

深圳南山热电股份有限公司
Shenzhen Nanshan Power Co., Ltd.
Annual Report 2021

March 2022

Section I. Important Notice, Contents and Interpretation

Board of Directors, Supervisory Committee, all directors, supervisors and senior officers of Shenzhen Nanshan Power Co., Ltd. (hereinafter, the Company) guarantee that the Annual Report contains no misrepresentations, misleading statements or material omissions, and take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Principal of the Company- Chairman Li Xinwei, person in charge of accounting works- Director and GM Chen Yuhui and person in charge of accounting organ (chief accountants)- deputy GM Shang Ying(act for financial works) guarantee that the Financial Report of the annual report disclosed is truthful, accurate and complete.

All directors are attended the Board Meeting for annual report deliberation.

The Company plans to pay no cash dividends, send no bonus shares and not to increase share capital by converting from public reserves this year.

Concerning the forward-looking statements with future planning involved in the Annual Report, they do not constitute a substantial commitment for investors. Investors are advised to exercise caution of investment risks.

The Report has been prepared in both Chinese and English, for any discrepancies, the Chinese version shall prevail. Investors are advised to read the full text of the Report carefully.

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Document Catalog for Review

- I. Original Annual Report of 2021 carrying the signature of the legal representative of the Company
- II. Financial statements with signature and seal of Person in charge of the Company, person in charge of accounting works and person in charge of accounting organ(accountant in charge);
- III. Original audit report seal with accounting firms and signature and seal from CPA;
- IV. Text of notice and original draft that public on *China Securities Journal*, *Securities Times* and *Hong Kong Commercial Daily* during the reporting period.
- V. The place where the document placed: Shenzhen Stock Exchange, Office of Board of Directors of the Company.

Interpretation

Items	Refers to	Contents
Company, the Company, Shen Nan Dian, The listed company	Refers to	Shenzhen Nanshan Power Co., Ltd.
CSRC	Refers to	China Securities Regulatory Commission
SASAC of Shenzhen Municipal	Refers to	State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal
Shenzhen Capital	Refers to	Shenzhen Capital Holdings Co., Ltd.
SZ Energy Group	Refers to	Shenzhen Energy Group Co., Ltd.
Liaoyuan Environmental Protection Liaoyuan Environmental Protection	Refers to	Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.
Zhuozhi Fund	Refers to	Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)
Shen Nan Dian Zhongshan Company	Refers to	Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Shen Nan Dian Engineering Company	Refers to	Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.
Shen Nan Dian Environment Protection Company	Refers to	Shenzhen Shen Nan Dian Environment Protection Co., Ltd.
Server Company	Refers to	Shenzhen Server Petrochemical Supplying Co., Ltd
New Power Company	Refers to	Shenzhen New Power Industrial Co., Ltd.
Singapore Company	Refers to	Shen Nan Energy (Singapore) Co., Ltd.
Nanshan Power Factory	Refers to	Nanshan Power Factory of Shenzhen Nanshan Power Co., Ltd.
Zhongshan Nanlang Power Plant	Refers to	Zhongshan Nanlang Power Plant of Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Audit institution, LIXINZHONGLIAN, accounting organ	Refers to	LIXINZHONGLIAN CPAS (SPECIAL GENERAL PARTNERSHIP)
<i>Company Law</i>	Refers to	<i>Company Law of the People's Republic of China</i>
<i>Securities Law</i>	Refers to	<i>Securities Law of the People's Republic of China</i>
<i>Rules Governing the Listing of Stocks</i>	Refers to	<i>Rules Governing the Listing of Stocks on Shenzhen Stock Exchange</i>
<i>Articles of Association</i>	Refers to	<i>Article of Association of Shenzhen Nanshan Power Co., Ltd.</i>
Yuan, ten thousand Yuan, one hundred million	Refers to	Except the special description of the monetary unit, the rest of the monetary unit is RMB Yuan, ten thousand Yuan, one hundred million Yuan

Reporting period	Refers to	1 January 2021 to 31 December 2021
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Section II. Company Profile and Main Financial Indexes

I. Company information

Short form of the stock	Shen Nan Dian A , Shen Nan Dian B	Stock code	000037, 200037
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	深圳南山热电股份有限公司		
Short form of the Company (in Chinese)	深南电		
Foreign name of the Company (if any)	Shenzhen Nanshan Power Co., Ltd.		
Legal representative	LI XINWEI		
Registrations add.	No.2097 Yueliangwan Avenue, Nanshan District, Shenzhen, Guangdong Province		
Code for registrations add	518054		
Historical changes of registered address	N/A		
Offices add.	16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province		
Codes for office add.	518053		
Company's Internet Web Site	http://www.nsr.com.cn		
E-mail	public@nspower.com.cn; investor@nspower.com.cn		

II. Person/Way to contact

	Secretary to the BOD	Rep. of security affairs
Name	Zou Yi	
Contact add.	16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province	
Tel.	0755-26003611	
Fax.	0755-26003684	
E-mail	investor@nspower.com.cn	

III. Information disclosure and preparation place

Website of the Stock Exchange where the annual	Shenzhen Stock Exchange- http://www.szse.cn/
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report of the Company disclosed	
Media and Website where the annual report of the Company disclosed	China Securities Journal - https://www.cs.com.cn/ , Securities Times - http://www.stcn.com/ , Hong Kong Commercial Daily - http://hkcd.com/ , Juchao Website: http://www.cninfo.com.cn/
Preparation place for annual report	Secretariat of the Board of Directors, 17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province

IV. Registration changes of the Company

Organization code	91440300618815121H
Changes of main business since listing (if applicable)	N/A
Previous changes of controlling shareholders (if applicable)	No controlling shareholder

V. Other relevant information

CPA engaged by the Company

Name of CPA	LIXINZHONGLIAN CPAS (SPECIAL GENERAL PARTNERSHIP)
Offices add. for CPA	1-1-2205-11, North Zone, Financial and Trade Center, No. 6865, Asia Road, Pilot Free Trade Zones (Dong-jiang Free Trade Port Zone), Tianjin
Signing Accountants	Cao Wei, Liu Xinfu,

Sponsor engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

Financial consultant engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

VI. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	2021	2020	Changes in the current year over the previous year (+,-)	2019
Operating revenue (RMB)	757,175,743.41	985,253,831.58	-23.15%	1,222,577,954.53
Net profit attributable to shareholders of the listed Company (RMB)	-439,448,712.13	64,024,291.32	-786.38%	24,900,956.73
Net profit attributable to shareholders of the listed Company	-514,142,213.75	7,601,038.59	-6,864.10%	14,685,745.16

after deducting non-recurring gains and losses (RMB)				
Net cash flow arising from operating activities (RMB)	-39,258,302.07	260,725,409.02	-115.06%	202,943,908.61
Basic earnings per share (RMB/Share)	-0.7291	0.1062	-786.53%	0.0413
Diluted earnings per share (RMB/Share)	-0.7291	0.1062	-786.53%	0.0413
Weighted average ROE	-23.95%	3.15%	-27.10%	1.25%
	Year-end of 2021	Year-end of 2020	Changes at end of the current year compared with the end of previous year (+,-)	Year-end of 2019
Total assets (RMB)	2,790,002,824.41	3,020,830,930.06	-7.64%	3,219,261,720.55
Net assets attributable to shareholder of listed Company (RMB)	1,615,293,135.51	2,054,741,847.64	-21.39%	2,002,772,808.24

The lower one of net profit before and after deducting the non-recurring gains/losses in the last three fiscal years is negative, and the audit report of last year shows that the ability to continue operating is uncertain

Yes No

The lower one of net profit before and after deducting the non-recurring gains/losses is negative

Yes No

Item	2021	2020	Note
Operating revenue (RMB)	757,175,743.41	985,253,831.58	Mainly the revenue from power generation
Amount deducted from operating revenue (RMB)	1,218,981.05	2,769,454.42	Mainly the revenue from housing rental
Operating revenue after deduction (RMB)	755,956,762.36	982,484,377.16	Other operating revenue after deduction of the housing rental revenue

VII. Difference of the accounting data under accounting rules in and out of China

1. Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either IAS (International Accounting Standards) or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

2. Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

VIII. Quarterly main financial index

In RMB/CNY

	Q 1	Q 2	Q 3	Q 4
Operating revenue	86,380,557.37	290,221,836.01	212,550,225.68	168,023,124.35
Net profit attributable to shareholders of the listed Company	-13,078,849.22	14,535,118.90	-45,521,851.73	-395,383,130.08
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses	-15,774,423.49	-3,743,192.02	-64,881,113.62	-429,743,484.62
Net cash flow arising from operating activities	-38,883,595.50	107,804,308.49	20,211,042.05	-128,390,057.11

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the Company's quarterly report and semi-annual report

Yes No

IX. Items and amounts of non-recurring (extraordinary) profit (gains)/loss

Applicable Not applicable

In RMB/CNY

Item	2021	2020	2019	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	974,699.74	-1,144,118.91	-527,109.02	
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, the government subsidy that accord with the provision of national policies and are continuously enjoyed in line with a certain standard quota or quantity are excluded)	23,396,336.60	13,833,445.53	6,402,848.81	Amortization of government subsidy related to assets and receipt of the subsidies for gas-generation costs
Gains/losses on debt restructuring		7,593,783.90		

Gains/losses arising from contingency that without relation with the normal operation business of the Company	5,000,000.00	6,584,816.78		Reversal of the accrual liabilities
Gains/losses of fair value changes arising from holding of the trading financial asset, trading financial liability and investment earnings obtained from disposing the trading financial asset, trading financial liability, and financial assets available for sale, except for the effective hedging business related to normal operation of the Company	47,887,839.11			The wealth management income
Switch back of the impairment for receivables that has impairment test independently			12,000.00	
Other non-operating income and expenditure except for the aforementioned items	13,652.99	-118,229.62	5,578,877.22	
Other gains/losses items that meets the definition of non-recurring gains/losses		33,534,881.55		
Less: impact on income tax		152,683.61	195,823.19	
Impact on minority shareholders' equity (post-tax)	2,579,026.82	3,708,642.89	1,055,582.25	
Total	74,693,501.62	56,423,252.73	10,215,211.57	--

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

Applicable Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

Explain the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A*

Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss

Applicable Not applicable

There are no items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A*

Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss

Section III Management Discussion and Analysis

I. Industry of the Company during the reporting period

The Company shall comply with the relevant disclosure requirement for electricity-related industries of *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No.3 - Disclosure of Industry Information*

In 2021, the economic situation of the whole country and Guangdong continued to improve, and the demand for electricity further increased. According to the data of Guangdong Power Exchange Center, by the end of 2021, the installed capacity of unified dispatching of power grids in Guangdong was 159 million kW, with a year-on-year growth of 12.6%, among them, the installed capacity of provincial-level dispatching was 127 million kW, and that of prefecture-level dispatching was 32 million kW. The installed capacity of gas generator set was 30.546 million kW, increased by 14.0% on a year-on-year basis, and the installed capacity accounted for 19.3%. In 2021, the total electricity consumption of Guangdong province throughout the year was 786.663 billion kWh, with a year-on-year growth of 13.6%. The maximum load of unified dispatching of the whole province was 135.13 million kW, a year-on-year increase of 6.5%. The total electricity consumption in Shenzhen reached 110.34 billion kWh, breaking through the 100 billion mark for the first time, with a year-on-year increase of 12.2%. In 2021, the cumulative transaction of electricity in Guangdong power market was 295.17 billion kWh, with a year-on-year increase of 18%, cumulatively saving electricity costs for users by 10.05 billion yuan, saving coal consumption for power generation by 2.584 million tons, reducing carbon dioxide emission by 6.872 million tons, reducing sulfur dioxide emission by 5 tons, and reducing social power generation cost by 2.07 billion yuan. In 2021, 215.03 billion kilowatt-hours of electricity were negotiated in bilateral transactions, with a year-on-year increase of 1.9%, and with an average price difference of -53.6 li/kWh. In 2021, monthly transactions totaled 63.81 billion kWh, an increase of 85.2% on a year-on-year basis, and with an average price difference of -21.5 li/kWh. Among them, the turnover of coal-fired generating units was 49.43 billion kWh, with an average price difference of -21.5 li/kWh; the the turnover of gas generating units was 14.38 billion kWh, with an average price difference of -21.9 li/kWh. From January to December in 2021, monthly power generation contract transfer transactions totaled 14.88 billion kWh of electricity, with an average transaction price of 405.4 li/kWh. Among them, the turnover of coal-fired generating units was 11.5 billion kWh, with an average transaction price of 378.3 li/kWh; the the turnover of gas generating units was 3.38 billion kWh, with an average transaction price of 501.0 li/kWh.

In the meantime, with the deepening reform of Guangdong's electricity market, the electricity spot market in Southern China (starting from Guangdong) carried out the trial operation of settlement in May and November to December in 2021, steadily promoting the transition from "monthly" to "uninterrupted" longer billing cycle, and establishing a temporary mechanism for directing market price to end users. Since November, the spot market has achieved major breakthroughs of "running while improving".

In 2021, although the demand for electricity increased significantly, the price of natural gas rose all the way and remained high in the same period, the on-grid price seriously dropped away from the fuel price, resulting in serious loss of power generation to gas power generation enterprises. Therefore, Guangdong Province and Shenzhen Municipal government, on the one hand, required all power generation enterprises to do their best to ensure electric power supply, and on the other hand, issued a series of policies and measures to encourage the majority of power generation enterprises to implement electric power supply guarantee, including an increase of 0.1 yuan/kWh in electricity charges for gas-fired power generation enterprises during peak periods in August and September, since October 1, the on-grid electricity price of 9E gas turbine power plants in Guangdong province has increased by 0.05 yuan/kWh, and the Shenzhen municipal government issued a fiscal subsidy of 0.1 yuan/kWh for the electricity generated by Shenzhen local gas

turbine power plants in August and September, which alleviated the operating dilemma faced by 9E gas turbine power plants to a certain extent, but has little impact on reversing the serious loss of power generation.

II. Main business of the Company during the reporting period

The Company shall comply with the relevant disclosure requirement for electricity-related industries of *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No.3 - Disclosure of Industry Information*

The Company is specialized in power and thermal supply, as well as providing technical consulting and technical services for power stations. At the end of reporting period, the Company holds two wholly-owned and holding gas turbine plants, which equipped with five sets of 9E gas steam combined cycle power generating units, with total installed capacity up to 900,000 KW (Nanshan Power Factory: 3×180000KW, Zhongshan Nanlang Power Plant: 2×180000KW). The two gas turbine plants are located in the power-load center of the Pearl River Delta, and it is the main peak-regulating power supply in the region which is currently in normal production and operation state.

During the reporting period, the company's main power business was confronted with many difficulties, such as repeated COVID-19 pandemic, continued high fuel prices, and a further increase in the proportion of electricity market transactions. In order to minimize the negative impact of the external environment on the company's operating performance, the company implemented a series of business layout and management changes with innovative thinking and tenacious perseverance, defined the annual business objectives and guidelines, took major targeted measures, constantly strengthened the economic operations management on the basis of continuously intensifying safety production management. Complying with the accelerating trend of electric power market reform in Guangdong province, the company organized two subordinate power plants to actively participate in the electricity market-oriented marketing competition and achieved good results, and made contributions to reduce losses.

During the reporting period, the company paid close attention to the operation and market expanding of relevant stock businesses, and its subordinate Shen Nan Dian Engineering Company continuously expanded the technical consulting and technical service business of domestic and foreign gas turbine power station construction projects. Shen Nan Dian Environment Protection Company used the waste heat of gas turbine power generation to engage in the dry treatment business of wet sludge in sewage treatment plant, realizing the reduction, harmless treatment and comprehensive utilization of resources of municipal sludge in Shenzhen. However, due to various reasons, the output of Environmental Protection Company in the reporting period decreased significantly compared with that of last year.

Main operation data

Item	Current Period	Same Period Last Year
Gross installed capacity (10,000 KW)	90	90
Installed capacity of newly commissioned units (10,000 KW)	0	0
Planned installed capacity of approved projects (10,000 KW)	0	0
Planned installed capacity of projects under construction (10,000 KW)	0	0
Generating capacity (100 million KWH)	11.48	8.87

On-grid electricity or electricity sales (100 million KWH)	11.44	8.74
Average rate of electricity consumption from power station(%)	3.25%	3.43%
Utilization time from power station (Hours)	1,263	986

Electricity sales business

Applicable Not applicable

In 2021, the company's two subordinate power plants completed a total of 1.144 billion kWh of on-grid energy, 608 million kWh of marketing electric quantity in the month of price difference, and 675 million kWh of contract electric quantity in the spot month. The electric quantity of the company's subordinate power plants were as follows: Nanshan Power Factory completed 977 million kWh of on-grid energy, 332 million kWh of marketing electric quantity in the month of price difference, and 395 million kWh of contract electric quantity in spot month; Zhongshan Nanlang Power Plant completed 167 million kWh of on-grid energy, 276 million kWh of marketing electric quantity in the month of price difference, and 280 million kWh of contract electric quantity in spot month.

Reasons for major changes in relevant data

Applicable Not applicable

III. Core Competitiveness Analysis

In recent years, due to the impact of the macroeconomic situation and the common problems of gas turbine generating industry, the Company's main business has been facing increasing difficulties and challenges. However, the basic core competitiveness formed by the operation and development for more than three decades and thanks to the strong support from major shareholders, and the management innovations adopted by BOD and leading group, it has laid a necessary foundation for the Company to survive and seeking transformation and development. During the reporting period the Company continued to increase the investment in R&D, successfully passed the certification as a high-tech enterprise. Core competitiveness of the Company was further consolidated and improved, and there were no other major changes that might affect the future operation of the Company.

1. A mature and completed governance structure & a rigorous and standardized risk-control mechanism. As a listed company with over 20-year baptism in securities market on the main board, the Company has been strictly in accordance with the Company Law, Securities Laws, Rules Governing the Listing of Stocks and relevant requirements of laws and regulations of the CSRC and Shenzhen Stock Exchange, and continuously improved the corporate governance and regulated the operation. The "Three Meetings" operation was normative and efficient, and the internal management was streamlined and orderly. Meanwhile, the Company continuously reinforcing the supervision and auditing role on standard operation and internal control of the listed company played by supervisory committee and auditing authority; effectively prevent and avoid the risks while improving the management and decision-making efficiency.

2. Hard-working and innovative management culture, and pragmatic and efficient operating mechanism. Combining its own actual situation, the Company has broken the barriers of the original traditional business model, and greatly improved the decision-making efficiency and work performance by establishing four major operation and management centers, including a power sales center, a fuel center, a financial center, and an information center, innovating the management model of production coordination and safety

supervision, and effectively integrating business resources; the Company set up a capital (operation) center and set up an accounting sharing center to comprehensively balance the improvement of production, operation and management efficiency; and establish a science & technology innovation committee with purpose of stimulating the enthusiasm of majority of the employees to study technology, improve themselves and innovate continuously, the supervision and management of production technology have achieved a new step. While the Company built an efficient operating mechanism, the leadership team served as role models, combined a series of effective management measures, such as deepening human resources reform and the "military order" assessment mechanism, advocated and built the management culture of unity, hard work, innovation and enterprise throughout the Company, which laid a good management foundation for the Company to deeply explore its internal potential and actively seek external opportunities.

3. A loyal and dedicated management team & professional and progressive technical personnel. With more than 30 years of hard work and the company's influence in the gas turbine power generation industry and the Company's pioneering and innovative spirit and enterprising spirit, the Company has absorbed and trained a group of technical experts and professionals in the gas turbine industry, accumulated rich experience in the construction and operation management of gas turbine power plants. In order to adapt to the market situation of the further propulsion of the electricity trading market-oriented reform in Guangdong Province, the Company formed a team of professionals to study the electricity trading strategy and build a mathematical model of electricity trading. It accumulated rich experience in electricity marketing, which laid a solid foundation for the Company to actively respond to the electricity market reform. Further more, Shen Nan Dian Engineering Company has provided professional services such as technical consulting, commissioning and maintenance for dozens of domestic and international gas turbine power stations. The Company's training center has successively undertaken the technician training business for tens of power plants at home and abroad, and has become a renowned professional training base in the domestic gas turbine industry, and has established a good reputation and professional brand image in the industry. The Company also has a group of management talents with innovative consciousness and fighting spirit, based on the principle of being highly responsible to the Company, they lead all employees to make unremitting efforts for the Company's continuous operation and transformation development.

4. Advanced research ability, important part of strong power grid. The company has a number of independent utility model patents and software copyrights, jointly draws up one national standard, and a number of patents for invention are under review by the China National Intellectual Property Administration. On December 23, 2021, the company was identified as the second batch of high-tech enterprises in 2021 by Shenzhen municipal administrative authority, the company's scientific research innovation work has been unanimously affirmed. At the same time, in order to effectively improve the rapid recovery ability of power system, Nanshan Thermal Power Plant fully responded to the construction planning of black-start power supply point, and completed the power grid black-start power supply point project in the reporting period, which greatly enhanced the core competitiveness of Nanshan Thermal Power Plant in the power grid.

IV. Main business analysis

1. Introduction

2021 was the first year of the 14th Five-Year Plan. At the historic juncture of the two Centenary Goals, faced with the complex and volatile situation of COVID-19 and tight electricity supply and demand, the electricity market construction in Guangdong province has made great progress, the electricity consumption in Guangdong province and Shenzhen continued to increase substantially. The company actively implemented the work plan of the government departments at all levels, improved the political position, conscientiously fulfilled the social responsibility with the greatest efforts, guaranteed that the generating units should be fully operational, ensured safe and reliable power supply for the centennial anniversary of the founding of the Party and made outstanding

contributions for alleviating the severe power shortage in Guangdong province and Shenzhen. The company's subordinate Nanshan Power Factory and Zhongshan Nanlang Power Plant actually completed 1.144 billion kWh of on-grid energy, a 30.89% rise on a year-on-year basis. The annual average utilization time of the generating units of the two power plants was 1263 hours, and the annual average service power consumption rate was 3.25%. During the reporting period, the 2021 bilateral contract signed by Nanshan Power Factory and Zhongshan Nanlang Power Plant amounted to 1.165 billion kWh, and the transferred and settled electricity of the two plants amounted to 490 million kWh. The company carried out the following main work during the reporting period:

1. As a state-owned enterprise, took responsibility and actively fulfilled corporate social responsibilities. The international fuel prices have been fluctuating upward since the beginning of 2021 due to the ongoing COVID-19 pandemic, rising global inflation and changes in oil supply and demand, and the domestic fuel prices for power generation, such as coal and natural gas, have also risen. The high cost of power generation restricted the thermal power enterprises to generate power, and the domestic electric power supply gap widened, "power shortage" reappeared, and some regions even carried out power rationing for a time. Under such circumstances, although the on-grid price seriously dropped away from the cost of power generation, the company still firmly adhered to its political stance, resolutely implemented the decisions and arrangements for ensuring electric power supply, overcame all difficulties to ensure the safe production and stable supply of power, and actively implemented its corporate social responsibility. During the period of no-break power in 2021, the company's two power plants generated a combined 933 million kWh, an increase of 255 million kWh on a year-on-year basis.

2. Strictly supervised and resolutely ensured the safety and environmental protection standards. The company paid close attention to the implementation of the main responsibility of production safety, promoted the risk ranking management and control and the safety construction of work groups, promoted the continuous improvement of work safety standardization, the three-year action of work safety special rectification, and the safety culture construction. The company continued to maintain the safety target of "Five No" and comprehensively completed the indicators for safety assessment. By December 31, 2021, we achieved 6,453 days of work safety. During the reporting period, the company completed various pollution reduction tasks, and no environmental pollution accidents and safety production accidents occurred.

3. Took the initiative to effectively improve the fund management level. At the same time, the company tried to reduce the loss, revitalized the funds through many measures, and created benefits with funds management. To improve the use efficiency and income level of its own funds, and reduce the financing cost, the company focused on the key points of funds, took benefits as the center and low risk as the premise, strengthened the capital outflow into the two-way management, and used their own cash to the fullest. Under the circumstance that foreign investment in new projects reduced cash, the company still actively developed the wealth management opportunities of market through a variety of products and channels, strived for no idle cash in the account, and achieved gratifying results in adversity.

4. Made overall planning and efficiently completed the black-start technical innovation project. In 2021, the company's Nanshan Power Factory fully responded to the construction planning of black-start power supply point. Starting from "helping relieve the huge frequency modulation pressure faced by power dispatching every day and effectively improving the rapid recovery ability of Shenzhen west power grid", strived for opportunities from China Southern Power Grid, Guangdong Power Grid, Shenzhen Power Grid, and was finally selected as the black-start power supply point of the black-start critical path of the power grid. At present, the project has been identified as "Shenzhen West Guaranteed Power Grid" and "Hong Kong Emergency Guaranteed Power Supply Point" by the government department, has accepted the on-site safety assessment by the South China Energy Regulatory Office of National Energy Administration as an important part of Shenzhen's local strong power grid, which greatly improved the core

competitiveness of Nanshan Power Factory in the power grid, created a good foundation and premise and won favorable time and space for the company's next transformation and development.

5. Increased research and development, and successfully identified as the "National High-tech Enterprise". In order to further enhance the core competitiveness, the company continued to strengthen the research and development, timely started the national high-tech enterprise identification and application work, and was identified as the second batch of high-tech enterprises in 2021 by Shenzhen municipal administrative authority on December 23, 2021, marking a complete success to the company's national high-tech enterprise application work. After being identified as a national high-tech enterprise, the company can enjoy a preferential tax rate of 15%, the government subsidies, additional deduction of R&D expenses, rewards and subsidies for high-level talents, government targeted allocation of housing, and other incentive policies.

6. With transformation development, steadily took new steps in strategic transformation. In terms of transformation development, the company, on the one hand, steadily promoted the landing of Zhuozhi Fund project, signed the equity subscription agreement, capital increase agreement and shareholder agreement with Nanjing Zhongsheng Holdings Co., Ltd., and obtained 5.6% equity of Nanjing Zhongsheng Holdings Co., Ltd.. On the other hand, the company timely started the investigation and survey of Liaoyuan Environmental Protection, combined with various arguments, and considered that the project was in line with the company's future strategic layout, and completed the purchase of part of the shares of Liaoyuan Environmental Protection step by step within the year, receiving a total of 4.0485 million shares of Liaoyuan Environmental Protection, accounting for 9.93% of the total share capital of Liaoyuan Environmental Protection.

In 2021, the Company has achieved a revenue in operation of 757 million Yuan, the net profit attributable to shareholder of listed company amounted as -439.4487 million Yuan and basic EPS was -0.7291 Yuan.

2. Revenue and cost

(1) Constitute of operation revenue

In RMB/CNY

	2021		2020		Increase/decrease y-o-y (+,-)
	Amount	Ratio in operating revenue	Amount	Ratio in operating revenue	
Total operating revenue	757,175,743.41	100%	985,253,831.58	100%	-23.15%
Industry classification					
Energy industry	708,883,313.18	93.62%	878,600,297.92	89.18%	-19.32%
Engineering service	43,685,185.43	5.77%	41,094,571.29	4.17%	6.30%
Sludge drying	3,388,263.75	0.45%	62,789,507.95	6.37%	-94.60%
Other	1,218,981.05	0.16%	2,769,454.42	0.28%	-55.98%
Product classification					

Electricity sales	708,883,313.18	93.62%	878,600,297.92	89.18%	-19.32%
Engineering service	43,685,185.43	5.77%	41,094,571.29	4.17%	6.30%
Sludge drying	3,388,263.75	0.45%	62,789,507.95	6.37%	-94.60%
Other	1,218,981.05	0.16%	2,769,454.42	0.28%	-55.98%
Region classification					
Domestic	757,175,743.41	100.00%	985,253,831.58	100.00%	-23.15%
Sales model					
Direct sales	757,175,743.41	100.00%	985,253,831.58	100.00%	-23.15%

(2) The industries, products, regions or sales model accounting for over 10% of the Company's operating revenue or operating profit

Applicable Not applicable

The Company shall comply with the relevant disclosure requirement for electricity-related industries of *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No.3 - Disclosure of Industry Information*

In RMB/CNY

	Operating revenue	Operating cost	Gross margin	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross margin y-o-y
Product classification						
Electricity sales	708,883,313.18	816,273,176.20	-15.15%	-19.32%	12.64%	-186.46%
Engineering service	43,685,185.43	28,002,979.56	35.90%	6.30%	-2.04%	17.95%
Region classification						
Domestic	752,568,498.61	844,276,155.76	-12.19%	-18.17%	12.09%	-167.33%

Reasons for great changes in relevant financial indicators

Applicable Not applicable

In 2021, the operating revenue from sludge drying was lower than a year earlier mainly due to the lower sludge capacity.

In 2021, gross margin of electricity sales decreased compared to the same period of previous year, mainly because cost of natural gas goes up due to the unit price soaring; the market trading spreads drops than the revenue from electricity trading reduced.

(3) Income from physical sales larger than income from labors

Yes No

Industries	Item	Unit	2021	2020	Increase/decrease y-o-y(+,-)
Electric Power	Sales volume	100 million KWH	11.44	8.74	30.89%
	Output	100 million KWH	11.48	8.87	29.43%

	Storage	100 million KWH			
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Reasons for a y-o-y changes of 30% or more in relevant data

Applicable Not applicable

The Company has the courage to assume social responsibility of ensuring the power supplying, two power plants have generated 933 million KWH electricity in total during the power supplying of 2021, a y-o-y growth of 255 million KWH.

(4) Performance of the material sales contract and major procurement contracts that signed by the Company up to the reporting period

Applicable Not applicable

(5) Constitute of operation cost

Industry and products classification

In RMB/CNY

Industries	Item	2021		2020		Increase/decrease y-o-y (+,-)
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	
Energy industry	Power, heat supply	816,273,176.20	96.00%	724,649,204.65	91.21%	12.64%
Engineering service	Engineering cost	28,002,979.56	3.29%	28,587,448.80	3.60%	-2.04%
Other business	Sludge drying etc.	5,984,503.64	0.70%	41,287,156.94	5.20%	-85.51%

In RMB/CNY

Products	Item	2021		2020		Increase/decrease y-o-y (+,-)
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	
Electricity sales	Power supplying	816,273,176.20	96.00%	724,649,204.65	91.21%	12.64%
Engineering service	Engineering cost	28,002,979.56	3.29%	28,587,448.80	3.60%	-2.04%
Sludge drying	Sludge treatment	5,414,557.67	0.64%	41,089,819.34	5.17%	-86.82%
Other business	Other	569,945.97	0.07%	197,337.60	0.02%	188.82%

Note

The main component of operation costs of electricity sales is the cost of natural gas, and the natural gas as a percentage of operation cost takes 77.37% in 2021 and 62.26% in 2020.

