manager of The Bank of East Asia, Ltd. and the Chief financial officer of the BEA Group, and the chief executive officer of First Pacific Bank Limited. Besides, Mr. Wan also served as a part-time member of the Central Policy Unit of Hong Kong, chairman of the Investment Committee of the Travel Industry Compensation Fund, member of the Advisory Board of CFO Asia Magazine, member of the Travel Industry Compensation Fund Management Board, member of the Board of Review (Inland Revenue), member of the Small and Medium Enterprises Committee, member of the Auditing Standards Committee of the Hong Kong Society of Accountants, member of the Accounting Standards Advisory Panel of the Hong Kong Society of Accountants, member of the Taxation Committee of the Taxation Institute of Hong Kong and newly appointed member of the Tax Liaison Committee.
Lin Tao	Aged 50, Dr. Lin is currently an independent non-executive director of the Company, a professor of the Department of Internet of Things Engineering of the School of Artificial Intelligence and Data Science, and tutor of master students of the Department of Computer Science and Technology, Control Theory and Control Engineering of Hebei University of Technology. He obtained a doctoral degree in control theory and control engineering from Hebei University of Technology. Dr. Lin has been working at the the School of Artificial Intelligence and Data Science of Hebei University of Technology since July 1993. Dr. Lin studied at Tianjin University for a master's degree from September 1996 to October 1999, and at Hebei University of Technology for a doctoral degree from April 2003 to April 2007. From September 2010 to August 2013, he completed his post-doctoral research work at the post-doctoral research station of Hebei University of Technology.
Gao Jun	Aged 50, Ms. Gao is currently the chairman of the board of supervisors of the Company and general manager of the audit management department of Hebei Construction & Investment Group Co., Ltd.. She graduated from Hebei University of Economics and Business majoring in financial accounting. She is a senior economist. Ms. Gao served successively as general manager, deputy director, assistant to director, assistant to manager and other positions of the financial management department of Hebei Construction & Investment Group Co., Ltd..
Qiao Guo Jie	Aged 58, Mr. Qiao is an employee representative supervisor of the Company, the deputy secretary to the Party committee, secretary of the disciplinary committee and chairman of the labor union.. He obtained a master's degree in business administration from Tianjin University. Mr. Qiao previously served as deputy secretary of the Party committee and the disciplinary committee, chairman of the labour union of HECIC New-energy.
Zhang Dong Sheng	Aged 60, Mr. Zhang is currently an independent supervisor of the Company,. the head of the Department of Business Administration, School of Economics and Management, Hebei University of Technology. He obtained a doctorate in management majoring in management science and engineering from Hebei University of Technology, and is a professor and tutor to Ph.D. students. From 1983 to 1984, Mr. Zhang worked in Tangshan Mining & Metallurgical Machinery Plant (唐山冶金礦山機械廠). In July 1984, he studied in Hebei University of Technology for a master's degree. He has been teaching in that university since his graduation in 1987, during which, he studied in Hebei University of Technology for a doctorate. From 2006 to 2007, he was a senior visiting scholar at the University of Manchester, United Kingdom.
Sun Xin Tian	Aged 56, Mr. Sun is currently a vice president of the Company. He obtained a master's degree in power engineering from Huabei Electricity University (華北電力大學) and is a senior engineer. Mr. Sun successively served as deputy general manager and chief engineer of HECIC New-energy, deputy general manager of HECIC Zhangjiakou Wind Energy Co., Ltd., and deputy chief engineer, deputy director and deputy chief engineer of the equipment and technology department, engineer and deputy factory manager of a power engineering branch factory of Hebei Xingtai Power Co., Ltd. (河北興泰發電有限責任公司, formerly known as Xingtai Electricity Generation Factory (邢臺發電廠)).
Ding Peng	Aged 50, Ms. Ding is currently a vice president of the Company. She obtained a master's degree in senior business administration from Renmin University of China (中國人民大學). Ms. Ding successively served as deputy general manager-cum-chief accountant, chief accountant and financial manager of Hebei Natural Gas.

Name	Major Work Experience
Lu Yang	Aged 51, Mr. Lu is currently a vice president of the Company. He obtained a master's degree in senior business administration from Renmin University of China (中國人民大學). Mr. Lu successively served as deputy general manager of Hebei Natural Gas, manager for engineering technical support of Hong Kong & China Gas Investment Limited, and as deputy general manager and chief engineer of Handan City Gas Company.
Tan Jian Xin	Aged 41, Mr. Tan is currently a vice president of the Company. He obtained a master's degree in Mechanical Electronic Engineering from Huabei Electricity University (華北電力大學) and is a senior engineer. Mr. Tan successively served as deputy general manager, assistant to the general manager and manager of the construction management department of HECIC New-energy Co., Ltd., secretary of the Party general branch of Hebei Suntien Kechuang New Energy Technology Co., Ltd., general manager and deputy general manager of HECIC Yuzhou Wind Energy Co., Ltd., general manager of engineering construction and equipment supply department of Yuxian Suntien Wind Power Co., Ltd..
Fan Wei Hong	Aged 50, Ms. Fan is currently the chief accountant of the Company. She obtained a bachelor's degree in accounting from Hebei University of Economics and Business (河北經貿大學). Ms. Fan successively served as deputy manager and manager of the financial planning department of HECIC Communications, deputy general manager and financial controller of Shijiazhuang Construction and Investment Company (石家莊市建設投資公司), accountant of Shijiazhuang Committee of Planned Economy (石家莊市計劃經濟委員會) and accountant of Shijiazhuang Sixth Cotton Mill Factory (石家莊市第六棉紡織廠).
Ban Ze Feng	Aged 43, Mr. Ban is currently a vice president and secretary of the board of directors of the Company. He obtained a master's degree in business administration from Nankai University (南開大學). Mr. Ban was appointed as joint company secretary of the Company on 24 March 2014. Mr. Ban successively served as assistant to the director of the general office, head of the secretarial confidential documents department and general office secretary of HECIC, deputy director of the general manager's office of Shijiazhuang International Building Co., Ltd. (石家莊國際大廈股份有限公司), and secretary of the general office of Hebei Construction Investment Company (the predecessor of HECIC).

Other notes

Applicable Not Applicable

JOINT COMPANY SECRETARIES

Particular of joint company secretary Mr. Ban Ze Feng may be referred to as stated above.

Aged 54, Ms. Lam Yuen Ling Eva (林婉玲), was appointed as the joint company secretary of the Company on 1 April 2010. She has over 20 years of experience in company secretarial services and commercial solutions. She is currently a director of BMI Listed Corporate Services Limited and is responsible for supervising the company secretarial teams to provide full range of listed and private company secretarial services to clients. Ms. Lam obtained a Higher Certificate in Company Secretaryship and Administration from the Hong Kong Polytechnic University and was awarded a degree of Master of Science in Corporate Governance and Directorship by the Hong Kong Baptist University. Ms. Lam is a fellow of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators, and was awarded the qualification of governance expert. Ms. Lam is currently the company secretary of several companies listed on the Main Board and the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

(II) Share incentives granted to Directors and senior management during the Reporting Period

Applicable Not Applicable



StarCommencement date of
the term of office

II. EMPLOYMENT STATUS OF CURRENT AND RESIGNED DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

(I) Employment status at shareholder entities

Name of employee	Name of shareholder entity	Position in shareholder entity	Commencement date of term of office	End date of term of office
Cao Xin	Hebei Construction & Investment Group Co., Ltd.	Standing Committee Member of the Party Committee	2010.04	–
		Deputy general manager	2014.01	–
Li Lian Ping	Hebei Construction & Investment Group Co., Ltd.	Chairman, deputy secretary of the Party committee	2015.09	–
Qin Gang	Hebei Construction & Investment Group Co., Ltd.	Assistant to the general manager, general manager of capital operation division	2015.04	–
Wu Hui Jiang	Hebei Construction & Investment Group Co., Ltd.	General manager of the Investment Development Department	2015.07	–
Wang Chun Dong (Resigned)	Hebei Construction & Investment Group Co., Ltd.	Deputy secretary of the Party committee, secretary of the disciplinary committee	2016.10	–
Gao Jun	Hebei Construction & Investment Group Co., Ltd.	General manager of the Legal and Audit Department	2015.04	–

Explanatory notes of the employment status at shareholder entities

(II) Employment status at other entities

Name of employee	Name of other entity	Position in other entity	Commencement date of term of office	End date of term of office
Cao Xin	Huihai Financial Leasing Co., Ltd.	Deputy chairman	2017.03	–
Cao Xin	Mao Tian Capital Limited	Chairman	2016.09	–
Cao Xin	Datang International Power Generation Co., Ltd.	Non-executive Director	2013.06	–
Cao Xin	Yanshan Development Limited Company	Director, General manager	2016.09	–
Cao Xin	Yanshan International Investment Company Limited	Director, General manager	2016.09	–
Li Lian Ping	HECIC Group Finance Company Limited	Director	2019.01	–
Li Lian Ping	Jointo Energy Investment Co., Ltd. Hebei	Director	2017.07	–
Li Lian Ping	Yanshan Development Limited Company	Chairman	2015.10	–
Li Lian Ping	Yanshan International Investment Company Limited	Chairman	2015.10	–
Mei Chun Xiao	HECIC New-energy Co., Ltd.	Chairman	2017.12	–
Mei Chun Xiao	Hebei Natural Gas Company Limited	Chairman	2017.04	–
Mei Chun Xiao	Hebei Jinjianjia Natural Gas Co., Ltd.	Deputy chairman	2017.08	–
Mei Chun Xiao	Huihai Financial Leasing Co., Ltd.	Director	2017.05	–
Mei Chun Xiao	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	Chairman	2018.03	–
Mei Chun Xiao	Hebei Gas Co., Ltd.	Chairman, General manager	2018.12	–
Mei Chun Xiao	HECIC New-energy Supply Chain Management Co., Ltd.	Chairman	2019.07	–
Wang Hong Jun	Wulian County Suntien Wind Energy Co., Ltd.	Chairman	2014.11	–
Wang Hong Jun	Ruian Xin Yun New Energy Co., Ltd.	Chairman	2018.01	–
Wang Hong Jun	Junan Suntien Wind Energy Co., Ltd.	Chairman	2013.09	–
Wang Hong Jun	Fuliang Zhongling Suntien Green Energy Co., Ltd.	Chairman	2016.11	–
Wang Hong Jun	Suntien Green Energy Xuyi Co., Ltd.	Chairman	2016.12	–
Wang Hong Jun	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	Director	2018.03	–
Wang Hong Jun	Hebei Fengning Pumped Storage Co., Ltd.	Deputy chairman	2019.06	–
Wang Hong Jun	Hebei Gas Co., Ltd.	Director	2018.12	–
Wang Hong Jun	Suntine Green Energy Lianyungang Co., Ltd.	Chairman	2018.07	–
Wang Hong Jun	Hebei Fengning Construction & Investment New Energy Co., Ltd.	Chairman	2019.05	–
Wang Hong Jun	Suntien Green Energy (Fengning) Co., Ltd.	Chairman	2019.05	–
Wang Hong Jun	HECIC New-energy Supply Chain Management Co., Ltd.	Director	2019.07	–
Wang Hong Jun	Chengde Dayuan New Energy Co., Ltd.	Deputy chairman	2019.05	–
Qin Gang	Mao Tian Capital Limited	Director, General manager	2016.10	–
Qin Gang	Hebei Coastal Industry Investment Fund Management Co., Ltd.	Chairman	2017.04	–
Qin Gang	Maotian (Beijing) Equity Investment Fund Management Co., Ltd.	Executive Director	2017.06	–
Qin Gang	Gaokang Capital Investment Management Company Limited	Deputy chairman	2018.09	–

PARTICULARS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND STAFF

Name of employee	Name of other entity	Position in other entity	Commencement date of term of office	End date of term of office
Qin Gang	HECIC Chuangfa Fund Management Co., Ltd.	Executive Director	2017.07	-
Qin Gang	Huihai Financial Leasing Co., Ltd.	Director	2017.05	-
Qin Gang	Yanshan Development Limited Company	Director, Executive deputy general manager	2013.05	-
Qin Gang	Yanshan International Investment Company Limited	Director, Executive deputy general manager	2013.05	-
Qin Gang	Longxing Capital Limited	Chairman	2017.02	-
Qin Gang	Jointo Energy Investment Co., Ltd. Hebei	Deputy chairman	2017.07	-
Qin Gang	HECIC Water Investment Co., Ltd.	Director	2016.08	-
Qin Gang	Lao Tonglian Mining Co.,Ltd.	Director	2013.12	-
Qin Gang	Hebei Asset Management Co., Ltd.	Director	2015.10	-
Qin Gang	Yan Zhao Property Insurance Co., Ltd.	Director	2015.03	-
Qin Gang	Beijing Qitian Innovation Investment Management Co., Ltd.	Chairman	2017.12	-
Qin Gang	HECIC Southeast Asia Investment Co., Ltd.	Director	2016.10	-
Qin Gang	CIC Huaxin Capital Co., Ltd.	Executive Director	2014.05	-
Qin Gang	HECIC Huatian Insurance Brokers Co., Ltd.	Director	2018.04	-
Qin Gang	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	Director	2020.07	-
Qin Gang	Hebei Financial Leasing Co.,Ltd.	Director	2018.03	-
Wu Hui Jiang	Hebei Coastal Industry Investment Fund Management Co.,Ltd.	Director	2015.03	-
Wu Hui Jiang	Yanshan International Investment Company Limited	Director	2015.04	-
Wu Hui Jiang	Mao Tian Capital Limited	Director	2016.09	-
Wu Hui Jiang	Hebei Financing Investment Holding Group Co.,Ltd.	Supervisor	2014.02	-
Wu Hui Jiang	Yanshan Development Limited Company	Director	2015.04	-
Wu Hui Jiang	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	Director	2020.07	-
Wu Hui Jiang	HECIC Urbanization Construction & Development Co., Ltd	Director	2018.07	-
Wu Hui Jiang	HECIC Tongtai Investment Co., Ltd.	Director	2015.03	-
Wu Hui Jiang	Hebei Gas Co., Ltd.	Director	2018.12	-
Guo Ying Jun	School of Electrical Engineering, Hebei University of Science and Technology	Tutor	2004.04	-
Wan Yim Keung, Daniel	Haifu International Finance Holding Group Limited	Deputy chairman and Chief Executive Officer	2015.10	-
Wan Yim Keung, Daniel	Bonjour Holdings Limited	Executive Director	2016.03	-
Lin Tao	School of Artificial Intelligence and Data Science of Hebei University of Technology	Tutor	1993.07	-
Xie Wei Xian	Zhuhai Juneng Zhilian Investment Partnership (Limited Partnership)	Executive partner	2018.09	-
Xie Wei Xian	Beijing Dinghong Century Investment Co., Ltd.	Supervisor	2019.01	-
Gao Jun	Hebei Water Supply Co., Ltd.	Director	2014.12	-
Gao Jun	Mao Tian Capital Limited	Supervisor	2016.09	-
Gao Jun	Hebei Relocation of Poverty Alleviation and Relocation Development and Investment Co., Ltd.	Supervisor	2016.03	-
Qiao Guo Jie	Hebei Gas Co., Ltd.	Supervisor	2018.12	-
Zhang Dong Sheng	School of Economics and Management, Hebei University of Technology	Tutor	1987.06	-
Zhang Dong Sheng	Hebei Port Group Co., Ltd.	External director	2017.10	-
Shao Jing Chun	Law School of Peking University	Professor, doctoral supervisor	2001	-
Shao Jing Chun	China Huarong Asset Management Co., Ltd.	Independent director	2016.6	-
Sun Xin Tian	HECIC New-energy Co., Ltd.	Director	2010.10	-
Sun Xin Tian	HECIC Offshore Wind Power Co., Ltd.	Chairman	2011.01	-
Sun Xin Tian	HECIC New-energy (Tangshan) Co., Ltd.	Chairman	2014.06	-
Sun Xin Tian	Jianshui Suntien Wind Energy Co., Ltd.	Chairman	2012.07	-
Sun Xin Tian	Guangxi Suntien Green Energy Co., Ltd.	Chairman	2014.10	-
Sun Xin Tian	Fangchenggang Suntien Green Energy Co., Ltd.	Chairman	2014.10	-
Sun Xin Tian	Hebei Gas Co., Ltd.	Deputy general manager	2018.12	-
Sun Xin Tian	Suntien Green Energy (Shanglin) Co., Ltd.	Chairman	2019.04	-
Sun Xin Tian	Tibet Suntien Green Energy Co., Ltd.	Chairman	2019.01	-
Sun Xin Tian	HECIC New Energy Supply Chain Management Co., Ltd.	Director	2019.07	-
Ding Peng	Hebei Natural Gas Company Limited	Secretary of the Party committee, general manager	2013.03	-
		Director	2010.03	-



PARTICULARS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND STAFF

Name of employee	Name of other entity	Position in other entity	Commencement date of term of office	End date of term of office
Ding Peng	Hebei Construction Investment Natural Gas Co., Ltd. of China Pipeline Network Corporation	Chairman	2018.04	-
Ding Peng	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	Director	2018.03	-
Ding Peng	PetroChina Jingtang Liquefied Natural Gas Co., Ltd.	Director	2013.08	-
Ding Peng	Hebei Province Entrepreneur Association	Executive member	2013.06	-
Ding Peng	Hebei Province Investment Association	Executive member	2013.03	-
Ding Peng	Hebei Gas Co., Ltd.	Deputy general manager	2018.12	-
Ding Peng	North China Natural Gas Pipeline Co., Ltd. of China Pipeline Network Corporation	Deputy chairman	2018.12	-
Ding Peng	Suntien Liquefied Natural Gas Shahe Co., Ltd.	Chairman	2019.06	-
Ding Peng	HECIC New Energy Supply Chain Management Co., Ltd.	Director	2019.07	-
Lu Yang	Hebei Jinjianjia Natural Gas Co., Ltd.	Director, General manager	2015.04	-
Lu Yang	Hebei Natural Gas Company Limited	Director	2014.01	-
Lu Yang	Hebei Suntien Guohua Gas Co., Ltd.	Deputy chairman	2016.08	-
Lu Yang	Yunnan Pushi Natural Gas Co., Ltd.	Chairman	2015.03	-
Lu Yang	Tongdao Suntien Green Energy Co., Ltd.	Chairman	2015.07	-
Lu Yang	Xingyang Suntien Wind Energy Co., Ltd.	Chairman	2014.07	-
Lu Yang	Weihui Suntien Green Energy Co., Ltd.	Chairman	2015.07	-
Lu Yang	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	Director, General manager	2018.03	-
Lu Yang	Hebei Gas Co., Ltd.	Deputy general manager	2018.12	-
Lu Yang	S&T International Natural Gas Trading Company Limited	Chairman of the Board, General manager	2019.08	-
Lu Yang	Huludao Liaohe Oil Field Gas Co., Ltd.	Director	2017.10	-
Lu Yang	HECIC New Energy Supply Chain Management Co., Ltd.	Director, General manager	2019.07	-
Tan Jian Xin	HECIC New-energy Co., Ltd.	Director, General manager	2017.12	-
Tan Jian Xin	Suntien Green Energy Investment (Beijing) Co., Ltd.	Chairman	2019.06	-
Tan Jian Xin	Heilongjiang Suntien Hadian New Energy Investment Co., Ltd.	Chairman	2019.06	-
Tan Jian Xin	Chaoyang Suntien New Energy Co., Ltd.	Chairman	2019.06	-
Tan Jian Xin	Harbin Ruifeng New Energy Co., Ltd.	Chairman	2019.06	-
Tan Jian Xin	Wuchuan Mengtian Wind Energy Co., Ltd.	Chairman	2016.11	-
Tan Jian Xin	Keyouqianqi Suntien Wind Energy Co., Ltd.	Chairman	2016.05	-
Tan Jian Xin	Suntien Green Energy Weichang Company Limited	Chairman	2017.11	2020.12
Tan Jian Xin	Chengde Yuyuan Wind Energy Co., Ltd.	Chairman	2017.10	2020.12
Tan Jian Xin	Chengde Yujing New Energy Co., Ltd.	Chairman	2017.12	2020.12
Tan Jian Xin	Chengde Yufeng Wind Energy Co., Ltd.	Chairman	2017.11	2020.12
Tan Jian Xin	Suntien Hebei Solar Energy Development Co., Ltd.	Chairman	2019.06	-
Tan Jian Xin	Lulong County Liuyin Photovoltaic Power Co., Ltd.	Chairman	2019.04	-
Tan Jian Xin	Suntien Hebei Power Sale Co., Ltd.	Chairman	2019.09	-
Tan Jian Xin	Tailai Suntien Green Energy Co., Ltd.	Chairman	2019.06	-
Tan Jian Xin	Tai'an Sanglin Wind Power Generation Co., Ltd.	Chairman	2019.09	-
Fan Wei Hong	HECIC New-energy Co., Ltd.	chairman of the Board of Supervisors	2017.12	-
Fan Wei Hong	HECIC Group Finance Company Limited	Director	2015.12	-
Fan Wei Hong	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	Supervisor	2018.03	-
Fan Wei Hong	Hebei Natural Gas Company Limited	chairman of the Board of Supervisors	2018.04	-
Fan Wei Hong	Huihai Financial Leasing Co., Ltd.	Director	2017.05	-
Fan Wei Hong	Hebei Gas Co., Ltd.	Chief accountant	2018.12	-
Fan Wei Hong	Ruoqiang Suntien Green Energy Co., Ltd.	Chairman	2019.05	-
Fan Wei Hong	Hejing Suntien Green Energy Co., Ltd.	Chairman	2019.07	-
Fan Wei Hong	Fuping Jixin Suntien Green Energy Co., Ltd.	Chairman	2019.06	-
Fan Wei Hong	Hebei New-energy Supply Chain Management Co., Ltd.	Supervisor	2019.07	-
Ban Ze Feng	HECIC New-energy Co., Ltd.	Director	2017.12	-
Ban Ze Feng	Hebei Natural Gas Company Limited	Director	2017.04	-
Ban Ze Feng	Suntien Green Energy (Hong Kong) Corporation Limited	Chairman	2017.06	-
Ban Ze Feng	Hebei Jinjianjia Natural Gas Co., Ltd.	Director	2017.08	-
Ban Ze Feng	Huihai Financial Leasing Co., Ltd.	chairman of the Board of Supervisors	2017.05	-
Ban Ze Feng	Shenzhen Suntien Green Energy Investment Co., Ltd.	Chairman	2019.06	-
Ban Ze Feng	International Wind Farm Development V Limited	Chairman	2019.08	-
Explanation of the employment Nil status at other entities				

III. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Determination procedure for remuneration of Directors, supervisors and senior management	Remunerations of directors are, after review, consideration and adoption of the Remuneration Committee and Appraisal Committee of the board, subject to approval at general meeting. Remunerations of supervisors are, after review, consideration and adoption of the board of supervisors of the Company, subject to approval at general meeting. Remunerations of senior management are, after review, consideration and adoption of the remuneration committee of the Board, subject to approval of the Board of Directors.
Basis for determination of remuneration Directors, supervisors and senior management	Remunerations of directors, supervisors and senior management are determined by the Company subject to the annual operating results of the Company and their appraisals of performance.
Particulars of remuneration actually paid to Directors, supervisors and senior management	Please refer to "I. Changes in Shareholding and Remuneration" of this section
Total remuneration actually received by Directors, supervisors and senior management as a whole at the end of the Reporting Period	Please refer to "I. Changes in Shareholding and Remuneration" of this section

IV. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position	Change	Reason
Xie Wei Xian	Independent non-executive director	Resigned	Work
Guo Ying Jun	Independent non-executive director	Election	Elected at general meeting
Wang Chun Dong	Chairman of the board of supervisors	Resigned	Work
Shao Jing Chun	Independent supervisor	Resigned	Work
GaoJun	Chairman of the board of supervisors	Election	Elected at general meeting
Zhang Dong Sheng	Independent supervisor	Election	Elected at general meeting
Ban Ze Feng	Vice president	Appointment	Appointed by the Board

V. PENALITIES IMPOSED BY SECURITIES REGULATORY AUTHORITIES IN THE RECENT THREE YEARS

Applicable Not Applicable

VI. EMPLOYEES OF THE COMPANY AND PRINCIPAL SUBSIDIARIES

(I) Employees

Number of employee in-service in the parent company		63
Number of employee in-service in the major subsidiaries		2,325
Total number of employee in-service		2,388
Number of employees retired whose expense are borne by the parent company and its major subsidiaries		3
Composition of professions		
Type of profession		Number of staff
Production staff		178
Sales staff		142
Technical staff		588
Finance staff		397
Administrative staff		1,083
Total		2388
Education level		
Type of education level		Number of persons
Master graduates of above		235
University graduates		1,206
College graduates		781
Below college graduates		166
Total		2,388



(II) Remuneration policy

1. *Human resources strategy*

Based on the overall strategic operational objectives in combination with the need in a changing business environment as well as the core business, the Group keeps improving the system and procedures of recruitment, human resources, training, remuneration, performance and labor relationship management, promoting the innovation and improvement in human resources management system of the Group. To cope with the changes, we will continually optimize, and establish an organizational structure and system that can keep pace with the rapid development of the Group, strive to formulate efficient business processes and provide a human resources support platform for the implementation of the Group's business strategy.

2. *Remuneration and performance management*

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

3. *Recruitment management*

In order to realize the strategic development target, the Group has optimized the allocation of human resources to the fullest extent and made recruitment more systematic and process-oriented. During the Reporting Period, the Group adopted the "mix of internal promotion and external recruitment" method, focused on promoting the recruitment and implementation of project personnel to provide human resources support for its business development, so as to provide more career prospects for internal staff and also recruit high calibre talents to join the Group.

4. *Human resources development and management*

Adhering to the principle of combination of talent development and the enhancement of core capabilities of the Group's business and organization, the Group has optimized its employee training model. Combining internal, external and online courses can effectively enhance the professional skills of the employees. The Group emphasizes on talent training at different levels including mid to senior management and professional technicians in order to enhance the core competitiveness and satisfy the needs of the existing and emerging business development of the Group. During the Reporting Period, the Group organized quality assessment of management personnel, carried out research on the three-year training plan for management personnel of middle-level and above of the Group, and laid a solid foundation for the formation of management personnel.

5. *Staff relations management*

The Group regulates the labor usage and social insurance management in strict compliance with the relevant laws and regulations, including the "Labor Law" and the "Labor Contract Law", to maximize the protection of legal rights and interests of employees. During the Reporting Period, the Group improved the social security welfare management, further advanced the Company's staff benefits system, arranged negotiations for the execution of a collective wage agreement and standardized the staff profile management to clarify the approach towards labor relations and to enable the continued maintenance of stable and harmonious labor relations.

(III) Training plan

In 2020, the Company comprehensively strengthened talent management and control, and continued to explore a talent training and evaluation system in line with its high-quality and rapid development in order to meet the demand for human resources in business development. Through the summarization, sorting and abstraction of the innovative practices of human resource management in the Company in recent three years, a talent management and control philosophy for the purpose of serving corporate growth, results-oriented talent management and control objectives and a talent support system with Suntien characteristic based on information system were initially devised. The Company actively implemented its three-year (2019-2021) training plan for management personnel of middle-level and above and subsidiary leadership, which had achieved good training results. In the COVID-19 outbreak in 2020, the Company actively adjusted its training program and plan by adopting a flexible approach of "online and offline, hierarchical decentralized" in carrying out training for management personnel of middle-level and above, subsidiary leadership and reserve senior management. It organised training for management personnel at various functions including Party building, finance, engineering, production and human resources, with a total of 305 trainees and 4,094 training hours. It managed to fight the epidemic without stopping learning to empower and strengthen employees. The Company improved the evaluation of management in a targeted manner in view of its management needs. In light of its special demand on retaining talents in the stage of high-quality development, the Company conducted a quality evaluation and review of reserve senior management in the form of integrated testing and training in 2020, in order to retent qualified management personnel for its high-quality and rapid development.

(IV) Labour Outsourcing

Applicable Not Applicable

VII. OTHERS

Applicable Not Applicable



CORPORATE GOVERNANCE AND REPORT OF CORPORATION GOVERNANCE

I. RELEVANT EXPLANATION ON CORPORATE GOVERNANCE

The Board of the Company hereby presents to shareholders the corporate governance report 2020.

The Company has always been focusing on maintaining a high level of corporate governance for enhancement of shareholders value and protection of shareholders' interests. The Company has established a modern corporate governance structure which comprises of shareholders' general meeting, the Board, the board of supervisors, specialised Board committees and senior management in accordance with the "PRC Company Law", the "Mandatory Provisions for the Articles of Association of Companies Listed Overseas" and the Corporate Governance Code set out in the Hong Kong Listing Rules. During the Reporting Period, saved for paragraph E.1.2 of the "Corporate Governance Code", the Company had complied with all provisions set out in the Code. In accordance with the requirements of paragraph E.1.2 of the "Corporate Governance Code", chairman of the Board shall attend the annual general meeting. Mr. Cao Xin, the Chairman of the Company, was unable to attend the 2019 annual general meeting of the Company for work reason. According to relevant requirements, elected by more than half of all the directors of the Company, executive director Mr. Mei Chun Xiao chaired the meeting.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Hong Kong Listing Rules as the code of conduct regarding securities transactions of the Company by all Directors and supervisors. Subsequent to enquiries made to all of the Directors and supervisors of the Company, all Directors and supervisors had confirmed that during the Reporting Period, they had fully complied with the standards set out in the "Model Code".

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

(1) Composition of the Board

During the Reporting Period, the Board of the Company comprises of 9 Directors, including 4 non-executive Directors, 2 executive Directors and 3 independent non-executive Directors.

During the Reporting Period, each appointed Director has entered into a service contract with the Company. The term of each service contract commences from the relevant date of appointment up to the end of term of the fourth session of the Board.

In 2020, the Board had consistently complied with the Hong Kong Listing Rules with respect to the requirements of appointment of at least three independent non-executive Directors, among which at least one independent non-executive Director possesses appropriate professional qualifications, accounting or related financial management expertise, and at least one-third of independent non-executive Directors is represented in the total number of members in the Board. Moreover, the Company has received from each of the independent non-executive Director an annual confirmation of independence, and is in the view that all the independent non-executive Directors are independent from the Company.

(2) Role and responsibilities of the Board

The Board is held accountable to and reports its work to the general meetings and is responsible for execution of the resolutions of general meetings. The responsibilities of the Board are defined in the Articles of Association where the responsibilities hereafter is stipulated: convening the general meetings, implementing the resolutions of general meetings, deciding the operational planning and investment projects of the Company, preparing the accounts, preparing the annual financial budget, final accounts, profit distribution plan, capital increase or reduction plan, determining the set-up of the Company's management bodies, electing the chairman and vice chairman of the Board, deciding whether to appoint or dismiss the president, vice presidents and other senior management, developing the basic management system of the Company and making decisions on the establishment of specialized board committees.

(3) Role and responsibilities of management

The management is responsible for the specific implementation of the resolutions of the Board and the daily operations and management of the Company. According to the Articles of Association of the Company, the management's primary responsibilities are: formulating operational planning, investment and financing plan of the Company, formulating planning on establishment of internal management bodies, and formulating basic management systems and specific regulations of the Company, etc.

(4) Board meetings

Pursuant to the Articles of Association, the Board is required to hold at least four board meetings each year, which shall be called by the chairman of the Board. To ensure good attendance of Board meetings, a notice of at least 14 days shall be served for a regular Board meeting. The notice shall state the time, venue and means of Board meeting convened. There is no restriction on the time of notification for ad hoc Board meetings.

In accordance with the Hong Kong Listing Rules, the Board is required to notify the Hong Kong Stock Exchange and issue an announcement at least seven clear business days prior to Board meetings in relation to decisions regarding the declaration, proposal or payment of dividends, or resolutions regarding the approval of profits or losses of any year, half-year or other periods.

Save as consideration of the Board of matters in relation to connected transactions as stipulated by the Articles of Association, the quorum of a Board meeting shall be formed in the presence of at least half of the total number of Directors. A Director may attend the Board meeting in person, or appoint another Director as his proxy. The secretary to the Board of the Company is responsible for preparing and keeping the minutes of Board meetings and ensuring that such minutes are available for inspection by any Director.

(5) Chairman and president

During the Reporting Period, Dr. Cao Xin served as chairman of the Board of the Company, and Mr. Mei Chun Xiao served as president of the Company. The roles of the chairman of the Board and the president of the Company are separated and are served by different persons to ensure independence of each role.

Dr. Cao Xin, chairman of the Board, is responsible for governing and leading the Board, as well as developing the Company's development strategy and corporate control mechanism to ensure the effective functioning of the Board and its independent committees, and to ensure the actions of the Board are in the best interests of the Company and its shareholders.

(6) Appointment of Directors

According to the Articles of Association of the Company, Directors shall be elected at a general meeting with a term of three years and is eligible for re-election. The Company has formulated procedures for the appointment of Directors. The Nomination Committee is responsible for nomination of new Directors, and a nominee list shall be submitted to the Board for consideration. All newly nominated Directors are subject to election and approval at the general meeting.

(7) Independence of Independent Non-executive Directors

The Company currently consists of three independent non-executive Directors and none of them serves as an independent non-executive Director for more than six years. The number and qualification of the independent non-executive Directors are in compliance with the requirements of the Hong Kong Listing Rules and the Articles of Association. The independence is highly guaranteed, none of the independent non-executive Directors has any business and financial interests in the Company or its subsidiaries, nor performs any management function in the Company.

The Company had received the annual confirmation of independence presented by the independent non-executive directors in accordance with Rule 3.13 of the Hong Kong Listing Rules and it is believed that all independent non-executive directors are independent from the Company.

(8) Directors' remuneration

Independent non-executive Directors of the Company receives remuneration from the Company. The Company pays each independent non-executive Director HKD100,000 or the Renminbi equivalent annually (tax inclusive, paid on a quarterly basis, and the Company is responsible for withholding personal income tax). Travel expenses incurred by independent non-executive Directors for attending Board meetings and shareholders' general meetings of the Company and relevant activities organised by the Board will be borne by the Company. Non-executive Directors without management roles in the Company do not receive any remuneration from the Company. Executive Directors holding management roles in the Company receive remuneration from the Company. Remunerations of all executive Directors shall be determined in accordance with the criteria specified in the "Remuneration Management Measures" of the Company, which covers a basic salary, performance bonuses and other benefits. The amount of basic salary is determined in accordance with the position of the executive Director in the Company, the performance bonus is determined with reference to the Company's business performance and other benefits include the statutory pension, medical and housing funds. Details of the Directors' remuneration are set out in the section "Particulars of Directors, Supervisors, Senior Management and Staff" of this annual report.



(9) Directors' training

Every newly appointed director has undertaken comprehensive, formal and bespoke orientation program at the beginning of his appointment to ensure that the Director has a proper understanding on the business and operations of the Company, and his responsibilities and obligations under the Hong Kong Listing Rules and relevant regulatory requirements.

Directors receive updates on the Company's business and operations and relevant laws and regulations every month to facilitate the discharge of their duties. In addition, all Directors are also encouraged to attend relevant training courses and any costs occurred are paid by the Company.

During the Reporting Period, several Directors and supervisors of the Company participated in the training programs organized by The Hong Kong Institute of Chartered Secretaries. Among which, Mei Chun Xiao and Qiao Guo Jie participated in the training on information disclosure and transaction regulation and governance; Li Lian Ping, Cao Xin, Qin Gang, Wu Hui Jiang, and Lin Tao participated in the trainings on director responsibilities, core responsibilities and governance practices; Wang Hong Jun, Gao Jun and Zhang Dong Sheng participated in the annual performance report and information disclosure trainings, Guo Ying Jun participated in the 73rd independent director qualification training of the Shanghai Stock Exchange. Wan Yim Keung, Daniel participated in the annual directors' training in Hong Kong.

(10) Joint company secretaries and trainings

During the Reporting Period, Mr. Ban Ze Feng and Ms. Lam Yuen Ling, Eva served as the joint company secretaries, who are responsible for facilitating the Board procedures as well as communications among the Directors and communications between the Directors and shareholders and management. The primary contact person of Ms. Lam Yuen Ling, Eva with the Company is Mr. Ban Ze Feng, and significant issues will be reported by Mr. Ban to the chairman of the Board.

The joint company secretaries' biographies are set out in the section "Particulars of Directors, Supervisors, Senior Management and Staff" of this annual report. During the Reporting Period, the joint company secretaries undertook over 15 hours of professional training to advance their skills and knowledge.

Reasons should be provided for any discrepancies between the corporate governance of the Company and the relevant requirements of CSRC.

Applicable Not Applicable

II. INTRODUCTION OF GENERAL MEETINGS

Session	Date of general meeting	Enquiry index of the designated website on which the resolutions were published	Publication date of the resolutions
2019 Annual General Meeting	29 May 2020	www.hkexnews.hk	29 May 2020
2020 First Extraordinary General Meeting	13 October 2020	www.sse.com.cn www.hkexnews.hk	14 October 2020 13 October 2020
2020 Second Extraordinary General Meeting	25 November 2020	www.sse.com.cn www.hkexnews.hk	26 November 2020 25 November 2020

Descriptions of general meeting

- On 29 May 2020, the Company held the 2019 annual general meeting, at which the "2019 Report of the Board of Directors", the "2019 Report of the Board of Supervisors", the "Report on the Final Accounts of the Company for the Year Ended 31 December 2019", the "Audited Financial Statements and Independent Auditor's Report for the Year Ended 31 December 2019", the "2019 Profit Distribution Plan", the "Budget Arrangement Report for the Year Ended 31 December 2020", the "Re-appointment of PRC and International Auditors and Authorization of the Board of Directors to Determine Their Respective Remuneration", the "Resolution on the Report on the Use of Proceeds Previously Raised by the Company", and the "Resolution on the General Mandate to Issue Shares" were considered and passed.
- On 13 October 2020, the Company held its first 2020 extraordinary general meeting, at which the "Resolution on the 2019 Profit Distribution Plan of the Company", the "Resolution on the Change and Appointment of Ernst & Young Hua Ming LLP as the PRC Auditor of the Company in 2020" and the "Resolution on the Election of Supervisors of the Fourth Session of Board of Supervisors of the Company" were considered and passed.
- On 25 November 2020, the Company held its second 2020 extraordinary general meeting, at which the "Resolution on the Company's Public Registration and Issuance of RMB3 billion Renewable Green Corporate Bonds", the "Resolution on the Election of Mr. Guo Ying Jun as an Independent Director of the Fourth Session of Board of Directors of the Company", the "Resolution on the Proposal on the Company's Adoption of the CASBE Only", the "Resolution on the Termination by the Company of Appointment of International Auditors", the "Resolution on Amending the Articles of Association of the Company" and the "Resolution on Amending the Rules of Procedure for the General Meeting of Shareholders of the Company" were considered and passed.

III. DIRECTORS' DUTIES PERFORMANCE

(I) Directors' Attendance at Board Meetings and General Meetings

Name of directors	Whether or not he or she is an independent non-executive director	Mandatory attendance in Board meetings during the year	Attendance of Board meeting (s)				Whether or not he or she has been absent in person for two consecutive times	Attendance in general meeting(s)
			Times of attendance in person	Times of attendance by telecommunication	Times of attendance by proxy	Times of absence		
Cao Xin	No	18	18	16	0	0	No	1
Li Lian Ping	No	18	18	18	0	0	No	0
Mei Chun Xiao	No	18	18	9	0	0	No	3
Wang Hong Jun	No	18	18	11	0	0	No	0
Qin Gang	No	18	18	11	0	0	No	2
Wu Hui Jiang	No	18	18	14	0	0	No	0
Guo Ying Jun	Yes	3	3	0	0	0	No	0
Wan Yim Keung, Daniel	Yes	18	18	18	0	0	No	0
Lin Tao	Yes	18	18	16	0	0	No	2
Xie Wei Xian (Resigned)	Yes	15	15	15	0	0	No	0

Explanation on failure to attend Board meetings in person for two consecutive times

Applicable Not Applicable

Number of Board meetings convened during the year	18
Including: number of meetings on-site	0
Number of meetings held by teleconference	9
Number of meetings held both on-site and via teleconferencing	9

(II) Disagreement of the independent directors with the Company

Applicable Not Applicable

(III) BOARD COMMITTEES

During the Reporting Period, the Board had performed corporate governance functions of regularly review of corporate governance policies and practices, review of compliance with the Corporate Governance Code and the disclosure of Corporate Governance Report, review and oversight trainings of Directors and the senior management, review and oversight the Company's compliance with laws and relevant policies and regulations.

The Board has established four committees, namely, the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy and Investment Committee. The Company has formulated the terms of reference of each Board committee.

1. *Audit Committee*

During the Reporting Period, the Audit Committee of the Company consisted of three Directors, namely Mr. Wan Yim Keung, Daniel (an independent non-executive Director) served as the chairman of the Audit Committee, Mr. Qin Gang (a non-executive Director) and Mr. Xie Wei Xian (an independent non-executive Director) served as members of the Audit Committee. After Mr. Xie Wei Xian resigned, Mr. Guo Ying Jun (an independent non-executive Director) was succeeded as a member of the Audit Committee.

Pursuant to the amended "Terms of Reference of the Audit Committee" of the Company, the major responsibilities of the Audit Committee are: to review the principal financial control objectives, to supervise the implementation of financial and accounting regulations, to consider and review financial control, risk management and internal control system as well as the aims of such control measures, to consider the Company's annual internal audit plan, to ensure communication between the internal audit department and external audit institution and coordination is made, to review the financial information of the Company and its disclosure, independently review and make recommendations on the integrity of the financial statements, annual and half-year reports and quarterly reports (if proposed to be published), and significant financial reporting judgements made towards any relevant financial information. For details of the terms of reference of the Audit Committee of the Company, please see the Company's announcement on the websites of the Hong Kong Stock Exchange.



The Board and the Audit Committee are in consensus on the selection, appointment or dismissal of external auditors or the resignation of auditors. During the Reporting Period, the Audit Committee convened eight meetings, at which the following resolutions were respectively reviewed and approved:

- (1) On 19 March 2020, the resolutions on the "Communication of the Audit Results for the Year 2019" and "2019 Internal Audit and Risks Management Report of the Company" were reviewed and approved.
- (2) On 20 August 2020, the resolution on "the Change to Appoint Ernst & Young Hua Ming LLP As the Company's PRC Auditor for 2020" was reviewed and approved.
- (3) On 26 August 2020, the resolution on the "Report on the Results of the Agreed-upon Procedures for 2020 Interim" was reviewed and approved.
- (4) On 28 September 2020, the resolution on the "Review of Agreed Terms of Engagement of Ernst & Young Hua Ming and Determination of Audit Fees for 2020" was reviewed and approved.
- (5) On 29 October 2020, the resolution on "Review of 2020 Third Quarterly Report of the Company" was reviewed and approved.
- (6) On 3 November 2020, the resolutions on "the Proposed Unified Use of the CASBE by the Company" and "the Termination of Appointment of International Auditor of the Company" were reviewed and approved.
- (7) On 21 December 2020, the resolutions on "the Issuance Plan for the Non-public Issuance of A Shares by the Company", "the Proposal for Non-public Issuance of A Shares of the Company", "the Entering into of the Conditional Subscription Agreement and the Connected Transaction between the Company and Hebei Construction & Investment Group Co., Ltd.", "the feasibility Analysis Report on the Use of Proceeds from the Non-public Issuance of A Shares of the Company", "the Report on the Use of the Previously-raised Proceeds of the Company" and "the Renewal of the Asset Financing Services Framework Agreement between the Company and Huihai Finance Leasing Co., Ltd." were reviewed and approved.
- (8) On 23 December 2020, the resolution on the "2020 Audit Plan" was reviewed and approved.

All members of the Audit Committee attended the above meetings. At these meetings, they discussed and passed the relevant resolutions. The Audit Committee has reviewed the effectiveness of the internal control policy of the Company on 31 December 2020 and the risk management and internal control system of the Company. During the Reporting Period, the Audit Committee considered that the internal audit and risk management functions of the Company were reasonable, effective and sufficient.

The Audit Committee is responsible for supervising the Audit Department to perform the audit and risk management functions and is responsible for the independent review of the adequacy and effectiveness of the Group's internal control and risk management system.

2. *Remuneration and Appraisal Committee*

During the Reporting Period, the Audit Committee of the Company consisted of five Directors, namely Dr. Lin Tao (an independent non-executive Director) served as the director of the Remuneration and Appraisal Committee, Dr. Cao Xin (the chairman and a non-executive Director), Mr. Mei Chun Xiao (an Executive Director), Mr. Xie Wei Xian (an independent non-executive Director) and Mr. Wan Yim Keung, Daniel (an independent non-executive Director) served as members of the Remuneration and Appraisal Committee. Subsequent to the resignation of Mr. Xie Wei Xian, Mr. Guo Ying Jun (an independent non-executive Director) succeeded as a member of the Remuneration and Appraisal Committee.

Pursuant to the amended "Terms of Reference of the Remuneration and Appraisal Committee" of the Company, the major responsibilities of the Remuneration and Appraisal Committee are: to determine the appraisal standards of Directors and senior management, to determine formal and transparent remuneration policy and structure as well as remuneration and performance appraisal plans of Directors and senior management, and to study the Company's incentive plans, remuneration system and option plans. For details of the terms of reference of the Remuneration and Appraisal Committee of the Company, please see the Company's announcement on the websites of the Hong Kong Stock Exchange.

During the Reporting Period, one meeting was convened by the Remuneration and Appraisal Committee and all members attended the meeting, at which "Resolution on Annual Payment of the Operating Managers of the Company for the Year 2019" was reviewed and approved.

In addition to attending meetings, members maintain close and effective communication amongst themselves through channels such as e-mail and electronic communications to ensure the discharge of the duties.

During the Reporting Period, the Remuneration and Appraisal Committee recommended the remunerations of Directors and senior management to the Board and reviewed the compensation policies, strategies and principles for Directors and senior management.

3. *Nomination Committee*

During the Reporting Period, the Nomination Committee of the Company consisted of 5 directors, namely Mr. Xie Wei Xian (an independent non-executive Director) served as the director of the Remuneration and Appraisal Committee, and Dr. Cao Xin (a non-executive Director), Dr. Li Lian Ping (a non-executive Director), Mr. Wan Yim Keung, Daniel (an independent non-executive Director) and Dr. Lin Tao (an independent non-executive Director) served as members of the Remuneration and Appraisal Committee. Subsequent to the resignation of Mr. Xie Wei Xian, Mr. Guo Ying Jun (an independent non-executive Director) succeeded as a member and served as the chairman of the Nomination Committee.

Pursuant to "Terms of Reference of the Nomination Committee" of the Company, the major responsibilities of the Nomination Committee are: to develop the standards, procedures and methods for selection of Directors and senior management of the Company, to give recommendations to the Board in respect of the appointment, reappointment of Directors and succession for Directors (especially the chairman of the Board and the president), to assess the independence of independent non-executive Directors, to monitor the implementation of the Board diversity policy and the Board nomination policy and review such policies as appropriate, and to make recommendations to the Board on quantifiable objectives for better diversity of the Board. For details of the terms of reference of the Nomination Committee of the Company, please see the Company's announcement on the websites of the Hong Kong Stock Exchange.

During the Reporting Period, two meetings were convened by the Nomination Committee and all members attended the meeting, at which the following resolutions were considered and approved, respectively:

- (1) On 23 September 2020, the "Resolution on Nomination of Independent Directors' Candidates of the Fourth Session of the Board of the Company" was reviewed and approved.
- (2) On 29 October 2020, the "Resolution on Nomination of Mr. Ban Ze Feng as Vice President of the Company" was reviewed and approved.

4. *Strategy and Investment Committee*

During the Reporting Period, the Strategy and Investment Committee of the Company consisted of 5 directors, namely Dr. Cao Xin (a non-executive Director) served as the director of the Strategy and Investment Committee, Mr. Mei Chun Ciao (an Executive Director), Mr. Wang Hong Jun (an Executive Director), Mr. Qin Gang (a non-executive Director) and Mr. Wu Hui Jiang (a non-executive Director) serve as members of the Strategy and Investment Committee.

Pursuant to the amended "Terms of Reference of the Strategy and Investment Committee" of the Company, the major responsibilities of the Strategy and Investment Committee are: to study and make recommendations on the development strategy and major investment decisions of the Company, to review annual business plans and investment proposals of the Company, to study and make recommendation on significant investments, financing and capital operations proposals that require the approval from the Board.

During the Reporting Period, two meetings were convened by the Strategy and Investment Committee and all members attended the meeting for the discussion and approval of the following resolutions:

- (1) On 19 March 2020, the "Resolution on the Report on the Use of Proceeds Previously Raised by China Suntien Green Energy Corporation Limited" was reviewed and approved.
- (2) On 21 December 2020, the "Resolution on the Issuance Plan for the Non-public Issuance of A Shares by the Company" and the "Resolution on the Proposal for Non-public Issuance of A Shares of the Company" were reviewed and approved.



(IV) DIRECTOR'S NOMINATION AND DIVERSITY POLICY OF THE BOARD

The Company truly believes and recognises that a diversified Board is highly beneficial to the quality and performance enhancement of the Company. The Company is of the view that an increasingly diversified board is a key factor for sustainable development, achievement of strategic goals and maintenance good corporate governance.

To achieve sustainable and balanced development, the Company sees increased diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the composition of the Board, the Company considers the board diversity from a number of perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All appointments of the Board adopt the principle of meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

During the Reporting Period, the Nomination Committee reviewed the composition of the fourth session of the Board of the Company and concluded that the Company had met the diversification requirements with regard to age, cultural and educational background, professional experience, skills and knowledge. When making the appointment and re-appointment of directors in the future, the Nomination Committee will nominate new directors pursuant to the requirements of the "Board Diversity Policy" to achieve the objective of diversity in Board members. The analysis of the Board diversity is as follows. The Board believes that the composition of the Board during the Reporting Period are in line with the requirements of the "Board Diversity Policy".

Item	Category	Number	Proportion to Board members (%)
Gender	Male	9	100
	Female	0	0
Age	30 to 40	0	0
	41 to 50	5	55.6
	51 to 60	3	33.3
	61 to 70	1	11.1
Directorship	Independent Non-executive Director	3	33.3
	Non-executive Director	4	44.4
	Executive Director	2	22.2
Economic, accounting and finance professional		5	55.6
Outside Directorships (Number of listed companies)	Within 2 (2 inclusive)	9	100
	Above 3 (3 inclusive)	0	0

(V) DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENT

The Company does not identify any material uncertainties of matters or events which may cast significant doubts on the Company's ability on going concern. The Board acknowledges its responsibility for preparing the Financial Statements of the Group for the year ended 31 December 2020.

(VI) RISK MANAGEMENT AND INTERNAL CONTROLS

In 2020, the Group carried out three risk management tasks that is the annual risk assessment, the material risk warning and the response to material risks. During the Reporting Period, by combining the actual situation, the Company improved the filing and analysis of risk data, prepared and submitted the "2020 Risk Assessment Report". The material risk warning mechanism and indicators for the systems of the Company were improved and the quarterly "Material Risk Pre-Warning Indicators Control Report" was submitted in a timely manner. Based on the risk assessment response strategy formulated at the beginning of the year and combined with the pre-warning of this year, the Company has formulated practical and feasible risk response measures, and carried out risk prevention work on a quarterly basis, including implementation of countermeasures to effectively prevent and control risks, which effectively minimised our exposure to risks and played a significant role in safeguarding the Group's production and operation.

Based on the needs on the establishment of internal control systems to further strengthen and standardize our internal control and improve the operation management and risk prevention capability of the Company, we continued to proceed with the building of management system in 2020 and completed the upgrade and replacement of various management systems according to the different types of business operations of the Company, and 18 separate data banks such as the "Administrative Informatization Data Bank" and "Financial Accounting Data Bank" were created for the incorporation of 299 effective systems as of 31 December 2020. The systems managed by each department were to be fully implemented to the relevant position level, and each department has updated the supplement to the "Job Responsibilities and Departmental System Comparison Table", so that each system can be properly worked out by the staff concerned, providing a strong support to the effective implementation of the system.

In order to ensure the implementation of the system management is effective, the audit department of the Company organized trainings and promotion on internal control, starting from internal control promotion and explanation on basic knowledge of internal control to the provision of onsite guidance and communication and answering questions and solving problems, both theoretical and practical support for internal control and risk prevention were thus provided for frontline staff.

The Board is responsible for the risk management and internal control systems of the Company and reviewing the effectiveness. The risk management and internal control system of the Company are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board reviews the risk management and internal controls annually. The statement of the Board has included the examination and review of the Company's risk management and internal control systems as at 31 December 2020. The Board has confirmed that it has reviewed the effectiveness of the risk management and internal control systems and the Board considers that the risk management and internal control systems are effective and sufficient and they can effectively prevent against the existing risks in the Company's operation.

The Company established an internal control system of material information, and a system of processing procedures and internal control measures for addressing and disseminating inside information. The Company has established systems relating to information disclosure, registration and management of inside information and prevention of misuse and dissemination of inside information. Meanwhile, the Company carries out information disclosure in a true, accurate, complete, and timely manner pursuant to the relevant regulations such as the Hong Kong Listing Rules, the "Articles of Association" and "Administrative Measures for the Disclosure of Information of Listed Companies", so as to ensure equal opportunities of all investors to have timely access to relevant Company information.

(VII) AUDITOR'S REMUNERATION

In 2020, Ernst & Young Hua Ming LLP was appointed to provide audit services to the Company in accordance with the PRC Accounting Standards for Business Enterprises, and annual audit fees of RMB2.52 million, interim agreed procedures fees of RMB0.90 million (in accordance with International Accounting Standards), A-share IPO listing-related fees of RMB1.75 million, ESG report and other fees of RMB1.04 million were made. The reporting responsibilities statement of Ernst & Young Hua Ming LLP on the financial statements is set out in "Financial Report" of this annual report.

(VIII) RIGHTS OF SHAREHOLDERS

(1) *Shareholders are entitled to propose the convening of an extraordinary general meeting*

Pursuant to the Articles of Association of the Company, shareholders are entitled to the following right: one or several shareholders holding more than 10% (including 10%) of shares (with voting rights) of the Company may request the Board in writing on convening an extraordinary general meeting of shareholders.

(2) *Shareholders are entitled to table provisional proposals in a general meeting*

Pursuant to the Articles of Association of the Company, shareholder(s) holding more than 3% (including 3%) of shares (with voting rights) of the Company shall be entitled to table provisional proposals in writing to the Company in a general meeting convened. The Board office of the Company located at its registered office and headquarter in the PRC is responsible for dealing with any proposals tabled by shareholders. The Company shall include in the agenda those matters which are within the scope of duties of the general meeting.

(3) *Shareholders are entitled to enquiries*

Shareholders may directly send their enquiries required attention of the Board to the principal place of business in Hong Kong. The Company will handle all enquiries in a timely and appropriate manner. The contact information of the Company's office in Hong Kong is as follows:

Address: Suite 2103, 21st Floor, Prudential Tower, The Gateway, Harbour City, Kowloon, Hong Kong Fax: (852)2153 0925



(IX) COMMUNICATION WITH SHAREHOLDERS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding on the business and strategy of the Company. The Company highly appreciates shareholders' opinions and advices, and actively organises various investor relations activities to maintain its communication with shareholders and to meet the reasonable demands of shareholders in a timely manner.

The Company publishes financial information, annual reports, interim reports and other latest information to ensure that its shareholders can keep abreast of the Company's operational position. The Company has also organized on-site visits to facilitate shareholders' understanding on business operations, as well as offline or online occasions such as roadshows on results and meetings with shareholders and summits to report on the Company's latest operational position.

The annual general meeting of the Company is also the best channel for exchange of opinions between the Board and the shareholders. Shareholders are encouraged to attend the annual general meetings or appoint proxy(ies) to attend and vote at the annual general meetings. Pursuant to company laws and the Articles of Association of the Company, shareholders are legitimately entitled to request responses to shareholders' inquiries by the chairman of the Board, chairmen of specific Board committees and the auditor of the Company at the annual general meetings.

During the Reporting Period, the Company convened the 2019 annual general meeting on 29 May 2020 where various resolutions were respectively voted on by polls. Directors and senior management of the Company answered enquiries of the shareholders on the operations of the Company. The Company also convened extraordinary general meetings on 13 October 2020 and 25 November 2020 respectively where resolutions in relation to the Distribution of Dividends for 2019, election of directors and supervisors, public offering by the Company of RMB3 billion renewable green corporate bonds, change of the Company's PRC auditor for 2020, the proposal of unified adoption of the China Accounting Standards for Business Enterprises (CASBE) of the Company and the termination of appointment of international auditor, were respectively voted on by poll. All resolutions were duly passed.

(X) INVESTOR RELATIONS

As of 31 December 2020, the total number of shares in issue of the Company was 3,849,910,396, comprising of 2,010,906,000 A shares and 1,839,004,396 H shares.

The Company believes that good investor relations enable building on a more stable shareholders base. Accordingly, the Company is committed to maintaining high transparency, providing investors with comprehensive and accurate information in a timely manner and continuously performing the information disclosure obligations of listed companies in compliance with the Hong Kong Listing Rules.

During the Reporting Period, the Company strengthened its communication with its investors through roadshows on results, participating investors' summits, and voluntary information disclosure so as to enable the shareholders to understand the corporate strategy and business operations of the Company.

The Company will continue to maintain an open and effective investor communication policy and provide investors with the latest information of the Company's business in a timely manner in accordance with the relevant regulatory requirements

(XI) ARTICLES OF ASSOCIATION OF THE COMPANY

During the Reporting Period, corresponding to the proposal on the unified adoption of the CASBE of the Company and the preparation of financial statements under the CASBE for the disclosure of the results of the Company for the year ended 31 December 2020 and subsequent periods, while improving the provisions of the Articles of Association in respect of cumulative voting in conjunction with actual operational needs, the Company amended Articles 106, 206 and 207 of the Articles of Association. The relevant amendments were considered and passed at the second extraordinary general meeting in 2020 of the Company held on 25 November 2020. For details of the amendments, please refer to the announcement and supplemental circular of the Company dated 3 November 2020 and the announcement of the Company dated 25 November 2020 published on the website of the Hong Kong Stock Exchange.

In addition, in accordance with the "Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies", the "Rules Governing the Listing of Stocks on the Shanghai Stock Exchange", the "Securities Law of the People's Republic of China" and other relevant rules, the Company amended the provisions of the Articles of Association regarding the notice period of the general meeting, the procedures for convening general meetings and guarantees. The amended provisions include Articles 1, 7, 18, 27, 46, 62, 66, 67, 71, 94, 121, 124 and 127. The relevant amendments were considered and approved at the first extraordinary general meeting in 2021, the first A share class meeting in 2021 and the first H share class meeting in 2021 of the Company held on 8 February 2021. For details, please refer to the announcement of the Company dated 21 December 2020, its circular dated 15 January 2021 and its announcement dated 8 February 2021 published on the website of the Hong Kong Stock Exchange.

CORPORATE GOVERNANCE AND REPORT OF CORPORATION GOVERNANCE

IV. SIGNIFICANT OPINIONS AND RECOMMENDATIONS PROPOSED BY THE SPECIAL COMMITTEES UNDER THE BOARD IN PERFORMING THEIR DUTIES DURING THE REPORTING PERIOD, SPECIFIC DETAILS SHOULD BE DISCLOSED IF THERE WERE DISAGREEMENTS

Applicable Not Applicable

V. RISKS DISCOVERED BY THE BOARD OF SUPERVISORS

Applicable Not Applicable

VI. FAILURE OF THE CONTROLLING SHAREHOLDER OF THE COMPANY IN ENSURING INDEPENDENCE AND MAINTAINING THEIR CAPACITY OF INDEPENDENT OPERATION IN TERMS OF BUSINESS, PERSONNEL, ASSETS, ORGANIZATION AND FINANCE

Applicable Not Applicable

Corresponding solutions, working progress and subsequent working plans of the Company in case of horizontal competition

Applicable Not Applicable

VII. ESTABLISHMENT AND IMPLEMENTATION OF EVALUATION AND INCENTIVE MECHANISMS FOR SENIOR MANAGEMENT DURING THE REPORTING PERIOD

Applicable Not Applicable

VIII. WHETHER THE SELF-EVALUATION REPORT ON INTERNAL CONTROL IS DISCLOSED

Applicable Not Applicable

Material defects on internal control during the Reporting Period

Applicable Not Applicable

IX. RELEVANT EXPLANATIONS ON THE AUDIT REPORT OF INTERNAL CONTROL

The Company listed on the SSE on 29 June 2020. According to Article 2.2 of the "Working Memorandum of Periodic Reports of Listed Companies No. 1 Compilation, Review and Disclosure of Annual Internal Control Information" (《上市公司定期報告工作備忘錄第一號年度內部控制信息的編制、審議和披露》) (Revised in December 2015), "A newly listed company shall start to build an internal control system in the year of listing, and disclose the internal control evaluation report and internal control audit report at the same time as the annual report of the next year of listing." The Company is a newly listed company and is currently in the period of internal control system construction. As such, it has not disclosed the 2020 internal control evaluation report, and its auditors have not issued the internal control audit report for the Company. The Company will disclose the internal control evaluation report together with its annual report in next year.

Whether the internal control audit report has been disclosed: No

X. THE BOARD OF SUPERVISORS

Applicable Not Applicable



BASIC INFORMATION OF CORPORATE BONDS

I. BASIC INFORMATION OF CORPORATE BONDS

Unit: '00 million Yuan Currency: RMB

Name	Abbreviation	Code	Issue date	Maturity date	Balance	Interest rate (%)	Means to repay principal and interest	Trading place
2018 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G18 New Y1	143952	13 March 2018	13 March 2021	5.9	5.96	3+N, interest to be paid annually	SSE
2019 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G19 New Y1	155956	5 March 2019	5 March 2022	9.1	4.7	3+N, interest to be paid annually	SSE
2021 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G21 New Y1	175805	10 March 2021	9 March 2024	10.4	5.15	3+N, interest to be paid annually	SSE

Principal and interest payment of corporate bonds

- (I) G18 New Y1: the principal and interest was settled on 15 March 2021. For details, please refer to the "Announcement on Reimbursement of Principal Capital and Interest in 2021 for 2018 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited" available on the website of the SSE (www.sse.com.cn).
- (II) G19 New Y1: not yet matured, and no payment of principal made; interest was fully paid when due as follows: Interest for the period from 5 March 2020 to 4 March 2021 was paid on 5 March 2021. For details, please refer to the "Announcement on Payment of Interest in 2020 for 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited" available on the website of the SSE (www.sse.com.cn).
- (III) G21 New Y1: Issued on 10 March 2021, not yet due for interest payment.

Other information of Corporate Bonds

Applicable Not Applicable

II. CONTACT INFORMATION OF CORPORATE BOND TRUSTEE AND CREDIT RATING AGENCY

Bond trustee	Name	China Galaxy Securities Co., Ltd.
	Office address	Qinghai Finance Building, Building No. 1, No. 8 Xiyong Street, Fengtai District, Beijing
	Contact person	Tang Yijun
	Contact number	18758361536
Credit rating agency	Name	China Chengxin International Credit Rating Co., Ltd.
	Office address	Building 6, Galaxy SOHO, No. 2 Nanzhugan Lane, Chaoyangmennei Avenue, Chaoyang District, Beijing

Other explanation:

Applicable Not Applicable

III. USE OF PROCEEDS FROM CORPORATE BONDS

(I) Use of proceeds

- G18 New Y1: issued for RMB590 million on 13 March 2018 and operated in accordance with requirements. As of 31 December 2020, RMB590 million was utilized with the balance being RMB0.00, and the actual use is consistent with the committed purpose, usage plan and other agreements specified in the prospectus.
- G19 New Y1: issued for RMB910 million on 5 March 2019 and operated in accordance with requirements. As of 31 December 2020, RMB910 million was utilized with the balance being RMB0.00, and the actual use is consistent with the committed purpose, usage plan and other agreements specified in the prospectus.

3. G21 New Y1: issued for RMB1.040 billion on 10 March 2021, and operated in accordance with requirements. As of the announcement date of this report, RMB626 million was utilized with the balance being RMB414 million, and the actual use is consistent with the committed purpose, usage plan and other agreements specified in the prospectus.

(II) Implementation procedures for the use of proceeds

1. G18 New Y1: The use of proceeds from this tranche by the Company was strictly in compliance with stipulations in the "Prospectus for 2018 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited (for Qualified Investors)" (the "Prospectus") and requirements of regulations such as the Articles of Association. The Company opened a special account for receiving, depositing and transferring of the proceeds and payment of principal and interest, and strictly implemented approval procedures at various levels. After receiving the proceeds in the account, the use of such funds was strictly in compliance with the Company's requirements for management of approval authorisation.
2. G19 New Y1: The use of proceeds from this tranche by the Company was strictly in compliance with stipulations in "Prospectus for 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited (for Qualified Investors)" (the "Prospectus") and requirements of regulations such as the Articles of Association. The Company opened a special account for receiving, depositing and transferring of the proceeds and payment of principal and interest, and strictly implemented approval procedures at various levels. After receiving the proceeds in the account, the use of such funds was strictly in compliance with the Company's requirements for management of approval authorisation.
3. G21 New Y1: The use of proceeds from this tranche by the Company was strictly in compliance with stipulations in the "Prospectus for 2021 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited (for Professional Investors)" (the "Prospectus") and requirements of regulations such as the Articles of Association. The Company opened a special account for receiving, depositing and transferring of the proceeds and payment of principal and interest, and strictly implemented approval procedures at various levels. After receiving the proceeds in the account, the use of such funds was strictly in compliance with the Company's requirements for management of approval authorisation.

(III) Operation of the special account for proceeds raised

The Company opened special accounts for receiving, depositing and transferring of the proceeds and payment of principal and interest strictly in accordance with stipulations in the Prospectuses.

As at the end of the Reporting Period, there was no irregularity in the operation of the special accounts for the proceeds.

IV. CREDIT RATING OF CORPORATE BONDS

On 24 June 2020, as assessed by the rating committee of China Chengxin International Credit Rating Co., Ltd., the credit rating of the Company remained AAA with stable outlook, and the credit ratings of "G18 New Y1" and "G19 New Y1" remained AAA.

On 5 March 2021, as assessed by the rating committee of China Chengxin International Credit Rating Co., Ltd., the credit rating of the Company remained AAA with stable outlook, and the credit ratings of "G21 New Y1" was AAA.

Such credit rating indicates: the rated subject has a very strong ability to repay its debts, the bonds are very safe and basically not affected by any adverse economic conditions, with an extremely low risk of default.

During the Reporting Period, China Chengxin International Credit Rating Co., Ltd. issued the "Follow-up Credit Rating Report (2020) on the 2018 Renewable Green Corporate Bonds (First Tranche) and the 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited", which is available on the website of the SSE (<http://www.sse.com.cn>). On 5 March 2021, China Chengxin International Credit Rating Co., Ltd. issued the "Credit Rating Report on the 2021 Renewable Green Corporate Bonds (First Tranche) (for Professional Investors) Publicly Issued by China Suntien Green Energy Corporation Limited", which is available on the website of the SSE (<http://www.sse.com.cn>).

V. CREDIT ENHANCEMENT MECHANISM, DEBT REPAYMENT SCHEME AND OTHER RELEVANT INFORMATION OF CORPORATE BONDS DURING THE REPORTING PERIOD

The corporate bonds "G18 New Y1" and "G19 New Y1" are guaranteed by "Hebei Construction & Investment Group Co., Ltd.", which remain unchanged during the Reporting Period. "G21 New Y1" was not guaranteed, which remained unchanged during the Reporting Period.

G18 New Y1: The principal and interest has been settled on 15 March 2021. For details, please refer to the "Announcement for Reimbursement of Principal Capital and Interest for 2018 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited" available on website of SSE (www.sse.com.cn). Current interest of other bonds was fully paid when due.



VI. MEETINGS OF HOLDERS OF CORPORATE BONDS

Applicable Not Applicable

VII. PERFORMANCE OF DUTIES BY BOND TRUSTEE

The Company engaged China Galaxy Securities Co., Ltd. as the bond trustee for "G18 New Y1", "G19 New Y1" and "G21 New Y1" and entered into the "Agreement on Bond Entrusted Management" with it.

The bond trustee continuously supervised the issuer to perform information disclosure obligations, regulate the use of proceeds and repay principal and interest in full when due during the subsistence of the bonds. During the Reporting Period, China Galaxy Securities Co., Ltd. properly performed its duties as a bond trustee and played a positive role in protecting the interest of bond investors.

During the Reporting Period, the bond trustee published the "Report on Entrusted Management of Corporate Bonds Publicly issued by China Suntien Green Energy Corporation Limited (2019)", which is available on the website of the SSE (<http://www.sse.com.cn>).

VIII. ACCOUNTING DATA AND FINANCIAL INDICATOR FOR THE RECENT TWO YEARS AS AT THE END OF REPORTING PERIOD

Unit: Yuan Currency: RMB

Major indicators	2020	2019	Increase or decrease over the same period of the previous year (%)	Reason for changes
Earnings before interest, tax, depreciation and amortization	4,778,666,331.76	4,464,449,618.37	7.04	Due to the continuous development of the Company's business, the overall profit has increased compared with 2019
Current ratio	63.79%	70.93%	-10.07	Mainly due to the increase in other payables compared with 2019
Quick Ratio	53.78%	60.78%	-11.51	Mainly due to the increase in other payables compared with 2019
Gearing Ratio (%)	70.84%	67.88%	4.36	Due to the increase in borrowings
Total debt to EBITDA ratio	0.12	0.14	-17.52	Mainly due to the increase in liabilities as a result of the increase in long-term borrowings in the current period
Interest Coverage Ratio	2.49	2.79	-10.56	Increase in interest due to increase in borrowings during the year
Cash interest coverage ratio	4.36	4.88	-10.64	Increase in interest due to increase in borrowings during the year
EBITDA Interest Coverage Ratio	3.74	4.06	-7.89	Mainly due to the increase in depreciation in the current period
Loan Repayment Ratio (%)	100.00%	100.00%		
Interest coverage (%)	100.00%	100.00%		

IX. PRINCIPAL AND INTEREST PAYMENT OF OTHER BONDS AND FINANCING INSTRUMENTS OF THE COMPANY

During the Reporting Period, the principal and interest of other bonds and financing instruments of the Company were paid when due and there was no delay or failure in the payment of principal and interest.

X. BANK CREDITS OF THE COMPANY DURING THE REPORTING PERIOD

As at the end of the Reporting Period, the Company had available credit lines from its financial institutions amounting to RMB72.221 billion, of which RMB21.597 billion were utilized and RMB50.624 billion were unutilized.

XI. PERFORMANCE OF COMMITMENTS AND UNDERTAKINGS BY THE COMPANY IN RESPECT OF CORPORATE BONDS ACCORDING TO THE PROSPECTUSES DURING THE REPORTING PERIOD

- (I) The operation of the special accounts for proceeds was regulated and the Company carried out regulated operation strictly in accordance with stipulations in the Prospectuses

In particular, G18 New Y1: issued for RMB590 million on 13 March 2018 and operated in accordance with requirements, with RMB590 million utilized and a balance of RMB0.00 million as of 31 December 2020; and G19 New Y1: issued for RMB910 million on 5 March 2019 and operated in accordance with requirements, with RMB910 million utilized and a balance of RMB0.00 million as of 31 December 2020. G21 New Y1: issued for RMB1.040 billion on 10 March 2021 and operated in accordance with requirements. As of the announcement date of this report, RMB626 million was utilized with the balance being RMB414 million.

- (II) Progress and environmental benefits of green projects for which funds were raised

In 2020, the Company added wind power consolidated installed capacity of 1,056.2MW, and the annual wind power generation of the consolidated wind farm reached 9.881 billion kWh, representing a year-on-year increase of 11.72%; the annual photovoltaic power generation was 170 million kWh, representing a year-on-year increase of 4.45%; natural gas: added 1,333.11 kilometers of new operating pipelines, accumulating 6,501.77 kilometers, and added a new CNG secondary filling station. The sales of natural gas reached 3.525 billion cubic meters, representing a year-on-year increase of 8.90%. Compared with the use of traditional energy sources, the total power generation of wind power and photovoltaics is equivalent to a reduction of 8,422,700 tons of carbon dioxide emissions (approximately 838 g of carbon dioxide per kWh of thermal power generation nationwide), 1,879.54 tons of sulfur dioxide emissions (approximately 0.187 g of sulfur dioxide per kWh of thermal power generation nationwide), 1,959.95 tons of nitrogen oxide emissions (approximately 0.195 g of nitrogen oxide per kWh of thermal power generation nationwide) and 381.94 tons of dust emissions (approximately 0.038 g of soot per kWh of thermal power generation nationwide).

In 2020, the offshore wind farm demonstration project at Puti Island in Laoting, Tangshan connected to the grid for power generation. It is estimated that the annual grid-connected power generation will be 760 million kWh, which can reduce carbon dioxide emissions by 625,700 tons per year; Fengning Senjitu Phase II and Phase III, Fengning Qiansongba, Fengning Lianghou, Fengning Labagou, Fengning Dayingzi, Weihui Dongshuanma, Sanshengpo, Tongdao County, Fangcheng Nanshan, Xuyi Hongze and other wind farm projects have been connected to the grid for power generation. At the same time, the construction of other green projects such as Fuliang Zhongling, in which proceeds are used, is progressing smoothly. The South Baoding Connection Line Project of Erdos-Anping-Cangzhou Gas Pipeline and Beijing-Handan Pipeline, the Connection Line Project of Luquan Gas Transmission Station and the Luquan Station of Hebei Natural Gas Company Limited and Hebei Pipeline Network Phase IV Project have been approved by the Hebei Provincial Development and Reform Commission. In addition, in 2020, the Company's wind farm will actively participate in 22 projects including Zhangjiakou carbon trading market and develop projects such as the Clean Development Mechanism Project (CDM), the International Resource Verification Carbon Standard Project (VCS), and the International Renewable Energy Certificate (I-REC), and issued carbon trading emission reductions of 9.325 million tons of carbon dioxide equivalent

For details, please refer to "2020 Corporate Social Responsibility Report of China Suntien Green Energy Corporation Limited", which has been disclosed on the SSE (<http://www.sse.com.cn>) and the website of the Company (<http://www.suntien.com>) at the same time as this annual report.

XII. SIGNIFICANT MATTERS AND ITS EFFECT ON THE OPERATION AND REPAYMENT OF DEBTS OF THE COMPANY

- Applicable Not Applicable

I. AUDITOR'S REPORT

Auditor's Report

Ernst & Young Hua Ming (2021) Shen Zi No. 60809266_A01
China Suntien Green Energy Corporation Limited

To the shareholders of China Suntien Green Energy Corporation Limited

(I) AUDIT OPINION

We have audited the financial statements of China Suntien Green Energy Corporation Limited (the "Company"), which comprise the Consolidated and Company Balance sheets as at 31 December 2020, the Consolidated and Company Income Statements, the consolidated and Company Statements of Changes in Equity and the consolidated and company statements of Cash Flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements of China Suntien Green Energy Corporation Limited present fairly, in all material respects, the consolidated and Company's financial position as at 31 December 2020, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

(II) BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(III) KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter

How our audit addressed the key audit matter

Expected credit losses of accounts receivable

As of 31 December 2020, the original value of the Group's accounts receivable was RMB5,332,295,122.61, and the provision for expected credit loss was RMB466,020,390.63.

Assessing the expected credit loss of accounts receivable requires management to make judgements and estimates. Management estimates the expected credit losses based on the historical default rate and the specific factors considered when evaluating the expected credit loss rate, including the customer type, aging and recent historical payments. Historical credit losses are then adjusted using forward-looking information.

The Group's disclosures about accounts receivable and impairment provision for accounts receivable are set out in Note III.9 and 33 and Note V. 2 and 50 to the financial statements.

Our audit procedures included:

Checking the aging analysis of the accounts receivable throughout the year to gain an understanding of movements in the aging and the settlement pattern of the customers;

Testing the aging analysis of accounts receivable, by reviewing documents including sales invoices and electricity and gas statements.

Reviewing the reasonableness of the amount of impairment provision, based on arrears or delays in payments, settlement records, post-period repayments, aging analysis of accounts receivable, actual bad debt losses occurred in the current year, current economic situation and forward-looking information.

In addition, we also reviewed the appropriateness of the related disclosures in the financial statements.

(III) KEY AUDIT MATTERS (continued)

Key audit matter

Impairment of long-term assets

As of 31 December 2020, the total cost of fixed assets and construction in progress of the Group was RMB47,304,495,631.41. Management assessed that there were indicator of impairment for certain long-term assets. Regarding these long-term assets with indicator of impairment, Management conducted impairment testing on the recoverable amount of the cash-generating unit to which it belongs.

Management needs to assess the value in use and fair value of the relevant cash-generating unit minus disposal costs. The testing process is relatively complicated and involves significant estimates and judgements, subjective assumptions and estimation uncertainties of management.

The Group's disclosure of the impairment of long-term asset is set out in Notes III. 14, 15, 19, 33 and Notes V. 12, 13 and 51 of the financial statements.

How our audit addressed the key audit matter

We reviewed the assumptions made by Management when estimating the cash-generating unit of fixed assets and construction in progress. We reviewed the future cash flow forecast and key assumptions adopted by Management based on the approved long-term strategic plan. For example, we compared the historical information and adjustment factors for assumptions regarding production capacity, operating costs, projected revenue growth rate, and the projected gross profit margin; we checked the approvals of the on-grid tariffs for the wind power industry in the region formulated by the National Development and Reform Commission and the Reform Commission for electricity prices.

We reviewed the recoverable amount of some long-term assets based on the fair value of the assets after deducting disposal costs.

We also involved internal assessment experts to assist us in reviewing key parameters such as management cash flow forecast models and discount rates, and a sensitivity analysis was performed on the result of the impairment testing. We also reviewed the appropriateness and completeness of the disclosures in the consolidated financial statements of the Group.

(IV) OTHER INFORMATION

The Management of China Suntien Green Energy Corporation Limited is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our audit's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

(V) RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of China Suntien Green Energy Corporation Limited is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining the necessary internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the ability of China Suntien Green Energy Corporation Limited to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate China Suntien Green Energy Corporation Limited or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of China Suntien Green Energy Corporation Limited.

(VI) AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material management's of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of China Suntien Green Energy Corporation Limited to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause China Suntien Green Energy Corporation Limited to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within China Suntien Green Energy Corporation Limited to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young Hua Ming LLP

Beijing, China

Chinese Certified Public Accountant:

Chen Jing
(Engagement Partner)

Chinese Certified Public Accountant:

Qi Li Na

19 March 2021

FINANCIAL REPORT

II. FINANCIAL STATEMENT CONSOLIDATED BALANCE SHEET

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	31 December 2020	31 December 2019
CURRENT ASSETS:			
Cash	VII. 1	1,898,492,786.13	2,357,533,402.90
Clearing settlement funds		—	—
Lending to banks and other financial institutions		—	—
Financial assets for trading		—	—
Derivative financial assets		—	—
Notes receivable		—	—
Accounts receivable	VII. 5	4,866,274,731.98	3,531,778,335.16
Receivables financing	VII. 6	420,392,697.68	451,561,157.28
Advances to suppliers	VII. 7	380,771,646.27	396,125,373.11
Premium receivable		—	—
Receivables from reinsurers		—	—
Reinsurance deposits receivable		—	—
Other receivables	VII. 8	94,391,151.51	71,906,561.15
Including: Interest receivable		—	—
Dividends receivable		44,158,212.59	45,202,558.05
Financial assets purchased under agreements to resell		—	—
Inventories	VII. 9	58,109,933.28	51,619,962.28
Contract assets		—	—
Assets held for sale		—	—
Non-current assets due within one year	VII. 12	—	—
Other current assets	VII. 13	915,759,257.54	612,710,559.96
Total current assets		8,634,192,204.39	7,484,444,725.98
NON-CURRENT ASSETS:			
Loans and advances granted		—	—
Debt investments		—	—
Other debt investments		—	—
Long-term receivables		—	—
Long-term equity investments	VII. 17	2,476,150,375.02	2,302,231,318.05
Other investments in equity instruments	VII. 18	218,605,700.00	115,205,700.00
Other non-current financial assets		—	—
Investment properties	VII. 20	27,137,369.92	28,242,538.36
Fixed assets	VII. 21	25,617,692,590.53	20,625,163,374.42
Construction in progress	VII. 22	13,983,364,988.28	7,644,129,190.52
Bearer biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets	VII. 25	1,981,077,101.98	2,429,839,149.86
Intangible assets	VII. 26	2,197,732,480.00	2,248,798,277.93
Development expenses	VII. 27	12,425,222.01	—
Goodwill	VII. 28	39,411,613.25	39,411,613.25
Long-term prepaid expenses	VII. 29	41,078,690.75	31,750,259.82
Deferred income tax assets	VII. 30	175,129,816.42	194,323,757.67
Other non-current assets	VII. 31	1,853,716,395.86	2,904,137,094.15
Total non-current assets		48,623,522,344.02	38,563,232,274.03
Total assets		57,257,714,548.41	46,047,677,000.01
CURRENT LIABILITIES:			
Short-term loans	VII. 32	1,220,742,600.37	1,703,437,120.54
Loans from central bank		—	—
Deposits and amounts due to banks		—	—
Financial liabilities for trading		—	—
Derivative financial liabilities		—	—
Notes payable	VII. 34	4,516,529.53	39,213,163.34
Accounts payable	VII. 35	176,947,893.06	97,832,792.03

II. FINANCIAL STATEMENT (continued)

CONSOLIDATED BALANCE SHEET (continued)

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	31 December 2020	31 December 2019
Advances from customers			
Contract liabilities	VII. 37	1,580,107,357.02	971,735,061.57
Financial assets sold for repurchase		—	—
Customer and inter-bank deposits		—	—
Customer deposits for trading in securities		—	—
Amount due to issuer for securities underwriting		—	—
Wages payable	VII. 38	92,086,286.31	102,141,482.06
Taxes payable	VII. 39	136,079,970.92	153,047,238.51
Other payables	VII. 40	6,133,744,755.20	3,767,240,806.98
Including: Interest payable		90,122,972.40	72,042,902.81
Dividends payable		172,358,689.75	126,311,222.54
Handling charges and commission payable		—	—
Amount payable for reinsurance		—	—
Liabilities held for sale		—	—
Non-current liabilities due within one year	VII. 42	3,691,634,649.12	2,216,640,342.34
Other current liabilities	VII. 43	500,000,000.00	1,500,000,000.00
Total current liabilities		13,535,860,041.53	10,551,288,007.37
NON-CURRENT LIABILITIES:			
Provisions for insurance contracts		—	—
Long-term loans	VII. 44	23,837,385,993.66	16,808,168,215.19
Debentures payable	VII. 45	2,085,000,000.00	2,285,000,000.00
Including: Preferred shares		—	—
Perpetual bonds		—	—
Lease liabilities	VII. 46	738,279,841.86	1,341,771,847.92
Long-term payables	VII. 47	204,163,944.97	112,824,781.79
Long-term salaries payable		—	—
Accrued liabilities	VII. 49	52,760,727.00	47,325,376.00
Deferred income	VII. 50	59,142,565.63	64,855,869.16
Deferred income tax liabilities	VII. 30	49,632,336.35	45,716,791.95
Other non-current liabilities		—	—
Total non-current liabilities		27,026,365,409.47	20,705,662,882.01
Total liabilities		40,562,225,451.00	31,256,950,889.38
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 52	3,849,910,396.00	3,715,160,396.00
Other equity instruments	VII. 53	1,494,000,000.00	1,494,000,000.00
Including: Preferred shares		—	—
Perpetual bonds		1,494,000,000.00	1,494,000,000.00
Capital surplus	VII. 54	2,400,024,673.73	2,175,589,840.68
Less: Treasury stocks		—	—
Other Comprehensive Income	VII. 56	6,493,135.00	6,493,135.00
Special reserves		—	—
Surplus reserves	VII. 58	486,035,679.01	361,971,365.19
Provision for general risks		—	—
Undistributed profit	VII. 59	4,928,503,066.37	4,101,184,822.53
Total equity attributable to owners of the parent company (or shareholders)		13,164,966,950.11	11,854,399,559.40
Minority interests		3,530,522,147.30	2,936,326,551.23
Total owners' equity (or shareholders' equity)		16,695,489,097.41	14,790,726,110.63
Total liabilities and owners' equity (or shareholders' equity)		57,257,714,548.41	46,047,677,000.01

Legal representative : Cao Xin Person in charge of accounting: Fan Wei Hong Head of accounting department: Yang Zhanqing

II. FINANCIAL STATEMENT (continued)
 BALANCE SHEET OF THE COMPANY

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	31 December 2020	31 December 2019
CURRENT ASSETS:			
Cash		140,173,830.24	326,014,292.68
Financial assets for trading		-	-
Derivative financial assets		-	-
Notes receivable		-	-
Accounts receivable		-	-
Receivables financing		-	-
Advances to suppliers		1,807,879.04	616,019.96
Other receivables	XVII. 2	839,074,927.28	965,346,523.97
Including: Interest receivable		21,860,932.05	14,588,466.02
Dividends receivable		138,491,656.50	22,710,709.31
Inventories		-	-
Contract assets		-	-
Assets held for sale		-	-
Non-current assets due within one year		-	-
Other current assets		915,151.96	-
Total current assets		981,971,788.52	1,291,976,836.61
NON-CURRENT ASSETS:			
Debt investments		-	-
Other debt investments		-	-
Long-term receivables		-	-
Long-term equity investments	XVII. 3	10,868,214,909.92	9,361,944,115.28
Other investments in equity instruments		200,000,000.00	100,000,000.00
Other non-current financial assets		-	-
Investment properties		-	-
Fixed assets		4,711,962.92	2,065,516.39
Construction in progress		17,077,506.31	25,496,605.58
Bearer biological assets		-	-
Oil and gas assets		-	-
Right-of-use assets		1,921,656.15	3,843,312.15
Intangible assets		4,973,363.74	5,418,749.86
Development expenses		-	-
Goodwill		-	-
Long-term prepaid expenses		45,123.82	253,882.91
Deferred income tax assets		-	-
Other non-current assets		3,050,710,600.00	2,497,666,800.00
Total non-current assets		14,147,655,122.86	11,996,688,982.17
Total assets		15,129,626,911.38	13,288,665,818.78