(6) Changes in the scope of consolidation in Reporting Period

Yes No

(7) Major changes or adjustment in business, product or service of the Company in Reporting Period

Applicable Not applicable

(8) Major sales and main suppliers

Major sales client of the Company

Total top five clients in sales (RMB)	722,610,043.43
Proportion in total annual sales volume for top five clients	95.43%
Proportion in total annual sales for the related party's sales in top five clients' sales	0.00%

Information of top five clients of the Company

Serial	Name	Sales (RMB)	Proportion in total annual sales
1	Shenzhen Power Supply Bureau Co., Ltd.	584,596,538.90	77.21%
2	Guangdong Power Grid Co., Ltd.	96,832,471.77	12.79%
3	China Machinery Engineering Corporation	34,239,288.30	4.52%
4	Wuhan Electric Power Combustion Engine Installation Co., Ltd.	3,543,000.00	0.47%
5	Shenzhen Water Group	3,398,744.46	0.45%
Total	--	722,610,043.43	95.43%

Other situation of main clients

Applicable Not applicable

Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	667,368,336.82
Proportion in total annual purchase amount for top five suppliers	95.14%
Proportion in total annual purchase amount for the related party's amount in top five suppliers	0.00%

Other information on top five suppliers of the Company

Serial	Name	Purchases (RMB)	Proportion in total annual purchases
1	Shenzhen Gas Group Co., Ltd.	470,105,000.20	67.02%
2	CNOOC Gas Power Group Co., Ltd.	101,038,830.73	14.40%
3	Guangdong Xin'Ao Energy Development Co., Ltd.	46,701,291.11	6.66%
4	Shanghai Power Equipment Research Institute Co., Ltd.	33,414,857.52	4.76%
5	Shenzhen Power Supply Bureau Co., Ltd.	16,108,357.26	2.30%

Total	--	667,368,336.82	95.14%
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Other information on main suppliers of the Company

Applicable Not applicable

3. Expenses

In RMB/CNY

	2021	2020	Increase/decrease y-o-y (+,-)	Note of major changes
Sales expense	928,661.79	4,979,915.34	-81.35%	Decrease of sales expense mainly due to the declined in treatment for dry mud from Shen Nan Dian Environment Protection Company
Management expense	103,286,926.69	111,618,225.09	7.46%	
Financial expense	15,212,737.67	-66,657.96	-22,922.09%	Increase of financial expense mainly because the wealth management income adjusted to the item of investment income, and the interest income from deposits declined.
R&D expense	20,933,712.98	8,490,882.58	146.54%	Increase of R&D expense mainly due to the new increase of R&D expense for technology from parent company

4. R&D expenses

Applicable Not applicable

Projects	Purpose	Progress	Goals to be achieved	Expected impact on the future development of the Company
R&D of the inspection robot in cooling tower	Research and develop a new cooling tower inspection robot, facilitating staff to carry out maintenance and save the operation time of the staff.	Completed		Elevated the scientific content and work efficiency of electricity production, save labor costs and higher the scientific content and core competitiveness of the products and service of the Company
R&D of the energy storage black-start concurrent shifter for plant power	In case of black-start, the unit is landed for operation. Increase the black-start concurrent cabinet, automatically identify the synchronous point grid nature, and automatically achieved the difference of	Completed		Promoting the development and progress of power production technology, effectively strengthen the safety and security of

	generator and grid connection without pressure closing, the differential frequency, co-frequency and voltage-free grid connection of the line, precisely closing when the phase-angle difference is zero degrees to achieves shock-free grid connection. Realizing the smooth exit of plan power in order to improve the reliability of unit operation.			production, higher the scientific content and core competitiveness of the products and service of the Company
R&D of the wiring process of generator sets retrofitted with electron-chemical energy storage devices	By connecting the electron-chemical energy storage device with a cable between the generator outlet and low-voltage side of the main transformer, the difficulty of retrofitting some generator sets with electron-chemical energy storage devices can be reduced. Improving the capacity configuration of energy storage, give full play to the frequency regulation advantages of electron-chemical energy storage devices, reduce the construction difficulties and equipment investment, higher the economic efficiency.	Completed		Higher the economic efficiency, helping the Company to grow and improve the scientific content and core competitiveness of the products and service of the Company
R&D of the condenser heat exchanger bundle for 9E combine cycle unit	Replace the original condenser tube bundle with a TP304 bundle, with less impact on condenser operating parameters, the new tube bundle of the condenser can be improved in terms of vibration, corrosion and scaling resistance, thereby improving the safety of the condenser	Completed		Enhance the performance of equipment, higher the efficiency of equipment operation, strengthen the safety and security of production and improve the scientific content and core competitiveness of the products and service of the Company
R&D of the early warning device of thermal runaway for energy storage lithium iron phosphate battery	By adding the early warning device, when there is a fire, in the first stage of initial thermal runaway, the early fire detection and warning in prefabricated cabin is realized by special gas detection device(characteristic gases as H ₂ , CO), meanwhile, when the detector alarm is received through the three-stage BMS, the battery DC system is immediately cut off to improve operational safety of the energy storage battery compartment	Completed		Deeply study the operation mechanism of the equipment, optimize and improve the control mode of the equipment, improve the operational safety and reliability of the equipment, and escalated the scientific content and core competitiveness of the products and service of the

				Company
R&D of the dissipation and silencing device for gas turbine	With the development of industrial production, urban construction and increasing population, the increase in industrial emission facilities, environmental noise is becoming increasingly serious, it has become a major pollution of human social environment. In order to improve the sense of social responsibility of the Company, minimize the noise pollution, and reduce the disturbance of surrounding residents t rest and sleep, and affect the efficiency of work, meanwhile it can provide technical support and reference to enterprises with similar work needs.	Completed		Proactively undertaking the social responsibility, minimize the negative environmental impact of equipment operation by using new technology, and escalated the scientific content and core competitiveness of the products and service of the Company

R&D personnel

	2021	2020	Change proportion
Number of R&D personnel (person)	72	35	105.71%
Proportion of R&D personnel	18.37%	8.68%	9.69%
Educational background	—	—	—
Undergraduate	32		
Masters	2		
Other	38		
Age composition	—	—	—
Under 30	5		
30~40	15		
Over 40	52		

Investment of R&D

	2021	2020	Change proportion
Investment for R&D (RMB)	20,933,712.98	8,490,882.58	146.54%
R&D investment/Operating revenue	2.76%	0.86%	1.90%
Capitalization of R&D investment (RMB)	0.00	0.00	
Capitalization of R&D investment/R&D investment	0.00%	0.00%	0.00%

Reasons and effects of significant changes in composition of the R&D personnel

Applicable Not applicable

During the reporting period, the Company continued to soaring the investment in R&D, successfully passed the certification as a high-tech enterprise, which consolidated and improved the core competitiveness of the Company forward.

Reasons for significant changes in the proportion of total R&D investment in operating revenue from the previous year

Applicable Not applicable

Reasons and rationality of the major changes of the capitalization rate of R&D investment

Applicable Not applicable

5. Cash flow

In RMB/CNY

Item	2021	2020	Y-o-y changes (+,-)
Subtotal of cash in-flow from operation activity	915,970,557.14	1,156,114,679.30	-20.77%
Subtotal of cash out-flow from operation activity	955,228,859.21	895,389,270.28	6.68%
Net cash flow from operation activity	-39,258,302.07	260,725,409.02	-115.06%
Subtotal of cash in-flow from investment activity	85,113,274.87	40,321,341.78	111.09%
Subtotal of cash out-flow from investment activity	246,736,667.99	528,860,991.95	-53.35%
Net cash flow from investment activity	-161,623,393.12	-488,539,650.17	-66.92%
Subtotal of cash in-flow from financing activity	1,061,074,323.80	1,318,118,917.79	-19.50%
Subtotal of cash out-flow from financing activity	935,063,124.20	1,096,793,475.57	-14.75%
Net cash flow from financing activity	126,011,199.60	221,325,442.22	-43.07%
Net increased amount of cash and cash equivalent	-74,996,638.62	-6,888,728.75	988.69%

Main reasons for y-o-y major changes in aspect of relevant data

Applicable Not applicable

1. Net cash flow from operation activity has a declined of 115.06% on a y-o-y basis, mainly due to the decrease in gross profit from power generation in the year, and decrease in financial settlement proceeds in power market;
2. The cash in-flow from investment activity has an increase of 111.09% on a y-o-y basis, mainly due to the increase in earnings from

financial management during the year;

3. The cash out-flow from investment activity has a declined of 53.35% on a y-o-y basis, mainly due to the decrease in expenses for financial products purchased in the year;

4. Net cash flow from investment activity has a declined of 66.92% on a y-o-y basis, mainly due to the decrease in net purchase of financial products during the year;

5. Net cash flow from financing activity has a declined of 43.07% on a y-o-y basis, mainly due to the decrease in net cash inflow from bank loans during the year;

6. Net increased amount of cash and cash equivalent has a declined of 988.69% on a y-o-y basis, mainly due to the fact that increase in net cash flows from financing activities for the year was smaller than the decrease in net cash flow arising from operating activities and investment activities.

Explanation on reasons for the significant differences between the net cash flow arising from operation activities in the Period and net profit of last year

Applicable Not applicable

There are 327 million yuan provision for asset impairment in the year and payment of natural gas are settled by bank acceptance.

V. Analysis of the non-main business

Applicable Not applicable

In RMB/CNY

	Amount	Ratio in total profit	Note	Whether be sustainable (Y/N)
Investment income	45,981,085.44	-9.05%	Mainly due to the earnings from financial management	N
Assets impairment	-327,479,010.92	64.44%	Provision for fixed assets, provision for inventory depreciation and impairment of construction in progress in the year	N
Non-operating income	5,261,868.99	-1.04%	Mainly due to the reversal of accrual liabilities	N
Non-operating expenditure	248,216.00	-0.05%	Mainly due to the loss on retirement of non-current assets	N

VI. Assets and liability

1. Major changes of assets composition

In RMB/CNY

	Year-end of 2021		Year-begin of 2021		Ratio changes	Notes of major changes
	Amount	Ratio in total	Amount	Ratio in total		

		assets		assets	(+,-)	
Monetary fund	689,604,633.59	24.72%	764,601,272.21	25.31%	-0.59%	
Account receivable	73,610,161.02	2.64%	85,293,052.88	2.82%	-0.18%	
Contractual assets	1,040,000.00	0.04%	7,229,600.00	0.24%	-0.20%	
Inventory	88,500,991.13	3.17%	100,245,529.06	3.32%	-0.15%	
Investment real estate	2,009,051.80	0.07%	2,205,189.40	0.07%		
Long-term equity investment	6,986,655.19	0.25%	8,893,408.86	0.29%	-0.04%	The long-term equity investment measured by equity was recognized as the investment income
Fix assets	643,256,398.30	23.06%	925,745,208.55	30.65%	-7.59%	Provision for impairment of fixed assets for the year
Construction in process	6,088,768.51	0.22%	42,782,712.98	1.42%	-1.20%	Provision for impairment of construction in progress during the year
Short-term loans	858,444,163.25	30.77%	675,528,858.48	22.36%	8.41%	Size of short-term loans increased
Trading financial assets	632,874,406.39	22.68%	0.00	0.00%	22.68%	The financial products adjusted to the item of 'trading financial assets' in the year and foreign investment increased during the year
Account paid in advance	64,415,236.66	2.31%	29,544,788.35	0.98%	1.33%	Increase in prepayment for natural gas
Other current assets	331,868,661.62	11.89%	917,288,244.54	30.37%	-18.48%	The financial products adjusted to the item of 'trading financial assets' in the year
Other equity instrument investment	200,615,000.00	7.19%	81,615,000.00	2.70%	4.49%	More investment on the investment projects that measured at fair value and with variation reckoned into other comprehensive income
Note payable	135,025,883.27	4.84%	30,467,345.48	1.01%	3.83%	Increase in commercial draft and bank acceptance

Foreign assets account for a relatively high proportion

Applicable Not applicable

2. Assets and liability measured at fair value

Applicable Not applicable

In RMB/CNY

Item	Opening amount	Gain/loss of fair value changes in the Period	Cumulative change of fair value recorded into equity	Impairment accrual in the Period	Amount purchased in the Period	Amount sold in the Period	Other changes	Ending amount
Financial assets								
Trading financial assets (derivative financial assets excluded)					72,873,680.00		560,000,726.39	632,874,406.39
Other equity instrument investment	81,615,000.00				119,000,000.00			200,615,000.00
Total above mentioned	81,615,000.00				191,873,680.00		560,000,726.39	833,489,406.39
Financial liabilities	0.00							0.00

Other changes

The financial products purchased in the year are calculated under 'trading financial assets' instead of 'other current assets'

Whether there is a significant changes in the measurement attributes of the main assets during the period

Yes No**3. Assets right restriction till end of reporting period**

There are no assets right restriction till end of the reporting period

VII. Investment analysis**1. Overall situation**Applicable Not applicable

Investment amount in the Period (RMB)	Investment amount at same period last year (RMB)	Changes (+,-)
191,831,197.00	21,272,400.00	801.78%

2. The major equity investment obtained in the reporting period

√Applicable □Not applicable

In RMB/CNY

Invested company	Main business	Form of investment	Investment amount	Shareholding ratio	Capital source	Partner	Time horizon	Type	Progress as of the balance sheet date	Anticipated income	Investment gains/losses in the Period	With laws suit involved (Y/N)	Disclosure date (if any)	Disclosure index (if any)
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	Service of resource utilization technology of waste-water	Other	72,873,680.00	9.93%	Own fund	N/A	Long-term	Joint stock company	72,873,680.00 Yuan have been invested		0.00	N	2021-11-12	Notice on the Investment for Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.; Notice No.: 2021-055; Disclosure media: <i>China Securities Journal, Securities Times, Hong Kong Commercial Daily</i> and Juchao Website
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	Equity investment, venture capital	Capital increase	118,957,517.00	99.96%	Own fund	China Science and Technology Innovation Venture Capital Management	5-year	Limited partnership	140,229,917.00 Yuan have been invested		-550,273.20	N	2020-10-23	Notice on the Investment for Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership); Notice No.: 2020-051; Disclosure media: <i>China Securities Journal, Securities Times, Hong Kong Commercial Daily</i> and Juchao Website
Total	--	--	191,831,197.00	--	--	--	--	--	--		-550,273.20	--	--	--

3. The major non-equity investment doing in the reporting period

Applicable Not applicable

4. Financial assets investment**(1) Securities investment**

Applicable Not applicable

The Company had no securities investment in the reporting period.

(2) Derivative investment

Applicable Not applicable

The Company had no derivatives investment in the reporting period.

5. Use of proceeds

Applicable Not applicable

The Company had no use of proceeds in the reporting period.

VIII. Sales of major assets and equity**1. Sales of major assets**

Applicable Not applicable

The Company had no sales of major assets in the reporting period.

2. Sales of major equity

Applicable Not applicable

IX. Analysis of main Holding Company and stock-jointly companies

Applicable Not applicable

Particular about main subsidiaries and stock-jointly companies net profit over 10%

In RMB/CNY

Name	Type	Main business	Register capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen New Power Industrial	Subsidiary	Technology development regarding to application of remaining heat	RMB 113.85 million	530,506,071.75	95,388,390.58	279,902,287.61	-63,634,828.14	-63,634,828.14

Co., Ltd.		(excluding restricted items) and power generation with remaining heat. Add: power generation through burning machines.							
Shenzhen Shen Nan Dian Environment Protection Co., Ltd.	Subsidiary	Sludge drying; the design and operations management of sludge treatment and disposal facilities and engineering; the technology development, technology transfer, technical advice, technical services of environmental pollution control and comprehensive utilization domain; (Except for the projects required to be approved before registration by laws, administrative regulations, or decisions and stipulation of the State Council, the restricted items must be approved before operating)	RMB million	79	69,312,563.06	52,067,932.58	3,412,263.75	-69,977,943.79	-70,083,714.50
Shenzhen Shennandi Turbine Engineering Technology Co., Ltd.	Subsidiary	Engage in the technical advisory service for the construction projects of gas-steam combined cycle power plant (station), and undertake the maintenance and overhaul of the operation equipment of gas-steam combined	RMB million	10	53,112,551.61	38,988,381.20	43,685,185.43	1,541,455.25	1,504,549.25

		cycle power plant (station). Import and export of goods and technologies (excluding distribution and state monopoly commodities)						
Shenzhen Server Petrochemical Supplying Co., Ltd	Subsidiary	Self-supporting or import agent business of fuel oil; trade (excluding production and storage and transportation) in diesel, lubricating oil, liquefied petroleum gas, natural gas, compressed gas and liquefied gas, chemical products (excluding dangerous chemicals); investment, construction and technical supports in liquefied petroleum gas, natural gas and related facilities; import and export businesses and domestic trade of goods and technologies (excluding franchise, exclusive control, and monopoly products); leasing business. Licensed projects: fuel oil warehousing business (except for refined oil); general freight transport, special transportation of goods (containers), special transportation of goods (tank)	RMB 53.3 million	101,091,770.98	83,475,727.27	1,196,857.16	-11,476,837.56	-7,601,325.85
Shen Nan	Subsidiary	Gas turbine power	RMB 746.8	263,698,889.	-389,404,220	124,646,010.	-331,008,024	-330,756,155

Dian (Zhongshan) Electric Power Co., Ltd.	Subsidiary	generation, waste heat power generation, power supply and heating(heating pipe network excluded), leasing of wharf, oil depots and power equipment facilities (excluding refined oil, dangerous chemicals, or flammable and explosive goods); leasing of land-use right; non-residential real estate leasing	million	43	.60	22	.46	.47
Shen Nan Energy (Singapore) Co., Ltd.	Subsidiary	Agent for oils trade and spare parts of gas turbine	US \$ 0.9 million	102,739,424.81	100,231,032.52	0.00	-35,387,913.66	-35,433,131.24
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	Subsidiary	Equity investment, venture capital	RMB 140.918 million	140,290,150.23	140,290,150.23	0.00	-550,273.10	-550,273.10

Subsidiary disposes and acquired in the period

Applicable Not applicable

Information on main holding company and stock-jointly companies

X. Structured vehicle controlled by the Company

Applicable Not applicable

XI. Future Development Prospects

(i) Brief analysis of macroeconomic situation and industry trend

In accordance with the spirit of the Notice of Energy Bureau of Guangdong Province on Doing a Good Job in the Annual Transaction of Electricity Market in 2022 (YNDLH (2021) No. 582) and the Notice of Energy Bureau of Guangdong Province and South China Energy Regulatory Office of National Energy Administration on the Relevant Matters of the Electricity Market Transactions in 2022 (YNDL (2021) No. 110), in 2022, Guangdong's electricity market is about 550 billion kilowatt-hours, the annual transaction scale of

which is 315 billion kilowatt-hours. In 2022, all the on-grid electricity of coal-fired power plants in the province will enter the power market, all provincial-level dispatching and above gas-fired power plants will enter the power market, and the prefecture-level dispatching gas-fired power plants can choose by themselves but are not allowed to quit once entered. All units of Ling'ao and Yangjiang Nuclear Power Plants enter the market and directly participate in electricity market transactions. In addition, coal-fired and gas-fired units entering the power market will no longer arrange the base electricity and will be replaced by the electricity purchased on behalf of the units. However, the electricity purchased on behalf of the units will no longer be subject to the on-grid price approved by the government, but will be settled according to the monthly weighted comprehensive price of the power market. In principle, starting from January 1, 2022, the electricity spot market in the south (starting from Guangdong) will enter the trial operation of continuous settlement throughout the year, and make rolling revisions to the spot implementation plan and market trading rules as needed and improve technical support system according to the method of "running and improving at the same time".

In 2022, under the influence of various factors, the power generation situation of 9E units in Guangdong province is still severe, and the production and operation of the company's two 9E gas turbine power plants will face enormous pressure and challenges. Firstly, it is estimated that the new generating unit capacity will be 8.685 kilowatts in 2022, and 9E gas turbine has no advantage in competition with large-capacity and high-efficiency units. Secondly, the trading system restrains the proportion of medium and long term electric quantity and actual market electric quantity, which reduces the possibility of a large proportion of excess electric quantity when the clearing income is large. Thirdly, the continuous high price of natural gas will inevitably make it difficult for gas turbine power plants to make profits.

(ii) Summary of the company's 2022 annual business plan

The year 2022 is an important year for China to embark on a new journey to fully build a modern socialist country and is also a critical year for the transformation and development of Shenzhen Nanshan Power. The company will closely follow the national "14th Five-Year Plan" development planning and strategy layout, accelerate the establishment of new development pattern, and promote the strategic transformation and high-quality development of the company on the basis of conscientiously doing a good job in the safety production and operation of the main business of electric power. In 2022, the company will unswervingly take the "1+5" strategic roadmap as the guide, take the annual work "226" project as the goal, strive for progress through stability and promote stability through progress, and go all out to do a good job in various tasks:

1. Adhere to the leadership of party building and continue to enhance the core role of party organization in leadership. In 2022, the Communist Party of China will start a new journey towards the second centenary goal, the company will continue to adhere to the guidance of party building, focus on studying and implementing the spirit of the Sixth Plenary Session of the 19th CPC Central Committee, consolidate and expand the achievements of party history study and education, solidly carry out the construction of the theme style, and continue to strengthen the "three important and one big" collective decision-making mechanism, translate theory into guidelines for corporate governance, production operations and transformation development, realize the party building work to lead the central work, and constantly enhance the core leadership role of the party organization in corporate governance.

2. Adhere to standardized operation and constantly improve the level of corporate governance. In strict accordance with the Company Law, Securities Law, Listing Rules of Shenzhen Stock Exchange and other relevant laws and regulations and the requirements of the normative documents, do a good job in information disclosure based on the principles of "truth, accuracy, completeness, timeliness and fairness", do a good job in the management of the three meetings on the premise of standardized operation, do a good job in the management of investor relations in accordance with laws and regulations, ensure the standardized operation of corporate governance, production and operation, and promote the improvement of corporate governance level.

3. Adhere to safe production and continue to strengthen internal management and internal control. According to the new annual business objectives, we will pay close attention to safety production, stock management and industrial upgrading, strengthen internal management, and go all out to complete the annual work arrangement. In terms of internal control construction, we will continue to improve the internal control system construction, strengthen the internal control management, strictly follow the relevant regulations and combine the actual situation, further improve the internal control system construction, optimize the company's business process, strengthen the implementation of the internal control management system, and promote and improve the company's operation management level and management efficiency, and enhance the risk prevention ability of the enterprise.

4. With the aim of maximizing the company's interests, conduct land resource operation and management in accordance with laws and regulations. Closely track and study Qianhai regional planning and relevant policies, maintain communication with relevant functional departments in Shenzhen and Shenzhen Qianhai Authority, and strive to adjust the planning and positioning of the land where Nanshan Power Factory is located in a direction that is beneficial to the company; at the same time, actively seize the development opportunities of the Shenzhen-Zhongshan Channel, fully revitalize the land resources of Shen Nan Dian Zhongshan Company, and strive for the implementation of new projects and new production capacity. With the participation and cooperation of legal advisors, the company will carry out various tasks in accordance with the standardized requirements of listed companies, and fulfill the necessary decision-making approval procedures and information disclosure obligations to maximize the protection of the company and all shareholders' interests and the legitimate rights and interests of employees.

5. Aiming at early transformation and development, actively and steadily promoting the industrial upgrading. According to the annual work arrangement of "226" project, the Company will adhere to the two concepts of safety-first and steady-oriented, based on stock assets and resources, start a new engine for industrial upgrading and transformation, and make great efforts to promote the demonstration and landing of new production capacity and new projects with a steady progress, and strive to accomplish the transformation development at an early date.

6. Take the continuous promotion of management innovation as the starting point and improve management efficiency and talent quality in all respects. Continue to deepen the reform of human resources, adhering to the employment orientation of 'revolutionary, professional and youthful', further optimize the allocation of human resources, and prepare the management layout for the company's transformation and development in advance. Focus on training a group of young talents with high comprehensive quality, high educational background, professional domain knowledge and rich working experience, and build a young and professional team of compound management cadres to reserve management talents for new projects and new industries, and to escort the company's strategic transformation and long-term development.

The business plan and related situation analysis described in this report do not constitute the company's performance commitment to investors. The company reminds investors to maintain sufficient risk awareness and understand the difference between business plan and performance commitment and make prudent investment decision making.

(iii) Possible main risks and countermeasures

In terms of main business: in 2021, affected by multiple factors, the company's two subordinate power plants faced huge pressure from the continuous rise in fuel prices and the surge in guaranteed power supply. With the continuous promotion and deepening of electricity market transactions in Guangdong province, the company's main business operation situation is more serious under the situation of long-term spot trial settlement operation. The company will continue to strengthen the operation and management of stock assets, actively respond to the requirements and changes of the power market, and do its best to improve the profitability of its main business and overall operating efficiency. At the same time, the company will actively explore diversified business models and

opportunities for transformation and development to create better conditions for the company's sustainable operation and healthy development.

2. In terms of safety management: under the market-oriented power production model, power plants will face more flexible dispatch methods and stricter assessment policies, which put forward higher requirements for the operation and maintenance of existing aging power generation equipment. The company will formulate scientific and reasonable maintenance and technical transformation plans, invest corresponding capital and technical strength, continue to improve the maintenance and management level of equipment, and implement the main responsibility for safe production so as to ensure the safe and stable operation of production facilities. At the same time, it will further strengthen the work of epidemic prevention and control, production safety, network information security, and emergency response to ensure that no security accidents occur in the company's system, and continue to play the supporting role of the main peak shaving power point.

3. In terms of fuel procurement: in 2022, the company's natural gas purchase price will mainly depend on the changing trend of the natural gas market and the sales prices of existing suppliers. In 2021, due to factors such as global economic recovery, increased demand caused by extreme weather and low inventories, sharp decline in green energy power generation output, and the clearing of some power generation capacity due to the COVID-19 pandemic, the global natural gas supply was tight and price shot up. In 2022, with the outbreak of the war between Russia and Ukraine, bulk commodity prices have soared, and the natural gas supply is more tight than expected. It is estimated that the company's natural gas procurement cost in 2022 will not be optimistic. In addition, with the continuous advancement of the market-oriented reform of electricity trading in Guangdong Province, the company's planned power generation will be difficult to match with the actual power generation, resulting in a larger discrepancy between the planned and actual purchases of natural gas. As the natural gas purchase contract must be signed in advance, the contracted gas volume has been basically determined at the time of signing. If we cannot take delivery of the gas as agreed due to factors such as the marketization of electricity transactions in the later period, there may be risks of taking delivery of less gas than the contracted gas volume. The company will continue to optimize the upstream and downstream partnerships, give full play to the adjustment function of multiple gas sources, and make every effort to reduce the cost of natural gas procurement while ensuring the gas demand for electricity production.

4. Land of Nanshan Power Factory: In December 2021, the company learned about the Notice of Shenzhen Municipal Bureau of Planning and Natural Resources on Printing and Distributing the "Urban Renewal and Land Preparation Plan of Shenzhen City in 2021" from the Shenzhen Government's website, which still included the land purchase and storage of the company's Nanshan Power Factory and related content. Although the company actively used various opportunities to express its demands and suggestions, as of the end of the reporting period, it still had little effect. The Company will closely maintain communication with the relevant functional departments of Shenzhen and Shenzhen Qianhai Authority, actively follow up the progress of the implementation of relevant government plans, and work closely with legal counsel to study the related situation of the land of Nanshan Power Factory, study and formulate coping strategies and work plans, and do their best to safeguard the legitimate rights and interests of listed company and all shareholders.

Investors are advised to pay attention to the above-mentioned major risks and other risks that the Company may face and make rational investment decisions prudently.

XII. Reception of research, communication and interview during the reporting period

√Applicable □ Not applicable

Time	Location	Way	Type	Reception target	Main contents of the discussion and information provided	Basic situation index of investigation
Jan.-Dec. 2021	Office from the headquarters	Field visit	Individual	Individual (23 person-time)	Attend the general meeting and inquiry of register of members (shareholders) etc.	Received according to the laws and regulations
Jan.-Dec. 2021	Interactive platform	Written inquiry	Individual	Individual (88 person-time)	Query the number of shareholders, as about the future development direction of the Company, progress of the investment items and lands with Nanshan Power Factory concerned	Rely in written timely
Jan.-Dec. 2021	Telephoning	Telephoning	Individual	Individual (dozens of times)	Inquire and communicate the Company's performance, market performance, the lands of Nanshan Power Factory and progress of the investment items etc.	Reply according to the laws and regulations

Section IV. Corporate Governance

I. Corporate governance of the Company

During the reporting period, in accordance with guideline of Company Law, Securities Law, Corporate Governance Guidelines, Stock Listing Rules and administrative regulations, other regulatory documents, and requirements of Articles of Associations and rules of procedures, constantly optimized the corporate governance structure, maintained sound modern enterprise management system, improve governance and standardization meticulous management, and effectively protected the interests and legitimate rights of listed companies, investors and employees.

1. Shareholders' meeting: the Company holds the shareholders general meeting in strict accordance with the legal procedures, and to ensure that the shareholders exercise their rights in accordance with the law. During the reporting period, the Company held one regular shareholders' meeting and three extraordinary shareholders meeting to carefully deliberate and decide on issues which were submitted to the general shareholders' meeting for approval. The convening of the shareholders' meeting was legal and all decision-making processes were open, fair and just. The qualifications and proposals of the attendees met the requirements of laws and regulations, and the resolutions of the shareholders' general meeting were disclosed in a timely manner after the meeting, which effectively protected all shareholders from exercising their right to know and vote on major issues of the Company in accordance with the law. Shareholders of the Company earnestly fulfilled their responsibilities under the Company Law and Articles of Association, there were no large shareholders and related parties who occupied or transferred the Company's funds, assets and other resources with various forms.

2. Board of Directors: The Company's board of directors adhered to standardized operation and management, took various measures to strengthen its own construction, and improved the board's standardized operation and scientific decision-making level. In the report period, the Board of Directors of the Company held three regular meetings and seven extraordinary meetings to carefully research, deliberate and make decisions on significant matters within the rights of board of directors. Four special committees under the Board of Directors, the Strategy and Investment Committee, Audit Committee, Nomination Committee, as well as Remuneration and Appraisal Committee are carefully deliberated relevant proposals and giving opinions and suggestions. The full use of the active role of the special committees in major investment decisions, important personnel adjustments, standardized salary management, internal audit, and risk control has effectively ensured the scientific nature of the Company's decisions and the normalization of management. Independent directors played their professional advantages, upheld the objective and independent principle and conscientiously performed their duties, and paid attention to the interests of the Company as a whole and those the shareholders of the Company, especially the legitimate interests of minority shareholders. They issued independent opinions on resolutions and brought forward constructive comments and suggestions on the Company's standardized operation and risk prevention.

3. Supervisory Committee: pursuit to relevant rules of laws and regulations, supervisory committee of the Company perform the supervision responsibility in line with to the Company and shareholders responsible manner. During the reporting period, the Supervisory Committee of the Board held three regular meetings and four extraordinary meetings, effectively supervised the day-to-day operations of the board of directors, the Company's financial status, operating conditions, financial investment, and the legality and compliance of directors and senior management in performing their duties, independently issued opinions, and effectively protected the legitimate rights and interests of the Company and shareholders, especially the small and medium shareholders. At the same time, the board of supervisors extended the connotation of supervision and standardized operation and risk prevention to daily operations, the board of supervisors also learned about the Company's operations and management by attending

the shareholders' meetings and attending the board meetings and organizing on-site inspections on the Company's subsidiaries to better understand the Company's operations and management so as to better perform supervisory duties.

4. Manager Office: During the reporting period, the Company's managers strictly implemented various decisions of the shareholders' meeting and the board of directors in accordance with the requirements of relevant laws and regulations and the Company's Articles of Association and other regulatory documents, and actively organized the Company's various production, operation and management tasks, constantly improved the office conference system and internal control system, continued to optimize work processes and decision-making procedures, built a harmonious and aggressive corporate culture atmosphere, followed the work principle of reasonable division of labor and enhanced cooperation and the purpose of collective decision-making on major issues, and continuously improved the Company's management level and strive to achieved better business performance.

5. Major information confidentiality : In strict accordance with the regulations and requirement of *Rules Governing the Listing of Stocks* and *Insiders Registration System*, to standardize the confidentiality of inside information, and submit the inside information list in strict accordance with relevant regulations, kindly reminded the insider information to strictly comply with the related regulations on insider information confidentiality and stocks trading of the Company before the convening of the meetings of general shareholders, board of directors and supervisory board. There were no significant information disclosures within the reporting period. There were no significant information disclosures within the reporting period. During the reporting period, the Company did not provide undisclosed information to large shareholders in violation of information disclosure requirements.

6. Information disclosure and investor relations management: During the reporting period, in strict accordance with the requirement of relevant laws, regulations and normative documents as *Company Law*, *Rules Governing the Listing of Stocks* and *Management Mechanism of the Information Disclosure*, conscientiously fulfill the obligation of information disclosure, and disclosed the periodic and Ad-hoc Reports in a timely and fair manner to whole shareholders on *China Securities Journal*, *Securities Times*, *Hong Kong Commercial Daily* and Juchao Website with truthfulness, accuracy and completeness contents. In 2021, the Company completed the preparation and disclosure of periodic reports and interim announcements on schedule, a total of 60 announcements were issued throughout the year, strive to give investors a complete picture of the Company's produce, operation, governance, and significant matters. The Company strictly complied with the requirements of the "Company Investor Relations Management Work System" and did a good job in investor relations management. In addition to the on-site visit reception, it also used the Company's mailbox, investor phone line, and the irm.cninfo.com.cn of Shenzhen Stock Exchange, the smooth communication channels with investors enabled investors to have a more comprehensive, in-depth and objective understanding of the Company.

7. Internal control and standardized management: During the reporting period, in order to better meet the company's needs for standardized governance and efficient operation, in accordance with the requirement of relevant laws, regulations and normative documents, combine with actual condition of the Company, to established and completed the management mechanism and working procedure matching the innovation management mode timely, to ensure an efficient decision-making and standardization of the business operation. The Company carried out special audit work on internal control self-evaluation and internal regular audit, and took active and effective measures to improve existing problems and deficiencies. Strengthened the training and ideological education of directors, supervisors, senior officers personnel, and middle-level management cadres at all levels, and emphasized the performance of duties according to law, standardized the words and deeds, and fought against corruption. The company has been striving to prevent business management risks by continuously improving the internal control system, increasing the assessment and rewards and punishments, and further improving the standardization of management.

8. Self-examination and continuous improvement of corporate governance : in accordance with the spirit of the "Opinions of the State

Council on Further Improving the Quality of Listed Companies" and the "Notice of the Shenzhen Securities Regulatory Bureau on Promoting the Implementation of Main Responsibilities of Listed Companies in the Jurisdictional Area to Improve Governance and Achieve High-Quality Development" and other documents and the relevant requirements of Shenzhen Securities Regulatory Bureau, the company carried out a self-inspection of the governance situation and formed a "Self-inspection Report on the Quality of Corporate Governance", which was submitted to the Shenzhen Securities Regulatory Bureau within the specified time, and in accordance with the requirements, on February 1, 2021, the "Self-inspection Report on the Quality of Corporate Governance" has been submitted to the sixteenth extraordinary meeting of the company's eighth board of directors for deliberation. In accordance with the spirit of the China Securities Regulatory Commission's "Announcement on Launching Special Actions on the Governance of Listed Companies" and the requirements of the Shenzhen Securities Regulatory Bureau, the company has initiated relevant work and completed on schedule during the reporting period.

Is there any difference between the actual condition of corporate governance and relevant regulations about corporate governance for listed Company from CSRC?

Yes No

There are no differences between the actual condition of corporate governance and relevant regulations about corporate governance for listed Company from CSRC.

II. Independence of the Company relative to controlling shareholder and the actual controller in ensuring the Company's assets, personnel, finance, organization and businesses

The Company has not controlling shareholder. The Company is completely independent in personnel, assets, finance, business, and institutions and is able to make independent decision and operations.

1. Personnel independence: The Company has set up an independent human resource management system and compensation & benefits systems. All members of the management level and senior officers are full-time executives and are paid remuneration by the Company and none of them takes any administrative positions other than director and supervisor in shareholders units. Within the amount approved by the Board, the Company independently hires or fires employees according to the management needs. The Company has established a more perfect human resources management system, and has an independent management right.

2. Assets independence: the Company has independent production facilities and auxiliary systems, land use rights, property rights, office facilities and equipment. Within the range authorized by the board of directors and general shareholders' meeting, the Company has the powers of independent acquisition and disposition of assets.

3. Financial independence: The Company has independent financial management and accounting system, is equipped with independent financial management and accounting personnel, and establishes a relatively sound financial management system, independent bank account and tax accounts. Within the range authorized by the board of directors and shareholders' meeting, the Company can made independent financial decision and there are no substantial shareholders with financial management interference, embezzlement of funds and other circumstances.

4. Business independence: the Company independently carries out production and business activities, has set up independent and complete production, procurement, sales channels and management system. Within the range authorized by the board of directors and shareholders' meeting, the Company makes its own management decisions, carries out self management and takes full responsibilities for its own profits and losses.

5. Independent organization: The Company, in accordance with the needs of production, operation, management, followed modern

enterprise management standards and established a relatively sound organization and management structure. There were neither interference of shareholders in the establishment and operation of the neither Company nor organization structure shared between shareholders and the Company.

III. Horizontal competition

Applicable Not applicable

IV. In the report period, the Company held annual shareholders' general meeting and extraordinary shareholders' general meeting

1. Annual Shareholders' General Meeting in the report period

Session of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Meeting resolutions
First extraordinary shareholders' general meeting of 2021	Extraordinary shareholders' general meeting	39.27%	February 19, 2021	February 19, 2021	Deliberated and approved proposals including: Amendment of the Article of Association of Shenzhen Nanshan Power Co., Ltd.; Amendment of the Rules of Procedure for Shareholders General Meeting of Shenzhen Nanshan Power Co., Ltd.; Amendment of the Rules of Procedure for Board of Directors of Shenzhen Nanshan Power Co., Ltd. and Amendment of the Rules of Procedure for Board of Supervisory of Shenzhen Nanshan Power Co., Ltd.
Annual General Meeting of 2020	AGM	39.20%	April 16, 2021	April 16, 2021	Deliberated and approved proposals including: Report on the Work of BOD for year of 2020; Report on the Work of BOS for year of 2020; Financial Report for year of 2020; Profit Distribution Plan for year of 2020; Annual Report of 2020 (full-text) and its Summary; Guarantee Provided by the Company for its Controlling Subsidiary in 2021; Appointment of Auditing Institution for year of 2021 and Remuneration Determination; Remuneration of the Chairman for year of 2021
Second extraordinary shareholders' general meeting of 2021	Extraordinary shareholders' general meeting	39.19%	April 26, 2021	April 26, 2021	Deliberated and approved 12 proposals related to the renewal of the Company including Election of Mr. Li Xinwei as the Non-independent Director of the 9 th BOD of the Company
Third extraordinary shareholders' general meeting of 2021	Extraordinary shareholders' general meeting	39.18%	September 13, 2021	September 13, 2021	Deliberated and approved the Proposal to Re-elected Some Non-independent Director of 9 th BOD of the Company; Proposal on Purchasing Wealth

meeting of 2021					Management products with Idle Own Funds
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2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable Not applicable

V. Directors, supervisors and senior officers

1. Basic information

Name	Title	Working status	Sex	Age	Start dated of office term	End date of office term	Shares held at period-begin (share)	Stock options	Number of restricted shares granted (share)	Number of shares increased in this period (share)	Number of shares decreased in this period (share)	Other changes (share)	Shares held at period-end (share)	Reasons for increase or decrease of shares
Li Xinwei	Chairman	Currently in office	M	56	August 28, 2017	April 26, 2024	0	0	0	0	0	0	0	
Hu Ming	Vice chairman	Currently in office	M	51	September 13, 2021	April 26, 2024	0	0	0	0	0	0	0	
Huang Bangxin	Vice chairman	Leave office	M	41	April 26, 2021	August 20, 2021	0	0	0	0	0	0	0	
Li Hongsheng	Vice chairman	Leave office	M	58	January 13, 2011	April 26, 2021	0	0	0	0	0	0	0	
Huang Qing	Director	Currently in office	M	50	June 3, 2019	April 26, 2024	0	0	0	0	0	0	0	
Chen Yuhui	Director	Currently in office	M	56	August 28, 2017	April 26, 2024	0	0	0	0	0	0	0	
	GM	Currently in office	M	56	August 11, 2017	April 26, 2024	0	0	0	0	0	0	0	
Wu Guowen	Director	Currently in office	M	56	April 25, 2016	April 26, 2024	0	0	0	0	0	0	0	

	Standing Deputy GM	Currently in office	M	56	April 1, 2016	April 26, 2024	0	0	0	0	0	0	0	0
Sun Huirong	Director	Currently in office	M	38	April 26, 2021	April 26, 2024	0	0	0	0	0	0	0	0
Li Wenyong	Director	Leave office	M	42	June 3, 2019	April 26, 2021	0	0	0	0	0	0	0	0
Mo Jianmin	Independent director	Currently in office	M	55	November 17, 2017	November 17, 2023	0	0	0	0	0	0	0	0
Chen Zetong	Independent director	Currently in office	M	51	November 17, 2017	November 17, 2023	0	0	0	0	0	0	0	0
Du Wei	Independent director	Currently in office	M	66	November 11, 2019	April 26, 2024	0	0	0	0	0	0	0	0
Ye Qiliang	Chairman of supervisory board	Currently in office	M	58	November 17, 2017	April 26, 2024	0	0	0	0	0	0	0	0
Li Caijun	Supervisor	Currently in office	M	43	April 26, 2021	April 26, 2024	0	0	0	0	0	0	0	0
Li Zhiwei	Supervisor	Leave office	M	41	June 3, 2019	April 26, 2021	0	0	0	0	0	0	0	0
Liao Junkai	Supervisor	Currently in office	M	33	June 3, 2019	April 26, 2024	0	0	0	0	0	0	0	0
Qian Wenhui	Employee representative supervisor	Currently in office	M	53	April 26, 2021	April 26, 2024	0	0	0	0	0	0	0	0
Lu Yindi	Employee representative supervisor	Currently in office	F	39	April 26, 2021	April 26, 2024	0	0	0	0	0	0	0	0
Liang Jianqiang	Employee representative	Leave office	M	53	November 12, 2014	April 26, 2021	0	0	0	0	0	0	0	0

	supervisor													
Peng Bo	Employee representative supervisor	Leave office	M	48	November 17, 2017	April 26, 2021	1,527	0	0	0	0	0	0	1,527
Zhang Jie	Deputy GM	Currently in office	F	53	December 30, 2006	April 26, 2024	17,325	0	0	0	0	0	0	17,325
	Secretary of the Board	Leave office	F	53	December 23, 2015	April 26, 2021								
Zou Yi	Secretary of the Board	Currently in office	M	48	April 26, 2021	April 26, 2024	0	0	0	0	0	0	0	0
Dai Xiji	CFO	Leave office	M	52	November 17, 2017	March 30, 2021	0	0	0	0	0	0	0	0
Total	--	--	--	--	--	--	18,852	0	0	0	0	0	0	18,852

During the reporting period, whether there was any departure of directors and supervisors and dismissal of Senior Officers

Yes No

On 19 August 2021, BOD of the Company received a written resignation report from Director and Deputy Chairman of the Company Mr. Huang Bangxin. Mr. Huang resigned as Director and Deputy Chairman of the 9th BOD of the Company due to work reasons; and at end of March 2021, BOD received a written resignation report from CFO of the Company Mr. Dai Xiji, Mr. Dai resigned as CFO of the Company for work reasons.

Changes of directors, supervisors and senior officers

Applicable Not applicable

Name	Title	Type	Date	Reason
Li Hongsheng	Vice chairman	Leaving at the end of the term of office	April 26, 2021	
Huang Bangxin	Vice chairman	Be elected	April 26, 2021	
Huang Bangxin	Vice chairman	Leave office	August 20, 2021	Job changes
Hu Ming	Vice chairman	Be elected	September 13, 2021	
Li Wenying	Director	Leaving at the end of the term of office	April 26, 2021	
Sun Huirong	Director	Be elected	April 26, 2021	
Li Zhiwei	Supervisor	Leaving at the end of the term	April 26, 2021	

		of office		
Li Caijun	Supervisor	Be elected	April 26, 2021	
Liang Jianqiang	Employee supervisor	Leaving at the end of the term of office	April 26, 2021	
Peng Bo	Employee supervisor	Leaving at the end of the term of office	April 26, 2021	
Qian Wenhui	Employee supervisor	Be elected	April 26, 2021	
Lu Yindi	Employee supervisor	Be elected	April 26, 2021	
Dai Xiji	CFO	Leave office	March 30, 2021	Job changes
Zou Yi	Secretary of the Board	Be elected	April 26, 2021	
Zhang Jie	Secretary of the Board	Leaving at the end of the term of office	April 26, 2021	

2. Post-holding

Professional background, major working experience and present main responsibilities in Company of directors, supervisors and senior officers at the present

Mr. Li Xinwei was born in 1965, communist party member, a senior accountant, a postgraduate of Xiamen University, and a master of business administration. From 1984 to 1992, he held the post of director of the accounting department of Guangdong Nuclear Power Joint Venture Co., Ltd.; from 1992 to 2006, he served as the financial manager of Shenzhen Worldsun Enterprises Co., Ltd. and he served as the director of finance department of Shenzhen Mawan Power Co., Ltd., the chief accountant and the director of finance department of Shenzhen Energy Group Power Generation Branch, the deputy director of capital office of Shenzhen Energy Group Co., Ltd. (at ministerial level), the director and deputy general manager of Shenzhen Mawan Power Co., Ltd.; from 2004 to 2006, he also served as the chairman of Huizhou City Gas Development Co., Ltd.; from 2006 to August 2017, he held the post of managing director of Shenzhen Energy Finance Co., Ltd., he also holds the post of chairman of Sichuan Shenzhen Energy Power Investment Holding Co., Ltd. from 2015 to October 2018; and he has held the post of chairman and director of the Company since August 2017, since July 2018, he has been the secretary of party general branch and secretary of the party committee of the company, now served as director of Shenzhen Energy Group Co., Ltd., chairman of Shenzhen Shen Nan Dian Environment Protection Co., Ltd., and chairman of Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.

Mr. Hu Ming, born in 1970, a member of China National Democratic Construction Association, master, and senior engineer. From March 2003 to December 2019, he worked at the Housing and Construction Bureau and Auditing Bureau of Nanshan District. From January 2020 to August 2021, he worked as managing director of Shenzhen Dashaha Construction Investment Co., Ltd. and managing director of Shenzhen Nanshan Anju Construction Development Co., Ltd. Since September 2021, he acts as the managing director of Shenzhen Guangju Energy Co., Ltd., and he acts as the vice president of the company since September 2021.

Mr. Huang Qing, born in 1971, communist party member, intermediate economist, master of economics, graduated from Wuhan University with a major in national economic planning and management. He successively served as a staff member, deputy chief staff member, and a chief staff member of the General Office of Shenzhen Municipal Government, deputy chief of the General Office of Shenzhen Municipal Government, chief of the General Office of Shenzhen Municipal Government, deputy departmental-level secretary of the General Office of Shanxi Provincial Government, deputy director of Shanxi Provincial Government's Guangzhou Office and a member of the Party Group. He currently serves as deputy general manager of Shenzhen Capital Holding Co., Ltd., concurrently serves as director and president of Guangzhou NasSoft Information Technology Co., Ltd., director of Shenzhen Energy Group Co., Ltd., director and vice president of Shenzhen Water Investment Co., Ltd., director of Shenzhen HTI Group Co., Ltd., director of Xiong'an Lvyan Zhiku Co., Ltd., director of Shenzhen Institute of Building Research Co., Ltd., supervisor of Shenzhen Yixin Investment Co., Ltd., and the director of Shum Yip Investment Development Co., Ltd. ; and he serves as the director of the Company since June 2019.

Mr. Chen Yuhui was born in 1965, communist party member, a senior engineer, graduated from Shanghai Jiao Tong University and obtained a bachelor's degree in marine power and a master's degree in vibration, shock & noise (postgraduate degree). In 1989, he worked in the maintenance department of Shenyang Liming Gas Turbine Co., Ltd.; from December 1989 to June 2006, he worked in Shenzhen Energy Group Yueliangwan Power Plant, and successively held the posts of chief-operator of operation department, specialist engineer of general office, deputy director of maintenance department, factory deputy manager, factory manager, etc.; from June 2006 to July 2014, he worked in Shenzhen Energy East Power Plant and held the posts of deputy general manager and operation director; from August 2017 to present, he served as the chairman, general manager, from May 2019 to present, he has been the deputy secretary of the party committee of the company, and the chairman of Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.

Mr. Wu Guowen, born in 1965, an undergraduate, He worked in Shenzhen Guangju Energy Co., Ltd. since 1994; and worked in Shenzhen Yisheng Liquid Storage Co., Ltd. from 2008 to November 2010, and served as deputy GM; he works in Shenzhen Guangju Real Estate Co., Ltd. From December 2010 to March 2016, and successively appointed as standing deputy GM, legal representative, executive director and GM; serves as staff supervisor in Shenzhen Guangju Energy Co., Ltd. from August 2013 to March 2018, he serves as chairman of Shenzhen Server Petrochemical Supplying Co., Ltd. from March 2018 to September 2021, he serves as director, standing deputy GM of the Company since April 2016.

Mr. Sun Huirong, born in 1983, a member of the Communist Party of China, master degree, intermediate engineer title. He used to be a senior staff member and project leader of Shenzhen Geotechnical Investigation & Surveying Institute (Group) Co., Ltd., the investment director of Shenzhen Deep Share China Investment Management Co., Ltd., and the senior manager and deputy section head of research department and the deputy director of strategic research and M&A department of Shenzhen Capital Holdings Co., Ltd. He serves as the director of asset management department of Shenzhen Capital Holdings Co., Ltd., and serves as a director of the company since April 2021.

Mr. Mo Jianmin was born in 1966, a China Certified Public Accountant, graduated from School of Law of Nanchang University. From March 1985 to October 1996, he worked at Tonggu County Taxation Bureau of Jiangxi Province and Local Taxation Bureau of Tonggu County; from November 1996 to October 1999, he worked at Shenzhen Tongren Certified Public Accountants; from October 1999 to March 2001, he worked at Zhongtianqin Certified Public Accountants; from April 2001 to December 2003, worked at Shenzhen Languang Enterprise Group; from January 2004 to December 2010, he worked at Shenzhen Jinniu Accounting Firm; from January 2011 to October 2012, he was appointed as a partner of Jonten Certified Public Accountants Shenzhen Branch; from November 2012 to May 2014, he served as a partner of Beijing Yongtuo Certified Public Accountants; he has served as a partner of Da Hua Certified Public Accountants since June 2014. He also serves as independent director of Shenzhen Kunpeng Holdings Co., Ltd., independent director of Shenzhen Zhuolineng Technology Co., Ltd., and executive director of Shenzhen Yishanghui Investment

Co., Ltd. He serves as independent director of the Company since Nov. 2017.

Mr. Chen Zetong was born in 1970, a bachelor of laws at Southwest University of Political Science and Law, a master of laws at the University of Hong Kong, a doctor of laws at Jilin University. From 1994 to 2003, he served as a court clerk, assistant judge and judge at the Real Estate Trial Division of Shenzhen Intermediate People's Court; from 2003 to 2006, he served as the presiding judge at the Economic Trial Division; from July to August 2002, he practiced as a judicial assistant in the High Court of Hong Kong; from 2006 to 2010, he served as the deputy presiding judge at the seventh court of Shenzhen Intermediate People's Court (Corporate Liquidation and Bankruptcy Trial Division), and presided over the work of this court from June 2006 to August 2008. From 2010 to 2012, he served as a partner of Beijing King & Wood Mallesons. Since 2012, he has been a senior partner of Beijing JunZeJun Law Offices. He is currently an arbitrator of Shenzhen Court of International Arbitration (Also known as South China International Economic and Trade Arbitration Commission, Shenzhen Arbitration Commission), concurrently an independent director of listed company Tianma Microelectronics Co., Ltd., an independent director of non-listed company Funde Insurance Holding Co., Ltd., an independent director of Funde Sino Life Co., Ltd., and an independent director of Sino Life Assets Management Co., Ltd. He serves an independent director of the Company since November 2017.

Mr. Du Wei, born in 1955, communist party member, senior engineer, Ph.D., graduated from the Institute of Plasma Physics Chinese Academy of Sciences, majoring in nuclear fusion and plasma physics. He served as a cadre of the National Energy Commission, assistant engineer and principal staff member of the Yangtze River Basin Planning Office, engineer and deputy manager of China Nanshan Development Co., Ltd., deputy general manager and general manager of Shenzhen Changjiang Computer Industry Corporation, deputy director and director of the senior manager evaluation and recommendation center of the Organization Department of Shenzhen Municipal Committee, deputy general manager of Shenzhen Expressway Development Co., Ltd.; president of Shenzhen International Western Logistics Co., Ltd., general manager of Shenzhen International Qianhai Industry (Shenzhen) Co., Ltd., and senior consultant of Shenzhen International Business Management (Shenzhen) Co., Ltd. He is currently Current Executive Director and GM of Shenzhen Borun Investment Co., Ltd., Executive Director and GM of Shenzhen Tianyu Freight Forwarding Co., Ltd., and has been an independent director of the Company since November 2019.

Members of supervisory committee of the board:

Mr. Ye Qiliang was born in 1963, a member of the Communist Party of China with a college degree. From 1979 to January 1984, he served in the Army 83020; from January 1984 to March 1997, he worked in Quannan County of Jiangxi Province; from March 1997 to February 1999, he worked at Shenzhen Shennan Petroleum (Group) Co., Ltd. and served as a clerk in the investment department; from February 1999 to June 2009, he worked at Shenzhen Guangju Energy Co., Ltd. and served as the deputy director of the general manager office, the deputy director of the secretariat of the board of directors, and the representative of securities affairs; he serves as the committee member of labor union of Shenzhen Guangju Energy Co., Ltd. since July 2012; from July 2009 to March 2016, he successively served as the deputy general manager and general party branch member of Shenzhen Nanshan Petroleum Co., Ltd.; he has served as the secretary of party general branch of the Company from April 2016 to July 2018, served as the deputy secretary of party general branch of the Company from July 2018 to May 2019, now he served as deputy party secretary the Company since May 2019. Since September 2021, he has also served as the chairman of Shenzhen Server Petrochemical Supplying Co., Ltd. Since November 2017, he has been the chairman of the company's board of supervisors.

Mr. Li Caijun, born in 1978, a member of the Communist Party of China, master degree. He was an accounting teacher of Chongqing Beibei Vocational Education Center, the financial manager of Chongqing Yanlong Property Development Co., Ltd., the manager of investment banking department of Shenzhen Energy Finance Co., Ltd., the director and deputy director of financial management department of Shenzhen Special Zone Construction and Development Group Co., Ltd., the deputy director of strategic research and M&A department of Shenzhen Capital Holdings Co., Ltd., and the chief financial officer of Shenzhen Water Investment

Group; He serves as the director of financing plan department of Shenzhen Capital Holdings Co., Ltd., and serves as the supervisor of the company since April 2021.

Mr. Liao Junkai, born in 1988, CPC member, master of law, graduated from South China University of Technology with a major in master of law (law). He has successively held positions of assistant, supervisor and manager of the Risk Control Department of Shenzhen Capital Co., Ltd. From November 2020 to November 2021 he serves as supervisor of Shenzhen Academy of Building Research Co., Ltd. From June 2021, he serves as the general manager of the asset management center of Shenzhen Kelu Electronic Technology Co., Ltd. He has been a supervisor of the Company since June 2019.

Mr. Qian Wenhui, born in 1968, accountant, bachelor degree, graduated from Changsha Normal University of Water Resources and Electric Power in 1990, majoring in financial accounting. From July to October 1990, he worked at Wuhan Yangluo Power Plant. From October 1990 to August 2003, he worked at the finance department of the Company. From August 2003 to October 2011, he was the chief financial officer of Zhongshan Zhongfa Power Co., Ltd.. From March 2014 to December 2016, he served as a supervisor of Zhongshan Shenzhong Real Estate Development Co., Ltd. and Zhongshan Shenzhong Real Estate Investment and Property Co., Ltd.. He has been serving as the director of audit risk control department of the Company since November 2010, a supervisor of Shenzhen Server Petrochemical Supplying Co., Ltd since May 2014, and a supervisor of the company's employee representative since April 2021.

Ms. Lu Yindi, born in 1982, a member of the Communist Party of China, master degree, graduated from the School of Management, Huazhong University of Science and Technology in 2008, majoring in Management Science and Engineering. In July 2008, she joined the Global Supply Chain Management Office of iDSBG Business Group of Foxconn Technology Group and successively served as deputy section chief, section chief and specialist manager of supply Chain Management Office. Since August 2018, she has been working in the Company as the director of contract and bidding management of the safety technology department, the deputy director and the director of the supply department, and the deputy director of fuel management department of Nanshan Power Factory. She has been the director of the board of directors office of the company since June 2021. Since April 2021, he has been working as the supervisor of the company's employee representative.

Senior officers of the Company:

Resume of Director/GM Chen Yuhui and Director/ standing deputy GM Wu Guowen found the aforesaid.

Ms. Zhang Jie, born in 1968, CHRM, Master of Psychology of Beijing University; she was successively study with specialty of British and American Literature in the Foreign Language Department of Zhengzhou University and specialty of applied psychology in the Psychology Department, Beijing University. She used to work in Henan Provincial Seismological Bureau as a translator. She worked in the finance department and office after joining the Company, and successively held the posts of secretary, office director, general manager assistant and employee supervisor of the Company since 1993. From 2014 to September 2018, concurrently served as the chairman of Shenzhen Shen Nan Dian Environment Protection Co., Ltd., from December 2015 to April 2021, he concurrently served as the Secretary of the Board of Directors of the Company, she holds the Deputy General Manager of the Company since December 2006.

Mr. Zou Yi, born in 1973, a member of the Communist Party of China, economic manager, master of economics. From July 1994 to September 2007, he worked at the headquarters of Shenzhen Energy Group Co., Ltd., successively served as the business director of finance department, the deputy director of fund office and the business director of secretary office of the board of directors. From September 2007 to December 2017, he served as the head of the fund department of Shenzhen Energy Finance Co., Ltd.; from December 2017 to July 2019, he served as the deputy general manager of Shenzhen Energy Finance Co., Ltd.. From August 2017 to November 2018, he concurrently served as a director of Huizhou Shenzhen Energy Fengda Power Co., Ltd.. From August 2019 to April 2021, he served as the director of the office of the board of directors of the Company, and from July 2020 to April 2021, he

concurrently served as the director of the administration and management department of the Company. He serves as the secretary of the board of the Company from April 2021.

Post-holding in shareholder's unit

Applicable Not applicable

Name	Name of shareholder's unit	Position in shareholder's unit	Worked from	Expired on	Received remuneration from shareholder's unit (Y/N)
Li Xinwei	Shenzhen Energy Group Co., Ltd.	Director	April 24, 2019		N
Huang Qing	Shenzhen Energy Group Co., Ltd.	Director	April 24, 2019		N

Post-holding in other unit

Applicable Not applicable

Name	Name of other units	Position in other unit	Worked from	Expired on	Received remuneration from other unit (Y/N)
Li Xinwei	Shenzhen Shen Nan Dian Environment Protection Co., Ltd.	Chairman	October 30, 2018		N
	Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.	Chairman	January 18, 2019		N
	Shen Nan Energy (Singapore) Co., Ltd.	Director	December 27, 2017		N
Hu Ming	Shenzhen Guangju Energy Co., Ltd.	Director, GM	August 20, 2021, August 4, 2021		Y
Huang Qing	Shenzhen Capital Holdings Co., Ltd.	Deputy General Manager	September 1, 2016		Y
Chen Yuhui	Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	Chairman	August 26, 2017		N
	Shen Nan Energy (Singapore) Co., Ltd.	Director	December 27, 2017		N
Ye Qiliang	Shenzhen Server Petrochemical Supplying Co., Ltd	Chairman	September 2, 2021		N
Sun Huirong	Shenzhen Capital Holdings Co., Ltd.	Head of Asset Management Department	April 18, 2021		Y
Li Caijun	Shenzhen Capital Holdings Co., Ltd.	Deputy	April 18, 2021		Y

		director of accounting and finance department			
Liao Junkai	Shenzhen Kelu Electronic Technology Co., Ltd.	General Manager of Asset Management Center	June 7, 2021		Y
Qian Wenhui	Shenzhen Serve Energy Co., Ltd.	Supervisor	September 2, 2021		N
Mo Jianmin	Da Hua Certified Public Accountants	Partner	June 9, 2014		Y
	Shenzhen Kunpeng Holdings Co., Ltd.	Independent director	October 1, 2019		Y
	Shenzhen Zhuolineng Technology Co., Ltd.	Independent director	December 1, 2020		Y
Chen Zetong	Junzejun Law Offices	Senior Partner	September 1, 2012		Y
Du Wei	Shenzhen Borun Investment Co., Ltd.	Director, General Manager	February 1, 2020		N
	Shenzhen Tianyu Freight Forwarding Co., Ltd.	Executive Director, General Manager	February 1, 2021		N

Punishment of securities regulatory authority in recent three years to the Company's current and outgoing directors, supervisors and senior officers during the reporting period

Applicable Not applicable

3. Remuneration for directors, supervisors and senior officers

Decision-making procedures, recognition basis and payment for directors, supervisors and senior officers

1. Decision-making process: In accordance with relevant regulations of "Articles of Association", the stockholders' meeting would determine the remuneration of directors and supervisors, and the board of directors would determine the remuneration of senior officers.

2. Determine basis: Currently, except for the independent directors, the Company has no remuneration system for non-independent directors and supervisors, the directors and staff supervisor only received the pay for the post actually served in the Company. The Board of Directors will define the annual remuneration standard of the senior officers of the Company on the basis of annual operating performance, post rank and other factors and in consideration of the industrial remuneration level. It will decide the actually paid remuneration standard by referring to the examination of annual operation performance and audit status.

3. Actual payment: the Company is strictly paying the remuneration to directors in line with the decision-making process and determining basis on remuneration for directors, supervisors and senior officers, the relevant expenses arising from transportation,

accommodation, research, study and attending a meeting are borne by the Company.

Remuneration for directors, supervisors and senior officers in reporting period

In 10 thousand Yuan

Name	Title	Sex	Age	Post-holding status	Total remuneration obtained from the Company (before taxes)	Whether remuneration obtained from related party of the Company
Li Xinwei	Chairman	M	56	Currently in office	85.5	N
Li Hongsheng	Vice chairman	M	58	Leave office	0	Y
Huang Bangxin	Vice chairman	M	41	Leave office	0	Y
Hu Ming	Vice chairman	M	51	Currently in office	0	Y
Huang Qing	Director	M	50	Currently in office	0	Y
Chen Yuhui	Director, GM	M	56	Currently in office	77.5	N
Wu Guowen	Director, Standing Deputy GM	M	56	Currently in office	72	N
Sun Huirong	Director	M	38	Currently in office	0	Y
Li Wenying	Director	M	42	Leave office	0	Y
Mo Jianmin	Independent director	M	55	Currently in office	11.9	N
Chen Zetong	Independent director	M	51	Currently in office	11.9	N
Du Wei	Independent director	M	66	Currently in office	11.9	N
Ye Qiliang	Chairman of supervisory board	M	58	Currently in office	71.5	N
Li Zhiwei	Supervisor	M	41	Leave office	0	Y
Li Caijun	Supervisor	M	43	Currently in office	0	Y
Liao Junkai	Supervisor	M	33	Currently in office	0	Y

Liang Jianqiang	Employee supervisor	M	53	Leave office	44.07	N
Peng Bo	Employee supervisor	M	48	Leave office	39.5	N
Qian Wenhui	Employee supervisor	M	53	Currently in office	41.23	N
Lu Yindi	Employee supervisor	F	39	Currently in office	31.82	N
Zhang Jie	Deputy GM	F	53	Currently in office	69.5	N
Zou Yi	Secretary of the Board	M	48	Currently in office	57.43	N
Dai Xiji	CFO	M	52	Leave office	11.58	N
Total	--	--	--	--	637.33	--

VI. Responsibility performance of directors during the reporting period

1. The board of directors during the reporting period

Session of meeting	Date of meeting	Disclosure date	Meeting resolutions
The 16 th Extraordinary Meeting of the 8 th Board of Directors	February 1, 2021	February 2, 2021	Deliberated and approved proposals including: Amendment of the Article of Association of Shenzhen Nanshan Power Co., Ltd.; Amendment of the Rules of Procedure for Shareholders General Meeting of Shenzhen Nanshan Power Co., Ltd.; Amendment of the Rules of Procedure for Board of Directors of Shenzhen Nanshan Power Co., Ltd., and Holding the First Extraordinary General Meeting of Shareholders for the year of 2021
The 8 th session of 8 th board of directors	March 24, 2021	March 26, 2021	Deliberated and approved proposals including: Report on the Work of BOD for year of 2020; Financial Report for year of 2020; the Provision for Impairment of Various Assets in 2021; Profit Distribution Plan for year of 2020; Request for Consideration of the Annual Internal Control Evaluation Report for 2020; Annual Report of 2020 (full-text) and its Summary; Comprehensive Management Plan for year of 2021; Accrual of Remuneration for year of 2021; The Company and its Controlling Subsidiary Applied for Financing Comprehensive Credit and Provided Guarantee for year of 2021; Appointment of Auditing Institution for year of 2021 and Remuneration Determination and Holding the Annual General Meeting of 2020.
The 17 th	April 9, 2021	April 10, 2021	Deliberated and approved proposal on General Election of the BOD

Extraordinary Meeting of the 8 th Board of Directors			of the Company and deliberated the proposal on Holding the 2 nd extraordinary general meeting of shareholders of 2021
The 18 th Extraordinary Meeting of the 8 th Board of Directors	April 21, 2021	April 23, 2021	Deliberated and approved the First Quarterly Report 2021 (full-text and text)
The 1 st session of 9 th board of directors	April 26, 2021	April 27, 2021	Deliberated and approved proposal on Election of the Chairman and deputy Chairman of 9 th BOD of the Company, proposal on Election of the Specific Committee Members of 9 th BOD of the Company, proposal on Appointment of the GM of the Company; proposal on Appointment of Secretary of the Board and proposal on Appointment of other senior officers of the Company.
The 2 nd session of 9 th board of directors	August 18, 2021	August 20, 2021	Deliberated and approved Semi-Annual Report of 2021(full-text) its Summary
The 1 st Extraordinary Meeting of the 9 th Board of Directors	August 25, 2021	August 27, 2021	Deliberated and approved proposal on Re-election Some Non-independent Directors of 9 th BOD, Use of Idle Own-funds to Purchase Wealth Management Products and Holding the Third Extraordinary General Meeting of Shareholders for 2021
The 2 nd Extraordinary Meeting of the 9 th Board of Directors	September 13, 2021	September 14, 2021	Deliberated and approved proposal on Election of the Deputy Chairman of 9 th BOD; proposal on adjustment of specific committee members of 9 th BOD.
The 3 rd Extraordinary Meeting of the 9 th Board of Directors	October 22, 2021	October 26, 2021	Deliberated and approved The Third Quarterly Report of 2021
The 4 th Extraordinary Meeting of the 9 th Board of Directors	November 11, 2021	November 12, 2021	Deliberated and approved proposal on Investment for Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.