II. FINANCIAL STATEMENT (continued)
BALANCE SHEET OF THE COMPANY (continued)

Prepared by: China Suntien Green Energy Corporation Limited

Unit: Yuan Currency: RMB

Items	Note	31 December 2020	31 December 2019
CURRENT LIABILITIES:			
Short-term loans		—	—
Financial liabilities for trading		—	—
Derivative financial liabilities		—	—
Notes payable		—	—
Accounts payable		—	—
Advances from customers		—	—
Contract liabilities		—	—
Wages payable		2,565,703.98	2,058,959.93
Taxes payable		1,666,861.82	1,311,892.43
Other payables		147,822,366.13	139,285,209.18
Including: Interest payable		37,204,855.73	20,820,912.36
Dividends payable		77,934,000.00	77,934,000.00
Liabilities held for sale		—	—
Non-current liabilities due within one year		234,119,001.88	221,631,870.00
Other current liabilities		500,000,000.00	1,500,000,000.00
Total current liabilities		886,173,933.81	1,864,287,931.54
NON-CURRENT LIABILITIES:			
Long-term loans		3,018,710,600.00	2,269,870,600.00
Debentures payable		1,000,000,000.00	—
Including: Preferred shares		—	—
Perpetual bonds		—	—
Lease liabilities		—	1,900,319.56
Long-term payables		—	—
Long-term salaries payable		—	—
Accrued liabilities		—	—
Deferred income		1,500,000.00	600,000.00
Deferred income tax liabilities		—	—
Other non-current liabilities		—	—
Total non-current liabilities		4,020,210,600.00	2,272,370,919.56
Total liabilities		4,906,384,533.81	4,136,658,851.10
Owners' equity (or shareholders' equity):			
Paid-in capital (share capital)		3,849,910,396.00	3,715,160,396.00
Other equity instruments		1,494,000,000.00	1,494,000,000.00
Including: Preferred shares		—	—
Perpetual bonds		1,494,000,000.00	1,494,000,000.00
Capital surplus		2,467,638,320.02	2,212,623,248.78
Less: Treasury stocks		—	—
Other comprehensive income		—	—
Special reserves		—	—
Surplus reserves		486,035,679.01	361,971,365.19
Undistributed profit		1,925,657,982.54	1,368,251,957.71
Total Owners' equity (or shareholders' equity)		10,223,242,377.57	9,152,006,967.68
Total liabilities and Owners' equity (or shareholders' equity)		15,129,626,911.38	13,288,665,818.78

Legal representative: Cao Xin Person in charge of accounting: Fan Wei Hong Head of accounting department: Yang Zhanqing

II. FINANCIAL STATEMENT (continued)
 CONSOLIDATED INCOME STATEMENT

Unit: Yuan Currency: RMB

Items	Note	2020	2019
1. Total operating revenue		12,510,885,312.89	11,985,837,618.15
Including: Operating revenue	VII. 60	12,510,885,312.89	11,985,837,618.15
Interest income		—	—
Premiums earned		—	—
Handling charges and commission income		—	—
2. Total operating costs		10,613,744,098.65	10,120,156,134.73
Including: Operating costs	VII. 60	9,100,644,582.09	8,643,814,515.46
Interest expenses		—	—
Handling charges and commission expenses		—	—
Surrender payment		—	—
Net compensation expense		—	—
Net provisions for insurance contract		—	—
Insurance policy dividend payment		—	—
Reinsurance cost		—	—
Taxes and surcharges	VII. 61	33,861,898.47	38,811,630.08
Selling expenses	VII. 62	1,985,327.57	562,620.01
Administration expenses	VII. 63	528,112,484.93	555,015,462.87
R&D expenses	VII. 64	36,417,584.20	10,292,552.11
Finance costs	VII. 65	912,722,221.39	871,659,354.20
Including: Interest expenses		925,256,193.42	878,140,750.20
Interest income		17,976,867.30	16,967,792.25
Add: other gains	VII. 66	74,524,487.85	95,979,882.30
Investment gains (losses are indicated with "-")	VII. 67	266,424,598.45	222,342,930.57
Including: Gains from investment in associated companies and joint ventures		254,015,712.80	214,982,681.24
Gains on derecognition of financial assets measured at amortized cost		-62,600.00	—
Foreign exchange gains (losses are indicated with "-")		—	—
Net gain on exposure hedging (losses are indicated with "-")		—	—
Gains from changes in fair value (losses are indicated with "-")		—	—
Credit impairment losses (losses are indicated with "-")	VII. 70	69,900,742.39	-35,101,736.94
Asset impairment losses (losses are indicated with "-")	VII. 71	-55,773,051.65	-7,074,784.53
Asset disposal gains (losses are indicated with "-")	VII. 72	260,932.94	383,664.45
3. Operating profit (losses are indicated with "-")		2,252,478,924.22	2,142,211,439.27
Add: Non-operating income	VII. 73	13,099,850.88	50,232,523.57
Less: Non-operating expenses	VII. 74	1,562,460.91	1,802,319.41
4. Gross profit (total losses are indicated with "-")		2,264,016,314.19	2,190,641,643.43
Less: Income tax expenses	VII. 75	331,284,660.61	356,306,759.24

II. FINANCIAL STATEMENT (continued)
CONSOLIDATED INCOME STATEMENT (continued)

Unit: Yuan Currency: RMB

Items	Note	2020	2019
5. Net profit (net losses are indicated with "-")		1,932,731,653.58	1,834,334,884.19
(i) By continuity as a going concern			
1. Net profit from continuing operations (net losses are indicated with "-")		1,932,731,653.58	1,834,334,884.19
2. Net profit from discontinued operations (net losses are indicated with "-")		-	-
(ii) By ownership			
1. Net profit attributable to owners of the parent company (net losses are indicated with "-")		1,510,555,357.16	1,420,669,278.97
2. Gain or loss attributable to minority interests (net losses are indicated with "-")		422,176,296.42	413,665,605.22
6. Net other comprehensive income after tax			
(i) Net other comprehensive income after tax attributable to owners of the parent company			
1. Other comprehensive income that may not be reclassified to profit or loss		-	-
(1) Change in re-measurement of defined benefit plans		-	-
(2) Other comprehensive income that may not be reclassified to profit or loss under equity method		-	-
(3) Change in fair value of investments in other equity instruments		-	-
(4) Change in fair value of own credit risk		-	-
2. Other comprehensive income that may be reclassified to profit or loss		-	-
(1) Other comprehensive income that may be reclassified to profit or loss under equity method		-	-
(2) Change in fair value of other debt investments		-	-
(3) Amount included in other comprehensive income on reclassification of financial assets		-	-
(4) Provision for credit impairment of other debt investment		-	-
(5) Cash flows hedging reserve		-	-
(6) Exchange differences arising from translation of foreign currency financial statements		-	-
(7) Others		-	-
(ii) Net other comprehensive income after tax attributable to minority interests		-	-
7. Total comprehensive income		1,932,731,653.58	1,834,334,884.19
(i) Total comprehensive income attributable to owners of the parent company		1,510,555,357.16	1,420,669,278.97
(ii) Total comprehensive income attributable to minority interests		422,176,296.42	413,665,605.22
8. Earnings per share:			
(i) Basic earnings per share (RMB/share)		0.38	0.36
(ii) Diluted earnings per share (RMB/share)		0.38	0.36

In case of business combination involving enterprises under common control in the current period, the net profit realized by the combining entities before the combination was RMB397,456.14, and the net profit realized by the combining entities in the previous period was RMB6,392,950.33.

Legal representative: Cao Xin Person in charge of accounting: Fan Wei Hong Head of accounting department: Yang Zhanqing

II. FINANCIAL STATEMENT (continued)
 INCOME STATEMENT OF THE COMPANY

Unit: Yuan Currency: RMB

Items	Note	2020	2019
1. Total operating revenue	XVII. 4	1,903,318.83	–
Less: Operating costs	XVII. 4	556,559.36	–
Taxes and surcharges		24,130.45	1,926.00
Selling expenses		–	–
Administration expenses		70,636,514.51	76,574,749.46
R&D expenses		18,555,337.59	–
Finance costs		21,601,693.05	11,824,998.37
Including: Interest expenses		28,256,308.17	13,606,868.22
Interest income		4,226,706.61	4,585,445.64
Add: Other gains		49,306.80	–
Investment gains (losses are indicated with “-”)	XVII. 5	1,360,801,382.36	864,167,650.49
Including: Gains from investment in associated companies and joint ventures		8,191,682.14	-6,519,784.24
Gains on derecognition of financial assets measured at amortized cost		–	–
Net gain or loss on exposure hedging (losses are indicated with “-”)		–	–
Gains from changes in fair value (losses are indicated with “-”)		–	–
Credit impairment losses (losses are indicated with “-”)		-948,278.36	-394,217.00
Asset impairment losses (losses are indicated with “-”)		-9,539,404.52	-866,260.61
Asset disposal gains (losses are indicated with “-”)		–	–
2. Operating profit (losses are indicated with “-”)		1,240,892,090.15	774,505,499.05
Add: Non-operating income		–	1,692,000.00
Less: Non-operating expenses		248,952.00	–
3. Gross profit (total losses are indicated with “-”)		1,240,643,138.15	776,197,499.05
Less: Income tax expenses		–	–
4. Net profit (net losses are indicated with “-”)		1,240,643,138.15	776,197,499.05
(i) Net profit from continuing operations (net losses are indicated with “-”)		1,240,643,138.15	776,197,499.05
(ii) Net profit from discontinued operations (net losses are indicated with “-”)		–	–
5. Net other comprehensive income after tax		–	–
(i) Other comprehensive income that may not be reclassified to profit or loss		–	–
1. Change in re-measurement of defined benefit plans		–	–
2. Other comprehensive income that may not be reclassified to profit or loss under equity method		–	–
3. Change in fair value of investments in other equity instruments		–	–
4. Change in fair value of own credit risk		–	–
(ii) Other comprehensive income that may be reclassified to profit or loss		–	–
1. Other comprehensive income that may be reclassified to profit or loss under equity method		–	–
2. Change in fair value of other debt investments		–	–
3. Amount included in other comprehensive income on reclassification of financial assets		–	–
4. Provision for credit impairment of other debt investments		–	–
5. Cash flows hedging reserve		–	–
6. Exchange differences arising from translation of foreign currency financial statements		–	–
7. Others		–	–
6. Total comprehensive income		1,240,643,138.15	776,197,499.05
7. Earnings per share:		–	–
(i) Basic earnings per share (RMB/share)		–	–
(ii) Diluted earnings per share (RMB/share)		–	–

Legal representative: Cao Xin Person in charge of accounting: Fan Wei Hong Head of accounting department: Yang Zhanqing

II. FINANCIAL STATEMENT (continued)
CONSOLIDATED CASH FLOW STATEMENT

Unit: Yuan Currency: RMB

Items	Note	2020	2019
1. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		12,950,923,767.81	13,160,922,351.79
Net increase in deposits from customers and deposits from other banks		-	-
Net increase in loans from central bank		-	-
Net increase in loans from other financial institutions		-	-
Cash received from premiums under original insurance contract		-	-
Net cash received from reinsurance business		-	-
Net increase in deposits of policyholders and investment		-	-
Cash receipts of interest, fees and commission		-	-
Net increase in placement from banks and other financial institutions		-	-
Net increase in sale and repurchase operations		-	-
Net cash received from securities trading agency services		-	-
Cash received from tax refund		69,529,438.26	91,148,442.38
Cash received from other operating activities		31,297,942.96	39,948,303.32
Sub-total of cash inflows from operating activities		13,051,751,149.03	13,292,019,097.49
Cash paid for goods and services		7,780,274,875.69	8,172,164,004.39
Net increase in loans and advances to customers		-	-
Net increase in deposit with central bank and inter-banks		-	-
Cash paid for compensation payments under original insurance contract		-	-
Net increase in lending to banks and other financial institutions		-	-
Cash paid for interest, fees and commission		-	-
Cash paid for insurance policy dividend		-	-
Cash paid to and on behalf of employees		610,160,007.56	557,036,252.68
Payments of taxes and surcharges		544,817,735.65	591,867,225.94
Cash paid relating to other operating activities		217,988,066.42	214,773,634.41
Sub-total of cash outflows from operating activities		9,153,240,685.32	9,535,841,117.42
Net cash flows from operating activities		3,898,510,463.71	3,756,177,980.07
2. Cash flows from investing activities:			
Cash received from investment		66,219,474.14	975.43
Cash received from investment income		175,330,352.84	177,783,236.24
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		364,966.13	1,921,778.66
Net cash received from disposal of subsidiaries and other business units		-	-
Cash received from other investing activities		-	1,750,965.14
Sub-total of cash inflows from investing activities		241,914,793.11	181,456,955.47
Cash paid to acquire fixed assets, intangible assets and other long-term assets		9,860,264,202.28	5,957,524,350.68
Cash paid for investments		183,950,800.00	339,973,600.00
Net increase in secured loans		-	-
Net cash paid to acquire subsidiaries and other business units		-	-
Cash paid relating to other investing activities		11,726,165.07	10,440,414.56
Sub-total of cash outflows from investing activities		10,055,941,167.35	6,307,938,365.24
Net cash flows from investing activities		-9,814,026,374.24	-6,126,481,409.77

II. FINANCIAL STATEMENT (continued)
 CONSOLIDATED CASH FLOW STATEMENT (continued)

Unit: Yuan Currency: RMB

Items	Note	2020	2019
3. Cash flows from financing activities:			
Funds raised in the initial public offering		400,203,113.21	–
Cash received from investment		481,032,731.00	1,385,014,088.83
Including: Cash received by subsidiaries from minority Shareholders' investment		481,032,731.00	478,654,088.83
Cash received from borrowings		14,896,778,854.11	9,844,039,619.74
Cash received from other financing activities		266,678,143.26	63,550,335.21
Sub-total of cash inflows from financing activities		16,044,692,841.58	11,292,604,043.78
Cash paid for loan repayments		8,155,095,284.78	6,761,492,911.87
Cash paid for dividends, profits appropriation or payments of interest		2,118,169,282.42	1,887,694,105.63
Including: Dividends and profits paid to minority interest by subsidiaries		305,989,953.16	289,976,436.81
Cash paid relating to other financing activities		332,976,888.21	181,885,637.10
Sub-total of cash outflows from financing activities		10,606,241,455.41	8,831,072,654.60
Net cash flows from financing activities		5,438,451,386.17	2,461,531,389.18
4. Effect of changes in foreign exchange rate on cash and cash equivalents		6,297,742.52	-1,865,527.28
5. Net increase in cash and cash equivalents		-470,766,781.84	89,362,432.20
Add: Cash and cash equivalents at the beginning of the year		2,334,208,228.57	2,244,845,796.37
6. Cash and cash equivalents at the end of the year		1,863,441,446.73	2,334,208,228.57

Legal representative: Cao Xin Person in charge of accounting: Fan Wei Hong Head of accounting department: Yang Zhanqing

II. FINANCIAL STATEMENT (continued)
CASH FLOW STATEMENT OF THE COMPANY

Unit: Yuan Currency: RMB

Items	Note	2020	2019
1. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		—	—
Cash received from tax refund		—	—
Cash received from other operating activities		808,549,883.03	1,077,163,159.98
Sub-total of cash inflows from operating activities		808,549,883.03	1,077,163,159.98
Cash paid for goods and services		—	—
Cash paid to and on behalf of employees		51,702,231.82	38,154,967.28
Payments of taxes and surcharges		85,075.75	150,478.72
Cash paid relating to other operating activities		992,390,204.55	917,400,869.90
Sub-total of cash outflows from operating activities		1,044,177,512.12	955,706,315.90
Net cash flows from operating activities		-235,627,629.09	121,456,844.08
2. Cash flows from investing activities:			
Cash received from investment		—	—
Cash received from investment income		1,236,828,753.03	854,366,578.76
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		—	—
Net cash received from disposal of subsidiaries and other business units		—	—
Cash received from other investing activities		—	—
Sub-total of cash inflows from investing activities		1,236,828,753.03	854,366,578.76
Cash paid to acquire fixed assets, intangible assets and other long-term assets		7,228,970.00	48,953,382.05
Cash paid for investments		1,611,421,331.25	1,274,259,983.00
Net cash paid to acquire subsidiaries and other business units		—	—
Cash paid to other investing activities		—	—
Sub-total of cash outflows from investing activities		1,618,650,301.25	1,323,213,365.05
Net cash flows from investing activities		-381,821,548.22	-468,846,786.29
3. Cash flows from financing activities:			
Cash received from investment		400,203,113.21	906,360,000.00
Cash received from borrowings		3,607,427,777.78	2,383,600,000.00
Cash received from other financing activities		—	—
Sub-total of cash inflows from financing activities		4,007,630,890.99	3,289,960,000.00
Cash paid for loan repayments		2,847,540,000.00	2,312,759,400.00
Cash paid for dividends, profits appropriation or payments of interest		723,653,628.15	688,252,446.57
Cash paid relating to other financing activities		10,373,847.74	—
Sub-total of cash outflows from financing activities		3,581,567,475.89	3,001,011,846.57
Net cash flows from financing activities		426,063,415.10	288,948,153.43
4. Effect of changes in foreign exchange rate on cash and cash equivalents		5,545,299.77	344,724.83
5. Net decrease in cash and cash equivalents		-185,840,462.44	-58,097,063.95
Add: Cash and cash equivalents at the beginning of the year		326,014,292.68	384,111,356.63
6. Cash and cash equivalents at the end of the year		140,173,830.24	326,014,292.68

Legal representative: Cao Xin Person in charge of accounting: Fan Wei Hong Head of accounting department: Yang Zhanqing

II. FINANCIAL STATEMENT (continued)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unit: Yuan Currency: RMB

Items	2020											Total owners' equity	
	Equity attributable to owners of the Company												
	Pick-up capital (or Share capital)	Other equity instruments		Capital reserve	Less treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Surplus reserve	Undistributed profit	Others		Subtotal
		Preference Share	Perpetual bond										
I. Balance of the end of last year	3,715,140,396.00	-	1,494,000,000.00	-	2,135,848,057.21	-	361,971,365.19	-	4,102,915,107.78	-	11,816,388,061.18	2,932,267,372.93	14,749,655,374.11
Add: Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of correction of prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	-	-	-	39,741,783.47	-	-	-	-1,730,282.25	-	38,011,498.22	3,059,238.30	41,070,736.52
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance of the beginning of the year	3,715,140,396.00	-	1,494,000,000.00	-	2,175,589,840.68	-	361,971,365.19	-	4,101,184,825.53	-	11,854,399,559.40	2,936,326,551.23	14,790,726,110.63
III. Increase/decrease in the period (decrease is represented by "-")	134,750,000.00	-	-	-	224,434,833.05	-	124,064,313.82	-	827,312,283.84	-	1,310,567,390.71	594,195,596.07	1,904,162,986.78
(1) Other comprehensive income	-	-	-	-	-	-	-	-	-	-	1,510,355,357.16	422,176,294.42	1,922,531,653.58
(2) Owners' contribution and decrease in capital	134,750,000.00	-	-	-	224,434,833.05	-	-	-	-	-	359,184,833.05	524,056,700.02	883,241,533.07
1. Ordinary shares contributed by owners	134,750,000.00	-	-	-	255,077,265.47	-	-	-	-	-	369,827,265.47	481,082,731.00	870,861,796.47
2. Capital invested by owners of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payments credited to owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-30,644,432.42	-	-	-	-	-	-30,644,432.42	43,023,989.02	12,379,556.60
(3) Profit distribution	-	-	-	-	-	-	124,064,313.82	-	-483,237,113.32	-	-559,172,799.50	-382,037,420.37	-911,210,219.87
1. Appropriation to surplus reserve	-	-	-	-	-	-	124,064,313.82	-	-124,064,313.82	-	-	-	-
2. Appropriation to general risk provision	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(4) Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserve into capital (or shares)	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserve into capital (or shares)	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Making good of loss with surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Change in defined benefit plan transferred to related earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to related earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(5) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Application for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(6) Others	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance of the end of the current year	3,849,910,396.00	-	1,494,000,000.00	-	2,400,024,673.73	-	486,035,679.01	-	4,928,510,066.37	-	13,164,966,950.11	3,530,521,147.30	16,695,488,097.41

II. FINANCIAL STATEMENT (continued)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

2019

Unit: Yuan Currency: RMB

Items	Equity attributable to owners of the Company											Minor interest	Total owners' equity			
	Paid-up capital (or Share capital)		Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision			Undistributed profit	Others	Subtotal
	Reserve share	Regular bond	Other	Prepaid fund	Others											
I. Balance at the end of last year	3,715,160,396.00	-	-	587,640,000.00	-	2,134,633,314.99	-	6,493,135.00	-	284,351,615.28	-	3,308,078,277.64	-	10,036,556,738.91	2,360,195,077.17	12,396,551,816.08
II. Add: Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Effects of correction of prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	-	-	-	-	39,741,783.47	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance of the beginning of the year	3,715,160,396.00	-	-	587,640,000.00	-	2,174,375,098.46	-	6,493,135.00	-	284,351,615.28	-	3,308,444,331.04	-	10,066,484,578.78	2,362,235,023.49	12,430,719,602.27
III. Increase (decrease) in the period (hereinafter represented by "-")	-	-	-	906,360,000.00	-	1,214,742.22	-	-	-	77,619,749.91	-	800,720,488.49	-	1,785,914,980.62	574,091,327.74	2,360,006,508.36
(I) Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(II) Owners' contribution and decrease in capital	-	-	-	906,360,000.00	-	1,214,742.22	-	-	-	-	-	1,420,669,278.97	-	1,420,669,278.97	413,665,635.22	1,834,334,884.19
1. Common shares contributed by owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by owners of other equity instruments	-	-	-	906,360,000.00	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payments credited to owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	1,214,742.22	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	77,619,749.91	-	-	-	-	-	-
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Appropriation to general risk provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	77,619,749.91	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserve into capital (or shares)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserve into capital (or shares)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Making good of loss with surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Change in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Application for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the current year	3,715,160,396.00	-	-	1,494,000,000.00	-	2,175,589,840.68	-	6,493,135.00	-	361,971,365.19	-	4,101,184,822.53	-	11,851,399,559.40	2,836,205,531.23	14,790,726,110.63

Legal representative: Cao Xin Person in charge of accounting: Fan Wei Hung Head of accounting: Yang Zhangqing

II. FINANCIAL STATEMENT (continued)
STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

Unit: Yuan Currency: RMB

Items	2020										
	Paid-up capital (or Share capital)	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total owners' equity
		Preference Share	Perpetual bond	Others							
I. Balance at the end of last year	3,715,160,396.00	-	1,494,000,000.00	-	2,212,623,248.78	-	-	361,971,365.19	1,368,251,957.71	9,152,006,967.68	
Add: Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	
Effects of correction of prior year errors	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	
II. Balance at the beginning of the year	3,715,160,396.00	-	1,494,000,000.00	-	2,212,623,248.78	-	-	361,971,365.19	1,368,251,957.71	9,152,006,967.68	
III. Increases/decrease in the period (decrease is represented by "-")	134,750,000.00	-	-	-	255,015,071.24	-	-	124,064,313.82	557,406,024.83	1,071,235,409.89	
(I) Other comprehensive income	-	-	-	-	-	-	-	-	1,240,643,138.15	1,240,643,138.15	
(II) Owners' contribution and decrease in capital	134,750,000.00	-	-	-	255,015,071.24	-	-	-	-	389,765,071.24	
1. Ordinary shares contributed by owners	134,750,000.00	-	-	-	255,015,071.24	-	-	-	-	389,765,071.24	
2. Capital invested by owners of other equity instruments	-	-	-	-	-	-	-	-	-	-	
3. Share-based payments credited to owners' equity	-	-	-	-	255,015,071.24	-	-	-	-	255,015,071.24	
4. Others	-	-	-	-	-	-	-	-	-	-	
(III) Profit distribution	-	-	-	-	-64,194.23	-	-	-	-	-64,194.23	
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	124,064,313.82	-683,237,113.32	-559,172,799.50	
2. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	124,064,313.82	-124,064,313.82	-	
3. Others	-	-	-	-	-	-	-	-	-	-	
(IV) Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	
1. Conversion of capital reserve into capital (or shares)	-	-	-	-	-	-	-	-	-	-	
2. Conversion of surplus reserve into capital (or shares)	-	-	-	-	-	-	-	-	-	-	
3. Making good of loss with surplus reserve	-	-	-	-	-	-	-	-	-	-	
4. Change in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	
6. Others	-	-	-	-	-	-	-	-	-	-	
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	
1. Appropriation for the current year	-	-	-	-	-	-	-	-	-	-	
2. Application for the current year	-	-	-	-	-	-	-	-	-	-	
(VI) Others	-	-	-	-	-	-	-	-	-	-	
IV. Balance at the end of the current year	3,849,910,396.00	-	1,494,000,000.00	-	2,467,638,320.02	-	-	486,035,679.01	1,925,657,982.54	10,223,242,377.57	

II. FINANCIAL STATEMENT (continued)
STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (continued)

Unit: Yuan Currency: RMB

Items	2019									
	Paid-up capital (or Share capital)	Other equity investments		Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Other comprehensive income	Undistributed profit	Total owners' equity
		Preferred Share	Perpetual bond							
I. Balance at the end of last year	3,715,160,396.00	-	587,640,000.00	-	2,212,210,084.23	-	-	284,351,615.28	1,212,003,249.15	8,011,365,344.66
Add: Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Effects of correction of prior year errors	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	3,715,160,396.00	-	587,640,000.00	-	2,212,210,084.23	-	-	284,351,615.28	1,212,003,249.15	8,011,365,344.66
III. Increase/decrease in the period (decrease is represented by "-")	-	-	906,360,000.00	-	413,644.55	-	-	77,697,499.91	156,248,708.56	1,140,641,623.02
(1) Other comprehensive income	-	-	-	-	-	-	-	-	-	-
(2) Owners' contribution and decrease in capital	-	-	906,360,000.00	-	413,644.55	-	-	-	-	906,773,644.55
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-	-	-	-
2. Capital invested by owners of other equity instruments	-	-	906,360,000.00	-	-	-	-	-	-	906,360,000.00
3. Share-based payments credited to owners' equity	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	413,644.55	-	-	-	-	413,644.55
(3) Profit distribution	-	-	-	-	-	-	-	77,697,499.91	619,948,790.49	542,329,040.58
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	77,697,499.91	-	-
2. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-	-
(4) Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserve into capital (or shares)	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserve into capital (or shares)	-	-	-	-	-	-	-	-	-	-
3. Making good of loss with surplus reserve	-	-	-	-	-	-	-	-	-	-
4. Change in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-
(5) Special reserve	-	-	-	-	-	-	-	-	-	-
1. Appropriation for the current year	-	-	-	-	-	-	-	-	-	-
2. Appropriation for the current year	-	-	-	-	-	-	-	-	-	-
(6) Others	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the current year	3,715,160,396.00	-	1,494,000,000.00	-	2,212,623,248.78	-	-	361,971,365.19	1,368,251,957.71	9,152,006,967.68

Legal representative: Cao Xin Person in charge of accounting: Fan Wei Hung Head of accounting: Yang Zhanqing

III. BASIC INFORMATION OF THE COMPANY

1. Company Overview

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

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

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

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

On 1 April 2012, the State-owned Assets Supervision and Administration Commission of the State Council approved the transfer of 375,231,200 shares in the Company held by HECIC Water to HECIC at nil consideration. In July 2015, HECIC and HECIC Water entered into an agreement in relation to the transfer at nil consideration. Upon completion of the transfer, HECIC directly held 50.5% shares of the Company, and H shareholders held a total of 49.5%.

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

As of 31 December 2020, the total accumulated issued share capital of the Company was RMB3,849,910,396.00, of which 48.73% was held by HECIC; 47.77% was held by H shareholders and 3.50% was held by A shareholders.

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

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

The financial statements were approved by the Company's Board of Directors on 19 March 2021.

2. Scope of consolidated financial statements

The consolidation scope of these consolidated financial statements shall be determined on the basis of control. Refer to Note VIII for the change of scope for the period.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance and the specific accounting standards, application guidelines, interpretations and other relevant provisions (collectively referred to as the "Accounting Standards for Business Enterprises") promulgated and revised thereafter.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2. GOING CONCERN

As at 31 December 2020, the Group's current liabilities exceeded its current assets by approximately RMB4,902 million. The management has considered the following sources of funding available for the next 12 months:

- (1) expected net cash inflows from operating activities;
- (2) unutilised banking facilities as at 31 December 2020 of approximately RMB50.624 billion;
- (3) The Company registered super short-term commercial papers of RMB2 billion with the National Association of Financial Market Institutional Investors in June 2020. Such facilities were approved for revolving use before June 2022. As at 31 December 2020, the unutilised facilities amounted to RMB1.5 billion.

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates

The Group formulated specific accounting policies and accounting estimates according to the characteristics of its production and operation, as described below:

1. Statement of compliance with Accounting Standards for Business Enterprises (ASBEs)

The financial statements have been prepared in accordance with ASBE, and presented the Company's and the Group's financial position as at 31 December 2020, and the operating results and cash flows for the year ended 31 December 2020 truly and completely.

2. Accounting period

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

3. Operating cycle

The Company's operating cycle is 12 months

4. Functional currency

The functional currency of and the currency adopted for the preparation of these financial statements by the Group is Renminbi. Unless otherwise stated, the financial statements are all presented in RMB.

5. Business combination

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties before and after the combination, and that control is not transitory. In a business combination under common control, the party which obtains control of other combining enterprise(s) on the combination date is the merging party, the other combining enterprise(s) is (are) the merged party. The combination date refers to the date on which the merging party actually obtains control of the merged parties.

Assets and liabilities that are obtained in a business combination involving enterprises under common control, including goodwill arising from the acquisition of the merging party by the ultimate controller, shall be accounted for on the basis of the carrying amounts on the financial statements of the ultimate controller on the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued) is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

5. Business combination (continued)

Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. In a business combination not under common control, the party which obtains control of other combining enterprise(s) on the acquisition date is the acquirer, the other combining enterprise(s) is (are) the acquiree(s). The acquisition date refers to the date on which the acquirer actually obtains control of the acquiree.

The acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination involving entities not under common control are measured at fair value at the acquisition date.

The excess of the fair value of the sum of the combination consideration paid (or the fair value of equities securities issued) and equity interests in the acquiree held prior to the acquisition date over the fair value of the acquiree's identifiable net assets acquired in combination, measured at fair value, was recognized as goodwill, which is subsequently measured at cost less cumulative impairment loss. In case the fair value of the sum of the combination consideration paid (or the fair value of equities securities issued) and equity interests in the acquiree held prior to the acquisition date is less than the fair value of the acquiree's identifiable net assets acquired in combination, a review of the measurement of the fair values of the various identifiable assets, liabilities and contingent liabilities, the consideration paid for the combination of the acquiree (or the fair value of equity securities issued) and the equity interests in the acquiree held prior to the acquisition date is conducted. If the review indicates that the fair value of the sum of the combination consideration paid (or the fair value of equities securities issued) and equity interests in the acquiree held prior to the acquisition date is indeed less than the fair value of the acquiree's identifiable net assets acquired in combination, the difference is recognized in the current profit or loss.

6. Consolidated financial statements

The consolidation scope of the consolidated financial statements is determined on the basis of control, including the financial statements of the Company and all of its subsidiaries, which represent the entities controlled by the Company (contain enterprises, a divisible portion of the invested enterprises and structured entities controlled by the Company).

In preparation of the consolidated financial statements, the subsidiaries use the same accounting year and accounting policies as those of the Company. All intra-group assets, liabilities, interests, income, expenses and cash flows are eliminated in full on consolidation.

Where the amount of losses of a subsidiary attributable to the minority shareholders in the current period exceeds their share of the opening balance of owners' equity of the subsidiary, the excess shall be allocated against minority interests.

For a subsidiary acquired through a business combination involving enterprises not under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statement from the date on which the Group gains control till the Group ceases the control of it. While preparing the consolidated financial statements, the acquirer shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognized on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements from the beginning of the period in which the combination occurs. While preparing the comparative consolidated financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity established through combination had been existing since the ultimate controller begins to exercise control.

The Group's control over an investee is re-assessed if change in relevant facts and situations causes changes in one or more of the elements of control.

Where there is no loss of control, the change in minority interests is accounted for as an equity transaction.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

6. Consolidated financial statements (continued)

By stepping through multiple transactions to dispose of the equity investment in a subsidiary until the loss of control, if it is a package transaction, the transactions are treated as a transaction that disposes of the subsidiary and loses control; however, the price difference between the disposal price and the disposal investment before the loss of control and the share of the net assets of the subsidiary is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the current period profit or when the control is lost. If it is not a package transaction, the corresponding accounting treatment shall be carried out for each transaction. If the control right is not lost, the minority shareholders' equity changes will be treated as an equity transaction. If the control right is lost, the remaining equity shall be re-measured according to its fair value on the date of losing control. The difference between the summary of consideration obtained from the disposal of the equity and the fair value of the remaining equity, less the difference between the share of the original assets and the share of the net assets that have been continuously calculated from the date of purchase from the date of the original shareholding, is included in the current period profit and; If there is a goodwill for the subsidiary, the amount of the goodwill is deducted when calculating the profit and loss of the disposal of the subsidiary; Other comprehensive income related to the original subsidiary's equity investment shall be accounted for on the same basis as the subsidiary's direct disposal of the relevant assets or liabilities when the control is lost, due to the net profit and loss, other comprehensive income and profit distribution related to the original subsidiary. Shareholders' equity is recognized in addition to changes in other shareholders' equity, which are transferred to the current period profit or loss when control is lost.

7. Classification of joint arrangements and joint ventures

There are two types of joint arrangements – joint operations and joint ventures. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement.

A joint operator recognizes the following items in relation to its interest in a joint operation: its solely-held assets, and its share of any assets held jointly; its solely-assumed liabilities, and its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its solely-incurred expenses, and its share of any expenses incurred jointly.

8. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Translation of transactions and financial statements denominated in foreign currencies

The Group translates the amount of foreign currency transactions which occurred into its functional currency.

Foreign currency transactions are recorded, on initial recognition, in the functional currency, by applying the foreign currency amount the spot exchange rate prevailing on the transaction dates. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate prevailing on the balance sheet date. All the resulting differences on settlement and monetary item translation are taken to profit or loss in the current period, except for those relating to foreign currency borrowings specifically for construction and acquisition of qualifying assets, which are capitalized in accordance with the principle of capitalization of borrowing costs. Non-monetary foreign currency items measured at historical cost shall still be translated at the spot exchange rate prevailing on the transaction date, and the amount denominated in the functional currency is not changed. Non-monetary foreign currency items measured at fair value are translated at the spot exchange rate prevailing at the date on which the fair values are determined. The difference thus resulted are recognized in profit or loss for the current period or as other comprehensive income based on the nature of the non-monetary items.

For foreign operations, the Group translates their functional currency amounts into RMB when preparing the financial statements as follows: as at the balance sheet date, the assets and liabilities are translated using the spot exchange rate at the balance sheet date, and equity items other than "unappropriated profit" are translated at the spot exchange rates at the dates of transactions; revenue and expense items in profit or loss are translated using the exchange rate at the transaction date. The resulting exchange differences are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss. If the disposal only involves a portion of a particular foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss on a pro-rata basis.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the spot exchange rates prevailing on the dates of cash flows. The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

10. Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset (or part of a financial asset, or part of a group of similar financial assets), i.e. writes off the financial asset from the account and balance sheet, when the following conditions are met:

- (1) the rights to receive cash flows from the financial asset expire;
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has not retained control of the financial asset.

If the underlying obligation of a financial liability has been discharged or cancelled or has expired, the financial liability is derecognized. If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different terms, or if the terms of an existing financial liability are substantially revised, such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulting difference is recognized in profit or loss for the current period.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales of financial assets refer to that the financial assets are delivered to or by the Group under the terms of a contract within a period as specified by law or general practice. The trade date is the date on which the Group undertakes to buy or sell a financial asset.

Classification and measurement of financial assets

The Group's financial assets are, on initial recognition, classified into the following categories based on the business model of the Group's financial asset management and the characteristics of the financial assets' contractual cash flows: financial assets measured at fair value through profit or loss, financial assets measured at amortised cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

A financial asset is initially recognised at fair value. However, if the initial recognition of account receivables does not include significant financing components or does not consider financing components not exceeding one year, it shall be initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, the related transaction expense is directly recognised in profit or loss for the current period, transaction costs related to other types of financial assets are included in their initial recognition amount.

Subsequent measurement of a financial asset is determined by its category as follows:

Debt instrument investments measured at amortised cost

Financial assets are classified as financial assets measured at amortised cost if the financial assets meet the following conditions: The Group's business model for managing the financial assets is to collect contractual cash flows; the contractual terms of the financial assets stipulate that cash flows generated on a specific date are only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, the effective interest method is used for recognition of interest income. The gains or losses arising from derecognition, modification or impairment are recognised in profit or loss of the current period.

Debt instrument investments measured at fair value through other comprehensive income

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

10. Financial instrument (continued)

Classification and measurement of financial assets (continued)

Equity instrument investments at fair value through other comprehensive income

The Group irrevocably opts to assign some of the investments in non-tradable equity instruments to financial assets at fair value through other comprehensive income, and only recognizes relevant dividend incomes in profit or loss for the current period, while changes in fair value are recognized as other comprehensive income, without needing to withdraw impairment provision. When the financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than those measured at amortized cost and at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognized in profit or loss for the current period.

Classification and measurement of financial liabilities

On initial recognition, the Group's financial liabilities are classified as: financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, related transaction expenses are directly charged to profit or loss for the current period; and transaction expenses relating to other financial liabilities are included in the initial recognized amount.

The subsequent measurement of financial liability is determined by its category:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivative financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading are subsequently measured at fair value, and all of them will be recognized in the current profit or loss. For such financial liabilities, the subsequent measurement is based on fair value. Except for changes in fair value arising from changes in the Group's own credit risk, changes in fair value are recognized in profit or loss. The Group changes all fair value changes (including the impact of changes in its own credit risk) in the current profit or loss, if the changes in fair value of the Group's own credit risk are included in other comprehensive income.

Other financial liabilities

Such financial liabilities are measured at amortized cost by using the effective interest method.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

10. Financial instrument (continued)

Impairment of financial assets

The Group performs impairment treatment on financial assets measured at amortised cost and debt instrument investments, lease receivables, contract assets, loan commitments and financial guarantee contracts at fair value through other comprehensive income and provides impairment provision on the basis of expected credit losses.

For receivables and contract assets which do not contain significant financing components and contractual assets, the Group uses a simplified measurement method to measure loss allowance at the full lifetime expected credit loss.

For lease receivables, receivables with significant financing components, and contractual assets, the Group has chosen to use a simplified measurement method to measure loss allowance at the full lifetime expected credit loss.

In addition to the financial assets, loan commitments and financial guarantee contracts described above using the simplified measurement method, the Group assesses whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has not increased significantly since the initial recognition, it is at the first stage, and the Group measures loss allowance according to the amount of expected credit loss in the next 12 months, and calculates the interest income according to the book balance and the actual interest rate; if the credit risk has increased significantly since the initial recognition, but no credit impairment occurs, it is at the second stage, and the Group measures loss allowance at the full lifetime expected credit loss, and calculates the interest income according to the book balance and the actual interest rate; if the credit impairment occurs after the initial recognition, it is at the third stage, and the Group measures loss allowance at the full lifetime expected credit loss, and calculates the interest income according to the amortised cost and the actual interest rate. For financial instruments with relatively low credit risk only on the balance sheet date, the Group assumes that its credit risk has not increased significantly since the initial recognition.

The Group assesses the expected credit losses on financial instruments based on an individual and a collective basis. The Group considers credit risk characteristics of different customers, and assesses the expected credit losses on financial instruments carried at amortised cost based on their ageing portfolio.

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group writes down the carrying amount of the financial assets directly.

Offsetting of financial instruments

The net amount resulting from the set-off between financial assets and financial liabilities shall be presented in the balance sheet only if all of the following criteria are met: there is a legal right to offset recognised amounts which is currently enforceable; there is an intention to settle on a net basis, or the realisation of the financial asset and the settlement of the financial liability take place at the same time.

Financial guarantee contracts

A financial guarantee contract is a contract under which the issuer shall indemnify the contract holder suffering losses with a specified amount in the event that the debtor fails to repay its debt in accordance with the initial or revised terms of the debt instrument. Financial guarantee contracts are initially recognised as liability at fair value. Financial guarantee contracts not classified as financial liabilities designated at fair value through profit or loss are, after initial recognition, subsequently measured at the higher of the amount of provision for losses determined at the balance sheet date and the initial amount less accumulated amortisation determined in accordance with the revenue recognition principle.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward foreign exchange contracts, forward commodity contracts and interest rate swaps, to hedge exchange rate risk, commodity price risk and interest rate risk, respectively. Derivative financial instruments are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at their fair values. Derivative financial instruments with a positive fair value are recognised as assets, and those with a negative fair value are recognised as liabilities.

Other than hedging accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

10. Financial instrument (continued)

Transfer of financial assets

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group does not derecognise the financial assets when it retains substantially all the risks and rewards of ownership of the financial assets.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the related accounting treatments of such financial assets are as follows: if the control of the financial assets is abandoned, the financial assets are derecognised and the assets and liabilities arising are recognised. If the control of the financial assets is not abandoned, the relevant financial assets are recognised according to the extent to which they continue to be involved in the transferred financial assets and the related liabilities are recognised accordingly.

If the transferred financial assets continue to be involved through the provision of financial guarantee method, the assets that continue to be involved are recognised according to carrying amount of the financial assets and the financial guarantee amount, whichever is lower. The amount of the financial guarantee is the maximum amount of the consideration received that will be required to be repaid.

11. Notes receivable

Determination and accounting treatment of ECLs of notes receivable

For details, please refer to the description of financial instruments in Note V of these financial statements.

12. Accounts Receivable

Determination and accounting treatment of ECLs of accounts receivable.

For details, please refer to the description of financial instruments in Note V of these financial statements.

13. Receivables financing

For details, please refer to the description of financial instruments in Note V of these financial statements.

14. Other receivables

Determination and accounting treatment of ECLs of other receivables

For details, please refer to the description of financial instruments in Note V of these financial statements.

15. Inventories

Inventories are the materials consumed by the Group in the production process or the process of providing labour services, which mainly include raw materials, turnover materials, etc. Inventories are initially measured at cost. Inventory costs include purchase costs, processing costs and other costs. The actual cost of inventories is calculated using the weighted average method when the inventories are removed. Turnover materials include low-value consumables and packaging materials, which are amortised using one-time resale method.

Inventories are accounted for using the perpetual inventory system.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost is higher than the net realizable value, provision for impairment of inventories is made and recognized in profit or loss for the period. If the factors that give rise to the provision in prior years are not in effect, as a result that the net realizable value of inventories is higher than their carrying amount, the original amount of the write-down is reversed within the previously impaired amount and the reversed amount is included in profit or loss for the period.

Net realisable value is the amount of the estimated inventory selling price in the ordinary course of business less the estimated costs of completion, the estimated selling expenses and relevant taxes. Provision is considered on a category basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

16. Contract assets

(1). Recognition method and accounting treatment of contract assets

Applicable Not applicable

(2). Determination and accounting treatment of ECLs of contract assets.

Applicable Not applicable

17. Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

For non-current assets and disposal groups (other than financial assets and deferred tax assets) classified as held for sale, if the book value is higher than the net amount after the fair value minus the selling expenses, the book value is reduced to the net amount after the fair value minus the selling expenses. The amount of the write-down is recognized as the loss on disposal of assets and included in the current profit and loss. At the same time, provision for impairment of assets held for sale is made. Non-current assets held for sale or non-current assets in disposal groups are not depreciated or amortized.

18. Debt investments

(1). Determination and accounting treatment of ECLs of debt investments.

Applicable Not applicable

19. Other debt investments

(1). Determination and accounting treatment of ECLs of other debt investments.