2. The attending of directors to Board meetings and shareholders general meeting

The attending of directors to Board Meeting and Shareholders General Meeting							
Director	Times of Board meeting supposed to attend in the report period	Times of Presence	Times of attending the Board Meeting by communicatio	Times of entrusted presence	Times of Absence	Absent the Meeting for the second time in a row (Y/N)	Times of attend the general meeting

			n				
Li Xinwei	10	2	8			N	4
Li Hongsheng	4	0	4			N	2
Huang Bangxin	3	1	2			N	1
Hu Ming	3	1	2			N	1
Huang Qing	10	2	8			N	3
Chen Yuhui	10	2	8			N	4
Wu Guowen	10	2	8			N	4
Sun Huirong	6	2	4			N	2
Li Wenyong	4	0	4			N	1
Mo Jianmin	10	2	8			N	4
Chen Zetong	10	1	8	1		N	1
Du Wei	10	2	8			N	4

Explanation of absent the Board Meeting for the second time in a row

Nil

3. Objection for relevant events from directors

Directors come up with objection about Company's relevant matters

Yes No

No directors come up with objection about Company's relevant matters in the Period

4. Other explanation about responsibility performance of directors

The opinions from directors have been adopted

Yes No

Director's statement to the Company that a proposal has been or has not been adopted

During the reporting period, all the directors of the company were diligent and conscientious, carried out work in strict accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, as well as the company's Articles of Association and Rules of Procedure for the Board of Directors, paid close attention to the company's standardized operation and business situation, studied and discussed and offered advice and suggestions and made scientific and prudent decisions on various proposals submitted to the board of directors according to the actual situation, so as to ensure the sustainable, stable and healthy development of the company's business operations and safeguard the legitimate rights and interests of the company and all shareholders.

VII. The special committees under the board during the reporting period

Committee name	Members	Number of meetings	Date of	Meeting content	Important comments and suggestions made	Other performance of duties	Specific circumstances of the
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		held	meeting			objection (if applicable)
Strategy and investment management committee	Li Xinwei, Li Hongsheng, Huang Qing, Chen Yuhui, Wu Guowen	1	March 24, 2021	Deliberation of the Report on Performance of Strategy & Investment Management Committee of the Board for year of 2020	The motion was passed unanimously after full communication & discussion among the committee members according to the actual condition of the Company	N/A
Strategy and investment management committee	Li Xinwei, Huang Qing, Chen Yuhui, Wu Guowen	1	August 25, 2021	Deliberation of the Proposal on Purchasing Wealth Management products with Idle Own Funds	The motion was passed unanimously after full communication & discussion among the committee members according to the actual condition of the Company	N/A
Strategy and investment management committee	Li Xinwei, Hu Ming, Huang Qing, Chen Yuhui, Wu Guowen	1	November 11, 2021	Deliberation of the proposal on Investment for Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	The motion was passed unanimously after full communication & discussion among the committee members according to the actual condition of the Company	N/A
Nomination Committee	Chen Zetong, Li Hongsheng, Du Wei	2	March 24, 2021	Deliberation of the Report on Performance of Nomination Committee of the Board for year of 2020	The motion was passed unanimously after full communication & discussion among the committee members according to the actual condition of the Company	N/A
			April 9, 2021	Deliberation of the Proposal on General Election of BOD of the Company	The motion was passed unanimously after full communication & discussion among the	N/A

					committee members according to the actual condition of the Company。		
Nomination Committee	Chen Zetong, Huang Bangxin, Du Wei	1	April 26, 2021	Deliberation of the 1. proposal on appointment of GM of the Company; 2. proposal on appointment of Secretary of the Board; 3. proposal on appointment of other senior officers of the Company	All motions were passed unanimously after full communication & discussion among the committee members according to the actual condition of the Company	N/A	
Nomination Committee	Chen Zetong, Du Wei	1	August 25, 2021	Deliberation of the Proposal to Re-elected Some Non-independent Director of 9 th BOD of the Company;	The motion was passed unanimously after full communication & discussion among the committee members according to the actual condition of the Company	N/A	
Remuneration and Appraisal Committee	Mo Jianmin, Wu Guowen, Du Wei	1	March 24, 2021	Deliberation of the 1. Report on Performance of Remuneration & Appraisal Committee of the Board for year of 2020; 2. Accrual of the Remuneration for year of 2021	All motions were passed unanimously after full communication & discussion among the committee members according to the actual condition of the Company	N/A	
Audit Committee	Mo Jianmin, Li Wenying, Chen Zetong	2	February 3, 2021	Hearing of the Communication Letter with Governance during the Ongoing Stage of Annual Audit for year of 2020 submitted by Lixin Zhonglian CPA		N/A	
			March 24, 2021	Hearing of the 1. Annual Auditing Report of 2020 and Auditing Report of Internal Control for year	All motions were passed unanimously after full communication &	N/A	

				of 2020; deliberation of the 3. Request for Consideration of the Annual Internal Control Evaluation Report for 2020; 4. Appointment of Auditing Institution for year of 2021 and Remuneration Determination; 5. Report on Performance of Auditing Committee of the Board for year of 2020;	discussion among the committee members according to the actual condition of the Company		
Audit Committee	Mo Jianmin, Sun Huirong, Chen Zetong	2	November 22, 2021	Hearing of the Auditing Plan of Shenzhen Nanshan Power Co., Ltd. for year of 2021 submitted by Lixin Zhonglian CPA		N/A	
			December 30, 2021	Hearing of the Communication Letter Between CPA and the Governance submitted by Lixin Zhonglian CPA		N/A	

VIII. Works from Supervisory Committee

The Company has risks in reporting period that found in supervisory activity from supervisory committee

Yes No

Supervisory committee has no objection about supervision events in reporting period

IX. Particulars of workforce

1. Number of Employees, Professional categories, Education background

Employee in-post of the parent Company at period-end (people)	258
Employee in-post of main Subsidiaries at period-end (people)	134
The total number of current employees at period-end (people)	392
The total number of current employees to receive pay (people)	392
Retired employee's expenses borne by the parent Company and main Subsidiaries (people)	0

Professional categories	
Types of professional category	Numbers of professional category
Production staff	220
Sales staff	0
Technical staff	0
Financial staff	24
Administration staff	148
Total	392
Education background	
Type of education background	Numbers (people)
High school and below	48
3-years regular college graduate and Polytechnic school graduate	177
Bachelor degree	146
Master and above	21
Total	392

2. Remuneration Policy

According to the Company's annual operation performance combined with the market-oriented remuneration in the region and industry, the Board implements a principle of annual remuneration provision with the fixed remuneration as main body, which will, at the same time of controlling remuneration cost, create conditions for the stable workforce. Meanwhile, special incentive mechanism will be available according to the completion of annual business objectives and core mission so as to set up an incentive mechanism linked with operation performance and exert the incentive role of remuneration.

The remuneration of the chairman of board will be submitted to the shareholders' meeting for approval after it has been deliberated by the board of directors. The remuneration of the general manager, deputy general manager and other senior officers' level will be prepared by the Board Remuneration and Appraisal Committee and then be submitted to the board of directors for approval. The Board of Directors will decide the annual remuneration standard of the senior officers of the Company on the basis of annual operating efficiency, post rank and other factors and in consideration of the industrial remuneration level and the actually paid remuneration standard by referring to the examination of annual operation performance and audit status. The operation team is authorized to manage the remuneration of other personnel on the principle of "defining salary in terms of post and obtaining remuneration in terms of labor". Within the annual remuneration limit approved by the board of directors, and in compliance with the remuneration principle and Interim Remuneration Management Provision set down by the Board of Directors, determine and execute the remuneration standard, distribution plan, examination and incentive method of employees at each level.

3. Training plan

The Company always attached great importance to staff training, and established of the "staff training and management regulations" and a more perfect training network. Through strengthening the staff training, enhancing the staff's job skills and comprehensive quality, to better meet the Company's management, management demand for talent, while training reserve personnel for the Company's sustainable development. During the reporting period, the Company strictly implemented the training plans that

formulated in beginning of the Year, mainly carried out the following aspects of the training:

- (1) Safety Training: According to the Production Safety Law, other laws and regulations, organize safety education training for the safety principal, principal and security officer of the Company headquarters and affiliated companies, conducting accident emergency rescue drills and emergency response capability training, improve the safety awareness and accident prevention capacity of management at all levels and employee;
- (2) Post qualification training: by means of learning assignments, the obtaining of certificate, internal training and assessment, carry out certification training for key business and technical post, meet with requirements of relevant laws and regulations for vocational qualification requirements, and improve employee job performance ability.
- (3) Simulator skills training: relying on gas turbine simulation training base, continued to carry out stimulator training for the operation personnel within three power plants of the Company, and improve the practical operation and adaptability to changes of plant operations personnel.
- (4) The induction training of new employees: Carry out systematic and pointed job skill and professional training for the newly recruited graduates of the company;
- (5) Training and study of party members: the Company Party committee and the party branches of the company will formulate detailed and feasible plans according to the requirements of the higher-level organizations by adopting various forms such as issuing books and materials, bringing in teachers and experts, and leading party members to go out; actively carrying out the study and education works for Party members; strictly implement the “three meetings and one class” system, and develop activities such as “secretary teaches party lessons”. We will ensure that party organizations play the role of battle-bastion and the majority of party members to play a vanguard and exemplary role through training and study.

4. Labor outsourcing

Applicable Not applicable

X. Profit distribution and transfer of public reserve into share capital

Formulation, Implementation and Adjustment of Profit Distribution Policy Especially Cash Dividend policy during the Reporting Period

Applicable Not applicable

The Company is profitable during the reporting period and the parent company has positive profit available for distribution to shareholders without cash dividend distribution plan proposed

Applicable Not applicable

Profit distribution plan and transfer of public reserve into share capital for the Period

Applicable Not applicable

The Company has no plan of cash dividends distribution carried out for the Year, no bonus shares or transfer of public reserve into share capital either.

XI. Implementation of the Company’s stock incentive plan, employee stock ownership plan or other employee incentives

Applicable Not applicable

The Company has no equity incentive plan, employee stock ownership plans or other employee incentives.

XII. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

According to the *Basic Regulation of Enterprise Internal Control* and its supporting guidelines, the company updated and improved the company's internal control system in a timely manner, and established a scientific and applicable internal control system. The audit committee and the internal audit department jointly constituted the company's risk internal control management organization system to supervise and evaluate the company's internal control management. Through the operation, analysis and evaluation of the internal control system, the company has effectively prevented risks in operation and management and promoted the realization of internal control objectives.

2. Details of major defects in IC appraisal report that found in reporting period

Yes No

XIII. Management and controls on the subsidiary during reporting period

Not applicable

XIV. Internal control self-assessment report or internal control audit report

1. Self-assessment Report of Internal Control

Disclosure date of full internal control assessment report	March 25, 2022	
Disclosure index of full internal control assessment report	Assessment report of internal control for year of 2021, Juchao Website (http://www.cninfo.com.cn)	
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the Company's consolidated financial statements	94.98%	
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the Company's consolidated financial statements	100.00%	
Defects Evaluation Standards		
Category	Financial Reports	Non-financial Reports
Qualitative criteria	Major defects: under major operational activities, there are major defects in several companies which are consolidated into the	Major defects: under major operational activities, there are major defects in several companies which are

	<p>preparation of financial statements, or there are major defects in few of companies which are consolidated into the preparation of financial statements but the Company with major defect are the main one participating into such major operation activities;</p> <p>Substantial defects: under major operational activities, there are substantial defects in few of companies which are consolidated into the preparation of financial statements, or there are moderate defects in several companies which are consolidated into the preparation of financial statements but the Company with major defect are the main on participating into such major operation activities; or there are moderate defects in few of companies which are consolidated into the preparation of financial statements but the Company with moderate defect are the main one participating into such major operation activities;</p> <p>General defects: under major operational activities, there are moderate defects in few of companies which are consolidated into the preparation of financial statements, and the Company with moderate defects is not the main one participating into the major operational activities; or there are only general defects in companies which are consolidated into the preparation of financial statements; there are no internal control defects in major operational activities and there are only internal control defects in minor operational activities.</p>	<p>consolidated into the preparation of financial statements, or there are major defects in few of companies which are consolidated into the preparation of financial statements but the Company with major defect are the main one participating into such major operation activities;</p> <p>Substantial defects: under major operational activities, there are substantial defects in few of companies which are consolidated into the preparation of financial statements, or there are moderate defects in several companies which are consolidated into the preparation of financial statements but the Company with major defect are the main on participating into such major operation activities; or there are moderate defects in few of companies which are consolidated into the preparation of financial statements but the Company with moderate defect are the main one participating into such major operation activities;</p> <p>General defects: under major operational activities, there are moderate defects in few of companies which are consolidated into the preparation of financial statements, and the Company with moderate defects is not the main one participating into the major operational activities; or there are only general defects in companies which are consolidated into the preparation of financial statements; there are no internal control defects in major operational activities and there are only internal control defects in minor operational activities.</p>
Quantitative standard	Major defects: mistaken amount \geq total assets in consolidated financial statement $\times 0.5\%$	Major defects: amount of direct loss \geq total assets in consolidated financial statement $\times 0.5\%$

	Substantial defects: total assets in consolidated financial statement $\times 0.2\% \leq$ mistaken amount $<$ total assets in consolidated financial statement $\times 0.5\%$ General defect: mistaken amount $<$ total assets in consolidated financial statement $\times 0.2\%$	Substantial defects: total assets in consolidated financial statement $\times 0.2\% \leq$ amount of direct loss $<$ total assets in consolidated financial statement $\times 0.5\%$ General defect: amount of direct loss $<$ total assets in consolidated financial statement $\times 0.2\%$
Amount of significant defects in financial reports		0
Amount of significant defects in non-financial reports		0
Amount of important defects in financial reports		0
Amount of important defects in non-financial reports		0

2. Auditing report of internal control

Applicable Not applicable

Deliberations in Internal Control Audit Report	
The accountant firm thinks Shenzhen Nanshan Power Co., Ltd. maintains effective internal control of financial report in all significant aspects in accordance with <i>the Basic Regulation of Enterprise Internal Control</i>	
Disclosure of internal control audit report	Disclosed
Disclosure date of audit report of internal control (full-text)	March 25, 2022
Index of audit report of internal control (full-text)	Audit report of internal control for year of 2021, Juchao Website (http://www.cninfo.com.cn)
Opinion type of auditing report of IC	Standard unqualified
whether the non-financial report had major defects	No

Carried out modified opinion for internal control audit report from CPA

Yes No

The internal control audit report, issued by CPA, has concerted opinion with self-evaluation report, issued from the Board

Yes No

XV. Rectification of Self-examination Problems in Special Governance Actions in Listed Company

1. The term of office of the eighth session of board of directors and the eighth board of supervisors of the company ended in November 2020. At the end of November 2020, the company failed to conduct a new election in time according to the company's production and operation, the communication with major shareholders and the procedures for recommending candidates, so all the directors and supervisors of the eighth session of the board of directors and the board of supervisors continued to perform their due duties and obligations as directors and supervisors in accordance with laws and regulations. The company has officially started the work related to the election of the ninth session of board of directors and board of supervisors in February 2021. On February 26, 2021, the company sent out the Letter on Recommending Candidates for the Ninth Board of Directors and the Letter on Recommending Candidates for the Ninth Board of Supervisors to the three major shareholders of the company. On March 1, 2021, the company sent out the Opinion Letter on Nomination of Candidates for Independent Director of the Board of Directors of Shenzhen Nanshan Power Co., Ltd. to the three independent director candidates. After the preliminary preparations for the election of the Board of Directors and the Board of Supervisors, the company organized and held the eighth meeting of the nominations committee of the eighth board of directors, the 17th interim meeting of the eighth board of directors, and the 15th interim meeting of the eighth board of supervisors on April 9, 2021 to review the Proposal on the New Election of the Board of Directors of the Company and the Proposal on the New Election of the Board of Supervisors of the Company. On April 26, the company held the general meeting of shareholders to review the proposals on the new elections of board of directors and board of supervisors.

2. Mainly due to conflict of working hours, some directors and supervisors failed to attend the general meeting of shareholders. However, the relevant directors and supervisors have attended the relevant meetings of the board of directors and the board of supervisors held prior to this meeting to review the proposals of the shareholders' general meeting, and have fully understood the contents of the proposals to be submitted to the shareholders' general meeting and expressed their opinions. Relevant senior management personnel of the company attended the shareholders' general meeting in accordance with relevant regulations and notification requirements of the shareholders' general meeting, while other personnel worked at the site of the shareholders' general meeting and were ready to answer investors' questions at any time. In addition to the above circumstances, the directors, supervisors and senior management of the company all attended (as non-voting attendees) or entrusted others to attend the meetings of the board of directors and the board of supervisors. In the future, the company will more strictly implement the Rules of Procedures for General Meetings of Shareholders and other relevant provisions, and remind the directors and supervisors to attend the general meeting of shareholders.

Section V. Environmental and Social Responsibility

1. Major environmental

The listed Company and its subsidiary whether belongs to the key sewage units released from environmental protection department

√ Yes □ No

Enterprise or subsidiary	Main pollutant and features	Way of discharge	Number of discharge outlet	Distribution of the discharge outlet	Emission concentration	Pollutant discharge standard implemented	Total discharge	Total approved emissions	Excessive emission
Shenzhen Nanshan Power Co., Ltd.	Oxynitride	Concentrate emission from boiler uptake	2	In plant area of Nanshan Power Factory	<15 mg/m ³	Implementation of "Shenzhen Blue" emission standard <15 mg/m ³	60.75 ton	457.5 ton	0
Shenzhen New Power Industrial Co., Ltd.	Oxynitride	Concentrate emission from boiler uptake	1	In plant area of Nanshan Power Factory	<15 mg/m ³	Implementation of "Shenzhen Blue" emission standard <15 mg/m ³	34.54 ton	228.75 ton	0
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	Oxynitride	Concentrate emission from boiler uptake	2	In plant area of Zhongshan Nanlang Power Plant	<50 mg/m ³	GB13223	8.87 ton	324.50 ton	0

Construction and operation of the facilities preventing and controlling pollution

All facilities are work normally, vary pollutant discharge are in standards.

Environmental impact review and other environment protection administrative licensing

The aforesaid companies have pass the environment impact review and file in department of Environmental Protection of Guangdong province.

Emergency plan for abrupt environmental accidents

The plans have file in department of Environmental Protection of Guangdong province and corresponding environmental protection bureau.

Environmental self-monitoring plan

We have prepared the plans of self-monitoring and approved by Environmental Protection Bureau; monitoring data will release on Environmental Protection Website on time.

Administrative penalties imposed for environmental issues during the reporting period

Nil

Other information need for released

Nil

Measures taken to reducing the carbon emissions during the reporting period and their effectiveness

Applicable Not applicable

Other environmental protection related information

The Company shall comply with the relevant disclosure requirement for electricity-related industries of *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No.3 - Disclosure of Industry Information*

II. Social Responsibility

When the global energy crisis broke out in 2021, there was a phenomenon of “power rationing” in China, the price of main energy continued to rise sharply. The company’s annual average fuel price for power generation increased by 51.37% compared with 2020. The company’s on-grid electricity price seriously dropped away from the power generation cost. Under this circumstance, the company had the courage to assume social responsibilities, guaranteed the power supply with losses, and actively performed its due social responsibilities within the scope of its ability, and devoted to seeking healthy and harmonious development of the enterprise and its employees, the enterprise and the society, and the enterprise and the environment:

1. Corporate governance: in compliance with the relevant laws and regulations, governance norms of listed Company as well as the Company’s Articles of Association, continuously improve and strictly abide by the modern corporate management system and governance norms, and strive to realize the clear division of powers and responsibilities of the general meeting of shareholders, the board of directors, the board of supervisors, and the management, so that each performs its own functions,, effectively checks and balances, and coordinates for operation. In accordance with the listed company's corporate governance standards and related regulations, the Company strictly implemented the decision-making procedures of the "three meetings", did a good job in information disclosure and investor relationship management in accordance with laws and regulations, actively maintained the public image of listed companies, and protected the legitimate interests of all shareholders.

2. Safety production: we seriously in line with the Law on Safety in Production and relevant laws and regulations, and the rules of “same responsibility of the Party & Government, double duties, concerted efforts and negligence of duty”; Take multiple measures simultaneously to strengthen safety management, implement safety responsibilities at all levels, layer upon layer, and continue to create a new situation in safety work.

3. Environment protection: the Company has stringently complied with the national and local environment laws and regulations and consistently adhered to the policy of eco-friendly power generation and cyclic economic development. Our works relating to environment protection were effectively implemented with satisfaction of all the emission standards, completed the environment protection target for the whole year.

4. In terms of epidemic prevention and control: the company strictly implemented the decision-making and deployment of the Party Central Committee and the State Council and the work requirements of the epidemic prevention and control command organizations at all levels, and established a special agency for the prevention and control of the COVID-19 epidemic in a timely manner, and established an epidemic prevention and control responsibility mechanism with responsibility to individual and the grid management and control system, drew up epidemic prevention guidelines, emergency plans and various work rules, tried every means to purchase epidemic prevention materials, strengthened the publicity, education, and care support for employees. There were no confirmed cases,

suspected cases or cases of asymptomatic infection being found among domestic employees. While doing a good job in the prevention and control of the epidemic, the company actively responded to the call for resumption of work and production, and organized production and operation in a safe and orderly manner.

5. Human Resources: The Company attached great importance to talent training and employee care, continue to promote the reform of human resources and further optimize the human resource allocation, improved employees' professional quality and job competence, and made necessary talent preparations for the Company's transformation and development, at the same time, created favorable conditions for the personal career growth of employees; through a series of people's livelihood care measures, created better working environment and conditions for employees in accordance with local conditions, and increased employee happiness and corporate cohesion

6. In terms of helping and supporting: According to the central government's decision and deployment of continuing to vigorously implement consumption assistance, responding to the Work Plan of Implementing Consumption Assistance for Rural Revitalization of Shenzhen City in 2021 (SFBH (2021) No. 19), the Notice of the Municipal Pairing Assistance Work Leading Group Office on Refining the Expected Target of Consumption Assistance in 2021, and the Implementation of Consumption Assistance for Rural Revitalization of Nanshan District in 2021, in circumstances of extraordinary business difficulties in 2021, the company fulfilled its corporate social responsibility and actively participated in consumption assistance under the leadership of capital group labor union and guang ju gong union, purchasing a total of 258,200 yuan of poverty alleviation agricultural products.

III. Consolidating and expanding the achievements of poverty alleviation and rural revitalization

According to the central government's decision and deployment of continuing to vigorously implement consumption assistance, responding to the Work Plan of Implementing Consumption Assistance for Rural Revitalization of Shenzhen City in 2021 (SFBH (2021) No. 19), the Notice of the Municipal Pairing Assistance Work Leading Group Office on Refining the Expected Target of Consumption Assistance in 2021, and the Implementation of Consumption Assistance for Rural Revitalization of Nanshan District in 2021, in circumstances of extraordinary business difficulties in 2021, the company fulfilled its corporate social responsibility and actively participated in consumption assistance under the leadership of capital group labor union and guang ju gong union, purchasing a total of 258,200 yuan of poverty alleviation agricultural products.

Section VI. Important Matters

I. Implementation of commitment

1. Commitments that the actual controller, shareholders, related parties, acquirer and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

There was no commitments that the actual controller, shareholders, related parties, acquirer and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of the reporting period

2. Concerning assets or project of the Company, which has profit forecast, and reporting period still in forecasting period, explain reasons of reaching the original profit forecast

Applicable Not applicable

II. Non-operational fund occupation from controlling shareholders and its related party

Applicable Not applicable

No non-operational fund occupation from controlling shareholders and its related party in period.

III. External guarantee out of the regulations

Applicable Not applicable

No external guarantee out of the regulations occurred in the period.

IV. Statement on the latest “modified audit report” by BOD

Applicable Not applicable

V. Explanation from Board of Directors, Supervisory Committee and Independent Directors (if applicable) for “Modified Audit Report” issued by CPA

Applicable Not applicable

VI. Explanation of the changes in accounting polices, accounting estimates or correction of significant accounting errors compared with the financial report of the previous year

Applicable Not applicable

The Company had no changes in accounting policies, accounting estimates or correction of significant accounting errors during the reporting period.

VII. Compare with last year's financial report; explain changes in consolidation statement's scope

Applicable Not applicable

There was no change in consolidation statement's scope during the reporting period of the company.

VIII. Appointment and non-reappointment (dismissal) of CPA

Accounting firm appointed

Name of domestic accounting firm	LIXINZHONGLIAN CPAS (SPECIAL GENERAL PARTNERSHIP)
Remuneration for domestic accounting firm (in 10 thousand Yuan)	73
Continuous year of auditing service for domestic accounting firm	3
Name of domestic CPA	Cao Wei , Liu Xinfu
Continuous year of auditing service for domestic CPA	3

Re-appointed accounting firms in this period

Yes No

Appointment of internal control auditing accounting firm, financial consultant or sponsor

Applicable Not applicable

LIXINZHONGLIAN CPAS (SPECIAL GENERAL PARTNERSHIP) was appointed as the auditing authority for the internal control of the Company with expenses of 0.23 million Yuan .

IX. Facing delisting after the disclosure of annual report

Applicable Not applicable

X. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period.

XI. Major litigation and arbitration of the Company

Applicable Not applicable

No major litigation and arbitration occurred in the period

XII. Penalty and rectification

Applicable Not applicable

No penalty and rectification for the Company in reporting period.

XIII. Integrity of the Company and its controlling shareholders and actual controllers

Applicable Not applicable

During the reporting period, the company neither had any failure to implement the court's effective judgments, nor had large amount of due and unpaid debts that were, etc., and had a good credit. During the reporting period, the company had no controlling shareholders or actual controllers.

XIV. Major related party transaction

1. Related party transaction with routine operation concerned

Applicable Not applicable

The Company has no related party transaction with routine operation concerned occurred during the reporting period.

2. Related party transactions by assets acquisition and sold

Applicable Not applicable

No related party transactions by assets acquisition and sold for the Company in Period.

3. Main related transactions of mutual investment outside

Applicable Not applicable

No main related transactions of mutual investment outside for the Company in Period.

4. Contact of related credit and debt

Applicable Not applicable

No contact of related credit and debt occurred in the Period

5. Contact with the related finance companies

Applicable Not applicable

There are no deposits, loans, credits or other financial business between the Company, the related finance companies and related parties.

6. Transactions between the finance company controlled by the Company and related parties

Applicable Not applicable

There are no deposits, loans, credits or other financial business between the finance companies controlled by the Company and related parties

7. Other major related party transactions

Applicable Not applicable

No other major related party transactions occurred in the period

XV. Significant contract and implementations

1. Trusteeship, contract and leasing

(1) Trusteeship

Applicable Not applicable

Explanation on trust

In accordance with the “Assets (Generator Sets) Custody Operation Contract of Shenzhen New Power Industrial Co., Ltd.” signed with the New Power Company, the Company entrusted with management for the generator assets owned by New Power Company (wholly-owned subsidiary of the Company). During the reporting period, the Company received an assets custody services of 16.953 million Yuan

Gains/losses to the Company from projects that reached over 10% in total profit of the Company in reporting period

Applicable Not applicable

No gains or losses to the Company from projects that reached over 10% in total profit of the Company in reporting period.

(2) Contract

Applicable Not applicable

No contract for the Company in reporting period

(3) Leasing

Applicable Not applicable

No leasing for the Company in reporting period.

2. Major guarantees

Applicable Not applicable

No major guarantees occurred in the Period

3. Entrust others to cash asset management

(1) Trust financing

Applicable Not applicable

Trust financing in the period

In 10 thousand Yuan

Type	Capital sources	Amount occurred	Outstanding balance	Overdue amount	Amount with impairment accrual for the overdue financial products

					which has not been recovered
Bank financial products	Own funds	109,752.07	56,000.07	0	0
Total		109,752.07	56,000.07	0	0

Details of the single major amount, or high-risk trust investment with low security, poor fluidity

Applicable Not applicable

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

The company had no entrusted loans in the reporting period.

4. Other material contracts

Applicable Not applicable

The name of the contracting company	The name of the contracted company	Contract object	The date of signature of the contract	The book value of the assets involved in the contract (10 thousand Yuan) (if applicable)	The assessed value of the assets involved in the contract (10 thousand Yuan) (if applicable)	Name of the evaluation organization (if applicable)	The base date evaluation (if applicable)	Pricing principles	Bargain price (10 thousand Yuan)	Whether connected transaction (Y/N)	Incidence relation	The performance by the end of the term	The date of disclosure	The index of disclosure
The Company, New Power Company	Shenzhen Gas Group Co., Ltd.	Pipeline natural gas	2018-05-14			N/A		The contract is a framework agreement, price of the NG will		N	Not applicable	In progress		Failure to meet specific disclosure requirements

								decide through consultation by supplemental agreement between the two parties						
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XVI. Other important events

Applicable Not applicable

1. Matters related to the investment in the Zhongshan Prefabricated Building Industrialization Park project. On May 26, 2021, the company received a Feedback Letter on the Research and Investigation of Shennandian (Zhongshan) Building Industrialization Park Project from Shenzhen SEZ Construction Group, who said that it entrusted a third-party intermediary agency to conduct a feasibility study on the project, and it concluded that the project should not be approved based on the principle of prudence. Considering various factors, the company decided to terminate this investment. (For details, please refer to the Notice on Termination of Investment in Zhongshan Prefabricated Building Industrial Park Project disclosed by the company in China Securities Journal, Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn, Notice No. : 2021-036)

2. T102-0011, T102-0155 land related matters

At the end of September, 2021, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone Authority (hereinafter referred to as "Shenzhen Qianhai Authority") issued the "Announcement on the Second Public Presentation of the Draft Revision (Exposure Draft) of Development Unit Planning of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone [Qianwan Area]" (hereinafter referred to as the "Announcement") on its official website, which publicly presented the draft revision (exposure draft) of development unit planning of Qianhai Shenzhen-Hong Kong modern service industry cooperation zone [Qianwan area] for the second time, the publicity period was from September 27, 2021 to October 26, 2021.

Upon learning of the Announcement, the company immediately worked with special legal counsel to carefully study the content of the Announcement and related matters, and learned more and verified relevant information. On October 22, 2021, the company submitted the Opinions on the "Announcement of Shenzhen Qianhai Authority on the Second Public Presentation of the Draft Revision (Exposure Draft) of Development Unit Planning of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone [Qianwan Area]" to Shenzhen Qianhai Authority, raised relevant issues concerning the planning content of the land (Development Unit 13) where the company's subordinate Nanshan Power Factory is located in the "Announcement". Once again, we raised objections to the planning of Development Unit 13, and requested Shenzhen Qianhai Authority to fully consider the company's industrial situation and new development needs in the future and properly solve the related problems of the land (Development Unit 13) of the company's subordinate Nanshan Power Factory, so that the legitimate rights and interests of listed companies and their shareholders could be effectively protected. (For details, please refer to the company's "Notice on the Announcement of Shenzhen Qianhai Authority on the Second Public Presentation of the Draft Revision (Exposure Draft) of Development Unit Planning of

Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone [Qianwan Area] issued by the Shenzhen Qianhai Authority" and the "Notice on Submitting Opinions on the Draft Revision (Exposure Draft) of Development Unit Planning of Qianwan Area to Shenzhen Qianhai Authority" disclosed in China Securities Journal, Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn, Notice No. : 2021-049, 2021-053).

The company will continue to follow up the progress of matters related to the land of Nanshan Power Factory, closely maintain communication with relevant functional departments of Shenzhen and Shenzhen Qianhai Authority. For any issues that may have adverse effects on the company and its subsidiaries, we will timely respond, put forward opinions and appeals in accordance with the law, and do our best to protect the legitimate rights and interests of the listed companies and all shareholders.

3. Matters related to the adjustment of on-grid price for natural gas power generation. On October 20, 2021, the company learned about the "Notification on Raising the On-Grid Price of Natural Gas Power Generation in Our Province" (Document YFGJG [2021] No. 400) on the official website of Guangdong Provincial Development and Reform Commission, according to the related content, the on-grid price of the company's existing natural gas generating units would be uniformly increased by 0.05 yuan/kWh (including VAT) on the current basis. (For details, please refer to Notice on Adjustment of On-Grid Price of Natural Gas Power Generation disclosed by the company in China Securities Journal, Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn, Notice No. : 2021-051)

4. Matters related to the investment in Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd. On November 11, 2021, the fourth interim meeting of the 9th board of directors of the company reviewed and approved the "Proposal on Investment in Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.", and completed the purchase of partial share of Liaoyuan Environmental Protection by step in November and December, 2021. (For details, please refer to the Notice on Resolution of the Fourth Interim Meeting of the 9th Board of Directors, the Notice on Investment in Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd., and the Notice on the Progress of Investment in Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd. disclosed by the company in China Securities Journal, Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn, Notice No. : 2021-054, 2021-055, 2021-056, 2021-060).

5. Matters related to the receipt of fiscal subsidy funds for gas-fired power generation enterprises from August to September, 2021. In middle of December 2021, the company received the Notice of Industry and Information Technology Bureau of Shenzhen Municipality on the Issuance of Fiscal Subsidy Funds for Gas-fired Power Generation Enterprises from August to September 2021 (SGXZJ [2021]No.50), and received the total subsidy of 16.322 million yuan on December 20, 2021. (For details, please refer to the Notice on Receipt of the Notice of Industry and Information Technology Bureau of Shenzhen Municipality on the Issuance of Fiscal Subsidy Funds for Gas-fired Power Generation Enterprises from August to September 2021, and the Notice on Receipt of Fiscal Subsidy Funds for Gas-fired Power Generation Enterprises from August to September 2021 disclosed by the company in China Securities Journal, Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn, Notice No. : 2021-058, 2021-059).

In addition to the above matters, the company sorted out the refunds of "project technical reform benefit fund" again and contacted and communicated with relevant personnel, but there was no substantial progress during the reporting period. During the reporting period, the company actively promoted the investment in the new-generation information technology equity investment fund of Shenzhen Asset and the investment in Zhuhai Hengqin Zhuozhi Investment Partnership (limited partnership), but there was no progress or change in meeting the disclosure standards during the reporting period. There was no progress or change in the Guangdong Province's Xinjiang Aid project in which the company participated in 2013 during the reporting period.

XVII. Significant event of subsidiary of the Company

Applicable Not applicable

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

In Share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Capitalization of public reserve	Others	Subtotal	Amount	Proportion
I. Restricted shares	14,139	0.0023%				-1,145	-1,145	12,994	0.0022%
1. State-owned shares									
2. State-owned legal person's shares									
3. Other domestic shares	14,139	0.0023%				-1,145	-1,145	12,994	0.0022%
Including: Domestic legal person's shares									
Domestic natural person's shares	14,139	0.0023%				-1,145	-1,145	12,994	0.0022%
4. Foreign shares									
Including: Foreign legal person's shares									
Foreign natural person's shares									
II. Unrestricted shares	602,748,457	99.9977%				1,145	1,145	602,749,602	99.9978%
1. RMB Ordinary shares	338,894,011	56.2235%				1,145	1,145	338,895,156	56.2236%
2. Domestically listed foreign shares	263,854,446	43.7742%						263,854,446	43.7742%
3. Overseas listed foreign shares									
4. Others									
III. Total shares	602,762,596	100.00%						602,762,596	100.00%

Reasons for share changed

Applicable Not applicable

Mr. Peng Bo will no longer serves as the employee representative supervisor of the Company since April 26, 2021 due to the expiration of his office term. All the shares held by Mr. Peng will be released after six months of his departure, thereby reducing the number of shares subject to lock-up by 1,145 shares.

Approval of share changed

Applicable Not applicable

Ownership transfer of share changes

Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose or need to disclosed under requirement from security regulators

Applicable Not applicable

2. Changes of restricted shares

Applicable Not applicable

In Share

Shareholders	Opening shares restricted	Restricted Shares increased in the Period	Shares released in Period	Ending shares restricted	Restricted reasons	Date for released
Peng Bo	1,145		1,145	0	Mr. Peng Bo will no longer serves as the employee representative supervisor of the Company since April 26, 2021 due to the expiration of his office term.	October 27, 2021
Total	1,145		1,145	0	--	--

II. Securities issuance and listing**1. Security offering (without preferred stock) in Reporting Period**

Applicable Not applicable

2. Changes of total shares and shareholders structure as well as explanation on changes of assets and liability structure

Applicable Not applicable

3. Existing internal staff shares

Applicable Not applicable

III. Particulars about shareholder and actual controller of the Company

1. Amount of shareholders of the Company and particulars about shares holding

In Share

Total number of ordinary shareholders at end of the reporting period	37,935	Total number of ordinary shareholders as of the end of the month preceding the date of annual report disclosed	37,144	Total number of preferred shareholders whose voting rights were restored at end of the reporting period (if applicable) (see note 8)	0	Total number of preferred shareholders whose voting rights were restored at the end of the month prior to the date of annual report disclosed (if applicable) (see note 8)	0	
Particulars about shares held above 5% by shareholders or top ten shareholders								
Full name of Shareholders	Nature of shareholder	Shareholding percentage	Number of shares held at the end of reporting period	Changes in report period	Number of restricted shares held	Number of shares held without restriction	Shares pledged, marked or frozen	
							State of share	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD.	Overseas legal person	15.28%	92,123,248	0		92,123,248		
Shenzhen Guangju Industrial Co., Ltd.	State-owned legal person	12.22%	73,666,824	0		73,666,824		
Shenzhen Energy Group Co., Ltd.	State-owned legal person	10.80%	65,106,130	0		65,106,130		
BOCI	Overseas legal	2.42%	14,610,866	-364,640		14,610,866		

SECURITIES LIMITED	person		2		2		
Zeng Ying	Domestic nature person	1.19%	7,159,600	0		7,159,600	
China Merchants Securities H.K. Co., Ltd.	Overseas legal person	0.93%	5,618,228	-1,461,500		5,618,228	
Meiyi Investment Property Co., Ltd.	Domestic non state-owned legal person	0.87%	5,218,000	200		5,218,000	
Haitong International Securities Company Limited-Account Client	Overseas legal person	0.65%	3,909,357	0		3,909,357	
Guosen Securities (HK) Brokerage Limited	Overseas legal person	0.61%	3,651,901	0		3,651,901	
LI SHERYN ZHAN MING	Overseas natural person	0.59%	3,536,500	-2,288,990		3,536,500	
Strategy investors or general corporation comes top 10 shareholders due to rights issue (if applicable) (see note 3)	Not applicable						
Explanation on associated relationship among the aforesaid shareholders	1. 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LIMITED 100% held by Shenzhen Energy Group Co., Ltd.; 2. The Company is unknown whether there exists associated relationship or belongs to the consistent actor among the other shareholders.						
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	N/A						
Special note on the repurchase account among the top 10 shareholders (if applicable) (see note 10)	N/A						
Particular about top ten shareholders with un-restrict shares held							
Shareholders' name	Number of shares held without restriction at end of the reporting period		Type of shares				
			Type	Amount			
HONG KONG NAM HOI			92,123,248	Overseas listed	92,123,248		

(INTERNATIONAL) LTD.		foreign shares	
Shenzhen Guangju Industrial Co., Ltd.	73,666,824	RMB common shares	73,666,824
Shenzhen Energy Group Co., Ltd.	65,106,130	RMB common shares	65,106,130
BOCI SECURITIES LIMITED	14,610,862	Domestically listed foreign shares	14,610,862
Zeng Ying	7,159,600	Domestically listed foreign shares	7,159,600
China Merchants Securities H.K. Co., Ltd.	5,618,228	Domestically listed foreign shares	5,618,228
Meiyi Investment Property Co., Ltd.	5,218,000	RMB common shares	5,218,000
Haitong International Securities Company Limited-Account Client	3,909,357	Domestically listed foreign shares	3,909,357
Guosen Securities (HK) Brokerage Limited	3,651,901	Domestically listed foreign shares	3,651,901
LI SHERYN ZHAN MING	3,536,500	Domestically listed foreign shares	3,536,500
Expiation on associated relationship or consistent actors within the top 10 un-restrict shareholders and between top 10 un-restrict shareholders and top 10 shareholders	1. 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LIMITED 100% held by Shenzhen Energy Group Co., Ltd.; 2. The Company is unknown whether there exists associated relationship or belongs to the consistent actor among the other shareholders.		
Explanation on top 10 shareholders involving margin business (if applicable) (see note 4)	N/A		

Whether top ten common stock shareholders or top ten common stock shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes No

The top ten common stock shareholders or top ten common stock shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

2. Controlling shareholders

Nature of controlling shareholders: no controlling shareholder

Type of controlling shareholders: nil

Explanation on the Company's absence of controlling shareholder

At present, the company does not have the controlling shareholder as defined in Item (ii) of Article 216 of the "Company Law of the People's Republic of China (Amended in October 2018)", or Item (iii) of Article 15.1 of the "Stock Listing Rules of Shenzhen Stock Exchange (Revised in 2022)".

Change of controlling shareholder in reporting period

Applicable Not applicable

The controlling shareholder of the company did not change during the reporting period.

3. Actual controller of the Company and persons acting in concert

Nature of actual controller: no actual controller

Type of actual controller: nil

Explanation on the Company's absence of actual controller

At present, there is no circumstance concerning the identification standards of the actual controller or control rights of listed companies as defined in Item (iii) of Article 216 of the "Company Law of the People's Republic of China (Amended in October 2018)", or Article 84 of the Administrative Rules on the Acquisition of Listed Companies (Amended in March 2020), and Item (iv) of Article 15.1 of the "Stock Listing Rules of Shenzhen Stock Exchange (Revised in 2022)".

Whether has shareholder owns over 10% shares at ultimate control level

No actual controller

Shareholding at the ultimate control level

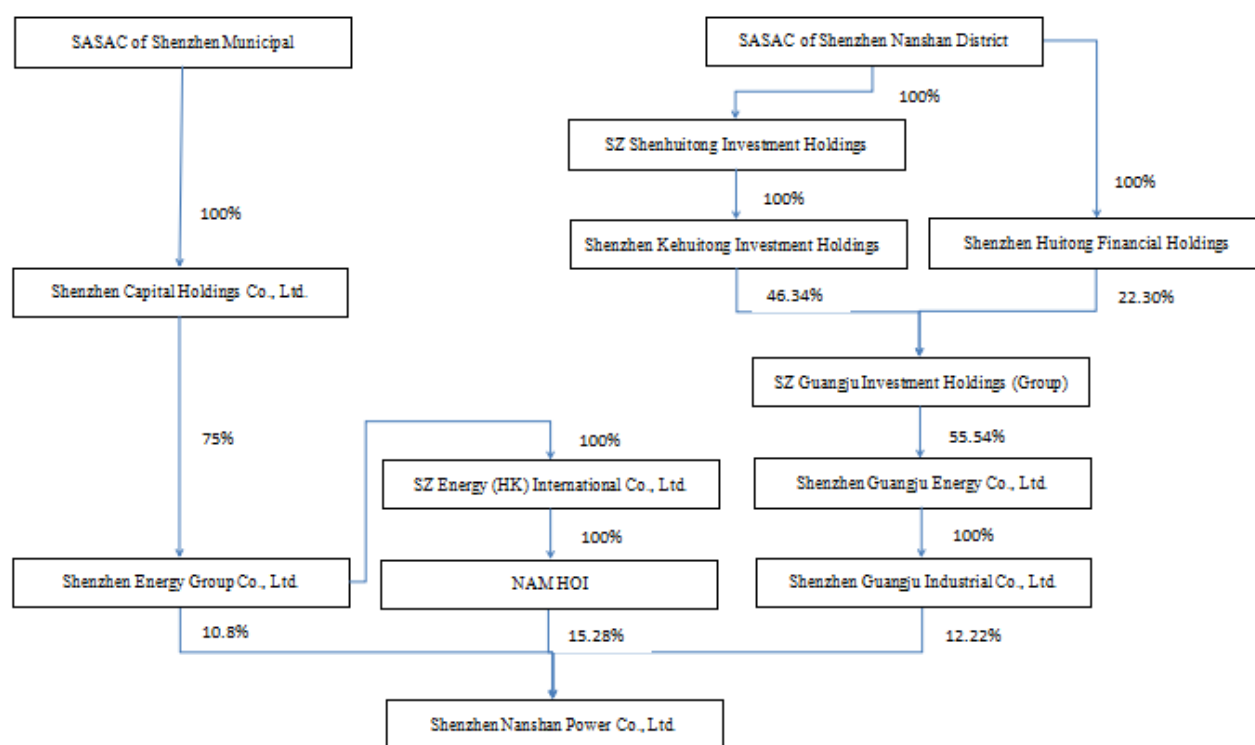
no actual controller

Change of actual controller in the period

Applicable Not applicable

The actual controller of the company did not change during the reporting period.

Block diagram of the property rights and control relationship between the company and the actual controller



Actual controller controlling the Company by entrust or other assets management

Applicable Not applicable

4. The total number of shares pledged by controlling shareholders or the first majority shareholder and its persons acting in concert accounts for 80% of the shares held by them

Applicable Not applicable

5. Particulars about other legal person shareholders with over 10% shares held

Applicable Not applicable

Name of legal person shareholder	Legal representative/person in charge	Date of establishment	Registered capital	Main business or management activities
HONG KONG NAM HOI (INTERNATIONAL) LTD.	Wang Daohai	May 14, 1985	HK\$ 15.33 million	Holding shares through investment
Shenzhen Guangju Industrial Co., Ltd.	Deng Zhenwu	May 31, 1989	RMB 111.11 million	Set up industry, power investment (specific projects will be declared separately)
Shenzhen Energy Group Co., Ltd.	Wang Daohai	July 15, 1985	RMB 230.971224 million	Development, production, purchase and sale of various conventional energy

				(including electricity, heat, coal, oil and gas) and new energy
--	--	--	--	---

6. Shares reduction restriction from controlling shareholder, actual controller, recombined square and other commitment entity

Applicable Not applicable

IV. The specific implementation of shares buy-back during the reporting period

Implementation progress of shares buy-back

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period

Section IX. Bonds

Applicable Not applicable

Section X. Financial Report

Shenzhen Nanshan Power Co., Ltd.

Auditor's Report

Lixin Zhonglian Shen Zi[2020]No.: D-0037

立信中联会计师事务所（特殊普通合伙）

LixinZhonglian CPAs (SPECIAL GENERAL PARTNERSHIP)

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Auditor's Report

Lixin Zhonglian Shen Zi[2020]No.: D-0037

To Shareholders of Shenzhen Nanshan Power Co., Ltd.

I. Auditor's opinion

We have audited the financial statements of Shenzhen Nanshan Power Co., Ltd. (hereinafter the "Shen Nan Dian"), which included the consolidated and parent company's balance sheet as of 31 December 2021, the consolidated and parent company's profit statement, the consolidated and parent company's statement of cash flow and the consolidated statement of changes in equity of the Company and parent company's for the year of 2021, together with the relevant annotations thereto.

We have the view that the attached financial statements are prepared in accordance with the *Accounting Standards for Business Enterprises* in all material aspects, which reflect fairly the consolidated financial position of the Company and parent company's as of 31 December 2021 and the operating results and cash flow of the Company and parent company's for the year of 2021.

II. Basis for audit opinions

We conducted this audit under the requirements of the Auditing Standards of the Certified Public Accountant of the PRC. The section headed "Certified Public Accountant's responsibility for audit of financial statement" in the audit report has further clarified our responsibilities under these standards. Pursuant to the code of professional conduct as certified public accountant in the PRC, we are independent of the Shen Nan Dian and have performed other responsibility as required by our professional ethics. We believe that the audit evidence obtained by us is sufficient and adequate, which provides foundation for us to issue audit opinion.

III. Key audit items

Key audit items refer to those which in our opinion based on our professional judgment are the most important issues in respect of audit for the current financial statements. We issue audit opinions on these issues in their entity and provide no opinions separately for each of them.

Key audit items	Countermeasures
(1) Impairment of assets	
<p>Reference to the Annotations of Financial Statement with the "19. Accounting policy" in Note III. Major accounting policies and estimation, and the note (39) of V. Annotation of the items in consolidate financial statement</p> <p>As at 31 December 2021, the Company has fixed assets and construction in progress with carrying value of RMB 649,345,166.81 in total, accounting for 23.27% of the consolidated total assets and 73.60% of the non-current assets of the Company, which constitutes the essential part of the</p>	<p>Auditing procedures on the impairment of assets including:</p> <ol style="list-style-type: none"> 1. assess and test the design and effectiveness of execution of the internal control related to assets impairment; 2. select samples of assets to implement supervision procedure, so as to understand whether the assets experience backward crafts, long-term idle and load rate; 3. Make use of the work of the experts of external appraiser, comprehensively evaluate the parameters used in assessment method of the external appraiser's qualification a

<p>Company's assets. For the year of 2021, the assets impairment loss recognized in consolidate financial statement amounted to RMB 327,479,010.92, takes 64.44% in total profit of the consolidate profit statement, which has a great impact on the operating results of Shen Nan Dian.</p> <p>The management has assessed whether there is any sign of impairment in above assets. For those assets with impairment sign identified, the management makes impairment test by comparison between the recoverable amount of the assets (calculated individually or the assets group in which the asset belongs to) and their carrying value.</p> <p>Since the management of Shen Nan Dian needs to determine the estimated recoverable amount of assets with significant accounting estimation and judgment, and the impact amount is significant, we determine the impairment of assets as a key audit item</p>	<p>nd competency</p>
<p>(2) Revenue recognition principle</p>	
<p>As for the accounting policy for revenue recognition and analysis of revenue, reference to the Annotations of Financial Statement with the "(24) Accounting policy" in Note III Major accounting policies and estimation and the Note (31). in V. Annotation of the items in consolidate financial statement</p> <p>In 2021, consolidate operation revenue of Shen Nan Dian amounted as RMB 757,175,743.41, a 23.15% down from a year earlier.</p> <p>Since the operation revenue is one of the key performance indicators of the Company, and there is an inherent risk that the revenue recognition point may be manipulated to achieve specific objectives or expectations, we identify the revenue recognition as a key audit item.</p>	<p>Auditing procedures with recognition of operation revenue concerned including:</p> <ol style="list-style-type: none"> 1. Evaluate the design and operational effectiveness of key internal controls related to revenue recognition; 2. Select sample to examining the sales contract, identify terms and conditions of the contract relating to the transfer of risk and reward in the ownership of the goods, and to evaluate whether the point of revenue recognition conforms to the requirements of <i>Accounting Standards for Business Enterprises</i>; 3. Make substantial analysis process with respect to operating income and gross profit, and make judgment on the reasonableness of the change in operating income and gross profit for the period; 4. Select samples from the accounting records of operating income and settlement sheet of power rate to review the truthfulness and completeness of operating revenue recognition; inspect receivables records and select samples to issue letters to enquire the balance of ending trade receivables and amount received in advance. Together with the collection of trade receivables in subsequent periods, to confirm the truthfulness of sales transactions; 5. Make deadline test on operating income to confirm whether the operating income is recorded in appropriate accounting

	periods.
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IV. Other information

The management of Shen Nan Dian (hereinafter, the Management) is responsible for other information, which includes the information covered in the Annual Report of 2021 except for the financial statements and our audit report.

Our audit opinion issued on financial statement does not cover other information, and we would not issue any form of verification conclusion for those information.

To prepare our audit on financial statement, we are required to read other information, and during the procedure, to consider that whether other information differs materially from the financial statement or the information obtained by us during the audit or whether there exists material error.

Based on the works done by us, in case we find any material error in other information, we shall report this fact. In this regard, we have nothing to report.

V. Management's responsibility for financial statements

The Management is responsible for preparing financial statements according to the Business Accounting Standards which make fair reflection, and for designing, implementing and maintaining necessary internal control system to make sure that there is no material misstatement in the financial statements due to fraud or mistake.

When preparing the financial statements, the management is responsible for assessing the Company's ability of continuous operation, disclosing the matters relating to continuous operation and applying the assumption of continuous operation, unless the management plans to liquidate the Company, terminate operation or has no other practicable choice.

The governance is responsible for monitoring the financial reporting process of the Company.

VI. Auditor's responsibility for audit of the financial statements

Our objectives are to obtain reasonable assurance about whether these 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 auditing standards will always be found in the presence of a material misstatement. Misstatements can arise from fraud or error and are 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement 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.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, we have to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain adequate and appropriate audit evidence in relation to the financial information of the entities or business transactions of the Company, in order to issue audit opinion on the financial statement. We are responsible for guiding, supervising and executing the audit for the Group, and we accept full responsibility for the 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 related safeguards (if applicable).

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 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.

LIXINZHONGLIAN CPAs
(SPECIAL GENERAL PARTNERSHIP)

Chinese CPA: Cao Wei
(Engagement partner)

Chinese CPA: Liu Xinfu

Tianjin China

23 March 2022

1. Consolidated balance sheet

Shenzhen Nanshan Power Co., Ltd.

December 31, 2021

In RMB/CNY

Item	December 31, 2021	December 31, 2020
Current assets:		
Monetary funds	689,604,633.59	764,601,272.21
Settlement provisions		
Capital lent		
Trading financial assets	632,874,406.39	
Derivative financial assets		
Note receivable		
Account receivable	73,610,161.02	85,293,052.88
Receivable financing		
Accounts paid in advance	64,415,236.66	29,544,788.35
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	25,841,206.66	31,027,754.36
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	88,500,991.13	100,245,529.06
Contractual assets	1,040,000.00	7,229,600.00
Assets held for sale		
Non-current asset due within one year		
Other current assets	331,868,661.62	917,288,244.54
Total current assets	1,907,755,297.07	1,935,230,241.40
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	6,986,655.19	8,893,408.86
Investment in other equity instrument	200,615,000.00	81,615,000.00
Other non-current financial assets		
Investment real estate	2,009,051.80	2,205,189.40
Fixed assets	643,256,398.30	925,745,208.55
Construction in progress	6,088,768.51	42,782,712.98
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	20,465,906.86	21,125,610.24

Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	1,716,460.30	1,027,508.94
Deferred income tax asset	1,109,286.38	2,206,049.69
Other non-current asset		
Total non-current asset	882,247,527.34	1,085,600,688.66
Total assets	2,790,002,824.41	3,020,830,930.06
Current liabilities:		
Short-term loans	858,444,163.25	675,528,858.48
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	135,025,883.27	30,467,345.48
Account payable	6,703,466.71	9,306,303.26
Accounts received in advance		
Contractual liability		
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	41,533,020.96	69,426,903.97
Taxes payable	4,145,839.89	7,626,258.26
Other account payable	62,678,254.02	27,020,944.95
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,108,530,628.10	819,376,614.40
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	15,000,000.00	19,923,508.28

Deferred income	88,079,970.09	93,780,657.93
Deferred income tax liabilities		
Other non-current liabilities	50,310.78	7,627.86
Total non-current liabilities	103,130,280.87	113,711,794.07
Total liabilities	1,211,660,908.97	933,088,408.47
Owner's equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	362,770,922.10	362,770,922.10
Less: Inventory shares		
Other comprehensive income	-2,500,000.00	-2,500,000.00
Reasonable reserve		
Surplus public reserve	332,908,397.60	332,908,397.60
Provision of general risk		
Retained profit	319,351,219.81	758,799,931.94
Total owner's equity attributable to parent company	1,615,293,135.51	2,054,741,847.64
Minority interests	-36,951,220.07	33,000,673.95
Total owner's equity	1,578,341,915.44	2,087,742,521.59
Total liabilities and owner's equity	2,790,002,824.41	3,020,830,930.06

Legal Representative: Li Xinwei

Person in charge of accounting works: Chen Yuhui

Person in charge of accounting institute: Shang Ying

2. Balance Sheet of Parent Company

Item	In RMB/CNY	
	December 31, 2021	December 31, 2020
Current assets:		
Monetary funds	592,751,213.88	656,244,294.18
Trading financial assets	622,874,406.39	
Derivative financial assets		
Note receivable		
Account receivable	35,966,056.15	24,673,115.32
Receivable financing		
Accounts paid in advance	60,381,018.05	25,560,315.87
Other account receivable	618,436,063.60	598,044,417.89
Including: Interest receivable		
Dividend receivable		
Inventories	79,904,055.96	91,867,492.38
Contractual assets		

Assets held for sale		
Non-current assets maturing within one year		
Other current assets	321,673,866.15	910,645,154.56
Total current assets	2,331,986,680.18	2,307,034,790.20
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	287,301,269.81	250,191,165.00
Investment in other equity instrument	60,615,000.00	60,615,000.00
Other non-current financial assets		
Investment real estate		
Fixed assets	314,308,562.41	312,649,354.95
Construction in progress	1,399,062.85	1,073,964.84
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	247,959.31	332,241.43
Research and development costs		
Goodwill		
Long-term deferred expenses	1,513,521.01	734,374.41
Deferred income tax assets		
Other non-current assets		
Total non-current assets	665,385,375.39	625,596,100.63
Total assets	2,997,372,055.57	2,932,630,890.83
Current liabilities		
Short-term borrowings	458,444,163.25	675,528,858.48
Trading financial liability		
Derivative financial liability		
Notes payable	535,025,883.27	30,467,345.48
Account payable	1,280,357.11	998,036.56
Accounts received in advance		
Contractual liability		
Wage payable	29,251,444.37	53,405,473.63
Taxes payable	562,233.61	1,752,749.94
Other accounts payable	132,397,663.39	204,960,979.45
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,156,961,745.00	967,113,443.54
Non-current liabilities:		
Long-term loans		

Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrual liabilities		
Deferred income	52,036,600.90	54,805,440.92
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	52,036,600.90	54,805,440.92
Total liabilities	1,208,998,345.90	1,021,918,884.46
Owners' equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	289,963,039.70	289,963,039.70
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	332,908,397.60	332,908,397.60
Retained profit	562,739,676.37	685,077,973.07
Total owner's equity	1,788,373,709.67	1,910,712,006.37
Total liabilities and owner's equity	2,997,372,055.57	2,932,630,890.83

3. Consolidated Profit Statement

In RMB/CNY

Item	2021	2020
I. Total operating income	757,175,743.41	985,253,831.58
Including: Operating income	757,175,743.41	985,253,831.58
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	996,903,846.83	928,092,033.49
Including: Operating cost	850,260,659.40	794,523,810.39
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		

Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	6,281,148.30	8,545,858.05
Sales expense	928,661.79	4,979,915.34
Administrative expense	103,286,926.69	111,618,225.09
R&D expense	20,933,712.98	8,490,882.58
Financial expense	15,212,737.67	-66,657.96
Including: Interest expenses	30,629,953.77	32,014,803.26
Interest income	15,728,363.74	32,660,554.45
Add: other income	7,074,336.60	22,711,318.05
Investment income (Loss is listed with “-”)	45,981,085.44	27,809,087.38
Including: Investment income on affiliated company and joint venture	-1,906,753.67	-5,725,794.17
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)	-327,479,010.92	-43,718,679.38
Income from assets disposal (Loss is listed with “-”)	974,699.74	-1,109,128.91
III. Operating profit (Loss is listed with “-”)	-513,176,992.56	62,854,395.23
Add: Non-operating income	5,261,868.99	6,585,316.78
Less: Non-operating expense	248,216.00	153,719.62
IV. Total profit (Loss is listed with “-”)	-508,163,339.57	69,285,992.39
Less: Income tax expense	1,237,266.58	1,361,203.90
V. Net profit (Net loss is listed with “-”)	-509,400,606.15	67,924,788.49
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)		
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-439,448,712.13	64,024,291.32
2.Minority shareholders’ gains and losses	-69,951,894.02	3,900,497.17
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		

(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	-509,400,606.15	67,924,788.49
Total comprehensive income attributable to owners of parent Company	-439,448,712.13	64,024,291.32
Total comprehensive income attributable to minority shareholders	-69,951,894.02	3,900,497.17
VIII. Earnings per share:		
(i) Basic earnings per share	-0.7291	0.1062
(ii) Diluted earnings per share	-0.7291	0.1062

Legal Representative: Li Xinwei

Person in charge of accounting works: Chen Yuhui

Person in charge of accounting institute: Shang Ying

4. Profit Statement of Parent Company

In RMB/CNY

Item	2021	2020
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I. Operating income	393,181,803.59	375,980,848.55
Less: Operating cost	409,560,912.13	350,765,440.51
Taxes and surcharge	2,649,303.27	1,869,505.05
Sales expenses		
Administration expenses	37,736,990.21	61,463,793.70
R&D expenses	13,090,279.46	
Financial expenses	-7,412,079.88	-33,786,954.71
Including: interest expenses	32,363,377.89	28,907,352.91
Interest income	39,843,733.49	62,595,082.66
Add: other income	3,610,167.05	14,052,451.52
Investment income (Loss is listed with “-”)	47,664,277.47	-14,432,400.00
Including: Investment income on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)	-111,950,707.32	-7,399,234.51
Income on disposal of assets (Loss is listed with “-”)	944,667.70	-1,085,739.91
II. Operating profit (Loss is listed with “-”)	-122,175,196.70	-13,195,858.90
Add: Non-operating income		
Less: Non-operating expense	163,100.00	5,290.00
III. Total Profit (Loss is listed with “-”)	-122,338,296.70	-13,201,148.90
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	-122,338,296.70	-13,201,148.90
(i) continuous operating net profit (net loss listed with “-”)		
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		

4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	-122,338,296.70	-13,201,148.90
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB/CNY

Item	2021	2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	864,329,995.09	1,108,562,507.27
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	214,166.34	1,601,602.02
Other cash received concerning operating activities	51,426,395.71	45,950,570.01
Subtotal of cash inflow arising from operating activities	915,970,557.14	1,156,114,679.30
Cash paid for purchasing commodities and receiving labor service	721,294,436.17	631,546,077.17
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	150,735,758.93	144,256,547.88
Taxes paid	26,215,327.00	61,168,879.09
Other cash paid concerning operating activities	56,983,337.11	58,417,766.14
Subtotal of cash outflow arising from operating activities	955,228,859.21	895,389,270.28
Net cash flows arising from operating	-39,258,302.07	260,725,409.02

activities		
II. Cash flows arising from investing activities:		
Cash received from recovering investment	25,656,458.26	
Cash received from investment income	57,648,950.11	
Net cash received from disposal of fixed, intangible and other long-term assets	1,807,866.50	540.00
Net cash received from disposal of subsidiaries and other units		32,412,836.98
Other cash received concerning investing activities		7,907,964.80
Subtotal of cash inflow from investing activities	85,113,274.87	40,321,341.78
Cash paid for purchasing fixed, intangible and other long-term assets	44,862,987.99	18,670,897.05
Cash paid for investment	201,873,680.00	510,190,094.90
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	246,736,667.99	528,860,991.95
Net cash flows arising from investing activities	-161,623,393.12	-488,539,650.17
III. Cash flows arising from financing activities		
Cash received from absorbing investment	42,483.00	85,632.79
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	1,061,031,840.80	1,148,033,285.00
Other cash received concerning financing activities		170,000,000.00
Subtotal of cash inflow from financing activities	1,061,074,323.80	1,318,118,917.79
Cash paid for settling debts	909,092,726.75	1,056,000,000.00
Cash paid for dividend and profit distributing or interest paying	25,970,397.45	39,905,513.17
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		887,962.40
Subtotal of cash outflow from financing activities	935,063,124.20	1,096,793,475.57
Net cash flows arising from financing activities	126,011,199.60	221,325,442.22
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-126,143.03	-399,929.82

V. Net increase of cash and cash equivalents	-74,996,638.62	-6,888,728.75
Add: Balance of cash and cash equivalents at the period -begin	764,601,272.21	771,490,000.96
VI. Balance of cash and cash equivalents at the period -end	689,604,633.59	764,601,272.21

6. Cash Flow Statement of Parent Company

Item	In RMB/CNY	
	2021	2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	649,301,148.13	533,744,518.18
Write-back of tax received	181,606.65	312,882.87
Other cash received concerning operating activities	274,118,435.89	624,995,145.52
Subtotal of cash inflow arising from operating activities	923,601,190.67	1,159,052,546.57
Cash paid for purchasing commodities and receiving labor service	358,851,605.45	283,488,305.67
Cash paid to/for staff and workers	109,824,916.40	95,218,999.45
Taxes paid	2,921,107.01	2,899,621.27
Other cash paid concerning operating activities	392,790,366.22	357,365,024.96
Subtotal of cash outflow arising from operating activities	864,387,995.08	738,971,951.35
Net cash flows arising from operating activities	59,213,195.59	420,080,595.22
II. Cash flows arising from investing activities:		
Cash received from recovering investment	25,656,458.26	
Cash received from investment income	57,048,950.11	
Net cash received from disposal of fixed, intangible and other long-term assets	1,751,974.50	
Net cash received from disposal of subsidiaries and other units		59,990,000.00
Other cash received concerning investing activities		6,763,164.80
Subtotal of cash inflow from investing activities	84,457,382.87	66,753,164.80
Cash paid for purchasing fixed, intangible and other long-term assets	41,299,271.44	9,391,182.84
Cash paid for investment	72,873,680.00	489,190,094.90
Net cash received from subsidiaries and other units obtained	118,957,517.00	21,272,400.00
Other cash paid concerning investing activities		

Subtotal of cash outflow from investing activities	233,130,468.44	519,853,677.74
Net cash flows arising from investing activities	-148,673,085.57	-453,100,512.94
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	961,031,840.80	848,033,285.00
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	961,031,840.80	848,033,285.00
Cash paid for settling debts	909,092,726.75	756,000,000.00
Cash paid for dividend and profit distributing or interest paying	25,970,397.45	34,827,027.04
Other cash paid concerning financing activities		887,962.40
Subtotal of cash outflow from financing activities	935,063,124.20	791,714,989.44
Net cash flows arising from financing activities	25,968,716.60	56,318,295.56
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-1,906.92	-2,789.77
V. Net increase of cash and cash equivalents	-63,493,080.30	23,295,588.07
Add: Balance of cash and cash equivalents at the period -begin	656,244,294.18	632,948,706.11
VI. Balance of cash and cash equivalents at the period -end	592,751,213.88	656,244,294.18