Applicable Not applicable

20. Long-term receivables

(1). Determination and accounting treatment of ECLs of long-term receivables.

Applicable Not applicable

21. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

Long-term equity investments were initially recorded at initial investment cost on acquisition. For long-term equity investments acquired through the business combination of entities under common control, the initial investment cost shall be the share of carrying value of the owners' equity of the merged party at the date of combination as stated in the consolidated financial statements of the ultimate controlling party. Any difference between the initial investment cost and the carrying value of the consideration for the combination shall be dealt with by adjusting the capital reserve (if the capital reserve is insufficient for setting off the difference, such difference shall be further set off against retained earnings). Upon disposal of the investment, other comprehensive income prior to the date of combination shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Shareholders' equity recognised as a result of changes in shareholders' equity other than the net profit or loss, other comprehensive income and profit allocation of the investee shall be transferred to the current profit or loss upon disposal of the investment. Items which remain as long-term equity investments after the disposal shall be accounted for on a pro-rata basis, while items reclassified as financial instruments following the disposal shall be accounted for in full.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

21. Long-term equity investments (continued)

For long-term equity investments acquired through the business combination of entities not under common control, the initial investment cost shall be the cost of combination (for business combinations of entities not under common control achieved in stages through multiple transactions, the initial investment cost shall be the sum of the carrying value of the equity investment in the acquired party held at the date of acquisition and new investment cost incurred as at the date of acquisition). The cost of combination shall be the sum of assets contributed by the acquiring party, liabilities incurred or assumed by the acquiring party and the fair value of equity securities issued. Upon disposal of the investment, other comprehensive income recognised under the equity method held prior to the date of acquisition shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Shareholders' equity recognised as a result of changes in shareholders' equity other than the set-off of profit or loss, other comprehensive income and profit allocation of the investee shall be transferred to the current profit or loss upon disposal of the investment. Items which remain as long-term equity investments after the disposal shall be accounted for on a pro-rata basis, while items reclassified as financial instruments following the disposal shall be accounted for in full. The accumulated fair value change of equity investments held prior to the date of acquisition and included in the other comprehensive income as financial instruments shall be transferred in full to the current profit or loss (before 2018) or retained earnings (from 2018) upon the change to cost method. The initial investment cost of long-term equity investments other than those acquired through business combination shall be recognised in accordance with the following: for those acquired by way of cash payments, the initial investment cost shall be the consideration actually paid plus expenses, tax amounts and other necessary outgoings directly related to the acquisition of the long-term equity investments. For long-term equity investments acquired by way of the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued. For long-term equity investments acquired by way of the swap of non-monetary assets, the initial investment cost shall be determined in accordance with "ASBE No. 7 – Swap of Non-monetary Assets." For long-term equity investments acquired by way of debt restructuring, the initial investment cost shall be determined in accordance with "ASBE No. 12 – Debt Restructuring."

In the financial statements of the Company, the cost method is used for long term equity investments in investees over which the Company exercises control. Control is defined as the power exercisable over the investee, the entitlement to variable return through involvement in the activities of the investee and the ability to influence the amount of return using the power over the investee.

When the cost method is used, long-term equity investments are measured at initial cost on acquisition. When additional investments are made or investments are recouped, the cost of long-term equity investments shall be adjusted. Cash dividends or profit distribution declared by the investee shall be recognised as investment gains for the period.

The equity method is used to account for long-term equity investments when the Group can jointly control or has significant influence over the invested entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence means having the authority to take part in the decision over the financial and operational policies but not the authority to control or jointly control with other parties the formulation of such policies.

Under the equity method, any excess of the initial investment cost over the Company's share of the net fair value of the investment's identifiable assets and liabilities is included in the initial investment cost of the long-term equity investment. When the carrying amount of the investment is less than the Company's share of the fair value of the investment's identifiable net assets, the difference is recognised in profit or loss of the current period and debited to long-term equity investments.

Under the equity method, after the long-term equity investments are acquired, investment gains or losses and other comprehensive income are recognised according to the entitled share of net profit or loss and other comprehensive income of the investee and the carrying amount of the long-term equity investment is adjusted accordingly. When recognising the Group's share of the net profit or loss of the invested entity, the Group makes adjustments based on fair values of the investees' identifiable assets and liabilities at the acquisition date in accordance with the Group's accounting policy and accounting period to investee's net profits, eliminating pro-rata profit or loss from internal transactions with associates and joint ventures attributed to investor (except that loss from inter-group transactions deemed as asset impairment loss shall be fully recognised), provided that invested or sold assets constituting businesses shall be excluded. When the invested enterprise declares profit appropriations or cash dividends, the carrying amount of investment is adjusted down by the Group's share of the profit appropriations and dividends. The Group shall discontinue recognising its share of the losses of the investee after the long-term equity investment together with any long-term interests that in substance forms part of the Group's net investment in the investee are reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. The Group also adjusts the carrying amount of long-term equity investments for other changes in owners' equity of the investees (other than the net-off of net profit or loss, other comprehensive income and profit allocation of the investee), and includes the corresponding adjustment in equity.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

21. Long-term equity investments (continued)

On disposal of the long-term equity investments, the difference between the carrying value and market price is recognised in profit or loss for the current period. For long-term equity investments under equity method, when the use of the equity method is discontinued, other comprehensive income previously accounted for under the equity method shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Shareholders' equity recognised as a result of changes in shareholders' equity other than the net-off of profit or loss, other comprehensive income and profit allocation of the investee shall be transferred in full to current profit and loss. If the equity method remains in use, other comprehensive income previously accounted for under the equity method shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee and transferred to the current profit or loss on a pro-rata basis. Shareholders' equity recognised as a result of changes in shareholders' equity other than the net-off of profit and loss, other comprehensive income and profit allocation of the investee shall be transferred to the current profit or loss on a pro-rata basis.

For step-by-step disposal of investment in a subsidiary through multiple transactions until the loss of control, if the transactions are a package deal, each transaction is accounted for as a disposal of subsidiary with loss of control. However, the difference between each disposal consideration until loss of control and the book value of the long-term equity investment disposed of corresponding to the equity interest disposed of is recognised as other comprehensive income in individual financial statements and is transferred to the current profit or loss for the period of loss of control. If they are not a package deal, each transaction is accounted for separately. For loss of control, if the remaining equity interest enables joint control or significant influence over the original subsidiary, it is recognised as a long-term equity investment in individual financial statements and accounted for pursuant to the relevant rules for conversion of the cost method into the equity method. Otherwise, it is recognised as a financial instrument and the difference between its fair value and its book value on the date of loss of control is included in the current profit or loss.

22. Investment properties

Investment property is property held to earn rentals or for capital appreciation or for both purposes. It includes a building for the purposes of leasing out and a building that will be used for leasing out after construction or development.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the cost can be measured reliably. Otherwise, they are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment property. The useful life, estimated net residual value rate and annual depreciation rate of investment property are as follows:

	Useful life	Estimated net residual value rate	Annual depreciation rate
Buildings	30 years	5%	3.17%

When an investment property is transferred to owner-occupied properties, it is reclassified as a fixed asset or an intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as an investment property at its carrying amount at the date of the transfer.

The Group reviews the estimated useful life and the net estimated residual value of an investment property and the depreciation or amortisation method applied at least once at each year end and adjusts when necessary.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sales, transfer, retirement or damage of an investment property net of its carrying amount and related taxes is recognized in profit or loss for the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

23. Fixed assets

(1). Conditions of recognition

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in its cost, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures shall be recognised in profit or loss for the period during which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the assets is considered. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any other directly attributable expenditure for bringing the asset to working condition for its intended use.

(2). Depreciation method

Items	Depreciation method	Depreciation period (year)	Residual value rate	Annual depreciation rate
Buildings	Straight-line method	20-40 years	5%	2.38%-4.75%
Machinery and equipment	Straight-line method	5-30 years	5%	3.17%-19.00%
Transportation equipment	Straight-line method	5-8 years	5%	11.88%-19.00%
Electronic equipment	Straight-line method	3-5 years	5%	19.00%-31.67%
Others	Straight-line method	10 years	5%	9.50%

Depreciation is provided on fixed assets using the straight-line method, except for fix assets generated by consuming safety production reserves.

Where individual component parts of an item of fixed assets have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each financial year end, and makes adjustments if necessary.

(3). Determination basis, valuation and depreciation method of fixed assets under finance leases

Applicable Not applicable

24. Construction in progress

Construction in progress is recognized at its actual costs. The actual costs include various necessary construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs.

Construction in progress is transferred to fixed assets and intangible assets when it is ready for intended use.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

25. Borrowing costs

Borrowing costs are interests and other related cost arising from Group's borrowing, including borrowing interests, amortization of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency lending, etc.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized, and other borrowing costs are recognized in profit or loss for the period. Qualifying assets are fixed assets, investment property and inventory that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs may be capitalized only when:

- (1) Expenditures for such asset are incurred;
- (2) Borrowing costs are incurred;
- (3) The acquisition, construction or production activities which are necessary to prepare the asset for its intended use or sale have started.

Capitalization of borrowing costs ceases when the qualifying assets being acquired, constructed or produced becomes ready for its intended use or sale. Borrowing costs incurred subsequently are recognized in the current profit or loss.

Interest in each accounting period is determined by the following methods:

- (1) For dedicated borrowings, the amount of interest is the interest expenses actually incurred in the current period less the interest income earned on temporary deposits or investment income;
- (2) For general borrowings utilized, the amount of interest is the weighted average asset expenditures of the excess of accumulative asset expenditure over the dedicated borrowings multiplying the weighted average interest rate of the general borrowings.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 consecutive months, other than those necessary to prepare the asset for its intended use or sale, the capitalization of the borrowing costs shall be suspended. Borrowing costs incurred during the interruption period are recognized as costs in profit or loss for the current period, until the acquisition or construction is resumed.

26. Biological assets

Applicable Not applicable

27. Oil and gas assets

Applicable Not applicable

28. Right-of-use assets

The right-of-use assets of the Group mainly comprise land, buildings, wind turbines and relevant equipment and motor vehicles and others.

On the date of commencement of the lease term, the Group recognises its right to use the leased asset during the lease term as a right-of-use asset, including: (1) the initial measurement amount of lease liabilities; (2) for the lease payment made on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed which shall be deducted; (3) the initial direct expenses incurred by the lessee; (4) the costs expected to be incurred by the lessee for dismantling and removing the leased assets, restoring the leased assets' site or restoring the leased assets to the agreed state in the lease terms. The Group subsequently adopts the straight-line method to accrue depreciation for the right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the Group shall accrue depreciation during the remaining useful life of the leased asset. If it is impossible to reasonably determine whether the ownership of the leased asset can be obtained at the end of the lease term, the Group shall accrue depreciation within the shorter of the lease term and the remaining useful life of the leased asset.

The Group re-measured the lease liability based on the present value of the changed lease payments and adjusted the carrying amounts of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero and the lease liability still needs to be further reduced, the Group accounts for the remaining amount in the current profit and loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

29. Intangible assets

(1). Measurement, useful life and impairment test

The Group's intangible assets include land use rights, concession rights, proprietary technology, software licenses and others.

Intangible assets may be recognized initially measured at cost only when economic benefits relating to it are likely to flow into the Group as well as its cost can be measured reliably. However, for intangible assets acquired from business combination not under common control, if their fair value can be measured reliably, they are recognized separately as intangible assets and measured at fair value. During the course of transformation of the Company into a limited liability company, the initial costs of intangible assets injected by the state-owned shareholder were measured based on the valuation amount approved by the state-owned assets management authority.

The useful life of an intangible asset shall be determined based on the term in which it can generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable term in which it can generate economic benefits for the Group.

The useful life of each category of intangible assets is as follows:

Category	Useful life
Land use rights	20-50 years
Concession rights	25-30 years
Proprietary technology	10 years
Software licenses	10 years

Land use rights that are purchased by the Group are accounted for as intangible asset.

An intangible asset with finite useful life is amortised over its useful life period by using the straight-line method. The useful life and amortization method of an intangible asset with finite useful life shall be reviewed at least once at each year end, and adjusted when necessary.

Land use rights

Land use rights represent costs incurred for a certain lease period of land.

Land use rights are amortised on a straight-line basis over the estimated useful life. If the price of purchased land and buildings is difficult to be reasonably allocated between land use rights and buildings, all of them shall be included in fixed assets.

Concession rights

Concession rights refer to the intangible assets of wind power projects recognised under the build-operate-transfer contracts, as well as the gas operation rights obtained through business combination not under common control.

Proprietary technology

Software is recorded at the actual consideration paid upon acquisition and amortised on a straight-line basis over the estimated useful life.

Patents

Patents are recorded at the value confirmed by investors or the actual price paid, and amortised on a straight-line basis over the estimated useful life or the useful life agreed in contracts.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

29. Intangible assets (continued)

(2). Accounting policy for R&D expenditure

The Group classifies the expenditure in an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognised in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalised when the Group can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred.

30. Impairment on long-term assets

The Group determines the impairment of assets other than inventories, contract assets and assets relating to contract assets, deferred income tax, financial assets and assets held for sale using the following methods:

The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs testing for impairment. Goodwill arising from a business combination and intangible assets with indefinite useful life are tested for impairment at least once at the end of each year, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction in carrying amount is treated as impairment loss and recognised in profit or loss for the current period. A provision for impairment loss of the asset is recognised accordingly.

For the purpose of goodwill impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is not possible to allocate to the related asset groups, it is allocated to each of the related sets of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergy of the business combination and shall not be larger than a reportable segment determined by the Group.

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment testing, if there is any indication of impairment, the Group first tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and recognises any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment and the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then by the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, based on the carrying amount of each asset on a pro rata basis.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

31. Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure, net of accumulated amortisation.

32. Contract liabilities

(1). Recognition method of contract liabilities

Contract liabilities reflect the Company's obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Before the Company transfers goods to a customer, the customer has already paid the contract consideration, or the Company has obtained unconditional right to receive the contract consideration. At the earlier of the date of actual payment from the customer and the due date of payment, contract liabilities were recognized in accordance with the amount received or receivable.

33. Employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits and post-employment benefits. Benefits given by the Group to an employee's spouse, children and dependents, family members of deceased employees and other beneficiaries are also employee benefits.

(1). Accounting treatment for short-term employee benefits

The liabilities of employee benefits are recognized in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(2). Accounting treatment for post-employment benefits

The employees of the Group participate in a pension scheme and unemployment insurance managed by the local government, for which the corresponding expenses shall be included in the cost of related assets or profit or loss.

(3). Accounting treatment for termination benefits

When the Company cannot unilaterally withdraw the termination benefits provided to the employees due to the cancellation of labor relationship or layoff proposal, or the date when the Company recognizes the related restructuring costs or expenses which involve the payment of termination benefits, whichever is earlier, the liability of employee benefits generated from termination benefits is recognized, and is charged to the profit or loss for the current period.

(4). Accounting treatment for other long-term employment benefit

Applicable Not applicable

34. Lease Liabilities

On the commencement date of the lease term, the Group recognized the present value of the lease payments that have not been paid as lease liabilities, except for short-term leases and leases of low-value assets. In calculating the present value of lease payments, the Group uses its implicit rate at the lease commencement date as discount rate. If the implicit rate in the lease is not readily determinable, the Group uses its incremental borrowing rate as discount rate. The Group calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate, and it is included in the current profit and loss, otherwise, it is required to be included in the cost of relevant assets. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profit and loss when they are actually incurred, otherwise, it is required to be included in relevant costs of assets.

After the commencement date of the lease term, when the actual fixed payment amount changes; the expected amount of the guarantee residual value changes; the index or ratio used to determine the lease payment changes, or the assessment results or actual exercise of the purchase option, the renewal option or the termination option change, the Group re-measures the lease liability based on the present value of the changed lease payments.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

35. Accrued liabilities

An obligation related to a contingency shall be recognized by the Group as a provision when all of the following conditions are satisfied, except for contingent considerations and contingent liabilities assumed in a business combination not involving entities under common control:

- (1) The obligation is a present obligation of the Group;
- (2) It is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) A reliable estimate can be made of the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. Provisions are reviewed at each balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

The contingent liabilities of the acquiree acquired in the business combination not under common control are measured at fair value at initial recognition. After initial recognition, contingent liabilities are subsequently measured by the higher of: the amount that would be recognised based on provisions and the balance of the amount initially recognised less the cumulative amortisation determined by the revenue recognition principle.

36. Share-based payment

Applicable Not applicable

37. Preferred shares, perpetual bonds and other financial instruments

The perpetual capital instruments are issued by the Group, the term of which can be extended by the Group for an unlimited number of times upon maturity and the coupon interest payment for which can be deferred by the Group. The Group has no contractual obligation to pay cash or other financial assets and they are classified as equity instruments.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

38. Revenue

(1). Accounting policies used in revenue recognition and measurement

Income from sales of commodities and income from the provision of connections and gas pipeline construction

The Group recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Taking control of the relevant goods or services means being able to dominate the use of the goods or the provision of the services and obtain almost all of the economic benefits from them.

Revenue from the sale of goods

Goods sale contracts between the Group and its customers usually include only the performance obligations for the sale of electricity and natural gas. The Group usually recognises revenue at the time of transfer of control on the basis of comprehensive consideration of the following factors: the acquisition of the right to collect goods, the transfer of main risks and rewards of goods ownership, the transfer of legal ownership of goods, the transfer of physical assets, and the acceptance of goods by customers.

Revenue from wind/photovoltaic power generation is recognised when the power is supplied to the provincial power grid company where each power generation field is located, with the volume of power settled confirmed by both parties as the volume of power sold for the month and the on-grid tariff approved by the National Development and Reform Commission as the sales unit price.

For natural gas sales, the gas consumption set out in the natural gas measurement certificate confirmed by both parties shall be considered as the volume of natural gas sold for the month, and the pipeline transmission fee and natural gas sales unit price approved by the price authorities shall be considered as the sales unit price.

Revenue from the connection and construction of gas pipeline network

The service provision contracts between the Group and its customers usually include the performance obligations for the connection and construction of gas pipeline networks. As its customers are able to control the assets under construction in the process of performance, the Group regards them as performance obligations to be performed within a specific period and recognises their revenue based on the performance progress, unless the performance progress cannot be reasonably determined. The Group determines the performance progress for the provision of services using the input method and based on the cost incurred. If the performance progress cannot be reasonably determined and the cost incurred by the Group is expected to be compensated for, the revenue shall be recognised according to the amount of the cost incurred until the performance progress can be reasonably determined.

Interest income

Interest income is determined based on the length of time for which the Group's cash is used by others, using the effective interest method.

Rental income

Rental income under operating lease is recognised under the straight-line method over the lease term, and contingent rental is included in the current profit or loss upon incurrence.

(2). The adoption of different business models for the same type of business will lead to different accounting policies for revenue recognition

Applicable Not applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

39. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities in the statement of financial position based on the relationship between the completion of performance obligations and customer payments. The Group offsets contract assets and contract liabilities of the same contract and presents them in the net amount.

Contract assets

A contract asset is the right to consideration in exchange for goods or services that the Group has transferred to a customer, and that right is conditioned on something other than the passage of time.

Please refer to Note V. 10 for the Group's methods for determining and accounting for expected credit loss on contract assets.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer, such as an amount of consideration that an entity has received before the transfer of the promised goods or services.

40. Government grants

A government grant is recognised when the Group can comply with the conditions attached to it and it can be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

Pursuant to government documents, if the government grant is a compensation for constructing or forming long-term assets, the government grant is recognised as a government grant related to assets. When government documents are not stated clearly, the fundamental conditions attached to the grant should be the criterion for judgements. If the fundamental conditions attached to the grant are for constructing or forming long-term assets, the government grant is recognised as a government grant related to assets. Otherwise, the government grant is recognised as a government grant related to income.

A government grant related to income is accounted as follows: (a) if the grant is a compensation for related costs, expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss or offset the related costs over the periods in which the related costs, expenses or losses are recognised; (b) if the grant is a compensation for related costs, expenses or losses already incurred, it is recognised immediately in profit or loss or used to offset the related costs of the current period.

A government grant related to an asset shall offset the book value of related assets, or be recognised as deferred income, and reasonably and systematically amortised to profit or loss over the useful life of the related asset. However, a government grant measured at a nominal amount is recognised immediately in profit or loss of the current period. If related assets have been sold, disposed of, scrapped or damaged, the unamortised deferred income should be recognised in profit or loss in the period of disposal.

41. Income tax

Income tax comprises current and deferred income tax. Income tax is recognised as an expense or income in profit or loss for the current period, or otherwise recognised directly in shareholders' equity if it arises from goodwill on a business combination or relates to a transaction or event which is recognised directly in shareholders' equity.

The Group measures a current tax liability or asset arising from the current and prior periods based on the amount of income tax estimated to be paid or returned and calculated in accordance with the requirements of relevant tax laws.

The Group recognises deferred tax based on temporary differences using the balance sheet liability method. Temporary differences are differences between the carrying amount of assets or liabilities in the balance sheet and their tax base on the balance sheet date. Temporary differences also include the differences between the carrying amounts and tax bases of items not recognised as assets or liabilities where the tax base can be calculated according to the relevant tax regulations.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

41. Income tax (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- (1) where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or deductible tax loss.
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

A deferred income tax asset is recognised for deductible temporary differences, and unused deductible tax losses and tax credits that can be carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, deductible tax losses and tax credits can be utilised, except:

- (1) Taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination, and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.
- (2) Taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future.

At the balance sheet date, deferred income tax assets and liabilities are measured at the tax rates that are estimated to apply to the period when the asset is recovered or the liability is settled, according to the requirements of tax laws. The measurement of deferred income tax assets and deferred income tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred income tax assets is reviewed at the balance sheet date and reduced to the extent that taxable profit is no longer sufficient in future periods to allow the deferred income tax assets to be utilised. Unrecognised deferred income tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

42. Leases

(1). Accounting treatment for operating leases

Applicable Not applicable

(2). Accounting treatment for finance leases

Applicable Not applicable

(3). Determination and accounting treatment of leases under the new lease standard

Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Assessment of the lease term

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. If the Group has an option to extend the lease, that is, the Group has the right to extend the lease, and is reasonably certain to exercise that option, the lease term also includes periods covered by an option to extend the lease. If the Group has an option to terminate the lease, that is, the Group has the right to terminate the lease, but is reasonably certain not to exercise that option, the lease term includes periods covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, purchase option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in the circumstances that are within the control of the Group and affect whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term.

As lessee

For the general accounting treatment of the Group as a lessee, please refer to Note V. 28 and Note V. 34.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

42. Leases (continued)

(3). Determination and accounting treatment of leases under the new lease standard (continued)

Lease modification

The lease modifications refer to the change of lease scope, lease consideration, and lease term outside the original contract terms, including the addition or termination of the use right of one or more lease assets. It also includes the extension or shortening of the lease term stipulated in the contract.

If the lease modifications have met the following conditions simultaneously, the Group will account for the lease modifications as a separate lease:

- (1) The lease modifications expand the scope of the lease by adding the rights of use of one or more leased assets;
- (2) The increased consideration and the individual price of the enlarged portion of the lease are equivalent to the amount adjusted in accordance with the contract situation.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability on the effective date of the lease modification by discounting the revised lease payments using a revised discount rate. When calculating the present value of the lease payment after the modification, the revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term if that rate can be readily determined, or the lease's Incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

The Group distinguishes between the following cases for accounting treatment in view of the above effects of the adjustment of lease liabilities:

- (1) If the lease modifications result in a narrower lease scope or a shorter lease term, the Group reduces the book value of the right-of-use asset to reflect the partial termination or full termination of the lease and recognizes the related gains or losses that partially terminate or completely terminate the leases in the current profits and losses.
- (2) Making a corresponding adjustment to the book value of right-of-use asset for all other lease modification.

Short-term lease and low-value asset lease

The Group recognizes the lease whose lease term is not more than 12 months and the lease does not include the purchase option on the commencement date of the lease term as a short-term lease. The Group recognizes the lease that is with a value of not more than RMB50,000 while the single leased asset is new as a low-value lease. If the Group subleases or expects to sublease the leased assets, the original lease is not recognized as a low-value asset lease. The Group does not recognize the right-of-use assets and lease liabilities for short-term leases and low-value asset leases. During each period of the lease term, the related asset costs or profit or loss for the current period are included by using the straight-line method.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

42. Leases (continued)

(3). Determination and accounting treatment of leases under the new lease standard (continued)

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, at the inception date and all other leases are operating leases.

As lessor of an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Leaseback transaction

The Group evaluates and determines whether an asset transfer in a leaseback transaction belongs to a sale in accordance with Note V.38.

As lessee

If the transfer of an asset in a sale and leaseback transaction satisfies the requirements to be accounted for as a sale of the asset, the Group, as a lessee, measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group, and recognises only the amount of any gain or loss that relates to the rights transferred to the lessor. If the transfer of an asset in a sale and leaseback transaction does not satisfy the requirements to be accounted for as a sale of the asset, the Group, as a lessee, continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds, and accounts for the financial liability in accordance with Note V. 10.

As lessor

If the transfer of an asset in a sale and leaseback transaction satisfies the requirements to be accounted for as a sale of the asset, the Group, as a lessee, accounts for the purchase of the asset and for the lease in accordance with the aforesaid accounting requirements. If the transfer of an asset in a sale and leaseback transaction does not satisfy the requirements to be accounted for as a sale of the asset, the Group, as a lessee, does not recognise the transferred asset but recognises a financial asset equal to the transfer proceeds, and accounts for the financial asset in accordance with Note V. 10.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

43. Other important accounting policies and accounting estimates

(1). Change in significant accounting policies

Accounting of COVID-19-related rent concessions

In accordance with the Provisions on the Accounting of COVID-19-related Rent Concessions, a simplified method may be chosen for COVID-19-related rent concessions in accordance with such accounting provisions. During the year, the Company had no relevant concessions, and such change in accounting policy had no impact on the consolidated and company net profit and owners' equity of the Company.

Scope of disclosure of related parties

According to the requirements of the Accounting Standards for Business Enterprises – Interpretation No. 13, since 1 January 2020, the associates of investors that have significant influence on the Company will no longer be disclosed as related parties and the following parties not deemed as related parties previously shall be related parties: joint ventures and their subsidiaries or associates and their subsidiaries of other members (including the parent company and subsidiaries) within the same group as the Company, joint ventures and their subsidiaries or associates and their subsidiaries of companies that exercise common control over the Company and joint ventures and their subsidiaries, subsidiaries of joint ventures, and subsidiaries of associates of companies that have significant influence on the Company. Such change in accounting policies has affected the determination of related parties and disclosure of related party transactions, and no retrospective adjustment to comparative data is required according to the transitional provisions. The changes in the accounting policy has no impact on the disclosure scope of the related parties of the Company.

New lease standard

In 2018, the Ministry of Finance issued the revised "Accounting Standard for Business Enterprises No. 21 – Leases" (the "New Lease Standard") which adopts the single model similar to that used for the current accounting treatment for finance lease and requires the lessee to recognize the right-of-use asset and lease liability for all leases other than short-term leases and leases of low-value assets and recognize depreciation and interest expenses, respectively. Since 1 January 2019, the Group has conducted accounting treatment in accordance with the newly revised lease standard and elected not to reassess whether the contracts that have existed before the date of first implementation are or contain leases. According to the transitional requirements, information for the comparable period will not be adjusted and retained earnings of 2019 will be retrospectively adjusted based on the difference between the New Lease Standard and the current lease standard on the date of initial application:

- (1) The Group measures the right-of-use assets and lease liabilities respectively for the finance leases before the date of initial adoption in accordance with the original book value of the assets held under finance leases and the payables for finance leases.
- (2) For operating leases before the date of initial adoption, the Group measures the lease liabilities at the present value discounted by incremental borrowing rate on the date of initial adoption according to the remaining lease payments, and the prepaid rent is adjusted to measure the right-of-use asset according to an amount equal to the lease liabilities of each lease.
- (3) The Group conducted an impairment test on the right-of-use assets in accordance with Note V.28 and made corresponding adjustments.

For operating leases under which the leased assets fall as low-value assets prior to the date of initial adoption or operating leases to be completed within 12 months, the Group adopts simplified treatment and does not recognise right-of-use assets and lease liabilities. Further, as for operating leases existed before the date of initial adoption, the Group adopted the following simplified treatments:

- (1) when measuring lease liabilities, a single discount rate is applied to a portfolio of leases with similar characteristics; the measurement of right-of-use assets may exclude initial direct costs;
- (2) when the contract contains options to extend/terminate the lease, the Group determines the lease term according to the actual exercise of options and other current conditions prior to the date of initial application;
- (3) As an alternative to the impairment test of the right-of-use assets, the Group assesses whether the contract including the lease is an onerous contract before the date of first implementation according to the Accounting Standard for Business Enterprises No. 13 Contingencies, and adjusts the right-of-use assets based on the provision for losses presented in the balance sheet before the date of first implementation;
- (4) The Group conducts accounting treatment based on the final arrangement of the lease modification for modification of leases before the date of first implementation.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

43. Other important accounting policies and accounting estimates (continued)

(1). Change in significant accounting policies (continued)

New lease standard (continued)

For the significant operating leases disclosed in the 2018 financial statements whose minimum lease payments have not been paid, the Group adjusts the difference between the present value discounted at the incremental borrowing rate of the Group, as the lessee, on 1 January 2019 and the lease liabilities included in the balance sheet as at 1 January 2019 as follows:

Minimum lease payments for significant operating leases as at 31 December 2018	93,611,738.67
Less: Minimum lease payments with simplified processing	10,164,781.56
Including: short-term leases	8,843,812.96
Lease with remaining lease term of less than 12 months	1,320,968.60
Add: Increase in lease payments due to lease extension options not recognized as at 31 December 2018 but reasonably certain to be exercised	12,212,967.49
Weighted average incremental borrowing rate	4.85%
Present value of operating lease payment as at 1 January 2019	67,962,870.62
Add: Minimum lease payments as at 31 December 2018	1,386,890,129.14
Lease liabilities as at 1 January 2019	1,454,852,999.71

The impact of the implementation of the New Lease Standard on the balance sheet items as at 1 January 2019 is as follows:

Consolidated balance sheet

	Balance sheet value	Assuming under the original standard	Impact
Advances to suppliers	213,867,006.16	214,051,214.73	-184,208.57
Fixed assets	18,423,345,972.52	19,684,560,168.62	-1,261,214,196.10
Right-of-use asset	2,355,205,428.80	-	2,355,205,428.80
Construction in progress	5,920,572,298.04	6,946,416,610.53	-1,025,844,312.49
Non-current liabilities due within one year	-1,993,402,148.66	-1,981,923,086.32	-11,479,062.34
Lease liabilities	-1,358,465,661.53	-	-1,358,465,661.53
Long-term payables	-86,340,000.00	-1,388,322,012.23	1,301,982,012.23
Total	23,474,782,895.33	23,474,782,895.33	-

Company Balance Sheet

	Balance sheet value	Assuming under the original standard	Impact
Right-of-use asset	4,731,777.17	-	4,731,777.17
Non-current liabilities due within one year	-169,100,422.00	-167,420,000.00	-1,680,422.00
Lease liabilities	-3,051,355.17	-	-3,051,355.17
Total	-167,420,000.00	-167,420,000.00	-

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

43. Other important accounting policies and accounting estimates (continued)

(1). Change in significant accounting policies (continued)

The impact of the implementation of the New Lease Standard on the financial statements as at 2019 is as follows:

Consolidated balance sheet

	Balance sheet value	Assuming under the original standard	Impact
Fixed assets	20,625,163,374.42	22,271,809,859.89	-1,646,646,485.47
Right-of-use asset	2,429,839,149.86	–	2,429,839,149.86
Construction in progress	7,644,129,190.52	8,342,331,202.95	-698,202,012.43
Other payables	-3,767,240,806.98	-3,771,302,296.42	4,061,489.44
Non-current liabilities due within one year	-2,216,640,342.34	-2,107,655,026.07	-108,985,316.27
Lease liabilities	-1,341,771,847.92	–	-1,341,771,847.92
Long-term payables	-112,824,781.79	-1,471,583,516.97	1,358,758,735.18
Total	23,260,653,935.77	23,263,600,223.38	-2,946,287.61

Consolidated Income Statement

	Statement value	Assuming under the original standard	Impact
Operating costs	8,637,821,158.84	8,637,327,444.17	493,714.67
Administration expenses	553,933,392.40	553,957,217.86	-23,825.46
Finance costs	868,885,126.78	866,458,342.65	2,426,784.13
Total	10,060,639,678.02	10,057,743,004.68	2,896,673.34

Company Balance Sheet

	Balance sheet value	Assuming under the original standard	Impact
Right-of-use asset	3,843,312.15	–	3,843,312.15
Non-current liabilities due within one year	-221,631,870.00	-219,580,000.00	-2,051,870.00
Lease liabilities	-1,900,319.56	–	-1,900,319.56
Total	-219,688,877.41	-219,580,000.00	-108,877.41

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES: (continued)

43. Other important accounting policies and accounting estimates (continued)

(1). Change in significant accounting policies (continued)

Company Income Statement

	Statement value	Assuming under the original standard	Impact
Administration expenses	76,574,749.46	76,699,124.65	-124,375.19
Finance costs	11,824,998.37	11,591,745.77	233,252.60
Total	88,399,747.83	88,290,870.42	108,877.41

In addition, since the date of initial adoption, the Group would classify the repayment of the principal and interest of lease liabilities as cash outflows of financing activities in the cash flow statement. The repayment of short-term leases and leases of low-value assets, which adopted simplified approach, and variable lease payments which are not accounted for as lease liabilities will still be classified as cash outflows of operating activities.

(2). Changes in significant accounting estimates

Applicable Not applicable

(3). Information on making adjustment on implementation of related items in the financial statements at the beginning of such year for the first time in 2020 against initial application of the new revenue standards and the new lease standards

Applicable Not applicable

(4). Description of retrospective adjustment on the comparative figures in the previous period against initial application of the new revenue standards and the new lease standards since 2020

Applicable Not applicable

44. Others

Applicable Not applicable

VI. TAXATION

1. Major categories of taxes and respective tax rates

Major categories of taxes and tax rates

Value-added tax (VAT) Output VAT is calculated by applying 9% or 13% to the taxable income less deductible input VAT of the current period.

City maintenance construction tax It is levied at 7% or 5% on the turnover taxes paid.

Educational surcharge It is levied at 3% on the turnover taxes paid.

Local educational surcharges It is levied at 2% on the turnover taxes paid.

Enterprise income tax It is levied at 25% on the taxable profit, except for certain subsidiaries established in Mainland China which enjoy tax preferences and those subsidiaries incorporated outside Mainland China which are subject to local income tax regulations.

Each of the Company and its subsidiaries calculates and pays enterprise income tax as a legal entity at the location where it is registered.

VI. TAXES (continued)

1. Major categories of taxes and respective tax rates (continued)

Should there be any entity paying taxes being entitled to different enterprise income tax rate, the disclosure is explained below:

Name of entity paying taxes	Income tax rate (%)
Suntien Green Energy (Hong Kong) Corporation Limited	16.5
International Wind Farm Development V Limited	16.5
S&T International Natural Gas Trading Company Limited	16.5

All the overseas subsidiaries of the Company (including Hong Kong Special Administrative Region and Macau Special Administrative Region of the PRC) should calculate and pay taxes as per the applicable categories of tax and tax rate required by local tax laws.

2. Tax Preference

Enterprise income tax

According to Article 27 of the Enterprise Income Tax Law of the PRC, enterprises engaged in the investment in and operation of public infrastructure projects supported by the state may be exempted or enjoy reduced enterprise income tax. Starting from the tax year in which the project obtains the first production and operation income, the enterprise income tax will be exempt from the first to the third year, and the enterprise income tax will be reduced by half from the fourth to the sixth year. The consolidated wind power generation and photovoltaic power generation subsidiaries of the Company meet the requirements of the Catalogue of Public Infrastructure Projects Entitled to Preferential Tax Treatment.

Value-added tax (VAT)

Pursuant to the provision of the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (Cai Shui [2016] No. 36) that "Refund of VAT upon collection: (1) For general taxpayers providing pipeline transportation services, the policy of refund of VAT upon collection is applied to the excess of their effective VAT burden over 3%", and the natural gas companies controlled by the Company enjoy the preferential policy of refund of VAT upon collection for the excess of their effective VAT burden over 3% with effect from 1 May 2016.

Pursuant to the provision of the Circular on the Value-added Tax Policy for Comprehensive Utilisation of Resources and Other Products (Cai Shui [2008] No. 156) jointly issued by the Ministry of Finance and the State Administration of Taxation that "The policy of refund of 50% VAT upon collection is applied to the sales of the following self-produced goods: (5) Electricity produced by wind" and the Circular on Value-added Tax Policy for Wind Power Generation (Cai Shui [2015] No. 74) that "The policy of refund of 50% VAT upon collection is applied to the sales by taxpayers of self-produced power products produced by wind with effect from 1 July 2015", the wind power subsidiaries controlled by the Company enjoy the policy of refund of 50% VAT upon collection.

Pursuant to the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (Notice [2019] No. 39 of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs), taxpayers in production and living service industries are allowed to deduct tax payable based on deductible input tax for the period plus an additional 10% for the period from 1 April 2019 to 31 December 2021. Hebei Suntien Kechuang New Energy Technology Co., Ltd., a subsidiary of the Company, enjoys the preferential policy of deduction of tax payable plus additional amount based on deductible input tax since April 2019.

3. Others

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand	-	-
Deposits at banks	1,872,746,020.72	2,343,512,802.56
Other deposits	25,746,765.41	14,020,600.34
Total	1,898,492,786.13	2,357,533,402.90
Including: total amount deposited abroad	12,369,638.60	13,921,812.47

Other explanation

- (1) The merger the common control during this period increased the opening balance of bank deposits by RMB2,356,127.02.
- (2) Demand deposits would bear interest at the bank demand deposit interest rate. Bank deposits and other monetary funds were stored in well-established and good-standing banks.
- (3) As at 31 December 2020, a total amount of RMB35,051,339.40 (RMB23,325,174.33, as at 31 December 2019) was restrained due to mortgage, pledge or moratorium.

2. Financial assets for trading

Applicable Not applicable

3. Derivative financial assets

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Notes receivable

(1). Categories of notes receivable

Applicable Not applicable

(2). Notes receivable pledged by the Company at the end of the period

Applicable Not applicable

(3). Endorsed or discounted notes receivable that are not mature on balance sheet date at the end of the period

Applicable Not applicable

(4). Notes that were transferred to accounts receivable by the Company at the end of the period because the drawer failed to perform contract

Applicable Not applicable

(5). Disclosure by classification of bad debt provisions

Applicable Not applicable

Bad debt provision on individual basis:

Applicable Not applicable

Bad debt provision on group basis:

Applicable Not applicable

If the bad debt provision is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

Applicable Not applicable

(6). Conditions on bad debts provision

Applicable Not applicable

(7). Actual write-off of notes receivable for the current period

Applicable Not applicable

Other explanations

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Accounts receivable

(1). Disclosure by age

Unit: Yuan Currency: RMB

Age	Closing balance
Within 1 year	-
Including: sub-items within 1 year	-
Within 6 months	1,479,535,654.74
6 months to 1 year	1,009,473,976.08
Subtotal within 1 year	2,489,009,630.82
1 to 2 years	1,723,733,661.01
2 to 3 years	612,578,604.11
Over 3 years	506,973,226.67
Total	5,332,295,122.61

(2). Disclosure by classification of bad debt provisions

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Provision ratio (%)		Amount	Ratio (%)	Amount	Provision ratio (%)	
Bad debt provision on an individual basis	399,155,147.05	7.49	399,155,147.05	100.00	-	481,387,368.17	11.83	481,387,368.17	100.00	-
Including:										
Bad debt provision on a group basis	4,933,139,975.56	92.51	66,865,243.58	1.36	4,866,274,731.98	3,586,519,048.87	88.17	54,740,713.71	1.53	3,531,778,335.16
Including:										
Provision for bad debts made on a group basis by credit risk characteristics	4,933,139,975.56	92.51	66,865,243.58	1.36	4,866,274,731.98	3,586,519,048.87	88.17	54,740,713.71	1.53	3,531,778,335.16
Total	5,332,295,122.61	/	466,020,390.63	/	4,866,274,731.98	4,067,906,417.04	/	536,128,081.88	/	3,531,778,335.16

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Accounts receivable (continued)

(2). Disclosure by classification of bad debt provisions (continued)

Bad debt provision on an individual basis:

Unit: Yuan Currency: RMB

Name	Closing balance			Reason for provision
	Carrying amount	Provision for bad debts	Provision ratio (%)	
Hebei Yuanhua Glass Co., Ltd.	218,172,501.77	218,172,501.77	100	Expected unrecoverable
Hebei Daguangming Industrial Group Jiajing Glass Co., Ltd.	163,718,527.33	163,718,527.33	100	Expected unrecoverable
Hebei Natural Gas, Daguangming Company, and Hebei Daguangming Industrial Group Juwuba Tanhei Co., Ltd.	5,998,717.59	5,998,717.59	100	Expected unrecoverable
Carbon emission reduction receivables	11,265,400.36	11,265,400.36	100	Expected unrecoverable
Total	399,155,147.05	399,155,147.05	100	/

Explanation on bad debt provision on an individual basis:

It is estimated that it cannot be recovered after individual assessment, thus the provision for bad debts is made at 100%.

Bad debt provision on a group basis:

Item provision on a group basis: Provision for bad debts made on the credit risk characteristics grouping basis

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)
Within 6 months	24,939,199.87	1,246,959.98	5.00
6 months to 1 year	2,407,440.19	240,744.02	10.00
1 to 2 years	1,490,355.39	447,106.62	30.00
2 to 3 years	4,006,059.60	2,003,029.80	50.00
Over 3 years	14,065,084.80	14,065,084.80	100.00
Total	46,908,139.85	18,002,925.22	-

Recognition standard and description of provision for bad debts made on a group basis:

By reference to historical credit loss experience, current conditions and forecasts of future economic conditions, the reconciliation of the aging of accounts receivable and the expected credit loss rate for the entire duration is prepared to calculate the expected credit loss.