7. Statement of Changes in Owners' Equity (Consolidated)

Current Period

In RMB/CNY

Item	2021														
	Owners' equity attributable to the parent Company												Minority interests	Total owners' equity	
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses reserve	Provision of general risk	Retained profit	Other			Subtotal
		Preferred stock	Perpetual capital securities	Other											
I. Balance at the end of the last year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		758,799,931.94		2,054,741,847.64	33,000,673.95	2,087,742,521.59
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. Balance at year-begin	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		758,799,931.94		2,054,741,847.64	33,000,673.95	2,087,742,521.59
III. Increase/Decrease in this year (Decrease is listed with "-")											-439,448,712.13		-439,448,712.13	-69,951,894.02	-509,400,606.15
(i) Total comprehensive income											-439,448,712.13		-439,448,712.13	-69,951,894.02	-509,400,606.15
(ii) Owners' devoted and decreased capital															
1. Common shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment															
4. Other															

(III) Profit distribution															
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)															
4. Other															
(IV) Carrying forward internal owners' equity															
1. Capital reserves converted to capital (share capital)															
2. Surplus reserves converted to capital (share capital)															
3. Remediating loss with surplus reserve															
4. Carry-over retained earnings from the defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(V) Reasonable reserve															
1. Withdrawal in the report period															
2. Usage in the report period															
(VI) Others															
IV. Balance at the end of the report period	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		319,351,219.81		1,615,293,135.51	-36,951,220.07	1,578,341,915.44

Last Period

In RMB/CNY

Item	2020													
	Owners' equity attributable to the parent Company											Minority	Total owners'	
	Share	Other	Capital	Less:	Other	Reaso	Surplu	Provisi	Retain	Other	Subtot			

	capital	equity instrument			reserve	Inventory shares	comprehensive income	available reserve	reserves	on of general risk	ed profit		al	interests	equity
		Prefe rred stock	Perpetual capital securities	Other											
I. Balance at the end of the last year	602,762,596.00				362,770,922.10	-2,500,000.00		332,908,397.60			706,830,892.54		2,002,772,808.24	59,719,513.26	2,062,492,321.50
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. Balance at year-begin	602,762,596.00				362,770,922.10	-2,500,000.00		332,908,397.60			706,830,892.54		2,002,772,808.24	59,719,513.26	2,062,492,321.50
III. Increase/Decrease in this year (Decrease is listed with "-")										51,969,039.40		51,969,039.40	-26,718,839.31	25,250,200.09	
(i) Total comprehensive income										64,024,291.32		64,024,291.32	3,900,497.17	67,924,788.49	
(ii) Owners' devoted and decreased capital													-30,619,336.48	-30,619,336.48	
1.Common shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment															
4. Other														-30,619,336.48	-30,619,336.48
(III) Profit distribution										-12,055,251.92		-12,055,251.92		-12,055,251.92	
1. Withdrawal of surplus reserves															
2. Withdrawal															

of general risk provisions																
3. Distribution for owners (or shareholders)																
4. Other																
(IV) Carrying forward internal owners' equity																
1. Capital reserves converted to capital (share capital)																
2. Surplus reserves converted to capital (share capital)																
3. Remedying loss with surplus reserve																
4. Carry-over retained earnings from the defined benefit plans																
5. Carry-over retained earnings from other comprehensive income																
6. Other																
(V) Reasonable reserve																
1. Withdrawal in the report period																
2. Usage in the report period																
(VI) Others																
IV. Balance at the end of the report period	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		758,799,931.94		2,054,741,847.64	33,000,673.95		2,087,742,521.59

8. Statement of Changes in Owners' Equity (Parent Company)

Current Period

In RMB/CNY

Item	2021											
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual capital securiti	Other								

			es								
I. Balance at the end of the last year	602,762,596.00				289,963,039.70				332,908,397.60	685,077,973.07	1,910,712,006.37
Add: Changes of accounting policy											
Error correction of the last period											
Other											
II. Balance at year-begin	602,762,596.00				289,963,039.70				332,908,397.60	685,077,973.07	1,910,712,006.37
III. Increase/Decrease in this year (Decrease is listed with "-")										-122,338,296.70	-122,338,296.70
(i) Total comprehensive income										-122,338,296.70	-122,338,296.70
(ii) Owners' devoted and decreased capital											
1. Common shares invested by shareholders											
2. Capital invested by holders of other equity instruments											
3. Amount reckoned into owners equity with share-based payment											
4. Other											
(III) Profit distribution											
1. Withdrawal of surplus reserves											
2. Distribution for owners (or shareholders)											
3. Other											
(IV) Carrying forward internal owners' equity											
1. Capital reserves converted to capital (share capital)											
2. Surplus reserves converted to capital (share											

capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(VI) Others												
IV. Balance at the end of the report period	602,762,596.00				289,963,039.70				332,908,397.60	562,739,676.37		1,788,373,709.67

Last period

In RMB/CNY

Item	2020											
	Share capital	Other equity instrument			Capital public reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. Balance at the end of the last year	602,762,596.00				289,963,039.70				332,908,397.60	710,334,373.89		1,935,968,407.19
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at year-begin	602,762,596.00				289,963,039.70				332,908,397.60	710,334,373.89		1,935,968,407.19
III. Increase/Decrease in this year (Decrease is listed with "-")										-25,256,400.82		-25,256,400.82
(i) Total comprehensive income										-13,201,148.90		-13,201,148.90
(ii) Owners' devoted and decreased												

capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(III) Profit distribution										-12,055,251.92		-12,055,251.92
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-12,055,251.92		-12,055,251.92
3. Other												
(IV) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the												

report period												
(VI) Others												
IV. Balance at the end of the report period	602,762,596.00				289,963,039.70				332,908,397.60	685,077,973.07		1,910,712,006.37

Shenzhen Nanshan Power Co., Ltd.

Annotations of financial statement 2021

(Unless otherwise stated, the amount of unit is RMB/CNY)

I. Company Profile

(1) Profile

Shenzhen Nanshan Power Co., Ltd (hereinafter, “Company” or “the Company”) was reorganized to be a joint-stock enterprise from a foreign investment enterprise on 25 November 1993, upon the approval of General Office of Shenzhen Municipal Government with Document Shen Fu Ban Fu [1993] No.897.

After approved by Document Shen Zhu Ban Fu [1993] No.179 issued by Shenzhen Securities Regulatory Office, on 3 January 1994, the Company offered 40,000,000 RMB common shares and 37,000,000 domestically listed foreign shares in and out of China. And the RMB common shares (A-stock) and domestically listed foreign listed shares (B-stock) were listed in Shenzhen Stock Exchange successively on July 1, 1994 and Nov. 28, 1994.

Headquarter of the Company located on 16/F, 17/F, Han Tang Building, OCT, Nanshan District, Shenzhen City, Guangdong Province, P.R.C.

The financial statement has approved for report by the Board on 23 March 2022.

(2) Scope of financial statement

(i) There are 9 subsidiaries included in the consolidate financial statement, including:

Subsidiary	Share holding ratio %	Note
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.(“Zhongshan Electric Power”)	80.00	
Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.(“Engineering Company”)	100.00	
Shenzhen Shen Nan Dian Environment Protection Co., Ltd.(“Environment Protection Company”)	100.00	
Shenzhen Server Petrochemical Supplying Co., Ltd(“Shenzhen Server”)	50.00	
Shenzhen New Power Industrial Co., Ltd.(“New Power”)	100.00	

Subsidiary	Share holding ratio %	Note
Shen Nan Energy (Singapore) Co., Ltd. (“Singapore Company”)	100.00	
Hong Kong Syndisome Co., Ltd. (“Syndisome”)	100.00	
Zhongshan Shen Nan Dian Storage Co., Ltd. (“Shen Storage”)	80.00	
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership) (“Zhuhai Hengqin ”)	99.96	

Scope of the consolidate financial statement and its changes found more in the VI. Change of Consolidate Scope and VII. Equity in other entity carry in the Note

II. Preparation basis of Financial statement

(1) Preparation basis

The Company’s financial statements have been prepared based on the going concern and the actual transactions and events. In accordance with the *Accounting Standards for Business Enterprises- Basic Norms* and every specific accounting rules, the application guidelines of the Accounting Standards for Business Enterprises, interpretations and other related rules of the Accounting Standards for Business Enterprises (hereinafter referred to as “ASBEs”), and the disclosure requirements of the “*Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15- General Requirements for Financial Reports*” of China Securities Regulatory Commission.

(2) Going concern

The Company is capable of going concern for 12 months from the end of the reporting period, and there are no major issues affecting the ability to go concern.

III. Major Accounting Policies and Estimation

The Company together with its subsidiaries is mainly engaged in businesses as production of power and heat, power plant construction, fuel trading, engineering consulting and sludge drying. According to the actual production and operation characteristics, the Company and its subsidiaries establish certain specific accounting policies and accounting estimates in respect of their transactions and matters such as sales revenue recognition pursuant to relevant business accounting principles. Details are set out in (24) Revenue under Note III.

(1) Statement on observation of Accounting Standard for Business Enterprises

The financial statement of the Company are comply with the requirements of ASBE issued by Ministry of Finance, and present a true and complete view of the consolidated and parent company’s financial status as of December 31, 2021 and the consolidated and parent company’s operation results and cash flow for the year of 2021.

(2) Accounting period

A fiscal year from January 1 to December 31 of the Gregorian calendar.

(3) Operating cycle

The Company takes 12 months of a year as the normal operating cycle, and takes the operating cycle as the standard for the liquidity division of assets and liabilities.

((4) Book-keeping standard currency

Book-keeping standard of the Company is RMB(CNY)

(5) Accounting treatment on enterprise combine under the same control and under the different control

Enterprise combination under the same control: The assets and liabilities obtained by the combining party in enterprise combination are measured at the book value of the consolidated financial statements of the ultimate controlling party in accordance with the assets and liabilities of the combined party on the date of combination. 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 nominal value of shares issued as consideration) is charged to the share capital premium in capital reserve. If the share capital premium in capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Enterprise combinations not under the same control: The purchaser's assets paid and liabilities incurred or assumed on the date of purchase as a consideration of enterprise combination are measured at fair value, and the difference between the fair value and its book value is included in the current profit and loss. Where the cost of a business combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; where the cost of a business combination less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, reckoned into current gains/losses after double-check.

The directly relevant fees incurred in the merger of enterprises shall be reckon into the current gains/losses when incurred; the transaction costs of issuing equity securities or debt security for the purpose of enterprise combination should be reckon into the initial recognition of equity security or debt security.

(6) Preparation methods for consolidated statement**1. Consolidate scope**

Scope of the consolidate financial statement is determined on a control basis, including the Company and all subsidiaries.

2. Consolidate procedures

Based on the financial statements of itself and its subsidiaries, the Company compiles the

consolidated financial statements in line with other relevant information. The Company compiles consolidated financial statements, considers the entire enterprise group as an accounting entity, and reflects the overall financial position, operating results and cash flow of the enterprise group in accordance with the relevant accounting standards' recognition, measurement and presentation requirements and in accordance with unified accounting policies.

The accounting policies and accounting periods adopted by all subsidiaries included in the consolidation scope of the consolidated financial statements are consistent with the Company. If the accounting policies and accounting periods adopted by the subsidiaries are inconsistent with the Company, when preparing the consolidated financial statements, make necessary adjustments according to the accounting policies and accounting periods of the Company. For a subsidiary acquired through a business combination not under the same control, its financial statements are adjusted based on the fair value of the identifiable net assets at the acquisition date. For a subsidiary acquired through a business combination under the same control, its financial statements are adjusted based on the book value of its assets and liabilities (including the goodwill formed by the ultimate controlling party's acquisition of the subsidiary) in the ultimate controlling party's financial statements.

The subsidiary's owner's equity, current net profit or loss and the share of current comprehensive income belonging to minority shareholders are separately listed under the owner's equity item in the consolidated balance sheet, under the net profit item in the consolidated income statement and under the total comprehensive income item. If the current loss shared by the minority shareholders of a subsidiary exceeds the minority shareholder' share in the owner's equity of the subsidiary at the beginning of the period, the balance shall offset against the minority shareholders' equity.

(1) Increase subsidiaries or businesses

During the reporting period, if a subsidiary or business is added due to a business combination under the same control, adjust the opening balance of the consolidated balance sheet; incorporate the income, expenses, and profits of the subsidiary or business combination from the beginning of the current period to the end of the reporting period into the consolidated income statement; incorporate the cash flows of the subsidiary or business combination from the beginning of the current period to the end of the reporting period into the consolidated cash flow statement, and adjust the relevant items of the comparative statement as if the consolidated reporting entity had been existing since the time when the ultimate controlling party began controlling.

Where it is possible to exercise control over an investee under the same control due to additional investment, all parties participating in the combination are deemed to have adjusted in their current state when the ultimate controlling party commenced control. The equity investment held

before the control of the combined party is obtained, the relevant profit or loss and other comprehensive income that have been confirmed between the date of acquisition of the original equity and the date on which the combining party and the combined party are under the same control until the combining date, as well as other changes in net assets respectively write down the retained earnings at the beginning of period or the current profits and losses in the comparative statements.

During the reporting period, if a subsidiary or business is added due to a business combination not under the same control, the opening balance of the consolidated balance sheet period will not be adjusted; the income, expenses, and profits of the subsidiary or business from the acquisition date to the end of the reporting period will be included in the consolidated income statement; the cash flows of the subsidiary or business from the acquisition date to the end of the reporting period are included in the consolidated statement of cash flow.

For reasons such as additional investments that can control an investee not under the same control, the Company remeasures the equity of the acquiree held before the purchase date according to the fair value of the equity on the purchase date, and the balance between the fair value and its book value is included in the current investment income. If the equity of the acquiree held before the purchase date involves other comprehensive income under the equity method and other changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution, other comprehensive income and other changes in owner's equity related to it shall be converted into the investment income of the current period on the date of purchase, except for other comprehensive income arising from the re-measurement of the net liabilities or changes in net assets of the defined benefit plan of the investee.

(2) Disposal of subsidiaries or businesses

① General treatment method

During the reporting period, when the Company disposes of a subsidiary or business, the income, expenses and profits of the subsidiary or business from the beginning of the period to the disposal date are included in the consolidated income statement, while the cash flow of the subsidiary or the business from the beginning of the period to the disposal date is included in the consolidated statement of cash flow.

For control rights loss in original subsidiary for partial equity investment disposal or other reasons, the remained equity should re-measured based on the fair value at date of control losses. The difference between the net assets of original subsidiary share by proportion held that sustainable calculated since purchased date (or combination date) and sum of consideration obtained by equity disposal and fair value of remain equity, reckoned into the current investment income of control rights loss. Other comprehensive income related to the original subsidiary's equity investment or other changes in owner's equity other than net profit and loss, other comprehensive income and profit distribution will be converted to current investment income when the control is lost, except for other comprehensive income arising from the remeasurement of the net liabilities or changes in net assets of the defined

benefit plan of the investee.

If other investors' capital increases in the subsidiary results in a decline in the Company's shareholding ratio and thus loss of control power, accounting shall be conducted in accordance with the above principles.

② Dispose subsidiary step-by-step

When the Company disposes of equity investment in a subsidiary by a stage-up approach with several transactions until the control over the subsidiary is lost, these several transactions related to the disposal of equity investment in a subsidiary are accounted for as transactions in a basket when the terms, conditions and economic impacts of these several transactions meet the following one or more conditions:

- i. these transactions are entered into at the same time or after considering their impacts on each other;
- ii. these transactions as a whole can reach complete business results;
- iii the occurrence of a transaction depends on at least the occurrence of an other transaction;
- iv. an individual transaction is not deemed as economic, but is deemed as economic when considered with other transactions.

When several transactions related to the disposal of equity investment in a subsidiary until the control over the subsidiary is lost fall within transactions in a basket, each of which is accounted for as disposal of a subsidiary with a transaction until the control over a subsidiary is lost; however, the difference between the amount of disposal prior to the loss of control and the net assets of a subsidiary attributable to the disposal investment shall be recognized as other comprehensive income in consolidated financial statements and transferred to profit or loss for the period at the time when the control is lost.

If the transactions that dispose of the equity investment in the subsidiary until the loss of control do not belong to the package transaction, before the loss of control, the relevant policies for partial disposal of the equity investment in the subsidiary shall be accounted for without losing control. When the control right is lost, the accounting treatment shall be carried out according to the general treatment method for disposing of the subsidiary.

(3) Purchase of minority shares in subsidiaries

The difference between the Company's newly acquired long-term equity investment due to the purchase of minority shares and the net assets share calculated continuously by the subsidiary from the date of purchase (or merger date) in accordance with the calculation of the newly increased shareholding ratio, adjust the equity premium in the capital reserve in the consolidated balance sheet, if the equity premium in the capital reserve is insufficient to offset, adjust the retained earnings.

(4) Partial disposal of equity investment in subsidiaries without losing control

The difference between the disposal cost obtained as a result of partial disposal of long-term equity investment in a subsidiary without losing control and the net assets share calculated continuously by the subsidiary from the date of purchase or merger corresponding to the disposal of the long-term equity investment, adjust the equity premium in the capital reserve in the consolidated balance sheet, if the equity premium in the capital reserve is insufficient to offset, adjust the retained earnings.

(7) Classification of joint arrangement and accounting treatment

Joint arrangement is divided into joint operation and joint venture.

As a joint party of the joint arrangement, it is a joint operation when the Company enjoys assets related to the arrangement and bears the liabilities related to the arrangement.

The company confirms the following items related to the share of interests in its joint operations, and in accordance with the provisions of the relevant accounting standards for accounting treatment:

- (1) Recognize the assets held solely by the Company, and recognize assets held jointly by the Company in appropriation to the share of the Company;
- (2) Recognize the obligations assumed solely by the Company, and recognize obligations assumed jointly by the Company in appropriation to the share of the Company;
- (3) Recognize revenue from disposal of the share of joint operations of the Company;
- (4) Recognize fees solely occurred by Company;
- (5) Recognize fees from joint operations in appropriation to the share of the Company.

Accounting policy for the joint venture investment found more in (13) Long-term equity investment under Note III.

(8) Determination criteria of cash and cash equivalent

While preparing the cash flow statement, the stock cash and savings available for payment at any time are recognized as cash. The investments meets the follow four conditions at the same time are recognized as cash equivalent, that is short-term (normally fall due within three months from the date of acquisition) and highly liquid investments held the Group which are readily convertible into known amounts of cash and which are subject to insignificant risk of value change.

(9) Foreign currency business and foreign currency statement translation

1. Foreign currency business

Foreign currency business uses the spot exchange rate on the transaction date as the conversion rate to convert foreign currency amounts into RMB for accounting.

The balance of foreign currency monetary items at the balance sheet date is converted at the spot

exchange rate on the balance sheet date, the resulting exchange difference is included in current profit and loss, except that the exchange difference arising from foreign currency special borrowings related to the acquisition or construction of assets eligible for capitalization is disposed with the principle of borrowing expenses capitalization.

2. Foreign currency statement translation

Assets and liabilities in the balance sheet are converted at the spot exchange rate on the balance sheet date; the owners' equity items are converted at the spot exchange rate at the time of occurrence, except for the "undistributed profit" item. The income and expense items in the income statement are converted at the spot exchange rate on the transaction date.

When disposing of an overseas operation, the translation difference in the foreign currency financial statements related to the overseas operation is transferred from the owner's equity item to the disposal of current profit or loss.

(10) Financial instrument

Financial instrument consist of financial assets, financial liability and equity instrument.

1. Classification of financial instrument

Based on the Company's business model for managing financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified as the financial assets measured at amortized cost, the financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income and the financial assets measured at fair value and whose changes are included in current profit and loss at initial recognition.

Business model to collect the contractual cash flow, and the contractual cash flow is only the payment of the principal and the interest based on the outstanding principal amount, is classified as a financial asset measured at amortized cost; business model to collect the contractual cash flow and sell the financial asset, and the contractual cash flow is only the payment of principal and the interest based on the outstanding principal amount, is classified as a financial asset measured at fair value and whose changes are included in other comprehensive income (debt instruments); other financial assets other than these are classified as financial assets measured at fair value and whose changes are included in the current profit and loss.

For a non-tradable equity instrument investment, the Company determines at the time of initial recognition whether to designate it as a financial asset (equity instrument) measured at fair value and whose changes are included in other comprehensive income.

At the time of initial recognition, financial liabilities are classified into financial liabilities that are measured at fair value and whose changes are included in the current profit and loss and financial liabilities that are measured at

amortized cost.

A financial liability that meets one of the following conditions can be designated as a financial liability measured at fair value and whose changes are included in current profit and loss at initial measurement:

- 1) This designation can eliminate or significantly reduce accounting mismatches.
- 2) In accordance with the corporate risk management or investment strategy stated in formal written documents, make management and performance evaluation to financial liability portfolios or financial assets and financial liability portfolios based on fair value, and report to the key management personnel within the enterprise based on this.
- 3) The financial liability includes embedded derivatives that need to be split separately.

According to the above conditions, the financial liabilities designated by the Company mainly include: (Specific description of the designated situation)

2. Recognition basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include bills receivable, accounts receivable, other receivables, long-term receivables, debt investment, etc., which are initially measured at fair value, and related transaction costs are included in the initially recognized amount; accounts receivable excluding significant financing components and accounts receivable with financing components not exceeding one year that the Company decides not to consider are initially measured at the contract transaction price.

The interest calculated by using the effective interest method during the holding period is included in the current profit and loss.

When taking back or disposing, the difference between the cost obtained and the book value of the financial asset is included in the current profit and loss.

(2) Financial assets (debt instrument) measured at fair value and whose changes are reckoned into other comprehensive income

The financial assets (debt instrument) measured at fair value and whose changes are reckoned into other comprehensive income consist of receivable financing and other debt investment and initially measured at fair value, relevant transaction fees are included in initial recognized amount. The financial assets are subsequently measured at fair value, and the fair value changes are reckoned into other comprehensive income except for the interest, impairment loss or gain and exchange gain or loss calculated by actual interest rate method.

Upon termination of the recognition, the accumulated gains or losses previously included in other

comprehensive income shall be transferred out and reckoned into current profit and loss.

(3) Financial assets (equity instrument) measured at fair value and whose changes are reckoned into other comprehensive income

The financial assets (equity instrument) measured at fair value and whose changes are reckoned into other comprehensive income consist of the equity instrument investment etc. and initially measured at fair value, relevant transaction fees are included in initial recognized amount. The financial assets are subsequently measured at fair value, and the fair value changes are reckoned into other comprehensive income. The dividend obtained should be reckoned into current gains/losses.

Upon termination of the recognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out and reckoned into retained earnings.

(4) Financial assets measured at fair value and whose changes are reckoned into current gains/losses

The financial assets measured at fair value and whose changes are reckoned into current gains/losses consist of trading financial assets, derivative financial assets and other non-current financial assets etc. and initially measured at fair value, relevant transaction fees are included in current gains/losses. The financial assets are subsequently measured at fair value, and the fair value changes are reckoned into current gains/losses.

(5) Financial liability measured at fair value and whose changes are reckoned into current gains/losses

The financial liability measured at fair value and whose changes are reckoned into current gains/losses consist of trading financial liability and derivative financial liability etc. and initially measured at fair value, relevant transaction fees are included in current gains/losses. The financial liabilities are subsequently measured at fair value, and the fair value changes are reckoned into current gains/losses.

Upon termination of the recognition, the difference between its book value and the consideration paid is included in the current gains/losses.

(6) Financial liability measured at amortized cost

The financial liabilities measured at amortized cost consist of short-term loans, note payable, account payable, other account payable, long-term loans, bond payable and long-term account payable, and initially measured at fair value, relevant transaction fees are included in initial recognized amount.

The interests calculated by effective interest rate method during the holding period is reckoned into current gains/losses.

Upon termination of the recognition, the difference between consideration paid and the book value of financial liability is reckoned into current gains/losses.

3. Recognition basis and measurement method for transfer of financial assets

In the event of financial asset transfer, the Company shall assess the degree of risk and reward of retaining the ownership of the financial asset and deal with the following circumstances respectively:

(1) Where almost all risks and rewards on the ownership of a financial asset are transferred, the recognition of the financial asset shall be terminated, and the rights and obligations generated or retained in the transfer shall be separately recognized as assets or liabilities.

(2) Where almost all risks and rewards on the ownership of a financial asset are retained, the financial asset shall continue to be recognized.

(3) Where virtually all risks and rewards on the ownership of a financial asset are neither transferred nor retained (that is, other conditions except for (1) and (2) of this Article), depending on whether it retains control of the financial asset, deal with the following circumstances respectively:

1) Where the control of such financial asset is not retained, the recognition of the financial asset is terminated, and the rights and obligations generated or reserved in the transfer are identified as an asset or liability.

2) Where the control of such financial asset is retained, the relevant financial assets shall continue to be recognized according to the extent of its continued involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly. The extent of continued involvement in the transferred financial assets refers to the extent of the risk or reward of changes in the value of the transferred financial asset assumed by the Company.

When judging whether the financial asset transfer meets the termination of recognition of the said financial asset, adopt the principle of substance over form. The company divides the financial asset transfer into overall transfer and partial transfer of financial asset.

(1) Where the overall transfer of financial assets meets the conditions for recognizing the termination, the difference between the following two amounts shall be recorded into the profits and losses of the current period:

1) The carrying amount of the transferred financial asset on the date of the termination of recognition.

2) The sum of the consideration received by the transfer of financial assets and the amount corresponding to the portion of which the recognition is terminated of the accumulated amount of changes in fair value originally included in other comprehensive income (The financial assets involved in transfer are measured at fair value and

their changes are included in other comprehensive income).

(2) Where the financial asset is partially transferred and the transferred portion overall meets the conditions for recognizing the termination, the carrying amount of overall financial asset before transfer shall be apportioned between the portion to be terminated from recognition and the portion continued to be recognized (In such circumstances, the retained service assets shall be regarded as a portion of the financial assets continuing to be recognized) in accordance with their relative fair value on the transfer date, and the difference between the following two amounts shall be recorded into the profits and losses of current period.

1) The carrying amount of the portion on the date of the termination of recognition.

2) The sum of the consideration received from the portion of which the recognition is terminated and the amount corresponding to the portion of which the recognition is terminated of the accumulated amount of changes in fair value originally and directly included in other comprehensive income (The financial assets involved in transfer are measured at fair value and their changes are included in other comprehensive income).

If the transfer of financial assets does not meet the conditions for derecognition, the financial assets are continuously recognized, and the consideration received is recognized as a financial liability.

4. Termination recognition of financial liability

Where the current obligation of a financial liability have been discharged in whole or in part, the recognition of the financial liability or part thereof shall be terminated; If the Company entered into an agreement with its creditors to replace its existing financial liabilities with the new financial liability, and the contract terms of the new financial liabilities and the existing financial liabilities are substantially different, the existing financial liabilities shall be terminated for recognition and the new ones shall be recognized at the same time.

As for substantive changes made to the contract terms (in whole or in part) of the existing financial liabilities, the existing financial liabilities (or part of it) will be terminated for recognition, and the financial liabilities after term revision will be recognized as a new financial liability.

When a financial liability is derecognized in whole or in part, the difference between the book value of the financial liability derecognized and the consideration paid (including the non-cash assets transferred out or the new financial liabilities assumed) is included in the current profit and loss.

If the Company repurchases part of the financial liabilities, the entire book value of the financial liabilities will be allocated on the repurchase date according to the relative fair value of the continuing recognition part and the derecognition part. The difference between the book value allocated to the derecognition part and the consideration paid (including the transferred non-cash

assets or assumed new financial liabilities) is included in the current profit and loss.

5. Methods for determining the fair value of financial assets and financial liabilities

For financial instruments that have an active market, their fair values are determined by using quotes in the active market. For financial instruments that do not have an active market, valuation techniques are used to determine their fair values. In the valuation, the Company adopts valuation techniques that are applicable under the current circumstances and have sufficient available data and other information support, chooses the input values consistent with the characteristics of assets or liabilities considered by market participants in the transactions of related assets or liabilities, and prioritizes the relevant observable input values. The Company uses unobservable input values only if the relevant observable input values cannot be obtained or are not practicable.

6. Test methods and accounting treatment methods for impairment of financial assets

The Company considers all reasonable and evidence-based information, including forward-looking information, and estimates the expected credit losses of financial assets measured at amortized cost by the single or combined way and financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income. The measurement of expected credit losses depends on whether a significant increase in credit risk has occurred since the initial recognition of a financial asset.

If the credit risk of the financial instrument has increased significantly since initial recognition, the Company shall measure its loss provision at an amount equivalent to the expected credit loss throughout the life of the financial instrument. If the credit risk of the financial instrument has not increased significantly since initial recognition, the Company shall measure its loss provision at an amount equivalent to the expected credit loss of the financial instrument in the next 12 months. The increased or reversed amount of the loss provision thus formed shall be included in the current profit and loss as impairment losses or gains.

Usually, the Company considers that the credit risk of the financial instrument has increased significantly when it is overdue for more than 30 days, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly after initial recognition.

If the credit risk of a financial instrument at the balance sheet date is low, the Company will consider that the credit risk of the financial instrument has not increased significantly since initial recognition.

Regarding the note receivable, account receivables and receivables financing, whether or not it

contains a significant financing component, the Company always measures its loss provisions at an amount equivalent to the expected credit loss throughout the duration.

For lease receivables and long-term receivables formed by the company through sales of goods or rendering of services, the Company always chooses to measure the loss reserves at an amount equivalent to expected credit losses during the entire duration.

For notes receivable, accounts receivable, other receivables, financing of accounts receivable and long-term receivables with objective evidence showing that there is impairment and is applicable to individual assessment, perform separate impairment tests, confirm expected credit losses, and make provisions for impairment; for notes receivable, accounts receivable, other receivables, and financing of accounts receivable for which there is no objective basis for impairment, or when there is insufficient evidence to assess expected credit losses at a reasonable cost at the level of individual instruments, the Company refers to historical credit loss experience, combines with current conditions and judgments on future economic conditions, and divides the notes receivable, accounts receivable, other receivables, financing of accounts receivable and long-term receivables into several portfolios based on the characteristics of credit risk, and calculates the expected credit loss on the basis of the portfolio. Details as follows:

(1)Note receivables

Name of the combination	Method of measuring credit loss
Bank acceptance bill of state-owned banks	For notes receivable classified as bank acceptance portfolio, the management appraises that such payments have low credit risks and low expected credit loss rate, and should make no provision for impairment.

(2)Account receivable

Name of the combination	Method of measuring credit loss
Electricity transaction receivable	Regarding accounts receivable divided into power transactions, engineering operation and maintenance, and environmental protection services, referring to historical credit loss experience, and combined with current conditions and forecasts of future economic conditions, the management evaluates that such payments have low credit risk and low expected credit loss rate, so no impairment provision is made; unless there is evidence that the credit risk of a certain receivable is relatively large.
Receivable for engineering operation and maintenance	
Environmental protection labor receivables	

(3)Other account receivable

Name of the combination	Method of measuring credit loss
Combination of the export tax rebate, VAT rebate upon levy	The company classifies the payments, tax refunds receivable, and collection and withholding payments from subsidiaries within the scope of accounts receivable consolidation that have no significant recovery risks into other portfolios, and no bad debt provision is made.
Combination of the deposit margin reserve	
Other vary receivable and temporary payment in addition to the above combination	

(4) Receivable financing

Name of the combination	Method of measuring credit loss
Bank acceptance bill of the bank with lower credit risk	With reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, the expected credit loss is calculated through the default risk exposure and the expected credit loss rate of the entire duration.
Trade acceptance	

(11) Inventory**1. Categories of inventory**

Inventory consists of fuels and raw materials etc.

2. Valuation method of delivered inventory

The inventories are valued on a weighted average basis at the time of delivery.

3. Basis for determining the net realizable value of different types of inventories

For inventory of products that are directly used for sale, such as finished products, inventory products, and materials for sale, in the normal production and operation process, the amount after subtracting the estimated selling expenses and relevant taxes from the estimated selling price shall be used to determine the net realizable value. For inventory of materials that need to be processed, in the normal production and operation process, the amount after subtracting the estimated cost, estimated sales expense, and related taxes at the time of completion from the estimated selling price of the finished product shall be used to determine the net realizable value. The net realizable value of the inventory held for the execution of the sales contract or labor service contract is calculated on the basis of the contract price. If the quantity of the inventory held is more than the quantity ordered by the sales contract, the net realizable value of the excess inventory is calculated based on the general sales price.

At the end of the period, provision for inventory depreciation is made based on a single inventory item; but for inventory with a large quantity and low unit price, provision for inventory depreciation is made based on the inventory category. For inventories that are related to the product series produced and sold in the same region, have the same or similar end-use or purpose, and are difficult to measure separately from other items, the inventory depreciation reserve shall be accrued in a consolidated manner.

4. Inventory system

Perpetual inventory system required

5. Amortization method of low-value consumables and packaging

(1) Low-value consumables-one pass method

(2) Packaging- one pass method

(12) Contractual assets

If the Company has transferred goods to customers and has the right to receive consideration, and the right depends on factors other than the time lapses, it is recognized as contractual assets. The Company's unconditional (that is, only depending on the time lapses) right to collect consideration from customers are separately listed as receivables.

The Company's determination method and accounting treatment method for the expected credit loss of contract assets are detailed in Note III/(10) 6. Impairment of financial instruments.

(13) Long-term equity investments

1. Criteria judgement for joint control and significant influence

Joint control is the Company's contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control. Where the Company and other joint ventures exercise joint control over the investee and enjoy the rights to the net assets of the investee, the investee is a joint venture of the Company.

Significant influence is the right of the Company to participate in the financial and operation decision-making of an enterprise, but not to control or jointly control the formulation of such policies with other parties. Where the Company is able to exert significant influence on the investee, the investee shall be a joint venture of the Company.

2. Determination of initial investment cost

(1) Long-term equity investment resulting from enterprise combination

Enterprise combination under the same control: If the Company pays cash, transfers non-cash assets or assumes debt, and issues equity securities as the consideration for the merger, the share of the book value of the owner's equity of the combined party in the consolidated financial statements of the ultimate controlling party on the combining date shall be used as the initial investment cost of long-term equity investment. If it is possible to control the investee under the same control due to additional investments, etc., the initial investment cost of long-term equity investment shall be determined based on the share of the book value of the net assets of the combined party in the consolidated financial statements of the ultimate controlling party on the merger date. The difference between the initial investment cost of the long-term equity investment on the merger date and the sum of the book value of the long-term equity investment before the merger plus the book value of the new share payment consideration obtained on the merger date adjusts the equity premium. If the equity premium is insufficient to be offset, the retained earnings

shall be offset.

Business combination not under the same control: The Company uses the combination cost determined on the purchase date as the initial investment cost of the long-term equity investment. If it is possible to exercise control over an investee that is not under the same control due to additional investments, etc., the sum of the book value of the original equity investment plus the newly increased investment cost is used as the initial investment cost calculated by the cost method.

(2) Long-term equity investment obtained through other methods

For a long-term equity investment obtained by paying cash, the actually paid purchase price is taken as the initial investment cost.

For a long-term equity investment obtained by issuing equity securities, the fair value of the issued equity securities is taken as the initial investment cost.

On the premise that the non-monetary asset exchange has commercial substance and that the fair value of the assets swapped in or out can be reliably measured, the initial investment cost of the long-term equity investment swapped in by non-monetary assets exchange is determined by the fair value of assets swapped out and the relevant payable taxes and fees, unless there is conclusive evidence that the fair value of the assets swapped in is more reliable; for non-monetary assets exchange that do not meet the above preconditions, the book value of the assets swapped out and the relevant taxes and fees payable are used as the initial investment cost of the long-term equity investment swapped in.

For a long-term equity investment obtained through debt restructuring, its entry value is determined based on the fair value of the abandoned creditor's rights and other costs such as taxes directly attributable to the asset, and the difference between the fair value of the abandoned creditor's rights and the book value is included in the current profit and loss.

3. Follow-up measurement and gain/loss recognition

(1) Long-term equity investment measured at cost

The long-term equity investment in subsidiaries shall be measured at cost. In addition to the actual prices or the announced but yet undistributed cash dividend or profit in consideration valuation, the current investment return is recognized by the announced cash dividend or profit by the invested units.

(2) Long-term equity investment measured at equity

The long-term equity investment in associated enterprise and joint ventures shall be measured at cost. If the initial investment cost is greater than than the share of fair value of the invested entity's identifiable net assets, the initial investment cost of the long-term equity investment will not be adjusted; if the initial investment cost is less than than the share of fair value of the invested

entity's identifiable net assets, the difference shall be reckoned in current gains/losses.

The investment gain and other comprehensive income shall be recognized based on the Company's share of the net profits or losses and other comprehensive income made by the investee, respectively. Meanwhile, the carrying amount of long-term equity investment shall be adjusted. The carrying amount of long-term equity investment shall be reduced based on the Group's share of profit or cash dividend distributed by the investee. In respect of the other movement of net profit or loss, other comprehensive income and profit distribution of investee, the carrying value of long-term equity investment shall be adjusted and included in the owners' equity.

The Company shall recognize its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto during the accounting period and according to the accounting policy of the Company. During the period of holding the investment, the investee prepares the consolidated financial statements based on the net profit, other comprehensive income, and the amount attributable to the investee in changes in other owners' equity in the consolidated financial statements for business accounting.

When the Company confirms that it should share the losses incurred by the investee, it shall proceed in the following order. Firstly, write off the book value of the long-term equity investment. Secondly, if the book value of the long-term equity investment is not sufficient to offset, the investment loss shall continue to be recognized within the limit of the book value of long-term equity that substantially constitutes a net investment in the investee, and offset the book value of long-term receivables. Finally, after the above-mentioned treatment, if the enterprise still bears additional obligations as stipulated in the investment contract or agreement, the accrual liabilities are recognized according to the estimated obligations and included in the current investment loss.

(3) Disposal of long-term equity investment

When disposing of a long-term equity investment, the difference between its book value and the actual purchase price is included in the current profit and loss.

When disposing of a long-term equity investment accounted for by using the equity method, use the same basis as the investee directly disposes of related assets or liabilities, and make accounting treatment to the portion that was originally included in other comprehensive income according to the corresponding proportion. The owner's equity recognized as a result of changes in other owner's equity of the investee other than net profit or loss, other comprehensive income, and profit distribution is carried forward to the current profit and loss on a pro rata basis, except for other comprehensive income arising from the remeasurement of the net liabilities or net assets changes of the defined benefit plan by the investee.

If the joint control or significant influence on the investee is lost due to the disposal of part of the

equity investment, etc., the remaining equity after disposal shall be calculated in accordance with the financial instrument recognition and measurement standards, and the difference between the fair value and the book value on the day of losing the joint control or significant influence is included in the current profit and loss. Other comprehensive income of the original equity investment recognized due to using the equity method for accounting shall adopt the accounting treatment on the same basis as the investee directly disposes of related assets or liabilities when terminating the adoption of equity method for accounting. The owner's equity recognized as a result of changes in the owner's equity other than net profit or loss, other comprehensive income and profit distribution of the investee is transferred to current profit and loss when terminating the adoption of equity method for accounting.

The control over the investee is lost due to the disposal of part of the equity investment and the capital increase in the subsidiary by other investors resulting in a decline in the shareholding ratio of the Company, in preparing separate financial statements, the remaining equity interest which can apply common control or impose significant influence over the investee shall be accounted for using equity method. Such remaining equity interest shall be treated as accounting for using equity method since it is obtained and adjustment was made accordingly. For remaining equity interest which cannot apply common control or impose significant influence over the investee, it shall be accounted for using the recognition and measurement standard of financial instruments. The difference between its fair value and carrying amount as at the date of losing control shall be included in profit or loss for the current period.

The disposed equity is obtained through business combination due to additional investment and other reasons, when preparing individual financial statements, if the remaining equity after disposal uses cost method or equity method for accounting, the equity investments held before the acquisition date shall be carried forward in proportion to other comprehensive income and other owner's equity recognized through equity method accounting; For the remaining equity interest after disposal accounted for using the recognition and measurement standard of financial instruments, other comprehensive income and other owners' equity shall be fully transferred.

(14) Investment real estate

Investment real estate is defined as the real estate with the purpose to earn rent or capital appreciation or both, including the rented land use rights and the land use rights which are held and prepared for transfer after appreciation, the rented buildings. (Including buildings for lease after self-construction or development activities completed and buildings under construction or development for lease in the future)

Investment real estate of the Company are measured at cost model. The Investment real estate-rental buildings measured at cost model has the same depreciation policy as fixed assets, the land use right for lease is exercise the amortization policy as intangible assets.

(15) Fixed assets

1. Recognition conditions for the fixed assets

Fixed assets is defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or for operation & management, and have more than one fiscal year of service life. Fixed assets are recognized when the following conditions are simultaneously met:

- (1) The economic benefits with the fixed assets concerned are likely to flow into the enterprise;
- and
- (2) cost of the fixed assets can be measured reliably.

2. Depreciation method

The depreciation of fixed assets is calculated and accrued by the straight-line depreciation method, and the depreciation rate is determined according to the fixed asset category, estimated useful life and estimated net residual value rate. If the service life of each component of the fixed asset is different or the economic benefits are provided to the enterprise in different ways, different depreciation rates or depreciation methods shall be selected and depreciation shall be calculated separately.

Depreciation method, depreciation period, residuals rate and annual depreciation rate for all kinds of fixed assets are as follows:

Category	Depreciation method	Depreciation period (Year)	Residuals rate(%)	Annual depreciation rate (%)
Houses and buildings	Straight-line	20 years	10	4.5
Equipment-fuel machinery sets(Note)	The work quantity method		10	
Equipment (fuel machinery sets excluded)	Straight-line	15-20 years	10	4.5-6
Transportation tools	Straight-line	5 years	10	18
Other	Straight-line	5 years	10	18

Note: gas turbine generator set is provided with depreciation under workload method, namely to determine the depreciation amount per hour of gas turbine generator set based on equipment value, predicted net remaining value and predicted generation hours. Details are set out as follows:

Name of the Company	Fixed assets	Depreciation amount (RMB/Hour)
The Company	Generating unit 1#	538.33
	Generating unit 3#	601.20
New Power	Generating unit 10#	520.61
Zhongshan Electric Power	Generating unit 1#	4,246.00
	Generating unit 3#	4,160.83

(16) Construction in progress

Construction in progress take the necessary expenditures incurred before the construction of the asset reaching the expected usable state as the entry value of the fixed assets. If the constructed fixed assets have reached the expected usable state of the project, but the final accounts for completion have not yet been processed, from the date of reaching the expected usable state, the constructed fixed assets will be transferred to the fixed assets at the estimated value based on the project budget, cost, or actual project cost, and accrue the depreciation of fixed assets according to the Company's fixed asset depreciation policy, and adjust the original temporary estimated value according to the actual cost after completing the final accounts, but not adjust the original accrued depreciation amount.

(17) Borrowing expenses**1. Recognition principle of the capitalization of borrowing expenses**

Borrowing expenses include interest, amortization of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

If the borrowing expenses incurred by the company can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions, they shall be capitalized and included in the cost of the relevant assets; other borrowing expenses shall be recognized as expenses based on the amount incurred when incurred and included in current profit and loss.

Assets qualified for capitalization, refers to the fixed assets, investment real estate, inventory and other assets that require a considerable period of time for purchase, construction or production activities to reach the intended use or sale status.

The capitalization of borrowing expenses starts when the following conditions are met at the same time:

- (1) Asset expenditures have occurred, including expenditures in the form of paying cash, transferring non-cash assets, or assuming interest-bearing debts for the acquisition, construction or production of assets that meet the conditions for capitalization;
- (2) borrowing expenses have incurred;
- (3) The acquisition, construction or production activities necessary for the assets to reach the intended usable or saleable state have begun.

2. Period of capitalization of borrowing expenses

The period of capitalization refers to the period from the point when the capitalization of the borrowing expenses starts to the point when the capitalization is stopped. The period during which the capitalization of the borrowing expenses is suspended is not included.

When the acquisition, construction or production of assets that meet the capitalization conditions reaches the intended usable or saleable state, the capitalization of borrowing expenses shall cease.

When part of projects in the acquisition, construction or production of assets that meet the capitalization conditions are completed separately and can be used independently, the capitalization of the borrowing expenses of the part of the assets shall be stopped.

If each part of the assets purchased, constructed or produced is completed separately, but cannot be used or sold until the entirety is completed, the capitalization of borrowing expenses shall be stopped when the entire asset is completed.

3. The period of suspension of capitalization

If an abnormal interruption occurs during the acquisition, construction or production of an asset that meets the capitalization conditions, and the interruption lasts for more than 3 months, the capitalization of borrowing expenses shall be suspended; if the interruption is the necessary procedure for the acquisition, construction or production of assets that meet the capitalization conditions to reach the intended usable state or saleable state, the borrowing expenses shall continue to be capitalized. The borrowing expenses incurred during the interruption period shall be recognized as the current profit and loss, and the borrowing expenses shall continue to be capitalized until the acquisition, construction or production of the asset restarts.

4. Calculation method of capitalization rate and capitalization amount of borrowing expenses

For special loans borrowed for the acquisition, construction or production of assets that meet the capitalization conditions, the amount after subtracting the interest income obtained by depositing the unused borrowing funds in the bank or the investment income obtained from temporary investment from the actual borrowing expenses incurred in the current period of the special loans is used to determine the capitalized amount of borrowing expenses.

For general borrowings used for the acquisition, construction or production of assets that meet the capitalization conditions, the amount of borrowing expenses that should be capitalized for general borrowings is calculated and determined based on the weighted average of the asset expenditures of the accumulated asset expenditure exceeding the part of the special borrowings multiplied by the capitalization rate of the general borrowings used. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

(18) Intangible assets

1. Valuation methods of intangible assets

(1) When the company obtains intangible assets, they shall be initially measured at cost;

The cost of outsourcing intangible assets includes the purchase price, relevant taxes, and other expenditures incurred to make the assets reach the intended purpose. If the purchase price of intangible assets have a delay in payment beyond normal credit conditions and is of financing nature, the cost of intangible assets is determined on the basis of the current value of the purchase price.

For intangible assets used by the debtor to repay the debt through debt restructuring, the entry value is determined by the fair value of the waived creditor's rights and other costs that can be directly attributable to the tax incurred to make the asset reach its intended use, and the difference between the fair value and the book value of the waived creditor's rights is included in the current profit and loss.

On the premise that the non-monetary asset exchange has commercial substance and the fair value of the swap-in assets and the swap-out assets can be reliably measured, the entry value of the swap-in intangible assets through non-monetary assets exchange is determined on the basis of the fair value of the swap-out assets, unless there is conclusive evidence that the fair value of the swap-in assets is more reliable; for non-monetary asset exchanges that do not meet the above premises, the book value of the swap-out assets and the relevant taxes and fees payable shall be used as the cost of the swap-in intangible assets, but not recognize the profit and loss.

(2) Follow-up measurement

Analyze and judge the service life of intangible assets when acquiring them.

Intangible assets with a limited service life are amortized on a straight-line basis within the period of economic benefits brought to the enterprise; or the intangible assets shall be regarded as with an uncertain service life if the period of economic benefits brought by intangible assets cannot be foreseen, and shall not be amortized.

2. Estimated service life of intangible assets with limited service life

An intangible asset with a limited useful life shall be amortized evenly over the expected useful life using the straight-line method for the original value minus the estimated net residual value and the accumulated amount of provision for impairment from the time it is available for use. Intangible assets with uncertain service life shall not be amortized.

At the end of the period, review the useful life and amortization method of intangible assets with a limited useful life. If there is any change, it will be treated as a change in accounting estimates.

3. Judgment basis for intangible assets with uncertain service life and procedures for

reviewing their service life

To review the service life of an intangible asset with a uncertain service life, if there is evidence that the period of economic benefits brought by the intangible asset is predictable, estimate its service life and amortize according to the amortization policy for intangible assets with limited service life.

4. Specific criteria for dividing the research phase and the development phase

The company's internal research and development project expenditures are divided into research phase expenditures and development phase expenditures.

Research phase: it's the phase of planned investigations and research activities with originality to acquire and understand new scientific or technical knowledge, etc.

Development phase: it's the phase to apply the research results or other knowledge to a certain plan or design so as to produce new or substantially improved materials, devices, products and other activities before commercial production or use.

Specific criteria for expenditure in the development phase to conform to capitalization

Expenditures in the development stage of internal research and development projects are recognized as intangible assets when the following conditions are met simultaneously:

1. It is technically feasible to complete the intangible asset so that it can be used or sold;
2. There is an intention to complete the intangible asset and use or sell it;
3. The way that intangible assets generate economic benefits, including the ability to prove that the products produced by the intangible assets are marketable or the intangible assets themselves are marketable, and the intangible assets will be used internally, which can prove their usefulness;
4. There are sufficient technical, financial and other resource supports to complete the development of the intangible asset, and have the ability to use or sell the intangible asset;
5. The expenditure attributable to the development stage of the intangible asset can be reliably measured.

(19) Impairment of long-term assets

Long-term equity investments, investment real estate measured by the cost model, fixed assets, construction in progress, intangible assets with limited service life and other long-term assets that show signs of impairment on the balance sheet date shall be tested for impairment. If the impairment test result shows that the recoverable amount of an asset is less than its carrying amount, the impairment provision will be made according to the difference and recognized as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. Provisions for assets impairment shall be made and recognized for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The asset group is the smallest

group of assets capable of generating cash flows independently.

As for the goodwill, intangible assets with an indefinite useful life and intangible assets beyond working conditions, the impairment tests shall be carried out at least at the end of each year.

The Company conducts a goodwill impairment test. The book value of the goodwill formed by the business combination shall be allocated to the relevant asset group according to a reasonable method from the date of purchase; if it is difficult to allocate to the relevant asset group, it shall be allocated to the relevant portfolio of asset groups. The Company allocates the book value of goodwill based on the relative benefits that the relevant asset group or portfolio of asset groups can obtain from the synergies of the business combination, and conducts a goodwill impairment test on this basis.

When conducting an impairment test on a related asset group or portfolio of asset groups that contains goodwill, if there are signs of impairment for an asset group or portfolio of asset groups related to goodwill, the asset group or portfolio of asset groups that does not contain goodwill should be tested first, calculate the recoverable amount, and compare it with the relevant book value to confirm the corresponding impairment loss. Then conduct an impairment test on the asset group or portfolio of asset groups that contains goodwill, and compare the book value of these related asset groups or asset group portfolios (including the book value of the allocated goodwill) with the recoverable amount, if the recoverable amount of the relevant asset group or the asset group portfolio is lower than its book value, the impairment loss of goodwill shall be recognized.

Once the above assets impairment loss is recognized, it will not be carried back in future accounting periods.

(20) Long-term deferred expenses

The Company's long-term deferred expenses refer to the expenses that have been paid, but the benefit period is more than one year (excluding one year). Long-term deferred expenses are amortized in installments according to the benefit period of the expense items. If the long-term deferred expense item cannot benefit the future accounting period, all the amortized value of the item that has not been amortized shall be transferred to the current profit and loss.

(21) Contractual liabilities

Contractual liabilities refer to the Company's obligation to transfer goods or services to customers for consideration received or receivable from customers. Contractual assets and contractual liabilities under the same contract are presented in net amount.

(22) Staff remuneration

1. Accounting treatment of a short-term compensation

During the accounting period when employees provide services to the Company, the Company recognizes the actual short-term compensation as a liability and includes it in the current profit and loss or the cost of related assets.

The social insurance premiums and housing provident fund paid by the Company for employees, as well as the labor union funds and employee education funds drawn in accordance with the regulations, of which the corresponding employee compensation amount shall be calculated and determined according to the specified accrual basis and accrual ratio during the accounting period when the employees provide services to the Company.

If employee welfare expenses are non-monetary and can be measured reliably, they shall be measured at fair value.

2. Accounting treatment methods for post-employment benefits

(1) Defined contribution plans

The Company pays basic endowment insurance and unemployment insurance for employees in accordance with the relevant regulations of the local government. During the accounting period when employees provide services to the Company, the amount payable is calculated based on the local payment base and proportion, recognized as a liability, and included in current profit and loss or related asset cost.

In addition to basic endowment insurance, the Company has also established an enterprise annuity payment system (supplementary endowment insurance)/enterprise annuity plan in accordance with the relevant policies of the national enterprise annuity system. The Company pays a certain percentage of the total wages of employees to the local social insurance agency/annuity plan, and the corresponding expenditure is included in the current profit and loss or the cost of related assets.

(2) Defined benefit plans

The Company assigns the welfare obligations arising from the defined benefit plans to the period during which the employees provide services according to the formula determined by the expected cumulative welfare unit method, and includes them in the current profit and loss or the cost of related assets.

The deficit or surplus formed by the present value of the defined benefit plan's obligations minus the fair value of the defined benefit plan's assets is recognized as a defined benefit plan's net liabilities or net assets. If there is a surplus in the defined benefit plan, the Company shall use the lower of the surplus of the defined benefit plan and the asset ceiling to measure the net assets of

the defined benefit plan.

All defined benefit plans obligations, including obligations expected to be paid within twelve months after the end of the annual reporting period in which employees provide services, are discounted based on the market yield of the national debt matching with the obligation period and currency of the defined benefit plan or the high-quality corporate bonds in an active market on the balance sheet date.

The service cost incurred by the defined benefit plan and the net interest of the net liabilities or net assets of the defined benefit plan are included in the current profit and loss or the related asset cost; the changes in net liabilities or net assets resulting from the remeasurement of defined benefit plans are included in other comprehensive income, and shall not be transferred back to profit or loss in the subsequent accounting period, and the part that was originally included in other comprehensive income will be carried forward to undistributed profit within the scope of equity when the original defined benefit plan is terminated.

In the settlement of the defined benefit plan, the difference between the present value of the obligation of the defined benefit plan and the settlement price determined on the settlement date is used to confirm the settlement gain or loss.

3. Accounting treatment methods for dismissal benefits

When the Company cannot unilaterally withdraw the dismissal benefits provided by the termination of the labor relationship plan or redundancy proposal, or when confirming the costs or expenses related to the reorganization involving the payment of the dismissal benefits (the earlier of the two), recognize employee compensation liabilities arising from dismissal benefits and include in the current profit and loss.

(23) Accrual liability

1. Recognition criteria

The obligations with contingencies concerned as litigation, debt guarantee and contract in loss are recognized as accrual liability when the following conditions are met simultaneously:

- (1) the liability is the current liability that undertaken by the Company;
- (2) the liability has the probability of result in financial benefit outflow; and
- (3) the responsibility can be measured reliably for its value.

2. Measurement on vary accrual liability

The Company's accrual liabilities are initially measured based on the best estimate of the expenditure required to perform the relevant current obligations.

When determining the best estimate, the Company comprehensively considers factors such as risks, uncertainties and time value of money related to contingencies. If the time value of money has a significant impact, the best estimate is determined after discounting the relevant future cash outflows.

The best estimates are handled separately in the following situations:

If there is a continuous range (or interval) for the required expenditure, and the probability of occurrence of various results within this range is the same, the best estimate is determined according to the middle value of the range, that is, the average number of the upper and lower limits.

There is no continuous range (or interval) for the required expenditure, or although there is a continuous range, the possibility of occurrence of various results within the range is not the same, if the contingency involves a single item, the best estimate shall be determined based on the amount most likely to occur; if the contingency involves multiple items, the best estimate shall be calculated and determined according to various possible outcomes and related probabilities.

If all or part of the expenditures required by the Company to settle the accrual liabilities are expected to be compensated by a third party, the compensation amount shall be separately recognized as an asset when it is basically certain that it can be received, and the confirmed compensation amount shall not exceed the book value of the accrual liability.

(24) Revenue

General principles

The Company recognizes the income when it has fulfilled its performance obligations in the contract, that is, when the customer has obtained control of the relevant goods or services. The performance obligation refers to the commitment in the contract that the Group transfers clearly distinguishable goods or services to the customer. Obtaining control over related goods or services means being able to lead the use of the goods or the provision of the service and obtain almost all of the economic benefits.

For a performance obligation that meets one of the following conditions and is performed within a certain period of time, the Company recognizes revenue within a period of time according to the performance of the contract: (1) The customer obtains and consumes the economic benefits brought by the Company's performance at the same time as the Company fulfills the contract; (2) The customer can control the products under construction during the performance of the Company; (3) The products produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect payment for the accumulated performance part that has been completed so far during the entire contract period. Otherwise, the Company recognizes revenue at the point when the customer obtains control of the relevant goods or services.

Variable consideration

Some of the Company's contracts with customers include sales rebates, quantity discounts, commercial discounts, performance bonuses and claims, which forms variable consideration. The Company determines the best estimate

of the variable consideration based on the expected value or the most likely amount, but the transaction price that includes the variable consideration does not exceed the amount that the accumulated recognized revenue is most unlikely to be materially reversed when the relevant uncertainty is eliminated.

Significant financing component

If there is a significant financing component in the contract, the Company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest method during the contract period.

On the starting date of the contract, if the company expects the customer to obtain control of the product and the customer pays the payment within one year, the significant financing component in the contract will not be considered.

Non-cash consideration

If the customer pays a non-cash consideration, the Company shall determine the transaction price based on the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably estimated, the Company indirectly determines the transaction price by referring to the stand-alone selling price of the goods promised to be transferred to the customer. If the fair value of non-cash consideration changes due to reasons other than the form of consideration, it shall be used as variable consideration for accounting treatment in accordance with relevant regulations.

Consideration payable to customers

For the consideration payable to customers, the Company offsets the transaction price from the consideration payable to the customer, and offsets the current revenue at the time point of the later when the relevant revenue is recognized and the promised payment of the customer consideration, unless the consideration payable is to obtain other clearly distinguished products from the customer.

Sales with sales return clauses

For sales with a sales return clause, when the customer obtains control of the relevant product, our company recognizes the revenue in accordance with the amount of consideration expected to be entitled to be collected due to transfer of goods to customers (that is, does not include the amount expected to be refunded due to sales returns), and recognizes liabilities in accordance with the amount expected to be refunded due to sales returns. At the same time, according to the expected book value of the returned goods at the time of transfer, the balance after deducting the estimated cost of recovering the goods (including the value impairment of the returned goods) is recognized as an asset, and the net carry-over cost of the above asset cost is deducted according to the book value of the transferred commodity at the time of transfer. On each balance sheet date, re-estimate the future sales return situation, and if there is any change, it will be treated as a change in accounting estimates.

Sales with quality assurance clauses

For sales with quality assurance clauses, if the quality assurance provides a separate service in addition to ensuring that the goods or services sold to the customer meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Company will make an accounting treatment for quality assurance

responsibilities in accordance with the "Accounting Standards for Business Enterprises No. 13 - Contingencies".

Principal and agent

The Company judges whether the Company's identity is the principal responsible person or an agent at the time of the transaction based on whether it has control over the product or service before the transfer of the product or service to the customer. If the Company is able to control the products or services before transferring the products or services to the customers, the Company is the principal responsible person, and the income is recognized based on the total consideration received or receivable; otherwise, the Company is the agent, and the income is recognized according to the amount of commission or handling fee expected to have the right to collect, the amount is determined according to the net amount of the total consideration received or receivable after deducting the price payable to other related parties, or according to the established commission amount or ratio.

Sales with additional purchase options for customers

For sales with additional purchase options for customers, the Company assesses whether the option provides customers with a major right. If an enterprise provides a major right, it shall be a single performance obligation, and the transaction price shall be allocated to the performance obligation in accordance with the relevant provisions of the standards. When the customer exercises the purchase option in the future to obtain control of the relevant commodity, or when the option lapses, the corresponding income shall be recognized. If the stand-alone selling price of the customer's additional purchase option cannot be directly observed, the Company shall reasonably estimate after considering all relevant information such as the difference between the discounts that the customer can obtain from exercising and not exercising the option, the possibility of the customer exercising the option, etc.. Although the customer has additionally purchased the commodity option, the price at the time when the customer exercises the option to purchase the commodity reflects the stand-alone selling price of these commodities, and it should not be considered that the company has provided the customer with a major right.

Grant intellectual property licenses to customers

If an intellectual property license is granted to a customer, the Company assesses whether the intellectual property license constitutes a single performance obligation in accordance with the relevant provisions of the standards, and if it constitutes a single performance obligation, it shall further determine whether it will be performed within a certain period of time or at a certain point in time.

When the following conditions are met at the same time, the relevant revenue is recognized as a performance obligation performed within a certain period of time; otherwise, the relevant revenue is recognized as a performance obligation performed at a certain point in time:

- (1) Contract requirements or customers can reasonably expect that the enterprise will engage in activities that have a significant impact on the intellectual property rights;
- (2) The activity will have a favorable or unfavorable impact on customers;
- (3) The activity will not result in the transfer of a certain commodity to the customer.

After-sales repurchase transaction

For after-sales repurchase transactions, the Company distinguishes the following two situations for accounting treatment:

- (1) If there is a repurchase obligation due to the existence of a long-term arrangement with the customer or the Company enjoys the repurchase right, the Company shall conduct the corresponding accounting treatment as a

lease transaction or financing transaction. Among them, if the repurchase price is lower than the original selling price, it shall be regarded as a lease transaction, and shall be accounted for in accordance with the relevant provisions of the standards; if the repurchase price is not lower than the original selling price, it shall be regarded as a financing transaction, and the financial liabilities shall be confirmed when receiving the client's payment, and the difference between the payment and the repurchase price is recognized as interest expenses during the repurchase period. If the Company fails to exercise the repurchase right upon maturity, when the repurchase right expires, the financial liabilities is derecognized, and the revenue is recognized at the same time.

(2) If the Company is obliged to repurchase commodities at the request of the customer, it shall assess whether the customer has a major economic motivation to exercise the right of claim on the commencement date of contract. If the customer has a major economic motivation to exercise the right of claim, the enterprise shall treat the after-sale repurchase as a lease transaction or financing transaction, and conduct accounting treatment in accordance with the provisions of present article (1); otherwise, the Company will treat it as a sales transaction with a sales return clause, and perform accounting treatments in accordance with relevant regulations of the standards.

Customer's unexercised rights

If the Company receives advance payments from customers for sales of goods, it shall first recognize the payments as liabilities, and then convert them into revenue when the relevant performance obligations are fulfilled. When the advance payment does not need to be refunded and the customer may waive all or part of its contract rights, the Company expects to be entitled to obtain the amount related to the contract rights waived by the customer, and the above-mentioned amount shall be recognized as revenue in proportion to the mode in which the customer exercises the contractual rights. Otherwise, the Company can only convert the relevant balance of the above liabilities into income when the possibility of the customer requesting it to perform the remaining performance obligations is extremely low.

Initial fee no need to be refunded

The initial fee collected by the Company from the customer on the commencement date of the contract (or close to the commencement date) shall be included in the transaction price, and it shall be assessed whether the initial fee is related to the transfer of the promised goods to the customer. If the initial fee is related to the transfer of the promised goods to the customer, and the goods constitutes a single performance obligation, the Company recognizes the income at the transaction price allocated to the goods when transferring the goods. If the initial fee is related to the goods promised to transfer to the customer, but the goods does not constitute a single performance obligation, the Company will recognize the income at the transaction price allocated to the single performance obligation when the single performance obligation containing the product is fulfilled. If the initial fee is not related to the goods promised to transfer to the customer, it shall be used as an advance payment for the goods to be transferred in the future, and shall be recognized as income when the goods is transferred in the future.

If the Company has collected an initial fee that does not need to be refunded and should carry out initial activities to perform the contract, but these activities do not transfer the promised goods to the customer, the initial fee is related to the goods promised to be transferred in the future, and should be recognized as revenue when transferring the goods in the future, and the Company does not consider these initial activities when determining the progress of the contract. The Company's expenditures for the initial activities should be recognized as an asset or included in the current profit and loss in accordance with the relevant provisions of the standards.

Specific principles

The Company recognizes the revenue when it fulfills its performance obligations in the contract, that is, when the customer obtains control of the relevant goods or services. Obtaining control over related goods or services means being able to lead the use of the goods or the provision of the service and obtain almost all of the economic benefits from it.

(1) Commodity sales revenue

The sales contract between the Company and the customers usually only contains the performance obligation for the transferred goods. The Company usually recognizes revenue at a certain point in time on the basis of comprehensive consideration of the following factors: obtaining the current right to receive payment of the goods, the transfer of major risks and rewards in the ownership of the goods, the transfer of the legal ownership of the goods, and the transfer of the physical asset of the goods, the customer accepts the goods.

Electricity sales revenue

The Company produces electricity through firepower and realizes sales through integration into Guangdong Power Grid. For electricity sales, the Company recognizes the realization of revenue when it has produced electricity and obtains the grid electricity statistical table confirmed by the Electric Power Bureau.

(2) Income from rendering of labor services

The service contracts between the Company and the customers usually include performance obligations such as operation and maintenance services, labor services, etc.