If the bad debt provision is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

 Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Accounts receivable (continued)

(3). Conditions on bad debt provision

Unit: Yuan Currency: RMB

Category	Opening balance	Change for the Period			Closing balance
		Provision	Recovered or reversed	Write-off or cancellation	
Bad debt provision on an individual basis	481,387,368.17	-	-82,232,221.12	-	399,155,147.05
Bad debt provision on a group basis	54,740,713.71	27,945,607.60	-15,821,077.73	-	66,865,243.58
Total	536,128,081.88	27,945,607.60	-98,053,298.85	-	466,020,390.63

Of which, significant amounts of provision for bad debts recovered or reversed for the period:

Unit: Yuan Currency: RMB

Name of entity	Amount recovered or reversed	Recovery method
Shahe Safety Industry Co., Ltd. (沙河市安全實業有限公司)	81,537,719.22	By cash
Total	81,537,719.22	/

(4). Accounts receivable actually written off during the period

 Applicable Not applicable

(5). Accounts receivable with the top five closing balances collected as per the borrowers

Organization	Relation with the Group	Balance at year end (RMB)	% of total balance of accounts receivable	Balance of allowance for doubtful or bad debts (RMB)
State Grid Jibei Electric Power Co., Ltd. (國網冀北電力有限公司)	Third party	2,806,018,049.13	52.62	28,060,180.49
State Grid Hebei Electric Power Co., Ltd. (國網河北省電力有限公司)	Third party	666,106,069.52	12.49	6,661,060.70
Yunnan Power Grid Co., Ltd. (雲南電網有限責任公司)	Third party	414,695,745.34	7.78	4,146,957.45
State Grid Shanxi Electric Power Co., Ltd. (國網山西省電力有限公司)	Third party	231,336,542.48	4.34	2,313,365.42
State Grid Xinjiang Electric Power Co., Ltd. Bazhou Branch (國網新疆電力有限公司巴州供電公司)	Third party	222,943,142.86	4.18	2,229,431.43
Total:		4,341,099,549.33	81.41	43,410,995.49

(6). Accounts receivable that were derecognized due to the transfer of financial assets

 Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Accounts receivable (continued)

(7). Amount of assets or liabilities for which accounts receivable are transferred but involvement continues

 Applicable Not applicable

Other explanations:

 Applicable Not applicable

6. Receivables financing

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bank acceptance bills	420,392,697.68	451,561,157.28
Total	420,392,697.68	451,561,157.28

The changes in the current amount and fair value of accounts receivable financing in this period:

 Applicable Not Applicable

In case the allowance for doubtful debts is provided on the general model of expected credit loss, refer to the disclosure of other receivables:

 Applicable Not Applicable

Other notes:

- (1) As at 31 December 2020 and 31 December 2019, there were no overdue bank drafts to be convertible into accounts receivable due to the inability of the drawer to perform the contract.
- (2) As at 31 December 2020 and 31 December 2019, the Group obtained long-term loans secured by part of the right of collection of future electricity fees in the amounts of RMB12,100,000.00 and RMB 6,000,000.00, respectively.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Advances to suppliers

(1). Presentation of advances to suppliers by aging analysis

Unit: Yuan Currency: RMB

Age	Closing balance		Opening balance	
	Amount	Ratio(%)	Amount	Ratio(%)
Within 1 year	371,107,717.23	97.47	388,324,654.41	98.03
1 to 2 years	4,775,692.85	1.25	3,103,038.48	0.78
2 to 3 years	1,176,287.79	0.31	514,728.25	0.13
Over 3 years	3,711,948.40	0.97	4,182,951.97	1.06
Total	380,771,646.27	100.00	396,125,373.11	100.00

Notes to reasons for significant advances to suppliers over 1 year and not settled in time:

Nil

(2). Advances to suppliers from top five prepaid parties classified based on the closing balance

Organization	Relation with the Group	Balance at year end	% of total balance of prepayments
China Petroleum & Chemical Corporation Natural Gas Branch, Hebei Natural Gas Sales Centre (中國石油化工有限公司天然氣分公司河北天然氣銷售中心)	Third party	137,293,968.33	36.06
CNOOC Gas and Power Group Co., Ltd. Hebei Sales Branch (中海石油氣電集團有限責任公司河北銷售分公司)	Third party	95,613,021.28	25.11
PetroChina Company Limited, Natural Gas Sales Hebei Branch (中國石油天然氣股份有限公司天然氣銷售河北分公司)	Third party	76,062,012.43	19.98
Henan Chenfa Energy Co., Ltd. (河南晨發能源有限公司)	Third party	12,593,788.50	3.31
Datang Energy Chemical Marketing Co., Ltd. (大唐能源化工營銷有限公司)	Third party	6,705,224.83	1.76
Total:		328,268,015.37	86.22

Other explanations:

The combination under the common control in the current period resulted in an increase in advances to suppliers of RMB233,388.34 at the beginning of the period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables

Items presented

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	44,158,212.59	45,202,558.05
Other receivables	50,232,938.92	26,704,003.10
Total	94,391,151.51	71,906,561.15

Other explanations:

 Applicable Not applicable

Interest receivable

(1). Classification of interest receivable

 Applicable Not applicable

(2). Significant overdue interest

 Applicable Not applicable

(3). Bad debt provision

 Applicable Not applicable

Other explanations:

 Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Dividends receivable

(4). Dividends receivable

Unit: Yuan Currency: RMB

Project (or Invested unit)	Closing balance	Opening balance
Huihai Financial Leasing Co., Ltd. (滙海融資租賃股份有限公司)	–	154,566.07
Hebei Weichang Longyuan Construction and Investment Wind Power Generation Co., Ltd. (河北圍場龍源建投風力發電公司)	17,930,153.30	17,310,858.80
Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd. (龍源建投(承德)風力發電有限公司)	26,228,059.29	27,737,133.18
Total	44,158,212.59	45,202,558.05

(5). Significant dividends receivable aging over 1 year

 Applicable Not applicable

(6). Bad debt provision

 Applicable Not applicable

Other explanations:

 Applicable Not applicable

Other receivables

(7). Disclosure by aging

Unit: Yuan Currency: RMB

Age	Closing book balance
Within 1 year	
Including: sub-items within 1 year	
Within 6 months	37,883,723.81
6 months to 1 year	2,483,128.21
Subtotal within 1 year	40,366,852.02
1 to 2 years	7,146,431.68
2 to 3 years	14,012,167.47
Over 3 years	50,691,525.61
Total	112,216,976.78

(8). Classified by nature

Unit: Yuan Currency: RMB

Nature	Closing book balance	Opening book balance
Deposits	58,358,684.12	45,672,632.63
Advances	25,331,000.21	26,418,468.67
Reserves	1,012,148.33	6,053,911.99
Others	27,515,144.12	10,336,078.81
Total	112,216,976.78	88,481,092.10

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Other receivables (continued)

(9). Bad debt provision

Unit: Yuan Currency: RMB

Bad debt provision	The first stage	The second stage	The third stage	Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses (no credit impairment occurred)	Lifetime expected credit losses (credit impairment occurred)	
Balance as at 1 January 2020	11,130,532.55	28,024,056.44	22,622,500.01	61,777,089.00
The balance at 1 January 2020 during the period				
– Transfer into the second stage	-2,896,373.54	2,896,373.54	–	–
– Transfer into the third stage	–	–	–	–
– Reversal to the second stage	–	–	–	–
– Reversal to the first stage	–	–	–	–
Provisions during the period	7,301,755.99	2,084,197.49	–	9,385,953.48
Reversal during the period	-1,184,149.29	-2,871,090.30	-5,123,765.03	-9,179,004.62
Transferral during the period	–	–	–	–
Write-off during the period	–	–	–	–
Other changes	–	–	–	–
Balance as at 31 December 2020	14,351,765.71	30,133,537.17	17,498,734.98	61,984,037.86

Explanation for the significant changes in the book balance of other receivables for which the loss provisions have changed during the period:

Applicable Not applicable

Basis for the provisions for bad debts in this period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Other receivables (continued)

(10). Conditions on bad debt provision

Unit: Yuan Currency: RMB

Category	Opening balance	Change for the period			Closing balance	
		Provisions	Recovered or reversed	Write-off or cancellation		Other changes
Provision for bad debts of other receivables	61,777,089.00	9,385,953.48	-9,179,004.62	-	-	61,984,037.86
Total	61,777,089.00	9,385,953.48	-9,179,004.62	-	-	61,984,037.86

Significant amounts of provision for bad debts recovered or reversed for the period:

Applicable Not applicable

(11). Other receivables actually written off for the period

Applicable Not applicable

(12) Other accounts receivable ranking the top 5 by the ending balance aggregated by the owing party:

Unit: Yuan Currency: RMB

Organization	Nature	Ending balance	Age	% of the total ending balance of other accounts receivable (%)	Ending balance of bad debt provision
PowerChina Hebei Electric Power Engineering Co., Ltd. (中國電建集團河北省電力勘測設計研究院有限公司)	Other	18,000,000.00	Within 6 months	16.05	900,000.00
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	Advance	13,421,959.24	> 3 years	11.97	13,421,959.24
Manager of Pingshan Zhongcheng Gas Co., Ltd. (平山中誠燃氣有限公司管理人)	Deposit	10,000,000.00	Within 6 months	8.92	500,000.00
Weichang Manchu and Mongolian Autonomous County Development and Reform Bureau (圍場滿族蒙古族自治縣發展改革局)	Deposit	8,950,000.00	> 3 years	7.98	8,950,000.00
Fengning Manchu Autonomous County Wind Power and Thermal Power Project Construction Office (豐寧滿族自治縣風電火電項目建設辦公室)	Deposit	8,000,000.00	> 3 years	7.13	8,000,000.00
Total	-	58,371,959.24	/	52.05	31,771,959.24

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Other receivables (continued)

(13). Accounts receivable related to government subsidy

 Applicable Not applicable

(14). Other receivables that were derecognised due to the transfer of financial assets

 Applicable Not applicable

(15). Amount of assets or liabilities for which other receivables are transferred but involvement continues

 Applicable Not applicable

Other explanations:

 Applicable Not applicable

9. Inventories

(1). Classification of inventories

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories/ provision for impairment in contract performance cost	Book value	Book balance	Provision for decline in value of inventories/ provision for impairment in contract performance cost	Book value
Raw materials	29,530,462.34	-	29,530,462.34	22,261,437.29	-	22,261,437.29
Products in process	-	-	-	-	-	-
Finished goods	28,360,302.79	-	28,360,302.79	29,322,170.01	-	29,322,170.01
Circulating materials	219,168.15	-	219,168.15	36,354.98	-	36,354.98
Consumable biological assets	-	-	-	-	-	-
Contract performance cost	-	-	-	-	-	-
Total	58,109,933.28	-	58,109,933.28	51,619,962.28	-	51,619,962.28

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Inventories (continued)

(2). Provision for decline in value of inventories/provision for impairment of contract performance

Applicable Not applicable

(3). Capitalised amount of borrowing costs that is included in the closing balance of the inventories

Applicable Not applicable

(4). Information on the amortised amount of cost of contract performance for the period

Applicable Not applicable

Other explanations

Applicable Not applicable

The combination under the common control in the current period resulted in an increase of RMB429,947.10 in inventories at the beginning of the period.

10. Contract assets

(1). Information for contract assets

Applicable Not applicable

(2). The amount of and the reason for the significant changes in book value during the reporting period

Applicable Not applicable

(3). Provision for impairment of contract assets in the current period

Applicable Not applicable

If the bad debt provision is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

Applicable Not applicable

Other explanations:

Applicable Not applicable

11. Assets held for sale

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Non-current assets due within one year

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Debt investment due within one year	-	-
Other debt investment due within one year	-	-
Entrusted loan investment	-	11,209,374.14
Total	-	11,209,374.14

Significant debt investment and other debt investment at the end of period

 Applicable Not applicable

Other explanations

Nil

13. Other current assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Contract acquisition costs	-	-
Right of return assets	-	-
Input VAT to be deducted	908,562,062.68	601,066,003.03
Enterprise income tax prepaid	7,197,194.86	11,644,556.93
Total	915,759,257.54	612,710,559.96

Other explanations

The combination under the common control resulted in the increase of other current assets at the beginning of the period. Input VAT to be deducted was RMB8,284,544.18 in the current period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Debt investment

(1). Debt investment

Applicable Not applicable

(2). Significant debt investment at the end of period

Applicable Not applicable

(3). Provision for impairment

Applicable Not applicable

The amount of bad debt provision for the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable Not applicable

Other explanation

Applicable Not applicable

15. Other debt investment

(1). Other debt investment

Applicable Not applicable

(2). Significant other debt investment at the end of period

Applicable Not applicable

(3). Provision for impairment

Applicable Not applicable

The amount of bad debt provision for the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable Not applicable

Other explanations:

Applicable Not applicable

16. Long-term receivables

(1). Long-term receivables

Applicable Not applicable

(2). Bad debt provision

Applicable Not applicable

Applicable Not applicable

(3). Long-term receivables derecognised due to transfer of financial assets

Applicable Not applicable

(4). Amounts of assets or liabilities incurred by its continuous involvement of transferring long-term receivables

Applicable Not applicable

Other explanation

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Long-term equity investments

Unit: Yuan Currency: RMB

Investees	Beginning balance	Current changes								Ending balance	Ending balance of provision for impairment
		Additional investment	Reduced investment	Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Other change in equity	Declared cash dividend or profit	Provision for impairment	Other		
I. Joint ventures											
Hebei Sunken Guohua Gas Co., Ltd. (河北新天國化燃氣有限責任公司)	46,127,676.77	-	-	-6,145,705.10	-	338,744.73	-	-	-	40,320,716.40	-
Chengde Doyuan New Energy Co., Ltd. (承德大元新能源有限公司)	33,690,558.34	-	-	14,337,387.24	-	-	-	-	-	48,027,945.58	-
Subtotal	79,818,235.11	-	-	8,191,682.14	-	338,744.73	-	-	-	88,348,661.98	-
II. Associates											
Chengde Shuanguan District CIC LNG Co., Ltd. (Chengde City 雙梁區建設液化天然氣有限責任公司)	3,239,530.55	-	-	-17,024.95	-	-	-	-	-	3,222,505.60	-
PetroChina Jingfang LNG Co., Ltd. (中石油京唐液化天然氣有限公司)	991,978,943.99	-	-	193,874,819.61	-	-	-120,000,000.00	-	725,343.58	1,066,579,107.18	-
CNOOC North China Natural Gas Pipeline Co., Ltd. (中海油華北天然氣管道有限公司)	248,268,582.71	-	-	-5,157,757.49	-	-	-	-	102,977.59	243,213,802.81	-
Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd. (河北圍場龍源建設風力發電公司)	140,086,535.20	-	-	20,246,118.05	-	-	-14,709,944.71	-	-	145,622,708.54	-
Longyuan CIC (Chengde) Wind Power Generation Co., Ltd. (龍源建設(承德)風力發電有限公司)	249,732,477.79	-	-	27,773,447.13	-	-	-20,895,565.15	-	-	256,630,359.77	-
Hebei Fengping Pumped Storage Co., Ltd. (河北豐寧抽水蓄能有限公司)	377,113,551.93	70,350,000.00	-	-	-	-	-	-	-	447,463,551.93	-
Hebei Jinjianjia Natural Gas Co., Ltd. (河北金建佳天然氣有限公司)	10,500,000.00	-	-	-	-	-	-	-	-	10,500,000.00	-
Huifai Financial Leasing Co., Ltd. (匯海融資租賃股份有限公司)	201,473,440.77	-	-	9,340,751.02	-	-	-7,215,411.87	-	-	203,598,779.92	-
Hengshui Honghua Gas Co., Ltd. (衡水華然燃氣有限公司)	-	11,207,200.00	-	-236,322.71	-	-	-	-	-	10,970,877.29	-
Subtotal	2,222,413,082.94	81,557,200.00	-	245,824,030.66	-	-	-162,820,921.73	-	828,321.17	2,387,801,713.04	-
Total	2,302,231,318.05	81,557,200.00	-	254,015,712.80	-	338,744.73	-162,820,921.73	-	828,321.17	2,476,150,375.02	-

Other explanation:

Nil.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Other investments in equity instruments

(1). Other investments in equity instruments

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
HECIC Group Finance Company Limited	200,000,000.00	100,000,000.00
Baoding PetroChina Kunlun Gas Co., Ltd	18,605,700.00	15,205,700.00
Total	218,605,700.00	115,205,700.00

(2). Non-transactional equity instrument investment

Applicable Not applicable

Other explanations:

The above equity instrument investments are designated as financial assets at fair value through other comprehensive income because they are held on a long-term basis as strategic investments.

19. Other non-current financial assets

Applicable Not applicable

Other explanations:

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Investment properties

Measurement model of investment properties

(1). Investment properties under cost measurement model

Unit: Yuan Currency: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original carrying amount				
1. Opening balance	37,410,850.85	-	-	37,410,850.85
2. Addition during the period	-	-	-	-
(1) Acquisition	-	-	-	-
(2) Transfer from inventories/ fixed assets/construction in progress	-	-	-	-
(3) Increase in Business combination	-	-	-	-
3. Decrease during the period	-	-	-	-
(1) Disposal	-	-	-	-
(2) Other transfer-out	-	-	-	-
4. Closing balance	37,410,850.85	-	-	37,410,850.85
II. Accumulated depreciation or amortization				
1. Opening balance	9,168,312.49	-	-	9,168,312.49
2. Addition during the period	1,105,168.44	-	-	1,105,168.44
(1) Provision or depreciation	1,105,168.44	-	-	1,105,168.44
3. Decrease during the period	-	-	-	-
(1) Disposal	-	-	-	-
(2) Other transfer-out	-	-	-	-
4. Closing balance	10,273,480.93	-	-	10,273,480.93
III. Impairment provision				
1. Opening balance	-	-	-	-
2. Addition during the period	-	-	-	-
(1) Provision	-	-	-	-
3. Decrease during the period	-	-	-	-
(1) Disposal	-	-	-	-
(2) Other transfer-out	-	-	-	-
4. Closing balance	-	-	-	-
IV. Carrying amount				
1. At the end of the period	27,137,369.92	-	-	27,137,369.92
2. At the beginning of the period	28,242,538.36	-	-	28,242,538.36

(2) Investment properties with pending certificates of ownership:

Applicable Not applicable

Other explanations:

- (1) The investment properties of the Group are located in commercial buildings in Beijing, which are valued by management under market method, with reference to similar property transaction prices and other factors, such as housing features and location. As at 31 December 2020, the fair value of these investment properties was RMB40,045,000.00 (RMB42,533,000.00, as at 31 December 2019).
- (2) The investment properties were leased to third parties and the controlled companies in the form of operating lease.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Fixed Assets

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	25,617,692,590.53	20,625,163,374.42
Disposal of fixed assets		
Total	25,617,692,590.53	20,625,163,374.42

Other explanations:

Applicable Not applicable

Fixed assets

(1). Fixed assets

Unit: Yuan Currency: RMB

Items	Houses and buildings	Mechanical equipment	Transportation equipment	Electronic equipment and office equipment	Others	Total
I. Original carrying amount:						
1. Opening balance	1,822,920,933.17	24,825,045,850.83	103,755,408.60	147,563,412.54	33,356,925.43	26,932,642,530.57
2. Addition during the period	280,683,324.91	6,064,001,629.79	3,609,615.82	19,829,141.41	8,208,579.77	6,376,332,291.70
(1) Acquisition	5,893,960.72	18,978,910.60	3,609,615.82	19,739,412.17	5,517,835.61	53,739,734.92
(2) Transfer from construction in progress	274,789,364.19	6,016,997,078.16		89,729.24	2,690,744.16	6,294,566,915.75
(3) Increase in Business combination	-	-	-	-	-	-
(4) Transfer from right-of-use assets	-	28,025,641.03	-	-	-	28,025,641.03
3. Decrease during the period	-	14,247,188.77	4,206,754.06	1,323,530.43	153,649.13	19,931,122.39
(1) Disposal or scrapping	-	14,247,188.77	4,206,754.06	1,323,530.43	153,649.13	19,931,122.39
4. Closing balance	2,103,604,258.08	30,874,800,291.85	103,158,270.36	166,069,023.52	41,411,856.07	33,289,043,699.88
II. Accumulated depreciation						
1. Opening balance	341,417,440.17	5,806,917,776.54	76,459,189.19	61,492,312.02	16,090,123.36	6,302,376,841.28
2. Addition during the period	93,808,830.01	1,213,404,894.37	5,087,562.69	20,145,731.05	5,227,283.89	1,337,674,302.01
(1) Provision	93,808,830.01	1,209,300,305.69	5,087,562.69	20,145,731.05	5,227,283.89	1,333,569,713.33
(2) Transfer from right-of-use assets	-	4,104,588.68	-	-	-	4,104,588.68
3. Decrease during the period	-	13,471,459.49	3,996,415.17	1,239,405.05	152,738.83	18,860,018.54
(1) Disposal or scrapping	-	13,471,459.49	3,996,415.17	1,239,405.05	152,738.83	18,860,018.54
4. Closing balance	435,226,270.18	7,006,851,211.42	77,550,336.71	80,398,638.02	21,164,668.42	7,621,191,124.75

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Fixed Assets (continued)

Fixed assets (continued)

(1). Fixed assets (continued)

Unit: Yuan Currency: RMB

Items	Houses and buildings	Mechanical equipment	Transportation equipment	Electronic equipment and office equipment	Others	Total
III. Impairment provision						
1. Opening balance	-	5,102,314.87	-	-	-	5,102,314.87
2. Addition during the period	-	45,057,669.73	-	-	-	45,057,669.73
(1) Provision	-	35,000,000.00	-	-	-	35,000,000.00
(2) Transfer from right-of-use assets	-	10,057,669.73	-	-	-	10,057,669.73
3. Decrease during the period	-	-	-	-	-	-
(1) Disposal or scrapping	-	-	-	-	-	-
4. Closing balance	-	50,159,984.60	-	-	-	50,159,984.60
IV. Carrying amount						
1. At the end of the period	1,668,377,987.90	23,817,789,095.83	25,607,933.65	85,670,385.50	20,247,187.65	25,617,692,590.53
2. At the beginning of the period	1,481,503,493.00	19,013,025,759.42	27,296,219.41	86,071,100.52	17,266,802.07	20,625,163,374.42

(2). Particulars of temporarily idle fixed assets

 Applicable Not applicable

(3). Fixed assets acquired under finance leases

 Applicable Not applicable

(4). Fixed assets leased by way of operating lease

 Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Fixed Assets (continued)

Fixed assets (continued)

(5). Fixed assets with pending certificates of ownership

Unit: Yuan Currency: RMB

Items	Carrying amount	Reasons for fixed assets with pending certificates of ownership
Houses and buildings	309,222,204.21	pending title certificate
Total	309,222,204.21	

Other explanations:

During this period, the merger under the common control resulted in an increase in the original value of fixed assets by RMB61,457,067.65, accumulative depreciation by RMB7,815,290.53, and provision for impairment by RMB5,102,314.87 at the beginning of the period.

Management believes that the Group is entitled to lawfully and effectively occupy and use the above houses and buildings, and believes that the above matters will not have any significant unfavorable effect on the Group's overall financial status as of 31 December 2020 and 2019.

Fixed assets in liquidation

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Construction in progress

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Construction in progress	13,887,592,126.20	7,553,838,357.89
Construction materials	95,772,862.08	90,290,832.63
Total	13,983,364,988.28	7,644,129,190.52

Other explanations:

 Applicable Not applicable

Construction in progress

(1). Construction in progress

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction in progress	13,912,565,259.14	24,973,132.94	13,887,592,126.20	7,565,152,249.49	11,313,891.60	7,553,838,357.89
Total	13,912,565,259.14	24,973,132.94	13,887,592,126.20	7,565,152,249.49	11,313,891.60	7,553,838,357.89

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Construction in progress (continued)

(2). Movements of major construction projects in progress during the period

Unit: Yuan Currency: RMB

Items	Budget	Opening balance	Additions during the period	Transfer to fixed assets during the period	Other decrease during the period	Closing balance	Investment percentage to total budget (%)	Project Progress	Accumulated amount of interest capitalized	Including amount of interest capitalized during the period	Interest capitalization rate of the period (%)	Source of the fund
Hebei Suntien Tangshan LNG Receiving Station Export Pipeline Project (Custodian-Bond Section) Kangshou Yangfeng Project	5,360,486,700.00	172,810,915.40	1,010,691,506.07	-	-	1,183,502,421.47	22.08	22.08%	12,066,856.24	12,066,856.24	3.39	Self-raising and borrowing
Tangshan LNG Export Pipeline Project (Booying Section) Shanyu Dadongshan Project	1,157,162,600.00	76,017,214.19	888,523,003.20	-	-	964,540,217.39	83.36	83.36%	31,061,142.71	25,956,334.07	4.08	Self-raising and borrowing
Tangshan LNG Receiving Station Project	2,712,762,900.00	4,817,530.43	944,160,133.87	-	-	948,977,664.30	34.98	34.98%	7,563,286.87	7,563,286.87	3.55	Self-raising and borrowing
Fuliang Phase I Project	1,133,387,232.00	388,166,778.83	545,121,071.81	-	-	933,287,850.64	82.35	82.35%	31,641,662.18	24,035,716.01	3.80	Self-raising and borrowing
Zhuozhou-Yongqing Gas Pipeline Project	25,390,000,000.00	118,324,872.51	800,162,516.07	-	-	918,487,388.58	3.62	3.62%	10,298,460.19	10,298,460.19	3.39	Self-raising and borrowing
Kangshou Walongshan Phase III Wind Farm Project	809,997,800.00	84,191,771.47	695,873,366.24	-	8,541,693.00	771,523,444.71	95.25	95.25%	13,643,263.48	13,033,378.62	4.76	Self-raising and borrowing
Zhangbei Zhanda Wind Farm Project	1,322,529,100.00	73,069,948.16	591,866,768.03	-	-	664,936,716.19	50.28	50.28%	7,994,416.82	7,994,416.82	4.35	Self-raising and borrowing
Suntien Guanyun Tuhe Wind Farm Project	790,881,800.00	335,529,412.50	232,364,774.60	-	-	567,894,187.10	71.81	71.81%	22,739,043.07	15,972,409.68	4.36	Self-raising and borrowing
Xing'an League Keyuqian Banner Hahito-Bolagat Phase I Wind Farm Project	1,469,013,900.00	10,036,758.60	505,307,186.22	-	-	515,343,944.82	35.08	35.08%	11,954,959.26	11,914,208.74	4.11	Self-raising and borrowing
Dongzhi Wind Power Project	504,630,000.00	13,603,553.64	484,267,611.95	-	-	497,871,165.59	98.62	98.62%	6,206,776.10	6,127,482.94	4.41	Self-raising and borrowing
Fangcheng Nanshan Wind Farm Project	709,927,600.00	6,451,456.72	462,173,019.26	-	-	468,624,475.98	66.01	66.01%	12,350,841.22	12,034,104.19	5.02	Self-raising and borrowing
Sinopac Ordos-Aqing-Cangzhou Gas Pipeline and Beijing-Handou Gas Pipeline Connection Project	410,954,507.02	390,819,408.25	63,378,613.01	-	78,100.00	454,119,921.26	110.5	110.50%	36,367,964.40	11,776,554.38	4.58	Self-raising and borrowing
Tangshan Samingao Wind Farm Project	431,560,000.00	41,002,846.35	385,547,653.90	-	-	426,550,500.25	98.84	98.84%	6,823,140.46	6,806,288.96	5.19	Self-raising and borrowing
Weichang Dahuang Wind Farm Project	1,139,001,036.16	6,832,263.35	387,799,688.24	-	-	394,631,951.59	34.65	34.65%	2,311,884.49	2,311,884.49	3.89	Self-raising and borrowing
Fellangding Wind Power Project	409,920,000.00	141,954,254.27	229,962,116.98	-	-	371,916,371.25	90.73	90.73%	22,052,459.01	12,380,814.73	4.90	Self-raising and borrowing
Shuangcheng Xingshan Wind Farm Project	334,510,000.00	290,454,359.88	64,395,522.14	-	-	354,849,882.02	106.08	106.08%	22,854,634.64	10,779,989.82	4.60	Self-raising and borrowing
Chongli Wind Powered Hydrogen Production Project-Wind Farm Part	371,820,000.00	318,470,368.22	25,800,089.92	-	-	344,270,457.14	92.59	92.59%	42,543,330.23	10,738,451.19	4.11	Self-raising and borrowing
Chongli Maniba Wind Farm Project	334,470,900.00	48,493,892.92	262,752,806.68	-	-	311,446,699.80	93.12	93.12%	8,032,812.50	7,813,389.40	4.73	Self-raising and borrowing
Chengde Weichang Guojishan Wind Power Project	690,318,900.00	15,742,630.70	269,823,344.67	-	-	285,565,975.37	41.37	41.37%	5,701,121.80	5,082,768.38	4.41	Self-raising and borrowing
Luta Wind Power Project	380,219,900.00	14,403,508.46	264,812,050.66	-	-	279,215,559.12	73.44	73.44%	5,817,378.41	5,435,864.94	4.71	Self-raising and borrowing
Other construction in progress of wind power and solar energy	336,040,200.00	74,075,943.63	203,936,700.80	-	2,241,832.50	275,770,831.93	82.06	82.06%	8,488,924.30	6,927,041.38	4.45	Self-raising and borrowing
Other construction in progress of natural gas pipelines	390,270,000.00	82,639,615.22	185,002,970.46	-	-	267,642,585.68	68.58	68.58%	7,669,470.28	5,668,676.25	4.48	Self-raising and borrowing
	46,589,955,097.18	7,565,152,249.49	12,674,837,212.05	6,029,691,042.72	16,602,704.03	880,734,640.02	-	-	-	-	-	-
		497,847,461.45	603,281,775.64	264,875,873.03	5,392,957.12	830,860,406.94	-	-	-	-	-	-
Total				6,294,566,915.75	32,857,286.65	13,912,565,259.14			336,183,828.66	232,658,927.29		

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Construction in progress (continued)

(3). Provision for impairment of construction in progress in the current period

Unit: Yuan Currency: RMB

Items	Provision in the current period	Reason for provision
Wulian County Suntien Wind Energy Co., Ltd. (五蓮縣新天風能有限公司)	11,124,189.96	Book value is less than the recoverable amount
HECIC Zhangjiakou Wind Energy Co., Ltd. (河北建投張家口風能有限公司)	276,502.09	Book value is less than the recoverable amount
ChengdeYujing New Energy Co., Ltd. (承德御景新能源有限公司)	2,258,549.29	Book value is less than the recoverable amount
Total	13,659,241.34	/

Other explanations

 Applicable Not applicable

Construction materials

(4). Construction materials

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Specialised materials	102,886,672.39	7,113,810.31	95,772,862.08	90,230,363.43	-	90,230,363.43
Tools				60,469.20	-	60,469.20
Total	102,886,672.39	7,113,810.31	95,772,862.08	90,290,832.63	-	90,290,832.63

Other explanations:

Nil

23. Bearer biological assets

(1). Bearer biological assets under cost measurement model

 Applicable Not applicable

(2). Bearer biological assets under fair value measurement model

 Applicable Not applicable

Other explanations

 Applicable Not applicable

24. Oil and gas assets

 Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Right-of-use assets

Unit: Yuan Currency: RMB

Items	Leased land	buildings	Wind turbines and relevant equipment	Transportation equipment	Total
I. Original carrying amount					
1. Opening balance	52,065,626.40	23,420,483.42	2,685,724,947.94	3,922,528.24	2,765,133,586.00
2. Addition during the period	11,463,775.27	8,173,785.57	1,363,259.14	1,756,608.42	22,757,428.40
Acquisition	11,463,775.27	8,173,785.57	1,363,259.14	1,756,608.42	22,757,428.40
3. Decrease during the period	-	-	369,371,292.64	-	369,371,292.64
Transfer to fixed assets	-	-	28,025,641.03	-	28,025,641.03
Transfer to construction in progress	-	-	341,345,651.61	-	341,345,651.61
4. Closing balance	63,529,401.67	31,594,268.99	2,317,716,914.44	5,679,136.66	2,418,519,721.76
II. Accumulated depreciation					
1. Opening balance	2,595,211.37	7,294,707.24	313,764,747.71	1,582,100.09	325,236,766.41
2. Addition during the period	3,266,080.09	12,352,814.81	98,331,624.98	2,359,922.17	116,310,442.05
(1) Provision	3,266,080.09	12,352,814.81	98,331,624.98	2,359,922.17	116,310,442.05
3. Decrease during the period	-	-	4,104,588.68	-	4,104,588.68
(1) Disposal	-	-	-	-	-
(2) Transfer to fixed assets	-	-	4,104,588.68	-	4,104,588.68
4. Closing balance	5,861,291.46	19,647,522.05	407,991,784.01	3,942,022.26	437,442,619.78
III. Impairment provision					
1. Opening balance	-	-	10,057,669.73	-	10,057,669.73
2. Addition during the period	-	-	-	-	-
(1) Provision	-	-	-	-	-
3. Decrease during the period	-	-	10,057,669.73	-	10,057,669.73
(1) Disposal	-	-	-	-	-
(2) Transfer to fixed assets	-	-	10,057,669.73	-	10,057,669.73
4. Closing balance	-	-	-	-	-
IV. Carrying amount					
1. At the end of the period	57,668,110.21	11,946,746.94	1,909,725,130.43	1,737,114.40	1,981,077,101.98
2. At the beginning of the period	49,470,415.03	16,125,776.18	2,361,902,530.50	2,340,428.15	2,429,839,149.86

Other explanations:

The combination under the common control in the current period resulted in an increase in the original value of the right-of-use asset of RMB28,025,641.03, accumulated depreciation of RMB3,217,110.04, and impairment provision of RMB10,057,669.73 at the beginning of the period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Intangible assets

(1). Intangible assets

Unit: Yuan Currency: RMB

Items	Land use rights	Patented technology	Concession rights	Software license	Total
I. Original carrying amount					
1. Opening balance	659,834,503.59	100,000.00	2,568,451,574.14	51,859,111.42	3,280,245,189.15
2. Addition during the period	38,227,177.48	570,450.49	29,183,494.24	9,438,347.12	77,419,469.33
(1) Acquisition	5,940,795.08	570,450.49	29,183,494.24	8,867,442.87	44,562,182.68
(2) Internal research and development	-	-	-	-	-
(3) Increase in business combination	-	-	-	-	-
(4) Transfer from construction in progress	32,286,382.40	-	-	570,904.25	32,857,286.65
3. Decrease during the period	-	-	-	-	-
(1) Disposal	-	-	-	-	-
4. Closing balance	698,061,681.07	670,450.49	2,597,635,068.38	61,297,458.54	3,357,664,658.48
II. Accumulated amortisation					
1. Opening balance	82,929,908.24	41,666.92	908,264,035.05	25,778,465.46	1,017,014,075.67
2. Addition during the period	16,663,344.24	28,491.79	104,412,667.08	7,380,764.15	128,485,267.26
(1) Provision	16,663,344.24	28,491.79	104,412,667.08	7,380,764.15	128,485,267.26
3. Decrease during the period	-	-	-	-	-
(1) Disposal	-	-	-	-	-
4. Closing balance	99,593,252.48	70,158.71	1,012,676,702.13	33,159,229.61	1,145,499,342.93
III. Impairment provision					
1. Opening balance	-	-	14,432,835.55	-	-
2. Addition during the period	-	-	-	-	-
(1) Provision	-	-	-	-	-
3. Decrease during the period	-	-	-	-	-
(1) Disposal	-	-	-	-	-
4. Closing balance	-	-	14,432,835.55	-	14,432,835.55
IV. Carrying amount					
1. At the end of the period	598,468,428.59	600,291.78	1,570,525,530.70	28,138,228.93	2,197,732,480.00
2. At the beginning of the period	576,904,595.35	58,333.08	1,645,754,703.54	26,080,645.96	2,248,798,277.93

At the end of the period, intangible assets formed through internal research and development of the Company account for 0.00% of the balance of intangible assets.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Intangible assets (continued)

(2). The situation of land use rights without title certificates

Unit: Yuan Currency: RMB

Project	Carrying amount	Reasons for fixed assets with pending certificates of ownership
Horqin Right Front Banner Wind Power Land	1,953,347.91	Pending title certificate
Horqin Right Front Banner Electric Heating Land	2,860,597.56	Pending title certificate
Shahe South Gate Station Land	1,881,515.10	Pending title certificate
Paddock Ruyi River Land	14,528,673.15	Pending title certificate
Julu Laozhang River Wind Power Land	8,726,666.65	Pending title certificate
Harbin Shuangcheng Wind Power Land	11,158,881.09	Pending title certificate
Weihui Dongshuanma Wind Power Land	5,864,965.19	Pending title certificate
Total	46,974,646.65	

Other explanations:

27. Development expenditure

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Internal development expenditure	Others	Recognized as intangible assets	Transfer to current profit and loss	
Changli Wind Powered Hydrogen Production 100MW Project (Hydrogen Production Section)	-	10,016,769.65	-	-	-	10,016,769.65
Corporate Warehouse and Big Data Platform System Project	-	2,408,452.36	-	-	-	2,408,452.36
Total	-	12,425,222.01	-	-	-	12,425,222.01

Other explanations:

Nil

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28. Goodwill

(1). Original value of goodwill

Unit: Yuan Currency: RMB

Name of the investee or item resulting in goodwill	Opening balance	Increase during the period		Decrease during the period		Closing balance
		From business combination		Disposal		
Anguo Huogang Gas Co., Ltd. (安國市華港燃氣有限公司)	14,882,681.29	-	-	-	-	14,882,681.29
Linxi Xinneng Natural Gas Engineering Co., Ltd. (臨西縣新能天然氣工程有限公司)	9,468,410.69	-	-	-	-	9,468,410.69
Pingshan County Huajian Gas Co., Ltd. (平山縣華建燃氣有限公司)	5,846,078.90	-	-	-	-	5,846,078.90
Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司)	4,902,611.66	-	-	-	-	4,902,611.66
Jinzhou Construction Investment Gas Co., Ltd. (晉州市建設燃氣有限公司)	4,857,585.19	-	-	-	-	4,857,585.19
Yunnan Pushi Natural Gas Co., Ltd. (雲南普適天然氣有限公司)	3,351,939.25	-	-	-	-	3,351,939.25
Zhangbei CIC Huashi Wind Energy Co., Ltd. (張北建設華實風能有限公司)	2,372,010.00	-	-	-	-	2,372,010.00
Xinji CIC Gas Co., Ltd. (辛集市建設燃氣有限公司)	1,964,386.00	-	-	-	-	1,964,386.00
Shenzhou CIC Gas Co., Ltd. (深州市建設燃氣有限公司)	20,461.18	-	-	-	-	20,461.18
Total	47,666,164.16	-	-	-	-	47,666,164.16

(2). Impairment provision for goodwill

Unit: Yuan Currency: RMB

Name of the investee or item resulting in goodwill	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision		Disposal		
Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司)	4,902,611.66	-	-	-	-	4,902,611.66
Yunnan Pushi Natural Gas Co., Ltd. (雲南普適天然氣有限公司)	3,351,939.25	-	-	-	-	3,351,939.25
Total	8,254,550.91	-	-	-	-	8,254,550.91

(3). Information about the asset group or the portfolio of asset groups to which goodwill belongs

 Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28. Goodwill (continued)

- (4). Description of the process of goodwill impairment test, key parameters (such as forecast growth rate, steady growth rate, profit margin, discount rate and forecast period in estimating the present value of future cash flows, if applicable) and recognition of goodwill impairment

The goodwill obtained from a business merger has been allocated to each asset group for impairment testing. The recoverable amount of each asset group is determined on the basis of the 5-year budget approved by management and the present value of expected future cash flows. As of 31 December 2020 and 31 December 2019, the discount rates used in cash flow forecasts were 9.8% and 10.67%, respectively.

The calculation of the present value of the expected future cash flows of these asset groups as at 31 December 2020 and 2019 is based on the following key assumptions made by management:

Revenue growth rate: It is determined on the basis of the average gross profit margin achieved in the year before the budget year, and such average gross profit margin is subject to appropriate adjustments depending on the expected efficiency improvement and expected market development.

Discount rate: The pre-tax discount rate can reflect the specific risks of the relevant asset group.

The amount of key assumptions such as market development and the discount rate related to the impairment test are consistent with external information.

- (5). Impact of goodwill impairment test

Applicable Not applicable

Other explanations

Applicable Not applicable

29. Long-term deferred expenses

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Amortization during the period	Other decreased amount	Closing balance
Prepaid lease payments	17,934,783.88	86,579.89	2,787,008.70	–	15,234,355.07
Reform of operating leased fixed assets	4,953,113.05	4,992,558.75	2,476,529.32	–	7,469,142.48
Project road reconstruction cost		13,137,719.07	3,107,644.80	–	10,030,074.27
Others	8,862,362.89	1,034,806.29	1,552,050.25	–	8,345,118.93
Total	<u>31,750,259.82</u>	<u>19,251,664.00</u>	<u>9,923,233.07</u>	<u>–</u>	<u>41,078,690.75</u>

Other explanations:

The combination under the common control in the current period resulted in an increase of long-term deferred expenses of RMB613,039.56 at the beginning of the period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Deferred tax assets/deferred tax liabilities

(1). Deferred income tax assets before offsetting

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for asset impairment	481,158,213.22	117,492,331.13	549,922,756.46	134,141,229.68
Unrealised profit of internal transaction	47,479,577.16	11,869,894.29	47,479,577.16	11,869,894.29
Deductible losses			2,550,324.60	637,581.15
Trial run to write down				
construction in progress	168,022,940.17	36,250,281.41	178,189,153.28	37,665,810.02
Deferred income	38,069,238.35	9,517,309.59	40,036,970.11	10,009,242.53
Total	734,729,968.90	175,129,816.42	818,178,781.61	194,323,757.67

(2). Deferred income tax liabilities before offsetting

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Appreciation of assets in business combination not involving enterprises under common control	-	-	-	-
Changes in fair value of other debt investments	-	-	-	-
Changes in fair value of other equity instruments	-	-	-	-
Pre-tax deduction of fixed assets	198,529,345.40	49,632,336.35	182,867,167.80	45,716,791.95
Total	198,529,345.40	49,632,336.35	182,867,167.80	45,716,791.95

(3). Deferred income tax assets or liabilities presented on a net basis after offsetting

 Applicable Not applicable

(4). Details of unrecognized deferred income tax assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Deductible temporary difference	144,666,719.29	95,729,929.35
Deductible loss	908,269,346.56	727,929,004.33
Total	1,052,936,065.85	823,658,933.68

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Deferred tax assets/deferred tax liabilities (continued)

(5). Deductible loss of the unrecognized deferred income tax assets will be due in the following years:

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Remarks
2020	-	53,539,550.84	
2021	63,381,449.87	66,540,074.86	
2022	169,434,573.95	182,038,182.70	
2023	183,078,121.29	191,890,458.15	
2024	222,751,888.42	233,920,737.78	
2025	269,623,313.03		
Total	908,269,346.56	727,929,004.33	/

Other explanations:

31. Other non-current assets

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Contract obtainment cost	-	-	-	-	-	-
Contract performance cost	-	-	-	-	-	-
Right of return assets	-	-	-	-	-	-
Contract assets	-	-	-	-	-	-
Prepayment for equipment	372,177,569.60	-	372,177,569.60	1,749,467,646.19	-	1,749,467,646.19
Prepayment for construction cost	80,068,871.98	-	80,068,871.98	213,518,287.21	-	213,518,287.21
Prepayment for others	151,708,801.34	-	151,708,801.34	102,234,586.17	-	102,234,586.17
Input value-added tax to be deducted	1,249,761,152.94	-	1,249,761,152.94	838,916,574.58	-	838,916,574.58
Entrusted loan investment	-	-	-	11,209,374.14	-	11,209,374.14
Less: non-current assets due within one year	-	-	-	11,209,374.14	-	11,209,374.14
Total	1,853,716,395.86	-	1,853,716,395.86	2,904,137,094.15	-	2,904,137,094.15

Other explanations:

Nil

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. Short-term loans

(1). Classification of short-term loans

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged Loans	57,142,600.37	19,780,600.54
Secured Loans		
Guaranteed Loans	-	40,456,520.00
Credit Loans	1,163,600,000.00	1,643,200,000.00
Total	1,220,742,600.37	1,703,437,120.54

Description of classification of short-term loans: Classified according to the nature of the loans.

(2). Short-term loans that are due but unpaid

 Applicable Not applicable

The overdue short-term loans are as follows:

 Applicable Not applicable

Other explanations

Transactional financial liabilities

 Applicable Not applicable

33. Derivative financial liabilities

 Applicable Not applicable

34. Notes payable

(1). Notes payable presented

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills		
Bank acceptance bills	4,516,529.53	39,213,163.34
Total	4,516,529.53	39,213,163.34

At the end of the period, the total notes payable that are due but unpaid amounted to RMB0.00.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. Accounts payable

(1). Accounts payable presented by items

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Spare parts	62,693,033.60	49,814,033.97
Natural gas purchase	19,325,232.04	3,263,650.71
Outsourced goods and services	63,677,217.80	30,650,111.42
Others	31,252,409.62	14,104,995.93
Total	176,947,893.06	97,832,792.03

(2). Presentation of accounts payable by aging analysis

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 6 months	137,429,669.75	76,919,816.65
6 months to 1 year	22,470,249.95	10,190,363.31
1 year to 2 years	15,499,638.91	5,023,892.42
2 years to 3 years	1,318,762.02	3,424,172.58
Over 3 years	229,572.43	2,274,547.07
Total	176,947,893.06	97,832,792.03

(3). Significant accounts payable with the aging over 1 year

Applicable Not applicable

Other explanations

As of 31 December 2020 and 31 December 2019, the Group had no significant account payable with the aging over 1 year.

36. Advances from customers

(1). Advances from customers presented

Applicable Not applicable

(2). Significant advances from customers with the aging over 1 year

Applicable Not applicable

Other explanations

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Contract liabilities

(1). Contract liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Advance receipts for natural gas sales	916,108,116.60	741,927,548.09
Advance receipts for pipeline construction	266,479,390.01	223,056,375.55
Advance receipt for commissioned construction costs for storage tanks	389,380,530.96	-
Advance receipt for pipeline transmission fees	3,399,050.24	1,761,082.78
Others received in advance	4,740,269.21	4,990,055.15
Total	1,580,107,357.02	971,735,061.57

(2). The amount of and reason for the significant change in the carrying amount during the reporting period

 Applicable Not applicable

Other explanations:

 Applicable Not applicable

38. Wages payable

(1). Wages payable presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term wages	102,090,525.40	656,339,537.12	666,372,777.13	92,057,285.39
II. Post-employment				
– Defined contribution plan	50,956.66	50,139,582.38	50,161,538.12	29,000.92
III. Termination benefits	-	-	-	-
IV. Other benefits due within one year	-	-	-	-
Total	102,141,482.06	706,479,119.50	716,534,315.25	92,086,286.31

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Wages payable (continued)

(2). Short-term wages presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Salary, bonus, allowances and subsidies	86,816,194.23	495,301,561.38	509,128,677.81	72,989,077.80
II. Employee welfare	14,300.00	60,658,646.56	60,672,946.56	-
III. Social insurance	430,397.58	35,945,558.19	35,359,443.99	1,016,511.78
Including: Medical insurance	428,009.47	34,459,567.62	33,871,065.31	1,016,511.78
Work injury	1,722.77	918,559.80	920,282.57	-
Maternity insurance	665.34	567,430.77	568,096.11	-
IV. Housing fund	11,678.70	37,836,599.20	37,843,967.20	4,310.70
V. Union expenses and employees education expenses	14,705,339.25	19,344,977.68	16,573,414.67	17,476,902.26
VI. Short-term paid leave				
VII. Short-term profit sharing plan				
VIII. Others	112,615.64	7,252,194.11	6,794,326.90	570,482.85
Total	102,090,525.40	656,339,537.12	666,372,777.13	92,057,285.39

(3). Defined contribution plan

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic retirement insurance	24,758.67	15,498,802.35	15,520,092.75	3,468.27
2. Unemployment insurance	8,594.34	571,292.22	571,957.56	7,929.00
3. Enterprise annuity payment	17,603.65	34,069,487.81	34,069,487.81	17,603.65
Total	50,956.66	50,139,582.38	50,161,538.12	29,000.92

Other explanations:

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Taxes payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Value-added tax	25,387,817.62	36,427,959.92
Consumption tax		
Business tax		
Enterprise income tax	100,491,033.76	100,007,885.57
Individual income tax	7,442,241.53	10,219,588.53
City maintenance and construction tax	1,485,361.20	3,094,316.31
Stamp duty	368,606.15	669,118.35
Others	904,910.66	2,628,369.83
Total	136,079,970.92	153,047,238.51

Other explanations:

The combination under the common control in the current period resulted in an increase in tax payable-stamp tax of RMB1,239.60 at the beginning of the period.

40. Other payables

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest payable	90,122,972.40	72,042,902.81
Dividends payable	172,358,689.75	126,311,222.54
Other payables	5,871,263,093.05	3,568,886,681.63
Total	6,133,744,755.20	3,767,240,806.98

Other explanations:

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Other payables (continued)

Interest payable

(1). Categories

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest on long-term borrowings with interest payments by installment and principal payments at due	33,382,106.50	29,162,904.68
Interest on corporate bonds	53,685,486.12	39,114,551.48
Interest payable on short-term borrowings	3,055,379.78	3,765,446.65
Interest on financial liabilities classified as preferred shares/perpetual bonds	-	-
Total	90,122,972.40	72,042,902.81

Significant overdue interest payments :

Applicable Not applicable

Other explanations:

Applicable Not applicable

Dividends payable

(2). Categories

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Ordinary share dividends		
Dividends classified as preferred shares/perpetual bonds	77,934,000.00	77,934,000.00
Preferred share/perpetual bond dividends renewable green corporate bonds	77,934,000.00	77,934,000.00
Dividends payable-minority shareholder dividends	94,424,689.75	48,377,222.54
Total	172,358,689.75	126,311,222.54

Other explanations, including important dividends payable that have not been paid for more than one year, should disclose the reason for the unpaid payment: Nil

Other payables

(1). Other payables presented by nature of amount

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payables for equipment	3,278,152,501.21	1,969,929,852.99
Payables for engineering and material	2,417,068,530.57	1,441,856,587.14
Payables for Investment	1,060,000.00	22,060,000.00
Others	174,982,061.27	135,040,241.50
Total	5,871,263,093.05	3,568,886,681.63

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Other payables (continued)

Other payables (continued)

(2). Significant other payables aged over 1 year

Unit: Yuan Currency: RMB

Items	Closing balance	Reasons for outstanding or carry-forward
Shanghai Electric Wind Power Group Company Limited	294,239,197.23	Unpaid equipment and materials
PowerChina Hebei Electric Power Engineering Co., Ltd.	158,100,104.90	Unpaid project payment
DEC Dongfang Steam Turbine Co., Ltd.	139,933,651.15	Unpaid project payment and equipment
Envision Energy Co., Ltd.	84,481,715.94	Unpaid equipment and materials
Xinjiang Goldwind Science & Technology Co., Ltd.	80,677,369.64	Unpaid project payment and equipment
Mingyang Smart Energy Group Limited	73,656,948.60	Unpaid project payment and equipment
XEMC Wind Power Co., Ltd.	66,383,425.64	Unpaid project payment and equipment
Total	897,472,413.10	/

Other explanations:

 Applicable Not applicable

41. Liabilities held for sale

 Applicable Not applicable

42. Non-current liabilities due within 1 year

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	2,282,077,238.02	2,081,402,104.40
Bonds payable due within 1 year	1,200,000,000.00	-
Long-term payable due within 1 year	113,818,180.70	25,052,921.67
Lease liabilities due within 1 year	94,539,230.40	108,985,316.27
Others	1,200,000.00	1,200,000.00
Total	3,691,634,649.12	2,216,640,342.34

Other explanations:

Nil

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. Other current liabilities

Other current liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Short-term bonds payable	500,000,000.00	1,500,000,000.00
Payable return payment		
Total	500,000,000.00	1,500,000,000.00

Change in short-term bonds payable :

Unit: Yuan Currency: RMB

Name of bonds	Par value	Date of issue	Term of bonds	Issue size	Opening balance	Issue size in the period	Provision for interest at par value	Amortisation of premium or discount	Repay in the period	Closing balance
Second tranche of 2019 super short-term commercial papers	100.00	2019/7/26	2019/7/26-2020/4/20	500,000,000.00	500,000,000.00	-	4,987,814.93	-	500,000,000.00	-
Third tranche of 2019 super short-term commercial papers	100.00	2019/8/26	2019/8/26-2020/5/22	500,000,000.00	500,000,000.00	-	6,362,841.53	-	500,000,000.00	-
Fourth tranche of 2019 super short-term commercial papers	100.00	2019/9/19	2019/9/19-2020/6/15	500,000,000.00	500,000,000.00	-	7,370,218.58	-	500,000,000.00	-
First tranche of 2020 super short-term commercial papers	100.00	2020/6/10	2020/6/10-2021/3/5	500,000,000.00	-	500,000,000.00	6,435,616.38	-	-	500,000,000.00
Total				2,000,000,000.00	1,500,000,000.00	500,000,000.00	25,156,491.42	-	1,500,000,000.00	500,000,000.00

Other explanations:

In July 2019, the Company issued Super Short-term Commercial Papers in the amount of RMB500,000,000.00, with a term of 270 days and a coupon rate of 3.33%; in August 2019, the Company issued Super Short-term Commercial Papers in the amount of RMB 500,000,000.00 with a term of 270 days and a coupon rate of 3.28%; and in September 2019, the Company issued Super Short-term Commercial Papers in the amount of RMB 500,000,000.00 with a term of 270 days and a coupon rate of 3.25%. In June 2020, the Company issued Super Short-term Commercial Papers in the amount of RMB 500,000,000.00, with a term of 268 days and a coupon rate of 2.7%. In June 2020, the Company registered RMB 2 billion Super Short-term Commercial Papers with the National Association of Financial Market Institutional Investors. Such facilities were approved for revolving use before June 2022, and as at 31 December 2020, the unutilised facilities amounted to RMB1.5 billion.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. Long-term borrowings

(1). Classification of long-term borrowings

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged borrowings	11,952,205,565.95	9,187,369,376.34
Secured borrowings	100,714,373.03	1,237,260.08
Guaranteed borrowings	291,115,760.00	442,000,000.00
Pledged and Secured borrowings	181,600,000.00	199,200,000.00
Credit borrowings	13,593,827,532.70	9,059,763,683.17
Less: Long-term borrowings due within one year	2,282,077,238.02	2,081,402,104.40
Total	23,837,385,993.66	16,808,168,215.19

Description on classification of long-term borrowings:

Classified according to the nature of the borrowings

The analysis of maturity dates of long-term borrowings over one year is as follows:

Unit: Yuan Currency: RMB

	Closing balance	Opening balance
One to two years	977,475,404.85	447,957,999.59
Two to five years	2,713,840,580.30	1,361,390,921.71
Over five years	20,146,070,008.51	14,998,819,293.89
Total	23,837,385,993.66	16,808,168,215.19

Note: As at 31 December 2020, the annual interest rate of the above-mentioned long-term borrowings was 1.20% to 5.88% (31 December 2019: 1.20% to 5.88%).

As at 31 December 2020 and 31 December 2019, the Group had no overdue long-term borrowings.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. Debentures payable

(1). Debentures payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Medium-term notes	3,000,000,000.00	2,000,000,000.00
Ping An-HECIC New-energy No. 1 Asset-backed Special Program	285,000,000.00	285,000,000.00
Less : Debentures payable due within one year	-1,200,000,000.00	-
Total	2,085,000,000.00	2,285,000,000.00

(2). Change in debentures payable (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities):

Unit: Yuan Currency: RMB

Name of bonds	Par value	Date of issue	Term of bonds	Issue size	Opening balance	Issue size in the period	Provision for interest at par value	Amortisation of premium or discount	Repay in the period	Closing balance
Medium-term notes	100	2018/9/27	3 years	500,000,000.00	500,000,000.00	-	28,298,006.87	-	-	500,000,000.00
Medium-term notes	100	2018/10/30	3 years	700,000,000.00	700,000,000.00	-	38,500,000.01	-	-	700,000,000.00
Medium-term notes	100	2019/9/5	3 years	300,000,000.00	300,000,000.00	-	13,290,000.01	-	-	300,000,000.00
Ping An-HECIC New-energy No. 1 Asset-backed Special Program	100	2019/12/26	3 years	285,000,000.00	285,000,000.00	-	11,675,010.16	-	-	285,000,000.00
Medium-term notes	100	2017/11/24	5 years	500,000,000.00	500,000,000.00	-	30,999,669.64	-	-	500,000,000.00
Medium-term notes	100	2020/5/15	5 years	1,000,000,000.00	-	1,000,000,000.00	24,429,041.04	-	-	1,000,000,000.00
Total	/	/	/	3,285,000,000.00	2,285,000,000.00	1,000,000,000.00	147,191,727.73	-	-	3,285,000,000.00

(3). Description of the condition and time for conversion of convertible corporate bonds

Applicable Not applicable

(4). Description of the other financial instrument classified as financial liabilities

Basic information of other financial instruments such as preferred shares and perpetual bonds issued at the end of the period:

Applicable Not applicable

Table of changes in financial instruments such as preferred shares and perpetual bonds issued at the end of the period:

Applicable Not applicable

Description on basis of dividing other financial instruments into financial liabilities:

Applicable Not applicable

Other explanations:

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

46. Lease liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Lease liabilities	832,819,072.26	1,450,757,164.19
Less: Lease liabilities due within one year	-94,539,230.40	-108,985,316.27
Total	738,279,841.86	1,341,771,847.92

Other explanations:

The combination under the common control in the current period resulted in an increase in lease liabilities – financial lease payments of RMB 32,818,553.95 at the beginning of the period.

47. Long-term payables

Item presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term payables	204,163,944.97	112,824,781.79
Special payables		
Total	204,163,944.97	112,824,781.79

Other explanations:

Applicable Not applicable

Long-term payables

(1). Long-term payables presented according to the nature of the payment

Unit: Yuan Currency: RMB

Items	Opening balance	Closing balance
Retention	86,207,981.67	87,877,703.46
Sale-leaseback borrowings	231,774,144.00	50,000,000.00
Less: Long-term payables due within one year	113,818,180.70	25,052,921.67
Total	204,163,944.97	112,824,781.79

Other explanations:

Nil

Special payables

(2). Special payables presented according to the nature of the payment

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. Long-term payroll payable

Applicable Not applicable

49. Estimated liabilities

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Formation reasons
Disposal obligations – removal cost	47,325,376.00	52,760,727.00	
Total	47,325,376.00	52,760,727.00	/

Other descriptions, including the related significant assumptions and estimates related to significant estimated liabilities:

Nil

50. Deferred income

Deferred income

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance	Formation reasons
Government subsidy	64,855,869.16	1,115,067.48	6,828,371.01	59,142,565.63	Government subsidy
Total	64,855,869.16	1,115,067.48	6,828,371.01	59,142,565.63	/

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. Deferred income (continued)

Deferred income (continued)

Projects involving government subsidy:

Unit: Yuan Currency: RMB

Indebted projects	Beginning balance	Additional grant	Current amount recognized in other revenue	Other changes	Closing balance	Related to assets/revenue
Xingtai Xingdong New District Development and Construction Investment Co., Ltd.	40,045,346.19	-	3,100,284.88	-	36,945,061.31	Related to assets
Renewable Energy Demonstration Zone Industrial Innovation and Development Special Project	15,400,000.00	-	-	-	15,400,000.00	Related to assets
2018 Central Budget and Investment Subsidy Fund	3,157,895.07	-	263,157.84	-	2,894,737.23	Related to assets
Strategic Emerging Industry Fund	1,909,961.31	-	65,860.73	-	1,844,100.58	Related to assets
Jiran Pipeline Coal-to-Gas Project	3,000,000.00	-	-	3,000,000.00	-	Related to assets
Qinghe County Urban Area and Automobile Industrial Park Natural Gas Utilization Phase I Project Construction	900,000.00	900,000.00	-	-	900,000.00	Related to assets
Key technologies and applied demonstration of large-scale renewable energy coupled hydrogen production	600,000.00	-	-	-	600,000.00	Related to assets
Key technologies for DC microgrid wind-solar hybrid hydrogen production	415,999.96	-	104,000.04	-	311,999.92	Related to assets
Special funds for science and technology projects (supervised by Hebei Department of Science and Technology)	326,666.63	-	80,000.04	-	246,666.59	Related to assets
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	-	-	-	-	-	Related to assets
Smart monitoring and management system oriented to new energy and water affairs	-	180,000.00	-	180,000.00	-	Related to revenue
New incentive funds for oversize industrial enterprises of 2019	-	18,000.00	18,000.00	-	-	Related to revenue
Video surveillance subsidy received from Shijiazhuang Transportation Service Centre	-	17,067.48	17,067.48	-	-	Related to revenue
Job stabilization subsidy received from Shijiazhuang Employment Service Centre	-	-	-	-	-	Related to revenue
Total	64,855,869.16	1,115,067.48	3,648,371.01	3,180,000.00	59,142,565.63	

Other explanations:

 Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Other non-current liabilities

Applicable Not applicable

52. Share capital

Unit: Yuan Currency: RMB

	Opening balance	Increase or decrease in the period(+/-)				Sub-total	Closing balance
		Issue new shares	Bonus share	Transfer of capital reserve to ordinary shares	Others		
Total shares	3,715,160,396.00	134,750,000.00	-	-	-	134,750,000.00	3,849,910,396.00

Other explanations:

On 28 May 2020, the Company was approved by the CSRC (Doc ZJXK [2020] No. 1012) to make an initial public offering and listing on Shanghai Stock Exchange, issuing a total of 134,750,000.00 RMB-denominated ordinary shares (A shares) at the price of RMB 3.18 per share. After deducting the cost of issue, the Company raised RMB389,829,265.47. The nominal value of RMB134,750,000.00 was included in the issued share capital, and the premium of RMB255,079,265.47 was included in the capital reserve.

53. Other equity instruments

(1). Basic information of other financial instruments such as preferred shares and perpetual bonds issued at the end of the period

On 13 March 2018, the Company issued the first tranche of 2018 Renewable Green Corporate Bonds, in the aggregate offering amount of RMB590 million at a coupon rate of 5.96%, and after deducting the underwriting cost and other related trading costs, the Company received cash of RMB587,640,000.00.

On 5 March 2019, the Company issued the first tranche of 2019 Renewable Green Corporate Bonds, in the aggregate offering amount of RMB910 million at a coupon rate of 4.70%, and after deducting the underwriting cost and other related trading costs, the Company received cash of RMB906,360,000.00.

(2). Table of changes in financial instruments such as preferred shares and perpetual bonds issued at the end of the period

Financial Instruments	Beginning of period		Increase in the period		Decrease in the period		End of the period	
	Quantity	Carrying Amount	Quantity	Carrying Amount	Quantity	Carrying Amount	Quantity	Carrying Amount
Perpetual bond	15,000,000.00	1,494,000,000.00	-	-	-	-	15,000,000.00	1,494,000,000.00
Total	15,000,000.00	1,494,000,000.00	-	-	-	-	15,000,000.00	1,494,000,000.00

Change in other equity instrument in the period, reason for change and basis for relevant accounting treatment:

According to the terms of issuance of the renewable green corporate bonds, the issuer has the option to renew the bonds, and the Company has the right to choose to extend the maturity of the bonds by three years at the end of every three years or to redeem the bonds in full at the end of that period; the annual interest rate is reset every three years, and the coupon rate of the subsequent cycle is the current benchmark interest rate plus the initial spread plus 300 basis points, and the initial spread is the coupon rate of the first cycle minus the initial benchmark interest rate. There is an option available to defer the payment of interest. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, defer the interest payment for the current period, and all the interest and yields are deferred to the next interest payment date, and there is no limit on the number of times of deferring interest payment. There is a redemption option of the issuer. The issuer has the right to exercise the redemption option on the first interest payment date or at the end of the year due to changes in tax policies or changes in accounting standards. Except for these two cases, the Company has no right and no obligation to redeem the bonds. The Company has no contractual obligation to repay the principal or pay interest on schedule. The Company considers that the bill does not meet the definition of financial liabilities and recognizes the actual amount received after deducting the related transaction fees from the total amount issued as equity, and the declaration of interest payments is treated as profit distribution.

Other explanations

Applicable Not Applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Capital reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the period	Decrease in the period	Closing balance
Capital premium (share premium)	2,170,995,847.39	262,314,365.47	38,673,853.79	2,394,636,359.07
Other capital reserve	4,593,993.29	794,321.37	-	5,388,314.66
Total	2,175,589,840.68	263,108,686.84	38,673,853.79	2,400,024,673.73

Other descriptions, including changes in the period and reason for the changes:

The combination under the common control in the current period resulted in an increase in capital reserve-capital premium (share premium) of RMB39,741,783.47 at the beginning of the period.

55. Treasury stocks

Applicable Not applicable

56. Other comprehensive income

Unit: Yuan Currency: RMB

Items	Opening balance	Amount for the period						Closing balance
		Amount before income tax in the period	Less: amount included in other comprehensive income in previous periods and transferred to the current profit or loss	Less: amount included in other comprehensive income in previous periods and transferred to retained earnings	Less: income tax expenses	Attributable to the Parent Company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that may not be reclassified to profit or loss	6,493,135.00	-	-	-	-	-	-	6,493,135.00
Including: Change in re-measurement of defined benefit plans		-	-	-	-	-	-	-
Other comprehensive income that may not be reclassified to profit or loss under equity method		-	-	-	-	-	-	-
Changes in fair value of other equity instruments	6,493,135.00	-	-	-	-	-	-	6,493,135.00
Change in fair value of own credit risk		-	-	-	-	-	-	-
II. Other comprehensive income that may be reclassified to profit or loss	-	-	-	-	-	-	-	-
Including: Other comprehensive income that may be reclassified to profit or loss under the equity method	-	-	-	-	-	-	-	-
Changes in fair value of other debt investments	-	-	-	-	-	-	-	-
Amount included in other comprehensive income on reclassification of financial assets	-	-	-	-	-	-	-	-
Provision for credit-impairment of other debt investments	-	-	-	-	-	-	-	-
Cash flows hedging reserve	-	-	-	-	-	-	-	-
Exchange differences arising from translation of foreign currency financial statements	-	-	-	-	-	-	-	-
Total other comprehensive income	6,493,135.00	-	-	-	-	-	-	6,493,135.00

Other description, including adjustment for the effective portion of hedging profit or loss of cash flows transferred to the initial recognition amount of the hedged item: Nil

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Special reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Safety production fee	–	62,858,933.83	62,858,933.83	–
Total	–	62,858,933.83	62,858,933.83	–

58. Surplus reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	361,971,365.19	124,064,313.82	–	486,035,679.01
Discretionary surplus reserve	–	–	–	–
Reserve funds	–	–	–	–
Enterprise expansion fund	–	–	–	–
Total	361,971,365.19	124,064,313.82	–	486,035,679.01

Description of surplus reserve, including changes in the period and reason for the changes:

According to the provisions of the Company Law and the Articles of Association, the Company made provision for the statutory surplus reserve at 10% of its net profit. When the accumulative amount of statutory surplus reserve reaches more than 50% of the Company's registered capital, no further provision is needed.

59. Undistributed profits

Unit: Yuan Currency: RMB

Items	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	4,102,915,107.78	3,308,078,277.64
Total increase or decrease in undistributed profits at the beginning of the period (increase represented by "+", and decrease represented by "-")	-1,730,285.25	-7,613,943.60
Undistributed profits at the beginning of the period after adjustment	4,101,184,822.53	3,300,464,334.04
Add: Net profit attributable to owners of the Parent Company in the period	1,510,555,357.16	1,420,669,278.97
Less: Extract for statutory surplus reserve	124,064,313.82	77,619,749.91
Extract for discretionary surplus reserve	–	–
Extract for general risk reserve	–	–
Ordinary shares dividend payable	481,238,799.50	464,395,040.57
Dividend of ordinary shares converted to share capital	–	–
Dividends payable to holders of other equity instruments	77,934,000.00	77,934,000.00
Undistributed profits at the end of the period	4,928,503,066.37	4,101,184,822.53

Breakdown of the adjustments to the undistributed profits at the beginning of the period:

- Due to retrospective adjustment under Accounting Standard for Business Enterprises and related new regulations, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- Due to changes in accounting policies, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- Due to the change of scope after merger under the same control, the undistributed profit at the beginning of the period was reduced by RMB1,730,285.25.
- Due to other adjustments, the undistributed profit at the beginning of the period was affected by RMB 0.00.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

60. Operating revenue and operating costs

(1). Operating revenue and operating costs

Unit: Yuan Currency: RMB

Items	Amount for the current period		Amount for the previous period	
	Income	Cost	Income	Cost
Principal operations	12,482,272,445.21	9,093,941,097.57	11,961,275,244.53	8,637,511,196.53
Other operations	28,612,867.68	6,703,484.52	24,562,373.62	6,303,318.93
Total	12,510,885,312.89	9,100,644,582.09	11,985,837,618.15	8,643,814,515.46

(2). Income generated from contracts

 Applicable Not applicable

Description of income from contracts

(3). Description on performance obligations

 Applicable Not applicable

(4). Description of apportionment to the remaining performance obligations

 Applicable Not applicable

Other explanations:

The combination under the common control in the current period resulted in an increase in the principal operating revenue of RMB 16,418,985.79 and the principal operating costs of RMB 5,993,356.62 in the previous period.

61. Taxes and surcharges

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Consumption tax	—	—
Business tax	—	—
City maintenance and construction tax	8,888,655.93	13,181,045.05
Education surcharges	9,689,483.73	13,004,421.27
Resources tax	—	—
Property tax	3,106,964.77	2,881,288.82
Land use tax	4,038,114.80	3,892,918.92
Vehicle and vessel use tax	—	—
Stamp duty	7,160,980.29	5,459,832.62
Others	977,698.95	392,123.40
Total	33,861,898.47	38,811,630.08

Other explanations:

The combination under the common control in the current period resulted in an increase in taxes and surcharge—stamp duty of RMB 6,164.00 in the previous period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

62. Selling expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Wages	1,291,541.01	
Advertising and promotion fees	517,031.80	526,108.98
Others	176,754.76	36,511.03
Total	1,985,327.57	562,620.01

Other explanations:

Nil

63. Administration expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Wages	281,627,343.95	284,411,506.50
Depreciation of fixed assets	17,836,291.82	17,204,613.34
Vehicle, transportation and travelling expenses	13,618,805.86	20,184,207.86
Amortization of intangible assets	22,676,342.84	19,250,946.32
Rental fees	13,981,079.96	12,649,074.33
Depreciation of right-of-use assets	6,456,746.18	7,362,011.35
Business entertainment fees	7,590,687.05	6,976,213.89
Office expenses	17,157,426.81	20,570,060.28
Audit and evaluation consulting exepense	29,067,331.24	19,552,932.42
Repair cost	63,418,888.40	88,492,466.17
Amortization of long-term prepaid expense	5,858,376.88	6,638,861.69
Others	48,823,163.94	51,722,568.72
Total	528,112,484.93	555,015,462.87

Other explanations:

The combination under the common control in the current period resulted in an increase of RMB 1,073,587.24 in administration expenses in the previous period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

64. R&D EXPENSE

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Labor costs	19,562,607.19	10,292,552.11
Outsourcing development fees	13,054,707.58	
Others	3,800,269.43	
Total	36,417,584.20	10,292,552.11

Other explanations:

Nil

65. Finance costs

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Interest expense	1,279,257,192.99	1,100,892,750.37
Less: Interest income	-17,976,867.30	-16,967,792.25
Less: Capitalized interest	-354,000,999.57	-222,752,000.17
Exchange (gain)/loss	-6,297,742.52	1,865,527.28
Bank charges	2,013,835.07	1,215,014.05
Others	9,726,802.72	7,405,854.92
Total	912,722,221.39	871,659,354.20

Other explanations:

The combination under the common control in the current period resulted in an increase of RMB 2,774,227.42 in finance costs in the previous period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

66. Other gains

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
VAT refund	69,529,438.26	91,148,442.38
Fiscal appropriation	3,786,274.58	3,920,814.82
Operating subsidy	952,380.95	892,342.26
Others	256,394.06	18,282.84
Total	74,524,487.85	95,979,882.30

Other explanations:

Nil

67. Investment gains

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Long-term equity investment income accounted for under the equity method	254,015,712.80	214,982,681.24
Investment gain on disposal of long-term equity investment	-	-
Investment gain of held-for-trading financial assets during the period of holding	-	-
Dividend income from investment in other equity instruments during the period of holding	12,196,612.18	6,849,570.68
Interest income from debt investment in the period of holding	-	-
Interest income from other debt investment in the period of holding	-	-
Investment gain on disposal of held-for-trading financial assets	-	-
Investment gain on disposal of investment in other equity instruments	-	-
Investment gain on disposal of debt investment	-	-
Investment gain on disposal of other debt investment	-	-
The investment gain obtained during the holding period of the entrusted loan investment	274,873.47	510,678.65
Derecognition gains on financial assets measured at amortized cost	-62,600.00	-
Total	266,424,598.45	222,342,930.57

Other explanations:

Nil

68. Gain on net exposure hedging

Applicable Not applicable

69. Gain on change in fair value

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

70. Loss on credit impairment

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Loss on bad debts of notes receivable	-	-
Loss on bad debts of accounts receivable	70,107,691.25	-9,218,937.08
Loss on bad debts of other receivables	-206,948.86	-25,882,799.86
Impairment losses on debt investments	-	-
Impairment losses on other debt investments	-	-
Bad debt loss on long-term receivables	-	-
Impairment losses on contract assets	-	-
Total	69,900,742.39	-35,101,736.94

Other explanations:

Nil

71. Loss on asset gains

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
I. Bad debt losses	-	-
II. Inventory depreciation loss and impairment loss on contract performance cost	-	-
III. Impairment loss on long-term equity investment	-	-
IV. Impairment loss on investment property	-	-
V. Impairment loss on fixed assets	-35,000,000.00	-
VI. Impairment loss on construction material	-	-
VII. Impairment loss on construction in progress	-20,773,051.65	-7,074,784.53
VIII. Impairment loss on bearer biological assets.	-	-
IX. Impairment loss on oil and gas assets	-	-
X. Impairment loss on intangible assets	-	-
XI. Impairment loss on goodwill	-	-
XII. Others	-	-
Total	-55,773,051.65	-7,074,784.53

Other explanations:

Nil

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

72. Gain on disposal of assets

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Gain on disposal of assets	260,932.94	383,664.45
Total	260,932.94	383,664.45

Other explanations:

Nil

73. Non-operating income

Non-operating income

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Total gains on disposal of non-current assets	120,358.47	13,910.63	120,358.47
Including: Gain on disposal of fixed assets	120,358.47	13,910.63	120,358.47
Gain on disposal of intangible assets	-	-	-
Gains on debt restructuring	-	-	-
Exchange gain on non-monetary assets	-	-	-
Income from donations	-	-	-
Government subsidy	7,087,202.36	1,125,417.84	7,087,202.36
Resale income of carbon emission allowances	2,672,171.14	252,022.63	2,672,171.14
Net gain from penalties	376,500.00	432,470.93	376,500.00
Unpayable amounts	349,365.18	2,797,073.43	349,365.18
Others	2,494,253.73	45,611,628.11	2,494,253.73
Total	13,099,850.88	50,232,523.57	13,099,850.88

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

73. Non-operating income (continued)

Government subsidy included in the current profit or loss

Unit: Yuan Currency: RMB

Projects using subsidy	Amount for the current period	Amount for the previous period	Assets-related/ Revenue-related
VAT refund	69,529,438.26	91,148,442.38	Revenue-related
Strategic Emerging Industry Fund	263,157.84	263,157.84	Assets-related
Smart monitoring and management system oriented to new energy and water affairs	–	110,000.00	Assets-related
Weilai Industrial Load Absorption Distributed Renewable Energy Joint R&D	80,000.04	73,333.37	Assets-related
Operating subsidy	952,380.95	892,342.26	Revenue-related
Project funded by the Department of Science and Technology	104,000.04	104,000.04	Assets-related
Xingdong New District Rerouting Project	3,100,284.88	3,100,284.88	Assets-related
Video surveillance subsidy received from Shijiazhuang Transportation Service Centre	18,000.00	–	Revenue-related
The 2020 Foreign Enterprise Investment Grant received from Qiaoxi District Development and Reform Bureau	6,536,000.00	–	Assets-related
Jiran Pipeline Coal-to-Gas Project	65,860.73	60,038.69	Assets-related
Job stabilization subsidy received from Shijiazhuang Employment Service Centre	17,067.48	–	Revenue-related
Others	945,499.99	1,353,700.68	Revenue-related
Total	81,611,690.21	97,105,300.14	–
Less: Governmental grants recognized in other revenues	74,524,487.85	95,979,882.30	–
Governmental grants recognized in non-operating revenue	7,087,202.36	1,125,417.84	–

Other explanations:

 Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

74. Non-operating expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Total losses on disposal of non-current assets	743,573.55	329,233.48	743,573.55
Including: Loss on disposal of fixed assets	743,573.55	329,233.48	743,573.55
Loss on disposal of intangible assets	-	-	-
Loss on debt restructuring	-	-	-
Exchange loss on non-monetary assets	-	-	-
Donations	257,952.00	457,200.00	257,952.00
Expenses on compensation, and penalties	152,614.50	186,818.23	152,614.50
Other expenses	408,320.86	829,067.70	408,320.86
Total	1,562,460.91	1,802,319.41	1,562,460.91

Other explanations:

Nil

75. Income tax expenses

(1). Table of income tax expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Current income tax expense	308,175,174.96	334,578,671.63
Deferred income tax expense	23,109,485.65	21,728,087.61
Total	331,284,660.61	356,306,759.24

(2). Reconciliation of accounting profits and income tax

Unit: Yuan Currency: RMB

Items	Amount for the current period
Total profits	2,264,016,314.19
Income tax expense calculated at statutory/applicable tax rate	566,004,078.55
Impact of different tax rates applied to subsidiaries	-246,542,016.01
Impact of adjustment of income tax of previous periods	
Impact of non-taxable income	-3,168,187.61
Impact of non-deductible costs, expenses and losses	8,059,405.71
Impact of utilising deductible loss of deferred tax assets unrecognized in previous periods	-8,967,295.86
Impact of deductible temporary difference or deductible loss of deferred tax assets unrecognized in current period	79,402,604.03
Income attributable to joint ventures and associates	-63,503,928.20
Income tax expenses	331,284,660.61

Other explanations:

 Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

76. Other comprehensive income

For details, please refer to the related content of Note "VII. 57 Other Comprehensive Income".

77. Items in the cash flow statement

(1). Other cash receipts relating to operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Interest income	17,976,867.30	16,967,792.25
Resale income of carbon emission allowances	2,672,171.14	252,022.63
Government subsidy	8,202,269.84	17,353,700.68
Wire subsidy	952,380.95	892,342.26
Others	1,494,253.73	4,482,445.50
Total	31,297,942.96	39,948,303.32

Descriptions of other cash receipts relating to operating activities:

Nil

(2). Other cash payments relating to operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Vehicle, transportation and travelling expenses	13,618,805.86	20,184,207.86
Rental fees	13,981,079.96	12,649,074.33
Office expenses	17,157,426.81	20,570,060.28
Audit and evaluation consulting expense	29,067,331.24	19,552,932.42
Business entertainment fees	7,590,687.05	6,976,213.89
Handling fee	6,236,229.51	11,018,350.52
Repair cost	72,862,822.77	88,492,466.17
Fees paid for outsourced research	16,854,977.01	-
Others	40,618,706.21	35,330,328.94
Total	217,988,066.42	214,773,634.41

Descriptions of other cash payments relating to operating activities:

Nil

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

77. Items in the cash flow statement (continued)

(3). Other cash receipts relating to investment activities

Applicable Not Applicable

(4). Other cash payments relating to investment activities

Applicable Not Applicable

(5). Other cash receipts relating to financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Cash inflows related to leasing Discounted notes receivable	266,678,143.26	63,550,335.21
Total	266,678,143.26	63,550,335.21

(6). Other cash payments relating to financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Business combination involving enterprises under common control	24,441,053.77	-
Cash outflows related to leasing	298,161,986.70	181,885,637.10
Others	10,373,847.74	-
Total	332,976,888.21	181,885,637.10

Description of other cash payments relating to financing activities:

Nil

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

78. Supplementary information of the cash flow statement

(1). Supplementary information of the cash flow statement

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Net profit adjusted to cash flows of operating activities:		
Net profit	1,932,731,653.58	1,834,334,884.19
Add: Provision for impairment of assets	55,773,051.65	7,074,784.53
Loss on credit impairment	-69,900,742.39	35,101,736.94
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	1,333,569,713.33	1,179,538,194.29
Amortization of right-of-use assets	116,310,442.05	84,979,981.77
Amortization of intangible assets	128,485,267.26	121,902,906.73
Depreciation of investment properties	1,105,168.44	1,105,168.44
Amortization of long-term deferred expenses	9,923,233.07	8,140,973.51
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-260,932.94	-383,664.45
Losses from scrapping of fixed assets ("-" for gains)	623,215.08	315,322.85
Losses from changes in fair value ("-" for gains)	-	-
Finance expenses ("-" for gains)	918,958,450.90	880,006,277.48
Investment losses ("-" for gains)	-266,424,598.45	-222,342,930.57
Decrease in deferred income tax assets ("-" for increase)	19,193,941.25	1,396,080.50
Increase in deferred income tax liabilities ("-" for decrease)	3,915,544.40	20,332,007.11
Decrease in inventories ("-" for increase)	-6,489,971.00	-5,811,040.12
Decrease in operating receivables ("-" for increase)	-1,859,704,197.01	-1,175,240,642.86
Increase in operating payables ("-" for decrease)	1,580,701,224.49	985,727,939.73
Others	-	-
Net cash flows from operating activities	3,898,510,463.71	3,756,177,980.07
2. Significant investing and financing activities that do not involve cash receipts and payment		
The transfer of bank acceptance bills by endorsement	526,046,649.51	202,409,754.15
Right-of-use assets acquired by committing lease liabilities	13,398,952.73	75,062,974.75
Conversion of debts into capital	-	-
Convertible corporate bonds due within one year	-	-
Fixed assets acquired under finance leases	-	-
3. Net changes in cash and cash equivalents:		
Closing balance of cash	1,863,441,446.73	2,334,208,228.57
Less: Opening balance of cash	2,334,208,228.57	2,244,845,796.37
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	-470,766,781.84	89,362,432.20

Changes in liabilities arising from financing activities:

	Interest payable	Dividends payable	Borrowings	Debentures payable	Other current liabilities	Lease liability	Long-term payable
At the beginning of the period	72,042,902.81	126,311,222.54	20,593,007,440.13	2,285,000,000.00	1,500,000,000.00	1,450,757,164.19	50,000,000.00
Dividend distribution	-	833,276,219.87	-	-	-	-	-
Distribution to other stakeholders	-	77,934,000.00	-	-	-	-	-
Accrued interest	1,271,086,599.34	-	-	-	-	-	-
Changes in cash flows from financing activities	-1,253,006,529.75	-865,162,752.66	6,747,198,391.92	1,000,000,000.00	-1,000,000,000.00	-337,260,145.16	103,000,000.00
Significant financing activities not involving cash	-	-	-	-	-	-280,677,946.77	78,774,144.00
At the end of the period	90,122,972.40	172,358,689.75	27,340,205,832.05	3,285,000,000.00	500,000,000.00	832,819,072.26	231,774,144.00

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

78. Supplementary information of cash flow statement (continued)

- (2). Net cash paid for acquisition of subsidiaries in the current period
 Applicable Not applicable
- (3). Net cash received from disposal of subsidiaries in the current period
 Applicable Not applicable
- (4). Cash and cash equivalents composition

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	1,863,441,446.73	2,334,208,228.57
Including: Cash on hand	-	-
Bank deposit that can be used for payment at any time	1,863,441,446.73	2,334,208,228.57
Other monetary fund that can be used for payment at any time	-	-
Central bank deposits that can be used for payment	-	-
Deposits in other banks	-	-
Call loans to banks	-	-
II. Cash equivalents	-	-
Including: bond investments due within 3 months	-	-
III. Balance of cash and cash equivalents at the end of the period	1,863,441,446.73	2,334,208,228.57
Including: restricted cash and cash equivalents used by the parent company and the subsidiaries of the Group	-	-

Other explanations:

- Applicable Not applicable

79. Notes to the statement of changes in owners' equity

The explanation for matters such as the item name of "Others" and amount adjustment for adjusting the balance at the end of the previous year:

- Applicable Not applicable

80. The assets whose ownership or right-of-use is restricted

Unit: Yuan Currency: RMB

Items	Book value at the end of period	Reasons
Cash	35,051,339.40	Retained land reclamation deposit, guarantee deposit, etc.
Notes receivable	-	
Inventory	-	
Fixed assets	300,513,810.27	Secured long-term bank borrowings
Intangible assets	3,385,818.14	Secured long-term bank borrowings
Receivables financing	12,100,000.00	Long-term bank borrowings secured by the right of electricity cost collection
Accounts receivable	3,251,297,679.34	Long-term bank borrowings secured by the right of electricity cost collection
Total	3,602,348,647.15	/

Other explanations:

Nil

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

81. Monetary item in foreign currency

(1). Monetary item in foreign currency

Unit: yuan

Items	Balance of foreign currency at the end of the period	Exchange rate	Balance of RMB converted at the end of the period
Cash	-	-	-
Including: USD	-	-	-
EURO	-	-	-
HKD	9,931,727.28	0.84164	8,358,541.68
Accounts receivable	-	-	-
Including: USD	-	-	-
EURO	-	-	-
HKD	93,996.85	0.84164	79,107.75
Other payables	-	-	-
Including: USD	-	-	-
EURO	-	-	-
HKD	15,280,430.96	0.84164	12,860,010.70
Long-term loans	-	-	-
Including: USD	-	-	-
EURO	-	-	-
HKD	34,001,615.97	0.84164	28,615,760.00

Other explanations:

Nil

- (2). Descriptions of foreign business entity (including those that are considered important) should include disclosure of: the overseas principal place of business of the foreign business entity; the reporting currency and the basis for using that currency; the reason(s) for the change of reporting currency

Applicable Not applicable

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

82. Hedging

Applicable Not applicable

83. Government subsidy

(1). information about government subsidies

Unit: Yuan Currency: RMB

Category	Amount	Item presented	Amount included in the current profit or loss
VAT refund	69,529,438.26	Other gains	69,529,438.26
Fiscal appropriation	3,786,274.58	Other gains	3,786,274.58
Government subsidy	7,087,202.36	Non-operating income	7,087,202.36
Operating subsidy	952,380.95	Other gains	952,380.95
Others	256,394.06	Other gains	256,394.06

(2). Refund of government subsidies

Applicable Not applicable

Other explanations:

Nil

84. Others

Applicable Not applicable

VIII. CHANGES IN CONSOLIDATION SCOPE

1. Business combination under different control

Applicable Not applicable

2. Business combination under common control

(1). Business combinations under the common control that occurred in the current period

Unit: Yuan Currency: RMB

Name of merged party	Percentage of equity acquired in the business combination	Basis for business combination under common control	Date of merger	Basis for determining the date of merger	Merged party's income from the beginning of the current period to the date of merger	Merged party's net income from the beginning of the current period to the date of merger	Merged party's income in the comparative period	Merged party's net profit in the comparative period
Hebei Construction & Financing Photovoltaic Technology Ltd.	90.00%	Controlled by the same ultimate controlling party before and after the combination	29 February 2020	Transfer of control	1,306,064.77	246,101.43	943,623.62	20,255.85
Partial assets and liabilities of Hebei Construction & Investment State Financing Energy Services Ltd.	100.00%	Controlled by the same ultimate controlling party before and after the combination	29 February 2020	Transfer of control	313,901.01	151,354.71	464,041.26	200,411.28

Other explanations:

Nil

(2). Cost of combination

Unit: Yuan Currency: RMB

Cost of combination	Hebei Construction & Financing Photovoltaic Technology Ltd.	Partial assets and liabilities of Hebei Construction & Investment State Financing Energy Services Ltd.
Cash	23,180,691.25	15,493,162.54
Carrying value of non-cash assets	—	—
Carrying value of the issued or assumed debts	—	—
Par value of the issued equity securities	—	—
Contingent consideration	—	—

Description of contingent consideration and its changes:

Not applicable

Other explanations:

Nil

VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Business combination under common control (continued)

(3). Book value of the merged party's assets and liabilities on the merger date:

Unit: Yuan Currency:RMB

	Hebei Construction & Financing Photovoltaic Technology Ltd.		Partial assets and liabilities of Hebei Construction & Investment State Financing Energy Services Ltd.	
	Merger date	At the end of the previous period	Merger date	At the end of the previous period
Assets:	78,117,521.25	77,433,599.33	15,647,322.94	15,465,088.57
Cash	2,356,127.02	2,356,127.02	-	-
Receivables	16,373,090.99	14,911,997.46	3,123,995.00	2,779,320.75
Prepayments	233,388.34	233,388.34	-	-
Inventories	429,947.10	429,947.10	-	-
Other current assets	8,114,755.89	8,284,544.18	-	-
Fixed assets	35,449,924.02	35,926,807.62	12,454,931.70	12,612,654.62
Intangible assets				
Right-of-use assets	14,750,861.25	14,750,861.25	-	-
Long-term prepaid expenses	409,426.64	539,926.36	68,396.24	73,113.20
Liabilities:	52,280,531.40	51,827,951.38	-	-
Borrowings	18,500,000.00	18,500,000.00	-	-
Payables	483,053.84	483,053.84	-	-
Taxes payable	1,239.60	1,239.60	-	-
Other payables	477,684.01	25,103.99	-	-
Lease liabilities	32,818,553.95	32,818,553.95	-	-
Net assets	25,836,989.85	25,605,647.95	15,647,322.94	15,465,088.57
Less : Minority interests	3,059,237.56	3,059,238.30		
Net assets acquired	22,777,752.29	22,546,409.65	15,647,322.94	15,465,088.57

Contingent liabilities of the merged party assumed in business combination:

Nil

Other explanations:

Nil

3. Counter purchase

Applicable Not applicable

4. Disposal of subsidiaries

Whether there is a single disposal of investments in subsidiaries and loss of control

Applicable Not applicable

Other explanations:

Applicable Not applicable

5. Changes in the scope of consolidation due to other reasons

Explain the changes in the scope of consolidation due to other reasons (e.g. newly established subsidiaries and clearing of subsidiaries, etc.) and the related conditions:

Applicable Not applicable

6. Others

Applicable Not applicable

IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1). Composition of the Group

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Hebei Jointo Energy Investment Co., Ltd. (河北建投新能源有限公司)	PRC	Shijiazhuang City	Wind power generation, wind farm investment and service consulting	481,730.00	100	–	Merger under the same control
Hebei Natural Gas Co., Ltd. (河北省天然氣有限責任公司)	PRC	Shijiazhuang City	Sale of natural gas and appliances, as well as connection and construction of natural gas pipelines	168,000.00	55	–	Merger under the same control
Suntien Green Energy (Fengning) Co., Ltd. (新天綠色能源(豐寧)有限公司)	PRC	Chengde City	Wind power generation,	18,869.57	92	–	Establishment by investment
Jianshui Suntien Wind Energy Co., Ltd. (建水新天風能有限公司)	PRC	Honghe County	Wind power generation,	33,300.00	100	–	Establishment by investment
Heilongjiang Suntien Hadian New Energy Investment Co., Ltd. (黑龍江新天哈電新能源投資有限公司)	PRC	Harbin City	Wind power generation,	21,660.00	99.08	–	Establishment by investment
Suntien Green Energy (Hong Kong) Co., Ltd. (新天綠色能源(香港)有限公司)	Hong Kong, PRC	Tsim Sha Tsui, Kowloon, Hong Kong	Project investment and investment management	10,629.67	100	–	Establishment by investment
Suntien Green Energy Investment (Beijing) Co., Ltd. (新天綠色能源投資(北京)有限公司)	PRC	Beijing City	Project investment and investment management	6,000.00	100	–	Establishment by investment
Ruoqiang Suntien Green Energy Co., Ltd. (若羌新天綠色能源有限公司)	PRC	Ruoqiang County	Wind power generation,	14,810.00	100	–	Establishment by investment
Xinyang Suntien Wind Energy Co., Ltd. (滎陽新天風能有限公司)	PRC	Xinyang City	Wind power generation,	9,000.00	100	–	Establishment by investment
Weihui Suntien Green Energy Co., Ltd. (衛輝新天綠色能源有限公司)	PRC	Weihui City	Wind and solar power generators technology consulting	8,400.00	100	–	Establishment by investment
Wulian County Suntien Wind Energy Co., Ltd. (五蓮縣新天風能有限公司)	PRC	Rizhao City	Wind power generation	900.00	100	–	Establishment by investment
Junan Suntien Wind Energy Co., Ltd. (莒南新天風能有限公司)	PRC	Junan County	Wind power generation	10,300.00	100	–	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Shenzhen Suntien Green Energy Investment Co., Ltd. (深圳新天綠色能源投資有限公司)	PRC	Shenzhen City	Project investment and investment management	27,000.00	100	–	Establishment by investment
Hebei Fengning CIC New Energy Co., Ltd. (河北豐甯建設新能源有限公司)	PRC	Fengning Manchu Autonomous County	Wind power generation	83,783.00	100	–	Establishment by investment
Suntien Liquefied Natural Gas Shahe Co., Ltd. (新天液化天然氣沙河有限公司)	PRC	Xingtai City	Sale of natural gas and appliances, as well as connection and construction of natural gas pipelines	5,000.00	70	–	Establishment by investment
Suntien Hebei Solar Energy Development Co., Ltd. (新天河北太陽能開發有限公司)	PRC	Shijiazhuang City	Investment and sale of solar energy appliances and service consultancy	10,000.00	69	–	Establishment by investment
Guangxi Suntien Green Energy Co., Ltd. (廣西新天綠色能源有限公司)	PRC	Nanning City	Wind power generation	8,200.00	100	–	Establishment by investment
Tongdao Suntien Green Energy Co., Ltd. (通道新天綠色能源有限公司)	PRC	Tongdao Dong Autonomous County	Wind power and solar energy generation, relevant technical consultation	8,000.00	100	–	Establishment by investment
Chaoyang Suntien New Energy Co., Ltd. (朝陽新天新能源有限公司)	PRC	Chaoyang City	Solar energy generation	3,200.00	100	–	Establishment by investment
HECIC New-energy (Tangshan) Co., Ltd. (建設新能源(唐山)有限公司)	PRC	Tangshan City	Wind and solar power generation	8,600.00	100	–	Establishment by investment
Fuliang Zhongling Suntien Green Energy Co., Ltd. (浮梁中嶺新天綠色能源有限公司)	PRC	Jingdezhen City	Operation and management of wind power plants, water power, wind power and solar power generation, relevant technical consultation	16,000.00	100	–	Establishment by investment
Suntien Green Energy Xuyi Co., Ltd. (新天綠色能源盱眙有限公司)	PRC	Huai'an City	Wind power and solar energy generation, relevant technical consultation	23,400.00	70	30	Establishment by investment
Suntien Hebei Electricity Sales Co., Ltd. (新天河北電力銷售有限公司)	PRC	Shijiazhuang City	Electricity sales and electric power transmission and distribution engineering construction and electric power technology consulting	21,000.00	100	–	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Tangshan Suntien New Energy Co., Ltd. (唐山新天新能源有限公司)	PRC	Tangshan City	Solar energy generation; solar, wind, photoelectric integration, energy materials and photovoltaic luminaires new technology development and consulting	1,500.00	–	100	Establishment by investment
Fangchenggang Suntien Green Energy Co., Ltd. (防城港新天綠色能源有限公司)	PRC	Fangchenggang City	Wind power and solar energy generation, relevant technical consultation	9,030.00	100	–	Establishment by investment
Fuping Jixin Suntien Green Energy Co., Ltd. (富平冀新綠色能源有限公司)	PRC	Weinan City	Wind power generation project development, operation and management and wind measurement equipment sales	12,300.00	100	–	Establishment by investment
HECIC Zhangjiakou Wind Energy Co., Ltd. (河北建投張家口風能有限公司)	PRC	Kangbao County	Wind power generation	57,775.00	–	100	Establishment by investment
HECIC Zhongxing Wind Energy Co., Ltd. (河北建投中興風能有限公司)	PRC	Haixing County	Wind power generation	16,300.00	–	70	Establishment by investment
HECIC Weizhou Wind Energy Co., Ltd. (河北建投蔚州風能有限公司)	PRC	Yu County	Wind power generation	36,400.00	–	55.92	Establishment by investment
HECIC Longyuan Chongli Wind Energy Co., Ltd. (河北建投龍源崇禮風能有限公司)	PRC	Chongli District	Wind power generation	9,500.00	–	50	Establishment by investment
Chongli CIC Huashi Wind Energy Co., Ltd. (崇禮建投華實風能有限公司)	PRC	Chongli District	Wind power generation	17,860.00	–	51	Establishment by investment
Lingqiu CIC Hengguan Wind Energy Co., Ltd. (靈丘建投衡冠風能有限公司)	PRC	Lingqiu County	Wind power generation	33,850.00	–	55	Establishment by investment
HECIC Yanshan (Guyuan) Wind Power Co., Ltd. (建設燕山(沽源)風能有限公司)	PRC	Guyuan County	Wind power generation	83,977.55	–	94.43	Establishment by investment
Zhangbei Huashi CIC Wind Energy Co., Ltd. (張北華實建投風能有限公司)	PRC	Zhangbei County	Wind power generation	8,000.00	–	49	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Hebei Suntien Kechuang New Energy Technology Co., Ltd. (河北新天科創新能源技術有限公司)	PRC	Xuanhua District	Provision of maintenance and consulting services for wind farms and other new energy	10,880.00	-	100	Establishment by investment
Chengde Yuyuan Wind Energy Co., Ltd. (承德禦源風能有限公司)	PRC	Chengde City	Wind power generation	17,000.00	-	60	Establishment by investment
Horqin Right Front Banner Suntien Wind Energy Co., Ltd. (科右前旗新天風能有限公司)	PRC	Horqin Right Front Banner	Wind power generation	19,020.00	-	100	Establishment by investment
Laiyuan Suntien Wind Energy Co., Ltd. (涇源新天風能有限公司)	PRC	Laiyuan County	Wind and solar power generation	20,460.00	-	100	Establishment by investment
Wei County Suntien Wind Energy Co., Ltd. (蔚縣新天風能有限公司)	PRC	Yu County	Wind power generation	71,400.00	-	100	Establishment by investment
Wuchuan County Mengtian Wind Energy Co., Ltd. (武川縣蒙天風能有限公司)	PRC	Wuchuan County	Wind power generation	15,000.00	-	100	Establishment by investment
Shangyi Suntien Wind Energy Co., Ltd. (尚義新天風能有限公司)	PRC	Shangyi County	Wind power generation	20,613.00	-	100	Establishment by investment
Zhangbei Suntien Wind Energy Co., Ltd. (張北新天風能有限公司)	PRC	Zhangbei County	Wind power generation	22,000.00	-	51	Establishment by investment
Changli Suntien Wind Energy Co., Ltd. (昌黎新天風能有限公司)	PRC	Changli County	Wind power generation	29,800.00	-	100	Establishment by investment
Guyuan Suntien Wind Energy Co., Ltd. (沽源新天風能有限公司)	PRC	Guyuan County	Wind power generation	200.00	-	100	Establishment by investment
Suntien Green Energy Weichang Co., Ltd. (新天綠色能源團場有限公司)	PRC	Weichang Manchu and Mongolian Autonomous County	Wind power generation	73,600.00	-	97.28	Establishment by investment
Chongli Suntien Wind Energy Co., Ltd. (崇禮新天風能有限公司)	PRC	Chongli County	Wind power generation	15,000.00	-	100	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Datong Yunzhou District Suntien Wind Energy Co., Ltd. (大同市雲州區新天風能有限公司)	PRC	Yunzhou District	Wind power generation	400.00	-	100	Establishment by investment
Chengde Yujing New Energy Co., Ltd. (承德禦景新能源有限公司)	PRC	Weichang Manchu and Mongolian Autonomous County	Wind power generation	31,000.00	-	60	Establishment by investment
Taigu Suntien Wind Energy Co., Ltd. (太谷新天風能有限公司)	PRC	Taigu County	Wind power generation	900.00	-	100	Establishment by investment
Chengde Yufeng Wind Energy Co., Ltd. (承德禦楓風能有限公司)	PRC	Weichang Manchu and Mongolian Autonomous County	Wind power generation	8,300.00	-	60	Establishment by investment
Anze Suntien Wind Energy Co., Ltd. (安澤新天風能有限公司)	PRC	Linfen City	Wind power generation, power transmission and distribution	390.00	-	100	Establishment by investment
Gu County CIC Wind Energy Co., Ltd. (古縣建設風能有限公司)	PRC	Gu County	Wind power generation, power transmission and distribution	560.00	-	100	Establishment by investment
HECIC Offshore Wind Power Co., Ltd. (河北建設海上風電有限公司)	PRC	Leting County	Wind power generation	111,111.00	51.1	-	Establishment by investment
Tailai Suntien Green Energy Co., Ltd. (泰來新天綠色能源有限公司)	PRC	Tailai County	Wind power generation	6,000.00	-	100	Establishment by investment
Hejing Suntien Green Energy Co., Ltd. (和靜新天綠色能源有限公司)	PRC	Hejing County	Wind and solar power generation	3,200.00	-	100	Establishment by investment
Shijiazhuang Suntien Shenyu Photovoltaic Power Co., Ltd. (石家莊新天神喻光伏電力有限公司)	PRC	Shijiazhuang City	Investment and sale of solar energy appliances and service consultancy	1,000.00	-	60	Establishment by investment
Xiaoyi CIC Wind Energy Co., Ltd. (孝義建設風能有限公司)	PRC	Xiaoyi City	Wind power generation, power transmission and distribution	200.00	-	100	Establishment by investment
Lulong County Liuyin Photovoltaic Power Co., Ltd. (盧龍六音光伏電力有限公司)	PRC	Qinhuangdao City	Investment and sale of solar energy appliances and service consultancy	3,000.00	-	100	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Zhangjiakou Fuchen Photovoltaic Power Co., Ltd. (張家口富辰光伏發電有限公司)	PRC	Zhangjiakou City	Photovoltaic power generation project development, design, construction and management services	100.00	-	100	Establishment by investment
Shijiazhuang CIC Natural Gas Co., Ltd. (石家莊建投天然氣有限公司)	PRC	Shijiazhuang City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	5,710.00	-	100	Establishment by investment
Zhao County Anda Gas Co., Ltd. (趙縣安達燃氣有限公司)	PRC	Zhao County	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	500.00	-	100	Establishment by investment
Hebei Zhaodu Natural Gas Co., Ltd. (河北趙都天然氣有限責任公司)	PRC	Handan	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	2,000.00	-	52.5	Establishment by investment
Handan Langtuo Natural Gas Sale Co., Ltd. (邯鄲市郎拓天然氣銷售有限公司)	PRC	Handan	Sale of natural gas appliances	400.00	-	100	Establishment by investment
Chengde City CIC Natural Gas Co., Ltd. (承德市建投天然氣有限責任公司)	PRC	Chengde City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	21,000.00	-	90	Establishment by investment
Ningjin County CIC Natural Gas Co., Ltd. (寧晉縣建投天然氣有限責任公司)	PRC	Ningjin County	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	3,000.00	-	51	Establishment by investment
Shijiazhuang Huabo Nature Gas Co., Ltd. (石家莊華博燃氣有限公司)	PRC	Shijiazhuang City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	4,500.00	-	55	Establishment by investment
Shijiazhuang Jiran Pipeline Engineering Co., Ltd. (石家莊冀燃管道工程有限公司)	PRC	Shijiazhuang City	Connection and construction of natural gas pipelines	6,375.00	-	60	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Xingtai Jiran Natural Gas Co., Ltd. (邢臺冀然天然氣有限公司)	PRC	Xingtai City	Construction and management of liquefied natural gas projects within Xingtai, liquefied natural gas sales (operated only by branches); urban gas sales; pipeline and equipment installation; wholesale and retail of gas appliances; natural gas engineering technical consulting services	2,000.00	-	55	Establishment by investment
Baoding CIC Natural Gas Co., Ltd. (保定建投天然氣有限公司)	PRC	Baoding City	Natural gas project investment, development and construction, and sale of gas appliances	2,000.00	-	100	Establishment by investment
Li County CIC Natural Gas Co., Ltd. (蠡縣建投天然氣有限公司)	PRC	Li County	Connection and construction of gas pipelines	1,000.00	-	60	Establishment by investment
Hebei Jiran LNG Co., Ltd. (河北冀然液化天然氣有限公司)	PRC	Shijiazhuang City	Natural gas project preparation and sale of gas appliances	5,000.00	-	55	Establishment by investment
Qinghe County CIC Natural Gas Co., Ltd. (清河縣建投天然氣有限公司)	PRC	Qinghe County	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	2,387.25	-	80	Establishment by investment
Julu County CIC Wind Energy Co., Ltd. (巨鹿縣建投風能有限公司)	PRC	Julu County	Wind power generation	7,500.00	-	100	Establishment by investment
Caofeidian Sntien Liquefied Natural Gas Co., Ltd. (曹妃甸新天液化天然氣有限公司)	PRC	Cao Feidian	Construction of LNG receiving station and pipeline supply projects	135,000.00	51	-	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Rui'an City Xinyun New Energy Co., Ltd. (瑞安市新運新能源有限公司)	PRC	Rui'an	Wind, water, solar power station investment, construction, operation and management; natural gas project investment and development; wind power generation equipment sales; power supply services; new energy and clean energy consulting services	500.00	70	–	Establishment by investment
Suntien Green Energy Lianyungang Co., Ltd. (新天綠色能源連雲港有限公司)	PRC	Lianyungang City	Wind power generation, solar energy generation project development, construction, operation and management; new energy technology consulting, technical services and technology transfer	19,730.09	75	25	Establishment by investment
HECIC Offshore Wind Power Sheyang Co., Ltd. (河北建投海上風電射陽有限公司)	PRC	Sheyang County	Wind power generation project, photovoltaic power generation project facility construction; wind power generation technical consulting and technical services	2,000.00	–	60	Establishment by investment
Harbin Ruifeng New Energy Co., Ltd. (哈爾濱瑞風新能源有限公司)	PRC	Shuangcheng City	Wind power generation. Solar energy generation; new energy technology development, consulting, exchange, transfer, and promotion services	18,000.00	–	80	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Hebei Natural Gas Company Ltd. (河北燃氣有限公司)	PRC	Shijiazhuang City	Sale of urban gas; sale of gas appliances and accessories, pipelines, pipes and accessories; installation and maintenance of gas appliances; power supply and heat supply; energy-saving technology, new energy technology development, technical consulting, technology promotion services; municipal engineering design, construction; self-operating and proxy import and export of various commodities and technologies	10,000.00	55	-	Establishment by investment
Suntien Green Energy (Shanglin) Co., Ltd. (新天綠色能源(上林)有限公司)	PRC	Shanglin County	Investment in wind power, solar energy, natural gas, and new energy projects; the development of new energy projects and related technical consulting, technical services, and technology development	500.00	100	-	Establishment by investment
Tibet Suntien Green Energy Co., Ltd. (西藏新天綠色能源有限公司)	PRC	Gongga County	Development, construction, operation, management of wind, solar, water and geothermal and other renewable energy projects, and sale of electricity produced thereby; new energy and clean energy technology development, technical services, and technical consulting	1,000.00	100	-	Establishment by investment
Tangshan Suntien Natural Gas Pipeline Co., Ltd. (唐山新天天然氣管道有限公司)	PRC	Tangshan City	Project preparation	10,000.00	100	-	Establishment by investment
S&T International Natural Gas Trading Company Limited (新港國際天然氣貿易有限公司)	Hong Kong	Hong Kong Special Administrative Region	LNG trading and related businesses	1,000.00	-	51	Establishment by investment

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Yunnan Pushi Natural Gas Co., Ltd. (雲南普適天然氣有限公司)	PRC	Kunming City	Research and development of natural gas, investment and technical development	3,333.33	70	–	Merger not under the same control
Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司)	PRC	Huludao City	R&D design and consulting	2,040.82	51	–	Merger not under the same control
Suizhong Suntien Liaohe Gas Co., Ltd. (綏中新天遼河燃氣有限公司)	PRC	Suizhong County	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	1,000.00	–	100	Merger not under the same control
Huludao Liaohe Gas Transport Co., Ltd. (葫蘆島遼河燃氣運輸有限公司)	PRC	Huludao City	Logistics, loading and unloading, transportation services	1,000.00	–	100	Merger not under the same control
Raoyang County CIC Natural Gas Co., Ltd. (饒陽縣建設天然氣有限公司)	PRC	Raoyang County	Sales and natural gas and gas appliances	1,000.00	–	60	Merger not under the same control
Linxi County Xinneng Natural Gas Engineering Co., Ltd. (臨西縣新能天然氣工程有限公司)	PRC	Linxi County	Pipeline gas (natural gas), gas vehicle refueling station (compressed natural gas), gas vehicle refueling mother station (compressed natural gas) operation; natural gas project management services, gas stove equipment sales, maintenance and services	4,000.00	–	60	Merger not under the same control
Anguo Huagang Gas Co., Ltd. (安國市華港燃氣有限公司)	PRC	Anguo City	Sale of natural gas to gas vehicles and appliances	2,000.00	–	51	Merger not under the same control
Pingshan County Huajian Gas Co., Ltd. (平山縣華建燃氣有限公司)	PRC	Pingshan County	Sale of natural gas to gas vehicles	615.00	–	100	Merger not under the same control
Jinzhou CIC Gas Co., Ltd. (晉州市建設燃氣有限公司)	PRC	Jinzhou City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	1,815.99	–	100	Merger not under the same control

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Subsidiary	Operating place	Registered place	Business nature	Registered capital (RMB'0000)	Shareholding percentage (%)		Manner
					Direct	Indirect	
Shenzhou CIC Gas Co., Ltd. (深州市建設燃氣有限公司)	PRC	Shenzhou City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	1,175.81	-	100	Merger not under the same control
Xinji CIC Gas Co., Ltd. (辛集市建設燃氣有限公司)	PRC	Xinji City	Sale of natural gas and gas appliances and the connection and construction of natural gas pipelines	1,500.00	-	100	Merger not under the same control
Hengshui CIC Natural Gas Co., Ltd. (衡水建設天然氣有限公司)	PRC	Hengshui City	Investment in the construction of urban pipeline natural gas, liquefied natural gas, and compressed natural gas engineering projects; pipeline gas sales; wholesale and retail of gas appliances; installation and maintenance of gas burning appliances; municipal gas engineering design and general contracting of municipal public works	2,000.00	-	51	Establishment by investment
Zhangbei CIC Huashi Wind Energy Co., Ltd. (張北建設華實風能有限公司)	PRC	Zhangbei County	Wind power generation	9,000.00	-	51	Merger not under the same control
International Wind Farm Development V Limited (國際風電開發五有限公司)	Hong Kong	Hong Kong Special Administrative Region	Wind farm investment, construction and operation	10.00	90	-	Merger not under the same control
Tai'an Sanglin Wind Power Generation Co., Ltd. (台安桑林風力發電有限公司)	PRC	Tai'an County	Wind power generation project development, construction, operation and maintenance, wind power generation technical consulting and service, wind power generation equipment manufacturing and sales	12,644.00	-	100	Merger not under the same control
Hebei Jianrong Photovoltaic Technology Co., Ltd. (河北建融光伏科技有限公司)	PRC	Xingtai City	Photovoltaic technology R&D, construction, and operation; photovoltaic power station system operation and maintenance; solar energy generation and power supply.	5,000.00	90	-	Merger not under the same control

Note: The registered capital of S&T International Natural Gas Trading Company Limited and International Wind Farm Development V Limited are presented in Hong Kong dollars.

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1). Composition of the Group (continued)

Explanation of the difference between the proportion of shareholding in subsidiaries and the percentage of voting rights:

Nil

Judgement base of having 50% voting right but controlling the invested unit as well as having more than 50% voting right but not controlling the invested unit:

Nil

Basis of controlling significant structuring subject in the combination range:

Nil

Basis of determining whether the Company is a contracting-out party or client:

Not applicable

Other explanations:

Nil

(2). Significant non-wholly-owned subsidiaries

Unit: Yuan Currency: RMB

Name of subsidiaries	Minority shareholders' shareholding proportion	Profits and loss attributable to the minority shareholders in the current period	The dividends declared to distribute to the minority shareholders in the current period	Ending book value of minority interests
Hebei Natural Gas Company Limited	45.00%	262,611,720.88	190,118,428.09	1,443,211,101.41

Explanation of the difference between the proportion of minority shareholders' shareholding in subsidiaries and the percentage of voting rights:

Applicable Not applicable

Other explanations:

Applicable Not applicable

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3). Main financial information for significant non-wholly-owned subsidiaries

Unit: RMB'0,000 Currency: RMB

Name of subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Hebei Natural Gas Company Limited	150,939.92	684,626.57	835,566.49	284,885.72	229,967.18	514,852.90	144,322.87	535,951.97	680,274.84	270,782.34	103,787.59	374,569.93

Name of subsidiaries	In the current period				In the previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Hebei Natural Gas Company Limited	803,886.42	58,358.16	58,358.160	79,124.00	799,478.72	63,206.29	63,206.29	97,506.98

(4). Significant restrictions for using the Company's assets and settling the Company's liabilities:

 Applicable Not applicable

(5). Financial support or other support provided to structuring subject in the range of combined financial statements:

 Applicable Not applicable

Other explanations:

 Applicable Not applicable

IX. INTERESTS IN OTHER ENTITIES (continued)

2. Transactions for which the share of owners' equity in subsidiary changes while control over the subsidiary remaining unchanged

(1). Explanation of change in the share of owners' equity in subsidiary

In September 2020, the Company disposed of partial investment in Zhangbei Suntien Wind Energy Co., Ltd. ("Zhangbei Suntien") (that is, 49% of Zhangbei Suntien shares), without losing the control over Zhangbei Suntien, in consideration of RMB 55,010,100.00. This transaction increased the minority interests in the consolidated financial statements by RMB 47,775,000.00, and the capital reserve by RMB 7,235,100.00.

(2). The influence of the transaction on minority equity and owners' equity attributable to the parent company

Unit: Yuan Currency: RMB

	Zhangbei Suntien Wind Energy Co., Ltd.
Acquisition cost/disposal consideration	
– Cash	–
– Fair value of non-cash assets	55,010,100.00
	<hr/>
Total acquisition cost/disposal consideration	55,010,100.00
Less: Net asset share of the subsidiary calculated according to percentage of the acquired/disposed equity	47,775,000.00
Differences	7,235,100.00
Including: adjustment to capital reserves	7,235,100.00
adjustment to surplus reserve	–
adjustment to retained profit	–
	<hr/>

Other explanations

Applicable Not applicable

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates

(1). Significant joint ventures or associates

Unit: Yuan Currency: RMB

Joint ventures or associates	Operating place	Registered place	Business nature	Shareholding percentage (%)		Accounting method for investment in joint ventures or associates
				Direct	Indirect	
Hebei Suntien Guohua Gas Co., Ltd. (河北新天國化燃氣有限責任公司)	Handan City	Handan City	Natural gas pipeline construction	50.00	-	Equity method
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司)	Chengde City	Chengde City	Solar, wind power generation	49.00	-	Equity method
Chengde Shuangluan District CIC LNG Co., Ltd. (承德市雙灤區建設液化天然氣有限責任公司)	Chengde City	Chengde City	Natural gas pipeline construction	-	41.00	Equity method
PetroChina Jinglang LNG Co., Ltd.	Tangshan City	Tangshan City	Natural gas storage and production	-	20.00	Equity method
Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd.	Chengde City	Chengde City	Wind power generation	-	50.00	Equity method
Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.	Chengde City	Chengde City	Wind power generation	-	45.00	Equity method
Hebei Jinjianjia Natural Gas Co., Ltd.	Cangzhou City	Cangzhou City	Storage and gasification of clean energy	30.00	-	Equity method
Hebei Fengning Pumped Storage Co., Ltd.	Chengde City	Chengde City	Pumped storage	20.00	-	Equity method
Huihai Financing and Leasing Co., Ltd.	Shenzhen City	Shenzhen City	Lease, purchase, and maintain leased property	-	30.00	Equity method
CNOOC North China Natural Gas Pipeline Co., Ltd.	Tianjin City	Tianjin City	Natural gas pipeline construction, operation and transportation	-	34.00	Equity method
Hengshui Honghua Gas Co., Ltd. (衡水鴻華燃氣有限公司)	Hengshui City	Hengshui City	Investment, construction and development management of natural gas pipelines and gas transmission and distribution shops/stations and natural gas operation and transportation	-	30.00	Equity method

Explanation on the shareholding percentage in joint ventures or associates being different from the voting power percentage therein:

Our subsidiary, CIC New Energy, signed a concerted action agreement with China Longyuan Power Group Corporation Limited (龍源電力集團股份有限公司) (another shareholder of Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd. ("Hebei Weichang"), holding 50% shares of Hebei Weichang), under which, Longyuan Power Group would decide on important operational affairs of Hebei Weichang, and have control over Hebei Weichang. CIC New Energy appointed 3 directors, which had significant influence on Hebei Weichang.

The basis of holding less than 20% voting powers but with significant influence, or the basis of holding 20% or more voting powers but with insignificant influence:

Nil

IX. INTERESTS IN OTHER ENTITIES (continued)
 3. Equity in joint ventures or associates (continued)
 (2). Main financial information of significant associates

Unit: Yuan Currency: RMB

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Hebei Suntien Guohua Gas Co., Ltd.	Chengdedayuan New Energy Co., Ltd.	Hebei Suntien Guohua Gas Co., Ltd.	Chengdedayuan New Energy Co., Ltd.
Current assets	44,600,462.32	56,794,682.69	49,393,781.67	13,419,442.30
Including: cash and cash equivalent				
Non-current assets	413,988,563.22	282,162,391.18	434,669,252.27	223,161,915.43
Total assets	458,589,025.54	338,957,073.87	484,063,033.94	236,581,357.73
Current liabilities	197,947,592.74	18,805,742.40	195,807,680.40	13,118,552.01
Non-current liabilities	180,000,000.00	222,135,116.00	196,000,000.00	154,706,564.21
Total liabilities	377,947,592.74	240,940,858.40	391,807,680.40	167,825,116.22
Minority equity	40,320,716.40	49,988,269.89	46,127,676.77	35,065,683.17
Shareholders' equity attributable to the parent company	40,320,716.40	48,027,945.58	46,127,676.77	33,690,558.34
Net asset calculated by proportion of shareholding	-	-	-	-
Adjusting items	-	-	-	-
- Goodwill	-	-	-	-
- Unrealised profit of internal transaction	-	-	-	-
- Others	-	-	-	-
Book value of equity investment in joint ventures	40,320,716.40	48,027,945.58	46,127,676.77	33,690,558.34
Fair value of equity investments in joint ventures with public offer	-	-	-	-
Operating revenues	69,694,377.88	50,366,992.16	70,707,056.50	-
Financial cost	-	-	-	-
Income tax expense	-	-	-	-
Net profit	-12,291,410.20	29,259,973.96	-14,141,786.62	-
Net profit of discontinuing operations	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-12,291,410.20	29,259,973.96	-14,141,786.62	-
Dividends received from joint ventures in the current year	-	-	-	-

Other explanations

Nil

IX. INTERESTS IN OTHER ENTITIES (continued)
 3. Equity in joint ventures or associates (continued)
 (3). Main financial information for significant associates

Unit: Yuan Currency: RMB

	Balance at the end of the period/ Amount for the current period		Balance at the beginning of the period/ Amount for the previous period	
	Huihai Financial Leasing Co., Ltd.	PetroChina Jingtang Liquefied Natural Gas Co., Ltd.	Huihai Financial Leasing Co., Ltd.	PetroChina Jingtang Liquefied Natural Gas Co., Ltd.
Current assets	395,786,450.89	95,252,480.07	418,958,395.09	793,901,074.50
Non-current assets	1,104,391,243.57	6,372,329,274.85	1,362,034,778.22	4,875,526,392.36
Total assets	1,500,177,694.46	6,467,581,754.92	1,780,993,173.31	5,669,427,466.86
Current liabilities	307,140,094.73	334,686,219.02	634,415,037.41	509,532,746.91
Non-current liabilities	514,375,000.00	800,000,000.00	475,000,000.00	200,000,000.00
Total liabilities	821,515,094.73	1,134,686,219.02	1,109,415,037.41	709,532,746.91
Minority equity	475,063,819.81	4,266,316,428.72	470,104,695.13	3,967,915,775.96
Shareholders' equity attributable to the parent company	203,598,779.92	1,066,579,107.18	201,473,440.77	991,978,943.99
Net asset calculated by proportion of shareholding	203,598,779.92	1,066,579,107.18	201,473,440.77	991,978,943.99
Adjusting items	-	-	-	-
- Goodwill	-	-	-	-
- Unrealised profit of internal transaction	-	-	-	-
- Others	-	-	-	-
Book value of equity investment in associates	203,598,779.92	1,066,579,107.18	201,473,440.77	991,978,943.99
Fair value of equity investments in associates with public offer	-	-	-	-
Operating revenues	88,785,589.47	1,894,938,450.77	78,102,905.53	1,932,311,246.23
Net profit	31,135,836.73	969,374,098.07	26,723,747.60	948,279,060.43
Net profits of discontinuing operation	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	31,135,836.73	969,374,098.07	26,723,747.60	948,279,060.43
Dividends received from associates in the current year	7,215,411.87	120,000,000.00	8,066,009.89	130,000,000.00

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(3). Main financial information for significant associates (continued)

	Balance at the end of the period/Amount for the current period		Balance at the beginning of the period/Amount for the previous period	
	Hebei Weichang Longyuan Jiantou Wind Energy Co., Ltd.	Longyuan Jiantou (Chengde) Wind Energy Generation Co., Ltd.	Hebei Weichang Longyuan Jiantou Wind Energy Co., Ltd.	Longyuan Jiantou (Chengde) Wind Energy Generation Co., Ltd.
Current assets	164,864,715.74	199,286,776.10	153,235,743.55	213,308,840.20
Non-current assets	486,412,084.49	578,093,532.19	523,223,011.16	627,391,660.30
Total assets	651,276,800.23	777,380,308.29	676,458,754.71	840,700,500.50
Current liabilities	360,031,383.15	197,090,619.91	269,386,249.56	235,795,559.42
Non-current liabilities		10,000,000.00	126,899,434.76	49,899,434.88
Total liabilities	360,031,383.15	207,090,619.91	396,285,684.32	285,694,994.30
Minority interests	145,622,708.54	313,659,328.61	140,086,535.20	305,253,028.41
Equity attributable to shareholders of the parent company	145,622,708.54	256,630,359.77	140,086,535.20	249,752,477.79
Net asset calculated by proportion of shareholding	145,622,708.54	256,630,359.77	140,086,535.20	249,752,477.79
Adjusting items	-	-	-	-
- Goodwill	-	-	-	-
- Internal transaction unrealised profit	-	-	-	-
- Others	-	-	-	-
Book value of equity investment in associates	-	-	-	-
Fair value of equity investments in associates with public offer	-	-	-	-
Operating revenue	123,973,902.52	163,048,244.79	119,728,856.27	154,486,465.81
Net profit	40,492,236.10	61,718,771.40	32,688,766.05	51,593,988.05
Net profit of discontinuing operation	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	40,492,236.10	61,718,771.40	32,688,766.05	51,593,988.05
Dividends received from associates in the current year	14,709,944.71	20,895,565.15	12,880,834.36	21,329,976.59

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(3). Main financial information for significant associates (continued)

	Balance at the end of the period/Amount for the current period		Balance at the beginning of the period/Amount for the previous period	
	Hebei Fengning Pumped Storage Company Limited	CNOOC North China Natural Gas Pipeline CO., Ltd	Hebei Fengning Pumped Storage Company Limited	CNOOC North China Natural Gas Pipeline CO., Ltd
Current assets	1,128,190,620.47	373,192,840.95	1,107,277,164.81	234,198,696.90
Non-current assets	9,301,195,847.29	1,854,534,189.94	7,673,265,954.60	1,471,485,918.38
Total assets	10,429,386,467.76	2,227,727,030.89	8,780,543,119.41	1,705,684,615.28
Current liabilities	322,068,708.11	177,673,947.89	134,975,359.77	664,482,901.43
Non-current liabilities	7,870,000,000.00	1,334,718,368.85	6,760,000,000.00	311,000,000.00
Total liabilities	8,192,068,708.11	1,512,392,316.74	6,894,975,359.77	975,482,901.43
Minority interests	1,789,854,207.72	472,120,911.34	1,508,454,207.71	481,933,131.14
Equity attributable to shareholders of the parent company	447,463,551.93	243,213,802.81	377,113,551.93	248,268,582.71
Net asset calculated by proportion of shareholding	447,463,551.93	243,213,802.81	377,113,551.93	248,268,582.71
Adjusting items	-	-	-	-
- Goodwill	-	-	-	-
- Internal transaction unrealised profit	-	-	-	-
- Others	-	-	-	-
Book value of equity investment in associates	-	-	-	-
Fair value of equity investments in associates with public offer	-	-	-	-
Operating revenue	-	17,424,625.66	-	18,083,430.55
Net profit	-	-15,169,874.98	2,755,545.35	-46,209,347.03
Net profit of discontinuing operation	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-15,169,874.98	2,755,545.35	-46,209,347.03
Dividends received from associates in the current year	-	-	-	-

Other explanations

Nil

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in joint ventures or associates (continued)

(4). Summary on financial information for insignificant joint ventures and associates

Unit: Yuan Currency: RMB

	Balance at the end of the period/Amount for the current period	Balance at the beginning of the period/Amount for the previous period
Joint ventures:		
Total of investment book value	-	-
Total amount calculated by the following proportion of shareholding	-	-
- Net profit	-	-
- Other comprehensive income	-	-
- Total comprehensive income	-	-
Associates:		
Total of investment book value	24,693,402.89	13,739,550.55
Total amount calculated by the following proportion of shareholding	-	-
- Net profit	-2,483,114.56	-51,147.71
- Other comprehensive income	-	-
- Total comprehensive income	-2,483,114.56	-51,147.71

Other explanations

Nil

(5). Explanation on the significant restrictions for joint ventures or associates to transfer funds to the Company

Applicable Not applicable

(6). Excess loss generated in joint ventures or associates

Applicable Not applicable

(7). Unrecognized commitments related to investment in joint ventures

Applicable Not applicable

(8). Contingent liabilities related to investment in joint ventures or associates

Applicable Not applicable

4. Significant joint operation

Applicable Not applicable

5. Equity of structuring subject out of the range of the combined financial statements

Information for structuring subject out of the range of the combined financial statements:

Applicable Not applicable

6. Others

Applicable Not applicable

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (including exchange rate risk and interest rate risk). The Group's principal financial instruments comprise monetary funds, equity instrument investments, loans, notes receivable, accounts receivable, accounts receivable financing, other accounts receivable, notes payable, accounts payable, bonds payable, other payables, long-term payables, lease liabilities, etc. In this regard, risks arising from financial instruments and the Group's risk management policies which aim at mitigating these risks are outlined below.

The board of directors is responsible for planning and establishing the Group's risk management framework, developing the Group's risk management policies and related guidelines and overseeing the implementation of risk management measures. The Group has developed risk management policies to identify and analyse the risks faced by the Group. These risk management policies define specific risks which cover many aspects such as market risk, credit risk and liquidity risk management. The Group evaluates the market environment and changes in the Group's operations to determine whether or not to update the risk management policies and systems on a regular basis. The risk management of the Group is carried out by the Audit Committee in accordance with the policy approved by the Board. The Audit Committee adopted the Work closely with other business units to identify, evaluate and evade risks. The Group's internal audit department controls the risk management system and procedures for periodic review, and the audit results are reported to the group's audit committee.

The Group uses appropriate diversification and portfolio to diversify the risk of financial instruments and reduce the risk of focusing on any single industry, specific region or specific counterparty by developing appropriate risk management policies.

1. Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, balances of trade receivables are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not settled in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group.

Since the Group trades with creditworthy and high credit rating banks, the related credit risk of monetary funds and bank acceptance notes receivable is rather low.

The credit risk of other financial assets, which comprise accounts receivable, other receivables, long-term receivables and other equity instrument investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed according to customers, geographic areas and industries. The major customers of the Group are companies with reliable and good reputation; therefore, the Group believes that these customers do not have significant credit risks. As at 31 December 2020 and 31 December 2019, the Group had certain concentrations of credit risk as 52.62% and 50.88%, 81.41% and 81.88% of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. The Group is committed to expanding its customer base by continuously expanding its business network in other cities in China, attracting new customers, and diversifying the customer base, and it is expected to reduce its dependence on existing customers in the future.

Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group, and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative and qualitative criteria have been met:

Quantitative criteria are mainly the situation that the increase in probability of default for remaining lifetime at the reporting date is considered to be significant comparing with the one at initial recognition;

Qualitative criteria are the significant adverse change in the debtor's operation or financial status, the watch-list, etc.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Credit risk (continued)

Definition of credit-impaired financial assets

The standard adopted by the Group to determine whether a credit impairment occurs is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Group assesses whether the credit impairment of a debtor occurred, the following factors are mainly considered:

Significant financial difficulty of the issuer or debtor;

- Debtors are in breach of contract, such as defaulting on interest or becoming overdue on interest or principal payments are overdue;
- The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

2. Liquidity risk

The Group's net current liabilities amounted to approximately RMB4,901,667,837.14 as at 31 December 2020, and its net cash inflows from operating activities and financing activities amounted to approximately RMB3,898,510,463.71 and RMB5,438,451,386.17, respectively. Its net cash outflows used in investing activities were approximately RMB9,814,026,374.24, and its net cash inflow caused by exchange rate changes amounted to RMB6,297,742.52 for the year then ended. The Group recorded an increase in cash and cash equivalents of approximately RMB470,766,781.84 as at 31 December 2020.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due. With regard to its future capital commitments and other financing requirements, the Group had already obtained banking facilities from several PRC banks of the amount up to RMB72,220,693,471.79 and RMB48,717,625,541.76, respectively, as at 31 December 2020 and 2019, of which approximately RMB21,596,234,277.39 and RMB17,828,767,257.12 has been utilised respectively as at 31 December 2020 and 2019.

In addition, the Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligations are not exposed to excessive repayment risk in any one year.

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

Market risk

Interest rate risk

The risk of changes in market interest rates faced by the Group is mainly related to the Group's long-term loans with floating interest rates.

The Group manages interest rate risk primarily through regular review and supervision and maintenance of an appropriate fixed and floating interest rate portfolio. Loans and monetary funds are measured at amortized cost, but not at regular revaluation. The interest income and expenditure of floating interest rate are included in the current profit or loss when incurred.

As at 31 December 2020 and 2019, the loans of RMB26,050,713,231.68 and RMB18,752,420,319.59 of the Group were floating interest rate loans.

If there have been a general increase/decrease in the interest rates of loans with floating interest rates by one percentage point, with all other variables held constant, the net profit would have decreased/increased by approximately RMB260,507,132.32 and RMB187,524,203.20, respectively, for the years of 2020 and 2019, but there would have been no impact on other components of the shareholders' equity of the Group, except for retained profits. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 31 December 2020 and 2019 and the exposure to interest rate risk had been applied to those financial instruments in existence at those dates. The estimated one percentage point's increase or decrease represents management's assessment of a reasonably possible change in interest rates during the year up to the balance sheet date of the following year.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Liquidity risk (continued)

Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on cash balances which are derived from the issue of new H shares in 2014 that are denominated in Hong Kong dollars. The Directors do not anticipate any significant impact resulting from the changes in foreign exchange rates because the majority of the Group's business is transacted in RMB, which is the Group's functional currency. RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

The following table indicates the appropriate change in the Group's profit before tax in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at 31 December 2020 and 2019.

	Increase/(decrease) in foreign exchange rate	31 December 2020	31 December 2019
RMB weakens against the Hong Kong dollar	5%	403,380.56	-1,330,734.06
RMB strengthens against the Hong Kong dollar	-5%	-403,380.56	1,330,734.06

Capital management

The primary objective of the Group's capital management is to ensure the group's ability to continue operations and to maintain healthy capital ratios to support business development and maximize shareholder value.

The Group manages and adjusts its capital structure in accordance with changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, or issue new shares. In 2020 and 2019, there was no change in capital management objectives, policies or procedures.

XI. DISCLOSURE OF FAIR VALUE

1. Ending fair value of assets and liabilities measured at fair value

Unit: Yuan Currency: RMB

Items	Fair value at the end of the period			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Recurring fair value measurement				
(I) Trading financial assets				
1. Financial assets at fair value through profit or loss	-	-	-	-
(1) Investment in debt instruments	-	-	-	-
(2) Investment in equity instruments	-	-	-	-
(3) Derivative financial assets	-	-	-	-
2. Financial assets designated at fair value through profit or loss	-	-	-	-
(1) Investment in debt instruments	-	-	-	-
(2) Investment in equity instruments	-	-	-	-
(II) Other debt investments	-	-	-	-
(III) Investment in other equity instruments	-	-	-	-
(IV) Investment property	-	-	-	-
1. Leased land use rights	-	-	-	-
2. Leased buildings	-	-	-	-
3. Land use rights held for transfer after appreciation	-	-	-	-
(V) Biological assets				
1. Consumable biological assets	-	-	-	-
2. Bearer biological assets	-	-	-	-
(VI) Receivables financing		420,392,697.68		420,392,697.68
(VII) Other investments in equity instruments		218,605,700.00		218,605,700.00
Total assets measured at fair value on a recurring basis		638,998,397.68		638,998,397.68
(VI) Trading financial liabilities	-	-	-	-
1. Financial liabilities at fair value through profit or loss	-	-	-	-
Including: Issued trading bonds	-	-	-	-
Derivative financial liabilities	-	-	-	-
Others	-	-	-	-
2. Financial liabilities designated at fair value through profit or loss	-	-	-	-
(VIII) Long-term loans	-	23,833,328,283.23	-	23,833,328,283.23
(IX) Debentures payable	-	2,091,205,095.12	-	2,091,205,095.12
(X) Long-term payable	-	204,163,944.97	-	204,163,944.97
(XI) Lease liabilities	-	738,279,841.86	-	738,279,841.86
Total liabilities measured at fair value on a recurring basis	-	26,866,977,165.18	-	26,866,977,165.18
II. Non-recurring fair value measurement				
(I) Assets held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value on a non-recurring basis	-	-	-	-

2. Basis for determination of the market value of level 1 fair value measuring items measured on recurring and non-recurring basis

 Applicable Not applicable

XI. DISCLOSURE OF FAIR VALUE (continued)

3. Qualitative and quantitative information of valuation techniques and important parameters used in level 2 fair value measuring items measured on recurring and non-recurring basis

The following is the book value and fair value of various types of financial instruments other than financial instruments with small differences between book value and fair value:

Items of statements	Book value	
	31 December 2020	31 December 2019
Long-term loans	23,837,385,993.66	16,808,168,215.19
Debentures payable	2,085,000,000.00	2,285,000,000.00
Long-term payables	204,163,944.97	112,824,781.79
Lease liabilities	738,279,841.86	1,341,771,847.92
Total	26,864,829,780.49	20,547,764,844.90

Continued:

Items of statements	Fair value	
	31 December 2020	31 December 2019
Long-term loans	23,833,328,283.23	16,795,573,326.90
Debentures payable	2,091,205,095.12	2,355,609,156.11
Long-term payables	204,163,944.97	112,824,781.79
Lease liabilities	738,279,841.86	1,341,771,847.92
Total	26,866,977,165.18	20,605,779,112.72

Management has assessed monetary funds, notes receivable, accounts receivable, accounts receivable financing, other accounts receivable, short-term loan, notes payable, accounts payable, other payables, non-current liabilities due within one year, etc., and considers that their fair values approximate to their carrying amounts due to the short-term maturities of these instruments.

The Group's finance team is led by the finance manager, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The financial manager reports directly to the Chief Accountant. On each balance sheet date, the finance team analyses movements in the fair value of financial instruments and determines the major inputs applicable to the valuation. The valuation must be reviewed and approved by the December Chief Accountant.

The fair value of financial assets and financial liabilities is determined based on the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, other than in a forced or liquidation sale.

For the fair value of investment in unlisted equity instruments, the Group uses a discounted valuation model to estimate the fair value, using assumptions that are not directly supported by observable market prices or interest rates. The Group believes that the fair value and its changes estimated by assessment techniques are reasonable and are also the most appropriate value on the balance sheet date. The difference between the fair value and the book value after assessment is not significant.

The fair value of long-term loans, bonds payable and other long-term payables is determined by the discounted future cash flow method, and the market rate of return of other financial instruments with similar contractual terms, credit risks and remaining maturities is used as the discount rate.

XI. DISCLOSURE OF FAIR VALUE (continued)

4. Qualitative and quantitative information of valuation techniques and important parameters used in sustained and non-sustained level 3 fair value measuring items

Applicable Not applicable

5. Adjustment information and unobservable parameter sensitivity analysis of the book value at the beginning and the end of the period for sustained level 3 fair value measuring items

Applicable Not applicable

6. Conversion reasons and policies to determine the conversion time for the sustained fair value measuring items to which a conversion between hierarchies occurs in the period

Applicable Not applicable

7. Changes in valuation techniques in the period and reasons therefor

Applicable Not applicable

8. Fair value of the financial assets and financial liabilities not measured at fair value

Applicable Not applicable

9. Others

Applicable Not applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the Company's parent company

Unit: RMB'0,000 Currency: RMB

Parent	Registered place	Business nature	Registered capital	Parent's shareholding percentage in this entity (%)	Parent's voting power percentage in this entity (%)
Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司)	Hebei Province	Investment and construction of basic industries, infrastructure and provincial pillar industries such as energy, transportation, water affairs, tourism and commercial properties	1,500,000.00	48.73	48.73

Parent introduction

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

The ultimate controlling party of the Company is Hebei Construction & Investment Group Co., Ltd.

Other explanations:

Nil

2. Information on the Company's subsidiaries

The Company's subsidiaries are detailed in the notes.

For details, please refer to "IX. Interests in Other Entities".

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Information on the Company's joint ventures and associated enterprises

The Company's major joint ventures or associated enterprises are detailed in the notes.

For details, please refer to "IX. Interests in Other Entities".

Information on other joint ventures or associated enterprises, which have made a related party transaction with the Company in the period, or previously with balances being formed, are as follows

Applicable Not applicable

Other explanations

Applicable Not applicable

4. Information on other related parties

Name of other related party	Relationship between the other related party with the Company
HECIC Group Finance Company Limited	Company controlled by the parent company
Hebei Construction & Investment State Financing Energy Services Ltd.	Company controlled by the parent company
Hebei Construction & Investment Rongtan Asset Management Co., Ltd	Company controlled by the parent company
Hong Kong & China Gas (Hebei) Limited	Investors who exercise significant influence over subsidiaries
Maotian (Beijing) Equity Investment Fund Management Co., Ltd.	Company controlled by the parent company
HECIC Mingjia Property Management Service Co., Ltd.	Company controlled by the parent company
Yanshan International Investment Company Limited	Company controlled by the parent company
Yan Zhao Property Insurance Co., Ltd.	Companies in which the Company's non-executive directors serve as directors
Tangshan Haohua Trading Co., Ltd.	Wholly-owned subsidiary of a minority shareholder of a significant subsidiary of the Group

Other explanations:

Nil

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions

(1). Related party transactions on purchase or sale of goods and provision or acceptance of services

Table on purchase of goods/acceptance of services

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the period	Amount for last period
Hebei Suntien Guohua Gas Co., Ltd.	Labour/services rendered	23,577,283.90	32,260,225.78
HECIC Mingjia Property Management Service Co., Ltd.	Labour/services rendered	2,297,646.51	1,976,117.29
Hebei Construction & Investment State Financing Energy Services Ltd.	Labour/services rendered	622,595.50	107,466.24
Yan Zhao Property Insurance Co., Ltd	Labour/services rendered	14,264,464.33	18,941,063.45

Table on sale of goods/provision of services

Applicable Not applicable

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the period	Amount for last period
Hebei Suntien Guohua Gas Co., Ltd	Provision of labour/services	221,844.04	—

Explanations on related party transactions on purchase or sale of goods and provision or acceptance of services

Applicable Not applicable

(2). Related entrusted management/contracting and entrusting management/outsourcing business

Table on the entrusted management/contracting business of the Company:

Applicable Not applicable

Explanations on related entrusting/contracting business

Applicable Not applicable

Table on the entrusting management/outsourcing business of the Company:

Applicable Not applicable

Explanations on related management/outsourcing business

Applicable Not applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(3). Leases with related parties

The Company acts as a lessor:

Unit: Yuan Currency: RMB

Name of lessee	Type of leased assets	Rental income recognised in the period	Rental income recognised in last period
Maotian (Beijing) Equity Investment Fund Management Co., Ltd.	Houses	-	110,948.57
Hebei Construction & Investment Rongtan Asset Management Co., Ltd	Houses	20,982.86	38,905.72

The Company acts as a lessee:

Unit: Yuan Currency: RMB

Name of lessor	Type of leased assets	Rental expenses recognized in the period	Rental expenses recognized in last period
Hebei Construction & Investment Group Co., Ltd.	Housing Lease	5,390,037.30	4,975,161.31
Huihai Financial Leasing Co., Ltd.	Finance lease	9,384,309.38	13,521,102.13

Explanations on leases with related parties

 Applicable Not applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(4). Related party guarantees

The Company acts as a guarantor

Unit: Yuan Currency: RMB

Name of guaranteed party	Guaranteed amount	Start date	Due date	Whether the guarantee has been fulfilled
Hebei Suntien Guohua Gas Co., Ltd. (Note 1)	98,000,000.00	2 February 2018	1 February 2025	No
Hebei Suntien Guohua Gas Co., Ltd. (Note 9)	30,000,000.00	27 June 2014	26 June 2021	Yes

The Company acts as the guaranteed party

Unit: Yuan Currency: RMB

Name of guarantor	Guaranteed amount	Start date	Due date	Whether the guarantee has been fulfilled
Hebei Construction & Investment Group Co., Ltd. (Note 2)	1,000,000,000.00	18 November 2011	17 November 2020	Yes
Hebei Construction & Investment Group Co., Ltd. (Note 3)	910,000,000.00	5 March 2019	Two years after the bond maturity date	No
Hebei Construction & Investment Group Co., Ltd. (Note 4)	590,000,000.00	13 March 2018	Two years after the bond maturity date	No
Hebei Construction & Investment Group Co., Ltd. (Note 5)	300,000,000.00	26 December 2019	26 June 2023	No
HECIC Group Finance Company Limited (Note 6)	30,000,000.00	8 March 2019	7 March 2025	No
HECIC Group Finance Company Limited (Note 7)	5,000,000.00	25 October 2019	Two years after the expiry date of the debt performance period	No
HECIC Group Finance Company Limited (Note 8)	5,000,000.00	11 September 2019	Two years after the expiry date of the debt performance period	No

Explanations on related party guarantees

Note 1: In February 2018, the Company provided a guarantee of RMB100 million for the fixed asset borrowing of Suntien Guohua from SinoPec Finance Co., Ltd., Zhengzhou Branch, for a guarantee period of 2 years from the date of debts clearing or the date of secured rights determination. The borrowing contract will expire on 2 February 2023. As of 31 December 2020 and 31 December 2019, the guarantee deposit was used in the amounts of RMB98 million and RMB100 million, respectively.

Note 2: HECIC provided guarantees for the corporate bonds in the amount of RMB2 billion issued by the Company in November 2011, for a guarantee period of entire term of these bonds plus 2 years from their expiry. Among them, RMB1 billion corporate bonds were on a 6-year term, matured on 17 November 2017, and were repaid in 2017; RMB1 billion corporate bonds were on a 7-year term, matured on 17 November 2018, and were repaid in 2018.

Note 3: HECIC provided guarantees for the renewable green corporate bonds in the amount of RMB910 million issued by the Company in March 2019, for a guarantee period of the entire term of bonds plus 2 years from their expiry. In 2020 and 2019, guarantee cost was RMB1,820,000.00 and RMB1,505,863.00.

Note 4: HECIC provided guarantees for the renewable green corporate bonds in the amount of RMB590 million issued by the Company in March 2018, for a guarantee period of the entire term of bonds plus 2 years from their expiry. In 2020 and 2019, guarantee cost was RMB 1,180,000.00 and RMB1,180,000.00 respectively.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(4). Related party guarantees (continued)

- Note 5: HECIC provided guarantees for the Ping An-HECIC New-energy Asset-backed Special Program ("ABS") in the amount of RMB285 million issued by the Company in December 2019, for a guarantee period from 26 December 2019 to 26 June 2023. In 2020, guarantee cost: RMB 900,000.00.
- Note 6: HECIC Finance (建投財務公司) provided guarantees for the long-term borrowing contract signed in March 2019 in the amount of RMB 30,000,000.00 between the Group and the China Construction Bank Chengde Housing & Construction Sub-branch (中國建設銀行股份有限公司承德住房城建支行), for a guarantee period of the entire term of borrowing contract plus 3 years from its expiry. In 2020 and 2019, the guarantee cost was RMB150,000.00 and RMB150,000.00, respectively.
- Note 7: HECIC Finance provided guarantees for the short-term borrowing contract signed in October 2019 in the amount of RMB5,000,000.00 between the Group and the China Construction Bank Jinzhou Sub-branch (中國建設銀行股份有限公司晉州支行), for a guarantee period of the entire term of borrowing contract plus 2 years from its expiry. In 2020 and 2019, the guarantee cost was RMB25,000.00 and RMB25,000.00, respectively.
- Note 8: HECIC Finance provided guarantees for the short-term borrowing contract in the amount of RMB5,000,000.00 signed in September 2019 between the Group and the China Construction Bank Xinji Sub-branch (中國建設銀行股份有限公司辛集支行), for a guarantee period of the entire term of contract plus 2 years from its expiry. In 2020 and 2019, the guarantee cost was RMB25,000.00 and RMB25,000.00 respectively.
- Note 9: In June 2014, the Company provided a maximum guarantee of RMB200 million for a credit line applied by Suntien Guohua to Handan Branch of China Minsheng Banking Corp., Ltd at nil consideration and the contractual guarantee period is two years from the date of expiry of the debt settlement period or the date of confirmation of the guaranteed debts, and the agreed maturity date of the principal contract debt is 26 June 2019. As of 31 December 2019 and 31 December 2020, the above-mentioned credits remained undrawn.

(5). Capital lending between related parties

Unit: Yuan Currency: RMB

Related party	Amount of lending/ borrowing	Start date	Due date	Description
Borrowing HECIC Group Finance Company Limited	2,488,280,000.00	2020/01/01	2020/12/31	2020

(6). Asset transfer and debt restructuring of related parties

 Applicable Not applicable

(7). Emolument of key management

Unit: yuan Currency: RMB

Items	Amount for the period	Amount for last period
Fees etc.	310,406.25	374,487.88
– Salaries, allowances and benefits in kind	7,884,806.37	4,821,983.76
– Performance-related bonuses	6,521,197.29	2,622,012.46
Contribution to pension plans	256,749.02	1,506,608.54
Emolument of key management	14,973,158.93	9,325,092.64

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(7). Emolument of key management (continued)

During the year, the names of directors and supervisors and their remuneration details are as follows:

Unit: Yuan Currency: RMB

2020		Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Contribution to pension plans	Total salary
Executive director	Mr. Wang Hong Jun	-	1,039,769.26	754,547.27	37,721.42	1,832,037.95
Executive director	Mr. Mei Chun Xiao (President)	-	1,038,516.67	769,294.52	17,035.48	1,824,846.67
Non-executive director	Dr. Cao Xin (Chairman)	-	-	-	-	-
Non-executive director	Mr. Wu Hui Jiang	-	-	-	-	-
Non-executive director	Mr. Li Lian Ping	-	-	-	-	-
Non-executive director	Mr. Qin Gang	-	-	-	-	-
Independent non-executive director	Mr. Xie Wei Xian	88,687.50	-	-	-	88,687.50
Independent non-executive director	Mr. Wan Yim Keung, Daniel	88,687.50	-	-	-	88,687.50
Independent non-executive director	Dr. Lin Tao	88,687.50	-	-	-	88,687.50
Independent non-executive director	Mr. Guo Ying Jun	-	-	-	-	-
Supervisor	Mr. Wang Chun Dong	-	-	-	-	-
Supervisor	Mr. Qiao Guo Jie	-	884,464.92	678,289.63	37,721.42	1,600,475.97
Supervisor	Ms. Gao Jun	-	-	-	-	-
Independent supervisor	Mr. Zhang Dong Sheng	10,520.50	-	-	-	10,520.50
Independent supervisor	Dr. Shao Jing Chun	33,823.25	-	-	-	33,823.25
	Total	310,406.25	2,962,750.85	2,202,131.42	92,478.32	5,567,766.84

An analysis of the number of the Group's five highest paid employees during the year is as follows:

	Number of individuals for the period	Number of individuals for the last period
Directors and supervisors	1	2
Non-director and non-supervisor employees	4	3
Total	5	5

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on related party transactions (continued)

(7). Remuneration of key management personnel (continued)

Details of the remuneration of the above non-director and non-supervisor highest paid employees are as follows:

Unit: Yuan Currency: RMB

	Amount for the period	Amount for last period
Salary	3,605,047.71	1,587,096.73
Performance related incentive payments	1,419,188.81	891,771.23
Pension	109,513.80	487,587.07
Total	5,133,750.32	2,966,455.03

The number of non-director and non-supervisor highest paid employees whose salary falls within the following ranges is as follows:

	Amount for the period	Amount for last period
Nil to HKD 1,000,000		
HKD 1,000,001 to HKD 1,500,000	4	3
Total	4	3

(8). Other related party transactions

Items	Amount for the period	Amount for last period
Guarantee fee of Hebei Construction & Investment Group Co., Ltd.	3,900,000.00	2,685,863.00
Guarantee fee of HECIC Investment Group Finance Co., Ltd.	150,000.00	200,000.00
Total	4,050,000.00	2,885,863.00

As at 31 December 2020 and 31 December 2019, HECIC Finance granted to the Group effective credit facilities of RMB 5,952 million and RMB4,132 million, respectively. The Group used RMB2,554 million and RMB1,873 million, respectively, and the remaining facilities were RMB3,398 million and RMB2,259 million, respectively.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)
 6. Accounts receivable from and accounts payable to related parties
 (1). Accounts receivable

Unit: Yuan Currency: RMB

Items	Related party	Closing balance		Opening balance	
		Book value	Book balance	Book book balance	Book value
Prepayments	Hebei Construction & Investment Group Co., Ltd.	302,118.80	-	310,337.96	-
Prepayments	HECIC Mingjia Property Management Service Co., Ltd	-	-	45,727.28	-
Prepayments	Yan Zhao Property Insurance Co., Ltd.*	21,510.97	-	48,524.60	-
Dividend receivable	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.	26,228,059.29	-	27,737,133.18	-
Dividend receivable	Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd.	17,930,153.30	-	17,310,858.80	-
Dividend receivable	Huihai Financial Leasing Co., Ltd.	-	-	154,566.07	-
Other receivables	Hebei Construction & Investment Group Co., Ltd.	874,500.35	611,480.25	874,500.35	536,331.65
Other receivables	Huihai Financial Leasing Co., Ltd.	1,800,000.00	180,000.00	-	-
Other receivables	Hebei Fengning Pumped Storage Co., Ltd.	1,518,165.50	75,908.28	-	-
Other receivables	Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd.	10,755.77	537.79	13,057.46	652.87
Other non-current assets	Hebei Construction & Investment State Financing Energy Services Ltd.	-	-	14,232,800.00	-

(2). Accounts payable

Unit: Yuan Currency: RMB

Items	Related party	Closing carrying balance	Opening carrying balance
Accounts payable	Hebei Suntien Guohua Gas Co., Ltd.	6,148,114.00	5,621,814.00
Accounts payable	Yan Zhao Property Insurance Co., Ltd.*	702,329.91	702,329.91
Contract liabilities	Tangshan Haohua Trading Co., Ltd.	389,380,530.96	-
Contract liabilities	Hebei Suntien Guohua Gas Co., Ltd.	20,124.12	190,608.10
Contract liabilities	Hebei Construction & Investment Rongtan Asset Management Co., Ltd	-	5,245.71
Other payables	Hebei Construction & Investment State Financing Energy Services Ltd.	8,109.00	8,109.00
Other payables	Hebei Construction & Investment Rongtan Asset Management Co., Ltd	597,302.14	-
Other payables	Chengdedayuan New Energy Co., Ltd.	151,631.36	-
Interest payable	Huihai Financial Leasing Co., Ltd.	2,728,241.01	1,022,078.96
Interest payable	HECIC Group Finance Company Limited	1,459,697.68	2,021,112.03
Dividend payable	Hebei Construction & Investment Group Co., Ltd.	7,076,514.28	3,823,142.05
Long-term payable	Huihai Financial Leasing Co., Ltd.	147,000,000.00	41,138,818.47
Long-term payable due within one year	Huihai Financial Leasing Co., Ltd.	84,774,144.00	8,861,181.53
Lease liabilities	Huihai Financial Leasing Co., Ltd.	634,861,285.67	1,180,211,942.97
Lease liabilities	Hebei Construction & Investment Group Co., Ltd.	-	3,288,734.62
Lease liabilities due within one year	Huihai Financial Leasing Co., Ltd.	60,000,190.54	74,211,685.31
Lease liabilities due within one year	Hebei Construction & Investment Group Co., Ltd.	4,609,362.03	3,544,221.40

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

7. Commitments of related parties

Applicable Not applicable

8. Others

Applicable Not applicable

XIII. SHARE-BASED PAYMENT

1. General information of share-based payment

Applicable Not applicable

2. Equity-settled share-based payment

Applicable Not applicable

3. Cash-settled share-based payment

Applicable Not applicable

4. Modifications and termination of share-based payment

Applicable Not applicable

5. Others

Applicable Not applicable

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Significant external commitments, nature, and amount as at the balance sheet date:

Contracted, but not provided for:	2020/12/31	2019/12/31
Capital commitment	11,342,757,439.72	12,035,932,278.15
Investment commitment	847,397,231.40	966,454,431.40
Total	12,190,154,671.12	13,002,386,709.55

2. Contingencies

(1). Significant contingencies as at the balance sheet date

Items	2020/12/31	2019/12/31
Contingent liabilities arising from providing external guarantees	98,000,000.00	100,000,000.00
Contingent liabilities arising from pending arbitration	39,231,222.56	42,501,995.96
Total	137,231,222.56	142,501,995.96

(2). Please explain if no significant contingencies is required to be disclosed by the Company.

Applicable Not applicable

XIV. COMMITMENTS AND CONTINGENCIES (continued)

3. Others

Applicable Not applicable

XV. POST-BALANCE SHEET DATE EVENT

1. Significant non-adjustment events

Applicable Not applicable

2. Profit distribution

Applicable Not applicable

3. Sales return

Applicable Not applicable

4. Explanation on other Post-Balance Sheet Date Event

Applicable Not applicable

XVI. OTHER SIGNIFICANT EVENTS

1. Correction of previous accounting errors

(1). Retrospective restatement

Applicable Not applicable

(2). Prospective application method

Applicable Not applicable

2. Debt restructuring

Applicable Not applicable

3. Asset replacement

(1). Exchange of non-monetary assets

Applicable Not applicable

(2). Other asset replacement

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Termination of business

Applicable Not applicable

XVI. OTHER SIGNIFICANT EVENTS (continued)

6. Segment information

(1). Determination criteria and accounting policies of the reporting segments

For the purpose of management, the Group divided 3 business divisions by product and service:

- (1) Natural Gas Division, mainly to sell natural gas and gas appliances, construct and connect natural gas pipelines;
- (2) Wind/Solar Power Division, mainly to develop, manage and operate wind farm, solar power plants and sell electricity to external grids;
- (3) Other Division, mainly to manage corporate affairs, property leasing business etc.

For the purposes of resource allocation and performance assessment, management separately administers the business divisions, and evaluates the divisional results based on the reported after-tax profits of business divisions.

Internal transfer prices shall be determined by reference to the prices of sales or services to third parties.

(2). Financial information of the reporting segments

Unit: Yuan Currency: RMB

Items	Natural gas	wind and photovoltaic generation	Others	Intersegment elimination	Total
Operating revenue	8,042,668,716.96	4,463,439,586.01	4,777,009.92	-	12,510,885,312.89
operating costs	7,365,137,863.91	1,734,401,549.74	1,105,168.44	-	9,100,644,582.09
Total assets	11,807,485,241.55	44,025,019,525.11	1,425,209,781.75	-	57,257,714,548.41
Total liabilities	7,857,244,980.17	27,613,122,906.19	5,091,857,564.64	-	40,562,225,451.00

(3). Please explain if the Company has no reporting segments or is unable to disclose the total assets and total liabilities of each reporting segment

Applicable Not applicable

(4). Other explanations

Applicable Not applicable

7. Other significant transactions and events affecting investors' decision-making

Applicable Not applicable

8. Others

Applicable Not applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

(1). Disclosure by aging

Applicable Not applicable

(2). Classified disclosure by the method of provision for bad debts

Applicable Not applicable

Bad debt provision on individual basis :

Applicable Not applicable

Bad debt provision on group basis :

Applicable Not applicable

If the bad debt provision is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

Applicable Not applicable

(3). Conditions on bad debts provision

Applicable Not applicable

Of which, significant amounts of provision for bad debt recovered or reversed for the period:

Applicable Not applicable

(4). Accounts receivable actually written off during the period

Applicable Not applicable

Important accounts receivable written off:

Applicable Not applicable

(5). Accounts receivable with the top five closing balances collected as per the borrowers

Applicable Not applicable

(6). Accounts receivable that were derecognized due to the transfer of financial assets

Applicable Not applicable

(7). Amount of assets or liabilities for which accounts receivable are transferred but involvement continues

Applicable Not applicable

Other explanations:

Applicable Not applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables

Item presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable	21,860,932.05	14,588,466.02
Dividend receivable	138,491,656.50	22,710,709.31
Other receivables	678,722,338.73	928,047,348.64
Total	839,074,927.28	965,346,523.97

Other explanations:

 Applicable Not applicable

Interest receivable

(1). Classification of interest receivable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Time deposits	-	-
Entrusted Loan	-	-
Bond investment	-	-
Long-term internal borrowing interest	4,154,767.36	3,703,866.72
Short-term interest	17,706,164.69	10,884,599.30
Total	21,860,932.05	14,588,466.02

(2). Significant overdue interest

 Applicable Not applicable

(3). Bad debt provision

 Applicable Not applicable

Other explanations:

 Applicable Not applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Dividends receivable

(1). Dividends receivable

Unit: Yuan Currency: RMB

Projects (or Invested unit)	Closing balance	Opening balance
Suntien Green Energy (Fengning) Co., Ltd.	18,068,137.22	18,068,137.22
Suntien Green Energy Xuyi Co., Ltd.	14,903,290.11	-
Jianshui Suntien Wind Energy Co., Ltd.	99,018,149.24	-
Chaoyang Suntien New Energy Co., Ltd.	6,502,079.93	-
Shenzhen Suntien Green Energy Investment Co., Ltd.	-	4,642,572.09
Total	138,491,656.50	22,710,709.31

(2). Significant dividends receivable aging over 1 year

Applicable Not applicable

(3). Bad debt provision

Applicable Not applicable

Other explanations:

Applicable Not applicable

Other receivables

(1). Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing carrying balance
Within 1 year	
Including: sub-items within 1 year	
Within 6 months	203,165,163.37
6 months to 1 year	173,599,235.20
Subtotal within 1 year	376,764,398.57
1 to 2 years	39,430,527.29
2 to 3 years	259,334,938.90
Over 3 years	5,003,425.28
Total	680,533,290.04

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

Other receivables (continued)

(2). Classified by the nature

Unit: Yuan Currency: RMB

Nature	Closing carrying balance	Opening carrying balance
Intercompany fund	676,631,240.72	926,993,547.21
Deposits	1,661,519.80	1,661,519.80
Advances	433,844.47	254,954.57
Others	1,806,685.05	-
Total	680,533,290.04	928,910,021.58

(3). Bad debt provision

Unit: Yuan Currency: RMB

Provisions for bad debts	The first stage	The second stage	The third stage	Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses (no credit impairment occurred)	Lifetime expected credit losses (credit impairment occurred)	
Balance at 1 January 2020	11,130,532.55	28,024,056.44	22,622,500.01	61,777,089.00
The balance at 1 January 2020 in the current period	-	-	-	-
- Transfer into the second stage	-2,896,373.54	2,896,373.54	-	-
- Transfer into the third stage	-	-	-	-
- Reversal to the second stage	-	-	-	-
- Reversal to the first stage	-	-	-	-
Provisions during the period	7,301,755.99	2,084,197.49	-	9,385,953.48
Reversal during the period	-1,184,149.29	-2,871,090.30	-5,123,765.03	-9,179,004.62
Transferral during the period	-	-	-	-
Write-off during the period	-	-	-	-
Other changes	-	-	-	-
Balance at 31 December 2020	14,351,765.71	30,133,537.17	17,498,734.98	61,984,037.86

Explanation for the significant changes in the book balance of other receivables for which the loss provisions have changed during the period :

Applicable Not applicable

Basis for the provisions for bad debts in this period and the assessment of whether the credit risk of financial instruments has increased significantly :

Applicable Not applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

(4). Conditions on bad debt provision

Unit: Yuan Currency: RMB

Category	Opening balance	Change for the Period			Closing balance
		Provisions	Recovered or reversed	Write-off or cancellation	
Other payables	61,777,089.00	9,385,953.48	-9,179,004.62	-	61,984,037.86
Total	61,777,089.00	9,385,953.48	-9,179,004.62	-	61,984,037.86

Among them, significant amounts of provisions for bad debts during the period have been reversed or recovered:

Applicable Not applicable

(5). Other receivables actually written off for the period

Applicable Not applicable

(6). Other receivables from the top five debtors by closing balance

Unit: Yuan Currency: RMB

Name of entity	Nature of the amount	Closing balance	Age	Percentage in the closing balance of other receivables (%)	Closing balance of provisions for bad debts
HECIC New-energy Co., Ltd.	Intercompany	209,004,275.00	1 year to 2 years	30.71	-
Tailai Suntien Green Energy Co., Ltd	Intercompany	107,000,000.00	6 months to 1 year	15.72	-
Ruoqiang Suntien Green Energy Co., Ltd.	Intercompany	46,855,000.00	6 months to 1 year	6.89	-
Zhangbei Huashi CIC Wind Energy Co., Ltd.	Intercompany	45,000,000.00	1 year to 2 years	6.61	-
HECIC Zhongxing Wind Energy Co., Ltd.	Intercompany	40,000,000.00	1 year to 2 years	5.88	-
Total	/	447,859,275.00	/	65.81	

(7). Accounts receivable related to government subsidy

Applicable Not applicable

(8). Other receivables that were derecognised due to the transfer of financial assets

Applicable Not applicable

(9). Amount of assets and liabilities arising from transfer of and continued involvement in trade receivables

Applicable Not applicable

Other explanations:

Applicable Not applicable

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Carrying balance	Impairment provisions	Book value	Carrying balance	Impairment provisions	Book value
Investments in subsidiaries	10,354,319,490.73	32,416,794.72	10,321,902,696.01	8,917,389,718.44	22,877,390.20	8,894,512,328.24
Investments in associates and joint ventures	546,312,213.91		546,312,213.91	467,431,787.04	-	467,431,787.04
Total	10,900,631,704.64	32,416,794.72	10,868,214,909.92	9,384,821,505.48	22,877,390.20	9,361,944,115.28

(1). Investments in subsidiaries

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Impairment provisions during the period	Closing balance of impairment provisions
HECIC New-energy Co., Ltd.	4,260,262,260.98	500,000,000.00	-	4,760,262,260.98	-	-
Hebei Natural Gas Company Limited	1,147,486,574.46	-	-	1,147,486,574.46	-	-
Suntien Green Energy (Fengning) Co., Ltd.	173,600,000.00	-	-	173,600,000.00	-	-
Jianshui Suntien Wind Energy Co., Ltd.	333,000,000.00	-	-	333,000,000.00	-	-
Heilongjiang Suntien Hadian New Energy Investment Co., Ltd.	149,600,000.00	36,200,000.00	-	185,800,000.00	-	-
Suntien Green Energy Investment (Beijing) Co., Ltd.	60,000,000.00	-	-	60,000,000.00	-	-
Suntien Green Hong Kong	171,376,683.00	4,556,340.00	-	175,933,023.00	-	-
Ruoqiang Suntien Green Energy Co., Ltd.	143,000,000.00	5,100,000.00	-	148,100,000.00	-	-
Xingyang Suntien Wind Energy Co., Ltd.	90,000,000.00	-	-	90,000,000.00	-	-
Wulian County Suntien Wind Energy Co., Ltd.	9,000,000.00	-	-	9,000,000.00	9,000,000.00	9,000,000.00
Junan Suntien Wind Energy Co., Ltd.	103,000,000.00	-	-	103,000,000.00	-	-
Suntien Shenzhen	194,500,000.00	-	-	194,500,000.00	-	-
Suntien Liquefied Natural Gas Shahe Co., Ltd.	35,000,000.00	-	-	35,000,000.00	-	-
Suntien Hebei Solar Energy Development Co., Ltd.	33,060,900.00	-	-	33,060,900.00	-	-
Huludao Liaohe Oil Field Gas Co., Ltd.	35,000,000.00	-	-	35,000,000.00	529,193.27	17,428,624.86
Hebei Fengning CIC New Energy Co., Ltd.	638,000,000.00	199,830,000.00	-	837,830,000.00	-	-
Guangxi Suntien Green Energy Co., Ltd.	84,500,000.00	-	-	84,500,000.00	-	-
Yunnan Pushi Natural Gas Co., Ltd.	23,333,300.00	-	11,955,420.00	11,377,880.00	10,211.25	5,988,169.86
Weihui Suntien Green Energy Co., Ltd.	84,000,000.00	-	-	84,000,000.00	-	-
Tongdao Suntien Green Energy Co., Ltd.	80,000,000.00	22,870,000.00	-	102,870,000.00	-	-
Chaoyang Suntien New Energy Co., Ltd.	32,000,000.00	-	-	32,000,000.00	-	-
HECIC Offshore Wind Power Co., Ltd.	358,380,000.00	133,520,000.00	-	491,900,000.00	-	-
HECIC New-energy (Tangshan) Co., Ltd.	86,000,000.00	-	-	86,000,000.00	-	-
Fuliang Zhongling Suntien Green Energy Co., Ltd.	90,000,000.00	40,000,000.00	-	130,000,000.00	-	-
Suntien Green Energy Xuyi Co., Ltd.	153,440,000.00	-	-	153,440,000.00	-	-
Suntien Hebei Power Sale Co., Ltd.	38,000,000.00	-	-	38,000,000.00	-	-
Fangchenggang Suntien Green Energy Co., Ltd.	55,300,000.00	35,000,000.00	-	90,300,000.00	-	-
Fuping Jixin Suntien Green Energy Co., Ltd.	33,000,000.00	90,000,000.00	-	123,000,000.00	-	-
Caofeidian Suntien Liquefied Natural Gas Co., Ltd.	182,200,000.00	241,131,100.00	-	423,331,100.00	-	-
Suntien Green Energy Lianyungang Co., Ltd.	33,000,000.00	105,000,000.00	-	138,000,000.00	-	-
Ruian Xin Yun New Energy Co., Ltd.	1,750,000.00	-	-	1,750,000.00	-	-
Hebei Gas Co., Ltd.	5,500,000.00	11,000,000.00	-	16,500,000.00	-	-
Suntien Green Energy (Shanglin) Co., Ltd.	1,100,000.00	1,900,000.00	-	3,000,000.00	-	-
Hebei Construction & Financing Photovoltaic Technology Ltd.	-	22,777,752.29	-	22,777,752.29	-	-
Total	8,917,389,718.44	1,448,885,192.29	11,955,420.00	10,354,319,490.73	9,539,404.52	32,416,794.72

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment (continued)

(2). Investments in associates and joint ventures

Unit: Yuan Currency: RMB

Investee	Opening balance	Changes in the period							Closing balance	Closing balance of impairment provision	
		Additional investments	Decrease in investments	Gain or loss of investment recognized using equity approach	Adjustments to other comprehensive income	Changes in other equity	Declaration of payment of cash dividend or profit	Impairment provision			Others
I. Joint ventures											
Hebei Sunten Guohua Gas Co., Ltd.	46,127,676.77	-	-	-6,145,705.10	-	338,744.73	-	-	-	40,320,716.40	-
Chengdeyuan New Energy Co., Ltd.	33,690,558.34	-	-	14,337,387.24	-	-	-	-	-	48,027,945.58	-
Sub-total	79,818,235.11	-	-	8,191,682.14	-	338,744.73	-	-	-	88,348,661.98	-
II. Associates											
Hebei Fengning Pumped Storage Co., Ltd.	377,113,551.93	70,350,000.00	-	-	-	-	-	-	-	447,463,551.93	-
Hebei Jinjinyao Natural Gas Co., Ltd.	10,500,000.00	-	-	-	-	-	-	-	-	10,500,000.00	-
Sub-total	387,613,551.93	70,350,000.00	-	-	-	-	-	-	-	457,963,551.93	-
Total	467,431,787.04	70,350,000.00	-	8,191,682.14	-	338,744.73	-	-	-	546,312,213.91	-

Other explanations:

Nil

4. Operating revenue and operating costs

(1). Operating revenue and operating costs

Unit: Yuan Currency: RMB

Items	Amount for the current during the period		Amount for the current in previous period	
	Income	Cost	Income	Cost
Principal business				
Other business	1,903,318.83	556,559.36	-	-
Total	1,903,318.83	556,559.36	-	-

(2). Incomes generated from contracts

Applicable Not applicable

(3). Explanation for performance of obligations under contracts

Applicable Not applicable

(4). Explanation for allocation to residual performance of obligations under contracts

Applicable Not applicable

Other explanations:

Nil

XVII. EXPLANATORY NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

5. Investment income

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Income from long-term equity investments under the cost method	1,341,419,488.04	864,398,864.05
Income from long-term equity investments under the equity method	8,191,682.14	-6,519,784.24
Investment gain from disposal of long-term equity investments	-	-
The investments gain obtained during the holding period of the entrusted loan investment	-	-
Investment income received during the period of ownership from financial assets held-for-trading	-	-
Dividend income received during the period of ownership from other equity instruments	11,190,212.18	6,288,570.68
Interest income received during the period of ownership from debt investments	-	-
Interest income received during the period of ownership from other debt investments	-	-
Investment gain from disposal of financial assets held-for-trading	-	-
Investment gain from disposal of other equity instruments	-	-
Investment gain from disposal of debt investments	-	-
Investment gain from disposal of other debt investments	-	-
Total	1,360,801,382.36	864,167,650.49

Other explanations:

Nil

6. Others

 Applicable Not applicable

XVIII SUPPLEMENTARY INFORMATION

1. Non-recurring profit and loss statement of the period

Unit: Yuan Currency: RMB

Items	Amount	Description
Profit or loss from disposal of non-current assets	-362,282.14	
Tax refunds or relief of tax subject to ultra vires or without official approval	-	
Government subsidies recognized in profit or loss of the period (except for government subsidies which are closely related to the Company's operations, and granted in a fixed amount or quantity in conformity with the common standards of the State)	7,087,202.36	
Fund possession cost levied on non-financial enterprises and included in the current profit or loss	-	
Income arising from the fair value of net identifiable assets of the investee that the enterprise should enjoy when the cost of investment it acquired from the subsidiary, affiliated enterprise and joint venture was less than the investment it obtained	-	
Profit or loss from exchange of non-monetary assets exchange	-	
Profit or loss on the assets by entrusting others to invest or manage	-	
Provisions for asset impairment accrued due to force majeure (e.g. natural disasters)	-	
Profit or loss from debt restructuring	-	
Enterprise restructuring charges, such as the staffing expenditure and integrating expenses	-	
Profit or loss of the part exceeding the fair value arising from the transaction with the bargain price losing fair	-	
Net profit or loss of subsidiaries under common control from period – begin till combination date	397,456.14	
Profits and losses from contingencies unrelated to normal operations	-	
In addition to the effective hedging business related to the normal business of the Company, profit and loss from changes in fair value arising from financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment gains from disposal of transactional financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debts	-	
Reversal of depreciation reserves of receivables and contractual assets under independent impairment testing	82,232,221.12	
Profit or loss from externally entrusted loans	274,873.47	
Profit or loss arising from changes in the fair value of investment property by using the fair value model for subsequent measurement	-	
Influence on current profit or loss for one-time adjustment of the current profit and loss as required by the relevant taxation or accounting laws and regulations	-	
Trustee fee income achieved from the entrusted operation	-	
Non-operating revenue and expense other than the above-mentioned	10,068,452.28	
Other profit/loss items conforming to definition of the non-recurring profit and loss	-62,600.00	
Affected amount of income tax	-24,070,022.81	
Affected amount of minority interest	-31,937,780.84	
Total	43,627,519.58	

XVIII SUPPLEMENTARY INFORMATION (continued)

1. Non-recurring profit and loss statement of the period (continued)

Explain why the Company defined the non-recurring profits and losses defined by the Company under the definition of "Explanatory Announcement No.1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Profits and Losses", and the non-recurring profits and losses listed in the "Explanatory Announcement No.1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Profits and Losses" to be recurring profits and losses:

Unit: Yuan Currency: RMB

Item	Amount involved	Reasons
VAT refund	69,529,438.26	

2. Net return rate of assets and earnings per share

Profit generated during the reporting period	Weighted average net return rate of assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	11.46	0.38	0.38
Net profit attributable to ordinary shareholders of the Company, net of non-recurring profit or loss	11.11	0.37	0.37

3. Differences in accounting data under domestic and foreign accounting standards

Applicable Not applicable

4. Others

Applicable Not applicable

DOCUMENTS AVAILABLE FOR INSPECTION

Catalogue of Reference Files

Financial statements signed and sealed by the legal representative,
chief accountant, accounting officer (person in charge of accounting);

Catalogue of Reference Files

Originals of all corporate documents and drafts of announcements
published or disclosed on the media designated by the CSRC;

Catalogue of Reference Files

Annual Report 2020 with signature of Chairman.

Chairman: Cao Xin

Approved Date of Submission: 19 March 2021

Revision information

Applicable Not Applicable