The Company evaluates the contract on the start date of the contract, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is performed within a certain period of time or at a certain point in time. If one of the following conditions is met, it is a performance obligation performed within a certain period of time, the Company recognizes revenue within a period of time according to the progress of the contract:

- (1) The customer obtains and consumes the economic benefits brought by the Company's performance at the same time as the Company's performance;
- (2) Customers can control the products under construction during the performance of the Company;
- (3) The goods produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to collect payment for the cumulative performance part that has been completed so far during the entire contract period. Otherwise, the Company recognizes revenue at the time point when the customer obtains control of the relevant goods or services.

① Recognition standards of income from labor services provided by Environment Protection Company:

The company recognizes revenue based on the obtained sludge treatment settlement statement jointly confirmed with the transportation company, the water purification unit, and the company.

② Specific standards for revenue recognition of Engineering Company:

Debugging projects: when the debugging is successful, obtain the confirmation of successful debugging, and recognize the income according to the contract;

Operation and maintenance, management projects: monthly revenue is temporarily estimated and recognized based on attendance time and labor prices of attendants, and the temporary estimated revenue will be adjusted after obtaining the monthly statement confirmed by the supplier's stamp and signature, the progress confirmation letter,

and the attendance sheet.

(25) Contractual costs

The cost of obtaining the contract

If the incremental cost (that is, the cost that would not be incurred without obtaining the contract) incurred by the Company to obtain the contract is expected to be recovered, it shall be recognized as an asset, and use the same basis for the recognition of the income of goods or services related to the asset for sales, and be included in the current profit and loss. If the asset amortization period does not exceed one year, it shall be included in the current profit and loss when it occurs. Other expenses incurred by the Group in order to obtain the contract shall be included in the current profit and loss when incurred, except for those clearly borne by the customer.

The cost of fulfilling the contract

The cost incurred by the Company for the performance of the contract that does not fall within the scope of other accounting standards for business enterprises except the income standard and meets the following conditions at the same time is recognized as an asset: (1) The cost is directly related to a current or expected contract; (2) The cost increases the resources of the Group for fulfilling the performance obligations in the future; (3) The cost is expected to be recovered. The above-mentioned assets are amortized on the same basis as the recognition of the income of goods or services related to the asset and included in the current profit and loss.

Contract cost impairment

When the Company determines the impairment loss of assets related to the contract cost, it first determines the impairment loss of other assets related to the contract that are confirmed in accordance with other relevant enterprise accounting standards; then, based on the difference between the book value of which is higher than the remaining consideration that the Company is expected to obtain due to the transfer of the asset-related commodities and the estimated cost of transferring the related commodities, the excess shall be provided for impairment and recognized as an asset impairment loss.

If the impairment factors of the previous period have changed, causing the aforementioned difference is higher than the book value of the asset, the original provision for asset impairment shall be reversed and included in the current profit and loss, but the book value of the asset after the reversal shall not exceed the book value of the asset on the date of reversal under the assumption that no impairment provision is made.

(26) Government subsidy

1. Type

Government subsidy refers to the monetary asset and non-monetary asset that the Company obtains from the government free of charge which are divided into the asset-related government

subsidy and the income-related government subsidy.

Government subsidies related to assets refer to government subsidies obtained by the Company for purchase and construction or to form long-term assets in other ways. Government subsidies related to income refer to government subsidies other than government subsidies related to assets.

2. Time point of recognition

If there is evidence at the end of the period that the company can meet the relevant conditions stipulated in the financial support policy and is expected to receive financial support funds, the government subsidy shall be recognized according to the amount receivable. In addition, government subsidies are confirmed when they are actually received.

If a government subsidy is a monetary asset, it shall be measured at the amount received or receivable. If a government subsidy is a non-monetary asset, it shall be measured at its fair value; if its fair value cannot be obtained reliably, it shall be measured at its nominal amount (1 Yuan). Government subsidies measured at their nominal amounts are directly included in the current profits and losses.

3. Accounting treatment

Government subsidies related to assets are used to offset the book value of related assets or be recognized as deferred income, those recognized as deferred income shall be included in the current profit and loss (those related to the Company's daily activities shall be included in other income; those not related to the Company's daily activities shall be included in the non-operating income) in a reasonable and systematic way within the useful life of the relevant assets;

Government subsidies related to income that are used to compensate the Company's related costs or losses in subsequent periods shall be recognized as deferred income, and shall be included in the current profits and losses (those related to the Company's daily activities shall be included in other income; those not related to the Company's daily activities shall be included in the non-operating income) or used to offset related costs or losses during the period when the relevant costs or losses are recognized; those used to compensate the Company's related costs or losses are directly included in the current profits and losses (those related to the Company's daily activities shall be included in other income; those not related to the Company's daily activities shall be included in the non-operating income) or used to offset related costs or losses.

The policy-related preferential loan interest discount obtained by the Company is divided into the following two situations and is accounted for separately:

(1) The finance allocates interest subsidy to the lending bank, if the lending bank provides loans to the Company at

a preferential policy interest rate, the Company uses the amount of borrowing actually received as the entry value of the loan, and calculates the related borrowing costs according to the loan principal and the policy preferential interest rates.

(2) If the finance directly allocates interest subsidy funds to the Company, the Company will offset the corresponding interest discount against the relevant borrowing costs.

(27) Deferred income tax asset/ deferred income tax liability

For deductible temporary differences to recognize deferred income tax assets, they shall be within the limit of the taxable income that is likely to be obtained in the future to deduct deductible temporary differences. For the deductible losses and tax deductions that can be carried forward for subsequent years, they shall be within the limit of the future taxable income that is likely to be used to deduct the deductible losses and tax deductions to recognize the corresponding deferred income tax assets.

For taxable temporary differences, except for special circumstances, deferred income tax liabilities are recognized.

Special circumstances that do not recognize deferred income tax assets or deferred income tax liabilities include initial recognition of goodwill; Other transactions or matters that do not affect accounting profits or taxable income (or deductible losses) when they occur except for a business combination.

When having the statutory right to settle on a net basis, and intending to settle on a net basis or obtain assets and pay off liabilities at the same time, the current income tax assets and current income tax liabilities are presented as the net amount after offsetting.

When having the statutory right to settle current income tax assets and current income tax liabilities on a net basis, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax administration department on the same taxpayer or related to different taxpayers, however, in the future period during which important deferred income tax assets and liabilities are reversed, when the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis or obtain assets and repay liabilities at the same time, the deferred income tax assets and deferred income tax liabilities are presented as the net amount after offsetting.

(28) Leasing

Accounting policy applicable from 1st January 2021

A leasing is a contract in which the lessor cedes the right to use an asset to the lessee for a certain period of time in return for consideration.

1. The Company acts as the lessee

The Company recognizes the right-of-use assets on the commencement date of the lease term and recognizes the lease liabilities at the present value of the outstanding lease payments. The lease payments include fixed payments, as well as payments where there is reasonable certainty that a purchase option will be exercised or a lease option will be terminated. The variable rent determined based on a certain percentage of sales is not included in the lease payment, and is included in the current profit and loss when it actually occurs.

The Company's right-of-use assets include leased houses and buildings, machinery and equipment, means of transport, computers and electronic equipment, etc.

For short-term leases with a lease term of less than 12 months and low-value asset leases with a low value when a single asset is brand-new, the Company chooses not to recognize the right-of-use assets and lease liabilities, and includes the relevant rental expenses into current profits and losses or the relevant assets cost in each period of the lease term according to the straight-line method.

2. The Company acts as the lessor

A lease that transfers substantially all the risks and rewards associated with the ownership of the leased asset is a finance lease. Other leases are operating leases.

(1) Operating lease

When the Company operates leased buildings, machinery and equipment, and means of transport, the rental income from operating leases shall be recognized in accordance with the straight-line method during the lease term. The Company will include variable rent determined based on a percentage of sales in rental income when it actually incurs.

(2) Finance lease

On the beginning date of the lease term, the Company recognizes the finance lease receivables for finance leases and derecognizes related assets. The Company presents the finance lease receivables as long-term receivables, and the finance lease receivables received within one year (including one year) from the balance sheet date are presented as non-current assets due within one year.

Accounting policy applicable before 1st January 2021

1. Accounting treatment of operating leases

(1) The lease fee paid by the company for rented assets shall be apportioned on a straight-line basis during the entire lease period without deducting the rent-free period and included in the

current expenses. The initial direct expenses related to the lease transaction paid by the company shall be included in the current expenses.

When the asset lessor bears the lease-related expenses that should be borne by the company, the company deducts this part of the cost from the total rent, amortizes according to the deducted rental expenses during the lease term, and reckons it in the current expenses.

(2) The lease fee charged by the company for lease of assets shall be apportioned on a straight-line basis during the entire lease period without deducting the rent-free period and recognized as lease-related income. The initial direct expenses related to the lease transaction paid by the company shall be included in the current expenses; if the amount is large, it shall be capitalized and included in the current income in installments based on the same basis as the lease-related income recognition during the entire lease period.

When the company bears the lease-related expenses that should be borne by the lessee, the company deducts this part of the expenses from the total rental income, and distributes according to the deducted rental expenses during the lease term.

2. Accounting treatment of financial leasing

(1) Financing rent in assets: on the start date of the lease, the company takes the lower of the fair value of the leased asset and the present value of the minimum lease payment as the entry value of the leased asset, and the minimum lease payment as the entry value of of long-term payable, and the difference is regarded as unrecognized financing expenses. Refer to Note III (15) Fixed Assets for the identification basis, valuation and depreciation methods of finance leased assets.

The company uses the effective interest method to amortize unrecognized financing expenses during the asset lease period and include them in financial expenses.

(2) Financing rent out assets: on the start date of the lease, the company recognizes the difference between the sum of receivable financing lease payments and unguaranteed residual value and its present value as unrealized financing income as unrealized financing income, which is recognized as rental income during each period when the rent is received in the future, the company's initial direct expenses related to the lease transactions are included in the initial measurement of the financial lease receivables, and the amount of income recognized during the lease period is reduced.

(29) Changes of major accounting policy and accounting estimation

1. Change of major accounting policies

(1) New leasing standards

On December 7, 2018, the Ministry of Finance revised the Accounting Standards for Business Enterprises No. 21 -- Lease (hereinafter referred to as the "New Lease Standards") by Accounting [2018] No. 35, which has been implemented by the Company from January 1, 2021. In the preparation of the 2021 annual financial statements, the Company has implemented the relevant

accounting standards and processed them in accordance with the relevant bridging provisions. On the first execution date, the Company chooses to re-evaluate whether any previously existing contract is a lease or includes a lease and applies this method consistently to all contracts, so the bridging provisions of this Standards will be applied only to those contracts identified as leases under the original lease standards.

The Company's accounting policy for short-term leases and leases of low-value assets is the unrecognized right-of-use assets and lease liabilities. According to the bridging provisions of the new lease standards, the Company will conduct accounting treatment in accordance with the new lease standards since the first execution date for short-term leases and low-value asset leases prior to the first execution date, there will be no retroactive adjustment for short-term leases and leases of low-value assets.

Implementation of the new leasing standard will have no impact on the relevant items of financial statements dated 1st January 2021

(2) Execution of the *Accounting Standards for Business Enterprise Interpretation No. 14*

The *Accounting Standards for Business Enterprise Interpretation No. 14* was issued by Ministry of Finance on 26 January 2021, the Company carry out the Interpretation No.14 since the issued date, and implementation of the Interpretation No.14 had no material impact on the financial statement of the current reporting period.

2. Change of major accounting estimation

No change of major accounting estimation occurred in the reporting period

IV. Taxes

(1) Main taxation and rates

Taxation items	Taxation basis	Tax rate
VAT	Calculate the output tax based on the sales of goods and taxable service income calculated according to the tax law, after deducting the input tax allowable for deduction in the current period, the difference is the VAT payable.	13%, 9%, 6%, 5%, 3%
City maintenance tax	According to the actual payment of VAT and consumption tax	7%, 5%
Education surtax	According to the actual payment of VAT and consumption tax	3%
Local education surtax	According to the actual payment of VAT and consumption tax	2%
Enterprise income tax	According to the taxable income amount	25%, 15%, 16.5%, 17%
Land-use tax of town	2 Yuan ~ 8Yuan per square meter of the actual occupied are for the industrial land located in Nanshan District, Shenzhen City; 1Yuan per square meter of the actual occupied are for the industrial land located in Zhongshan City	

(2) Explanation of the income tax rate of the taxpayer of enterprise income tax

Taxpaying body	Rate of income tax
The Company	15%
New Power Company	25%
Engineering Company	15%
Shenzhen Server	25%
Environment Protection Company	15%
Zhongshan Electric Power	25%
Singapore Company	17%
Shen Storage	25%
Syndisome (HK)	16.5%

(3) Preferential tax policies and basis

1. Preferential corporate income tax policy:

(1) According to the Record List of the Second Batch of High-tech Enterprises recognized by Shenzhen in 2021, Shenzhen Nanshan Power Co., Ltd. has obtained the National High-tech Enterprise Certification no. GR202144204080, which is valid for 3 years. From 2021 to 2023, the company enjoys the preferential corporate income tax of high-tech enterprises, the corporate income tax is paid at the rate of 15.00%.

(2) According to the Document GKHZ (2020) No. 46, Shenzhen Shennandian Turbine Engineering Technology Co., Ltd. has obtained the National High-tech Enterprise Certification no. GR202044200352, which is valid for 3 years. From 2020 to 2022, the company enjoys the preferential corporate income tax of high-tech enterprises, the corporate income tax is paid at the rate of 15.00%.

(3) According to the Document GKHZ (2020) No. 46, Shenzhen Shen Nan Dian Environment Protection Co., Ltd has obtained the National High-tech Enterprise Certification no. GR202044200405, which is valid for 3 years. From 2020 to 2022, the company enjoys the preferential corporate income tax of high-tech enterprises, the corporate income tax is paid at the rate of 15.00%.

(2) Value-added tax preferential policies:

Tax	Name of the company	Relevant regulation and policies basis	Approval institution	Approval documents	Exemption range	Period of validity
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Tax	Name of the company	Relevant regulation and policies basis	Approval institution	Approval documents	Exemption range	Period of validity
VAT	Environment Protection Company	Notice on "contents of products with comprehensive utilization of resources and value-added tax privilege of labor service" (CS No. [2015] 78)	Shenzhen Provincial Office, SAT (Qianhai SAT)	SQSST[2018] No.: 18302	Resource comprehensive utilization of VAT refund	31 Aug. 2018 to 31 July 2022
VAT	Engineering Company	Administrative Measures on VAT Exemption for Cross-boarder Taxable Acts with VAT Replaced by Business Tax	Shenzhen Provincial Office, SAT (Qianhai SAT)		VAT Exemption for Cross-boarder Taxable Acts	

V. Annotation of the items in consolidate financial statement

(1) Monetary fund

Item	Ending Balance	Balance at the end of last year
Cash on hand	35,963.95	101,163.11
Bank savings	456,715,650.80	397,000,109.10
Other monetary fund	232,853,018.84	367,500,000.00
Total	689,604,633.59	764,601,272.21
Including: total amount saving aboard	51,205,621.70	50,810,349.72

No monetary funds that are restricted to use due to mortgage, pledge or freezing, and are placed overseas and the repatriation of funds are restricted.

(2) Trading financial assets

Item	Ending Balance	Balance at the end of last year
Financial assets measured by fair value and with variation reckoned into current gains/losses	560,000,726.39	
Including: Debt instrument investment		
Equity instrument investment		
Derivative financial assets		
Other	560,000,726.39	
Designated as financial assets measured by fair value and with variation reckoned into current gains/losses		
Including: Debt instrument investment		
Equity instrument investment	72,873,680.00	
Total	632,874,406.39	

(3) Account receivable**1. Age analysis**

Account age	Ending Balance	Balance at the end of last year
Within one year	73,610,161.02	85,293,052.88
Over 3 years	5,558,673.67	5,558,673.67
Subtotal	79,168,834.69	90,851,726.55
Less: Bad debt provision	5,558,673.67	5,558,673.67
Total	73,610,161.02	85,293,052.88

2. According to accrual method for bad debts

Category	Ending Balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Accounts receivable with single provision for bad debts	5,558,673.67	7.02	5,558,673.67	100.00	
Provision for bad debts by combination of risk characteristics	73,610,161.02	92.98			73,610,161.02
Including: risk-free portfolio	73,610,161.02	92.98			73,610,161.02
Total	79,168,834.69	100.00	5,558,673.67	7.02	73,610,161.02

Category	Balance at the end of last year				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Accounts receivable with single provision for bad debts	5,558,673.67	6.12	5,558,673.67	100.00	
Provision for bad debts by combination of risk characteristics	85,293,052.88	93.88			85,293,052.88
Including: risk-free portfolio	85,293,052.88	93.88			85,293,052.88
Total	90,851,726.55	100.00	5,558,673.67	6.12	85,293,052.88

With single provision for bad debts:

Name	Ending Balance				
	Book balance	Bad debt provision	debt	Accrual proportion (%)	Causes
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.	3,474,613.06	3,474,613.06		100.00	Uncollectible in excepted
Zhongji Construction Development Co., Ltd.	1,137,145.51	1,137,145.51		100.00	Uncollectible in excepted
Shenzhen Fuhuade Power Co., Ltd	800,000.00	800,000.00		100.00	Uncollectible in excepted
Other	146,915.10	146,915.10		100.00	Uncollectible in excepted
Total	5,558,673.67	5,558,673.67		100.00	

3. Bad debt provision accrual, collected or switch back

Category	Balance at the end of last year	Current amount changed			Ending Balance
		Accrual	Collected or switch back	Other	
Accounts receivable with single provision for bad debts	5,558,673.67				5,558,673.67
Total	5,558,673.67				5,558,673.67

4. Top 5 receivables at ending balance by arrears party

Total period-end balance of top five receivables by arrears party amounting to 77,320,103.02 Yuan, takes 97.66% of the total account receivable at period-end, bad debt provision accrual correspondingly at period-end amounting as 4,611,758.57 Yuan

(4)Account paid in advance

1.Account paid in advance classified according to age

Age	Ending Balance		Balance at the end of last year	
	Book balance	Proportion (%)	Book balance	Proportion (%)
Within 1 year	63,880,339.98	99.17	22,552,426.03	76.33
1-2 years	441,309.74	0.69	6,883,175.38	23.30
2-3 years			15,600.00	0.05
Over 3 years	93,586.94	0.14	93,586.94	0.32
Total	64,415,236.66	100.00	29,544,788.35	100.00

2. Top five accounts paid in advance at period-end balance listed by object

The aggregate amount of the top five ending balance of account paid in advance collected by the arrears is 61,564,847.72 Yuan, accounting for 95.57% of the total number of account in ending balance of paid in advance

(5) Other account receivable

Item	Ending Balance	Balance at the end of last year
Interest receivable		
Dividends receivable		
Other account receivable	25,841,206.66	31,027,754.36
Total	25,841,206.66	31,027,754.36

1. Other account receivable

(1) Age analysis

Age	Ending Balance	Balance at the end of last year
Within 1 year	3,823,549.28	8,721,096.29
1-2 years	553,190.98	958,772.47
2-3 years	1,765,816.10	1,179,854.47
Over 3 years	51,739,037.91	52,208,418.74
Subtotal	57,881,594.27	63,068,141.97
Less: Bad debt provision	32,040,387.61	32,040,387.61
Total	25,841,206.66	31,027,754.36

(2) By category

Category	Ending Balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Accounts receivable with single provision for bad debts	32,676,135.85	56.45	32,040,387.61	98.05	635,748.24
Provision for bad debts by portfolio of credit risk	25,205,458.42	43.55			25,205,458.42
Including: risk-free portfolio	25,205,458.42	43.55			25,205,458.42

Category	Ending Balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Total	57,881,594.27	100.00	32,040,387.61	55.36	25,841,206.66

Category	Balance at the end of last year				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Accounts receivable with single provision for bad debts	32,525,936.22	51.57	31,832,420.44	97.87	693,515.78
Provision for bad debts by portfolio of credit risk	30,542,205.75	48.43	207,967.17	0.68	30,334,238.58
Total	63,068,141.97	100.00	32,040,387.61	50.80	31,027,754.36

With single provision for bad debts:

Name	Ending Balance				Causes
	Book balance	Bad debt provision	Accrual proportion (%)		
Huiyang Kangtai Industrial Company	14,311,626.70	14,311,626.70	100.00	Unable to recover	
Individual income tax	2,470,039.76	2,470,039.76	100.00	Unable to recover	
Dormitory amount receivable	2,083,698.16	1,736,004.16	83.31	Unable to recover	
Deposit receivable	1,601,029.19	1,312,974.95	82.01	Unable to recover	
Personal receivables	7,498,997.87	7,498,997.87	100.00	Unable to recover	
Shandong Jinan Generation Equipment Plant	3,560,000.00	3,560,000.00	100.00	Unable to recover	
Zuohao Clothing (Shenzhen) Co., Ltd.	43,068.31	43,068.31	100.00	Unable to recover	
Shenzhen Guanhua Printing and Dyeing Co., Ltd.	53,591.75	53,591.75	100.00	Unable to recover	
Shenzhen Nanhua Printing and Dyeing Co., Ltd.	41,407.01	41,407.01	100.00	Unable to recover	
Huizhou Bangde Agricultural Ecological Organic Fertilizer Co., Ltd.	25,788.00	25,788.00	100.00	Unable to recover	
Huizhou Lvhuan Fertilizer Co., Ltd.	44,112.1	44,112.1	100.00	Unable to recover	
Other	942,777.00	942,777.00	100.00	Unable to recover	
Total	32,676,135.85	32,040,387.61	98.05		

(3) Accrual of bad debt provision

	Phases I	Phases II	Phases III	
Bad debt provision	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	Total
Balance at year-begin	207,967.17		31,832,420.44	32,040,387.61
Balance at year-begin of the period				
—Turn to phase II				
—Turn to phase III	-207,967.17		207,967.17	
—Return to Phase II				
—Return to Phase I				
Current accrual				
Current switch back				
Rewrite in the period				
Write-off in the period				
Other changes				
Ending Balance			32,040,387.61	32,040,387.61

(3) By nature

Nature	Ending book balance	Book balance at last year-end
Deposit and security deposit	8,213,574.51	5,130,967.25
Reserve fund	610,723.06	566,951.40
Withholding payment	9,182,463.86	9,151,898.54
Current payment	24,404,083.76	18,066,774.22
other	730,247.64	8,776,977.75
Accounts receivable of Huidong Server	14,740,501.44	21,374,572.81
Subtotal	57,881,594.27	63,068,141.97
Less: Bad debt provision	32,040,387.61	32,040,387.61
Total	25,841,206.66	31,027,754.36

(4) Top five other account receivables at period-end balance listed by arrears party

The total amount of the top five other receivables at the end of the period aggregated by the owing

party was 39,367,445.32 Yuan, accounting for 68.01% of the total balance of other receivables at the end of the period.

(6) Inventory

1. Classification

Item	Ending Balance			Balance at the end of last year		
	Book balance	Inventory falling price reserves	Book value	Book balance	Inventory falling price reserves	Book value
Raw materials	149,489,121.27	61,358,046.54	88,131,074.73	149,653,114.11	49,407,585.05	100,245,529.06
Low-value consumables	369,916.40		369,916.40			
Total	149,859,037.67	61,358,046.54	88,500,991.13	149,653,114.11	49,407,585.05	100,245,529.06

2. Inventory falling price reserves

Item	Balance at the end of last year	Current increased		Current decreased		Ending Balance
		Accrual	Other	Switch-back or write-off	Other (note)	
Raw materials	49,407,585.05	11,958,247.40		7,785.91		61,358,046.54
Total	49,407,585.05	11,958,247.40		7,785.91		61,358,046.54

(7) Contractual assets

Item	Ending Balance	Balance at year-begin
Operation and maintenance project settlement accounts receivable	1,040,000.00	7,229,600.00
Subtotal	1,040,000.00	7,229,600.00
Provision for impairment of contractual assets		
Total	1,040,000.00	7,229,600.00

(8) Other current assets

Item	Ending Balance	Balance at the end of last year
VAT input tax deductible	324,040,257.98	332,071,261.59
Income tax paid in advance	6,583,089.98	6,583,089.98
Bank financial products		575,655,558.24
Accrual interest of time deposit	1,195,914.66	2,918,334.73

Item	Ending Balance	Balance at the end of last year
Other	49,399.00	60,000.00
Total	331,868,661.62	917,288,244.54

(9) Long-term equity investment

The invested entity	Balance at the end of last year	Changes +,-							Ending Balance	Period-end balance of depreciation reserves
		Additional investment	Disinvestment	Investment gains/losses recognized by equity method	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment		
1. Joint venture										
Huidong Server Harbor Comprehensive Development Company	8,893,408.86			-1,906,753.67						6,986,655.19
Total	8,893,408.86			-1,906,753.67						6,986,655.19

(10) Other equity instrument investment**1. Other equity instrument investment**

Item	Ending Balance	Balance at the end of last year
CPI Jiangxi Nuclear Power Company	60,615,000.00	60,615,000.00
Zhongsheng Technology (Jiangsu) Co., Ltd.	140,000,000.00	21,000,000.00
Shenzhen Petrochemical Products Bonded Trading Co., Ltd. - investment cost	2,500,000.00	2,500,000.00
Shenzhen Petrochemical Products Bonded Trading Co., Ltd. - change in fair value	-2,500,000.00	-2,500,000.00
Total	200,615,000.00	81,615,000.00

2. Non trading equity instrument investment

Item	Dividend income recognized in the current period	Accumulated gain	Accumulated loss	Retained earnings transferred from other comprehensive income	Designated as the investment measured at fair value and whose changes reckoned into other comprehensive income (explain reasons)	Reasons of retained earnings transferred from other comprehensive income
CPI Jiangxi Nuclear Power Company	252,016.49				intents to holding for a long-term	
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.			-2,500,000.00		intents to holding for a long-term	
Total	252,016.49		-2,500,000.00			

(11) Investment real estate**1. Investment real estate measured at cost**

Item	House and building	Total
1. Original book value		
(1) Balance at the end of last year	9,708,014.96	9,708,014.96
(2) Current increased		
(3) Current decreased		
(4) Ending Balance	9,708,014.96	9,708,014.96

Item	House and building	Total
2. Accumulated depreciation and accumulated amortization		
(1) Balance at the end of last year	7,502,825.56	7,502,825.56
(2) Current increased	196,137.60	196,137.60
(3) Current decreased		
(4) Ending Balance	7,698,963.16	7,698,963.16
3. Depreciation provision		
(1) Balance at the end of last year		
(2) Current increased		
(3) Current decreased		
(4) Ending Balance		
4. Book value		
(1) Ending book value	2,009,051.80	2,009,051.80
(2) Book value of end of last year	2,205,189.40	2,205,189.40

(12) Fixed assets

1. Fixed assets and disposal of fixed asset

Item	Ending Balance	Balance at the end of last year
Fixed assets	643,256,398.30	925,745,208.55
Disposal of fixed assets		
Total	643,256,398.30	925,745,208.55

2. Fixed assets

Item	House and buildings	Machinery equipment	Transportation tools	Other	Total
1. Original book value					
(1) Balance at the end of last year	426,009,822.97	3,159,342,280.68	16,757,800.53	58,485,287.75	3,660,595,191.93
(2) Current increased		38,128,186.36	357,334.62	2,946,529.07	41,432,050.05
—Purchase		44,778.76	357,334.62	1,436,783.36	1,838,896.74
Construction in progress transfer-in		38,083,407.60		1,509,745.71	39,593,153.31
(3) Current decreased		6,100,000.00	2,233,430.00	117,980.00	8,451,410.00
—Disposal or scrapping		6,100,000.00	2,233,430.00	117,980.00	8,451,410.00
---Decrease in disposal of subsidiaries					
(4) Ending Balance	426,009,822.97	3,191,370,467.04	14,881,705.15	61,313,836.82	3,693,575,831.98
2. Accumulated depreciation					
(1) Balance at the end of last year	274,467,339.25	2,285,724,572.18	8,778,143.96	44,182,864.81	2,613,152,920.20
(2) Current increased	11,923,927.01	28,730,727.38	1,887,358.06	2,797,587.96	45,339,600.41
—Accrual	11,923,927.01	28,730,727.38	1,887,358.06	2,797,587.96	45,339,600.41
(3) Current decreased		5,490,000.00	1,987,020.00	106,182.00	7,583,202.00
—Disposal or scrapping		5,490,000.00	1,987,020.00	106,182.00	7,583,202.00
—Decrease in disposal of subsidiaries					
(4) Ending Balance	286,391,266.26	2,308,965,299.56	8,678,482.02	46,874,270.77	2,650,909,318.61

Item	House and buildings	Machinery equipment	Transportation tools	Other	Total
3. Depreciation provision					
(1) Balance at the end of last year	9,800,239.30	111,896,823.88			121,697,063.18
(2) Current increased	12,669,432.80	268,971,500.43	56,300.08	164,018.32	281,861,251.63
—Accrual	8,521,233.06	268,971,500.43	56,300.08	164,018.32	277,713,051.89
—Other	4,148,199.74				4,148,199.74
(3) Current decreased		4,148,199.74			4,148,199.74
—Disposal or scrapping					
—Decrease in disposal of subsidiaries					
—Other		4,148,199.74			4,148,199.74
(4) Ending Balance	22,469,672.10	376,720,124.57	56,300.08	164,018.32	399,410,115.07
4. Book value					
(1) Ending book value	121,297,084.35	501,536,843.17	6,146,923.05	14,275,547.73	643,256,398.30
(2) Book value of end of last year	141,742,244.42	761,720,884.62	7,979,656.57	14,302,422.94	925,745,208.55

3. Idle fixed assets temporary

Item	Original book value	Accumulated depreciation	Depreciation provision	Book value	Note
Housing & buildings	127,893,412.10	98,886,783.17	19,801,856.52	9,204,772.41	
Machinery equipment	569,764,445.49	483,599,824.01	69,796,231.48	16,368,390.00	
Total	697,657,857.59	582,486,607.18	89,598,088.00	25,573,162.41	

4. Fixed assets without property rights certificate

Item	Book value	Reasons for failing to complete the property rights certificate
Circulating Water Pump House	1,111,441.10	Procedures uncompleted
Cooling Tower	673,259.25	Procedures uncompleted
Complex Building	443,246.19	Procedures uncompleted
Comprehensive building canteen	247,224.51	Procedures uncompleted
Chemical water treatment workshop	232,960.00	Procedures uncompleted
Main entrance mail room	77,237.04	Procedures uncompleted
Total	2,785,368.09	

(13) Construction in progress**1. Construction in progress and Engineering materials**

Item	Ending Balance	Balance at the end of last year
Construction in progress	6,088,768.51	42,782,712.98
Engineering materials		
Total	6,088,768.51	42,782,712.98

2. Construction in progress

Item	Ending Balance			Balance at the end of last year		
	Book balance	Depreciation provision	Book value	Book balance	Depreciation provision	Book value
Cogeneration	60,307,712.44	58,610,372.06	1,697,340.38	60,112,152.46	22,273,910.43	37,838,242.03
Oil to Gas Works	13,230,574.53	13,230,574.53		13,230,574.53	13,230,574.53	-
Technical innovation	5,862,678.13	1,471,250.00	4,391,428.13	4,944,470.95		4,944,470.95
Total	79,400,965.10	73,312,196.59	6,088,768.51	78,287,197.94	35,504,484.96	42,782,712.98

3. Changes of significant projects in construction in the period

Item	Budget	Balance at the end of last year	Current increased	Transferred fixed assets in this period	Other decrease in the period	Ending Balance	Proportion of accumulative project investment in budget (%)	Project progress (%)	Accumulative amount of capitalization of interest	Including: capitalization of interest	Rate of interest capitalization (%)	Capital sources
Cogeneration	60,000,000.00	60,112,152.46	195,559.98			60,307,712.44	100.51	100.00	6,476,185.46			Self-raised and borrowing
Oil to Gas Works	74,000,000.00	13,230,574.53				13,230,574.53	17.88	17.88				Self-raised
Technical innovation		4,944,470.95	42,392,983.90	39,593,153.31	1,881,623.41	5,862,678.13	Not applicable	Not applicable				Self-raised
Total		78,287,197.94	42,588,543.88	39,593,153.31	1,881,623.41	79,400,965.10			6,476,185.46			

4. Accrual of impairment provision for Construction in progress in the period

Item	Withdrawal amount for the current period	Reason for provision
Cogeneration	36,336,461.63	No value for use
Technical innovation	1,471,250.00	Technological advances
Total	37,807,711.63	

(14) Intangible assets**1. Intangible assets**

Item	Land use right	Software	Total
1. Original book value			
(1) Balance at the end of last year	60,813,994.76	3,791,219.34	64,605,214.10
(2) Current increased		153,273.59	153,273.59
—Purchase		153,273.59	153,273.59
(3) Current decreased		57,735.85	57,735.85
—Disposal		57,735.85	57,735.85
—Decrease in disposal of subsidiaries			
(4) Ending Balance	60,813,994.76	3,886,757.08	64,700,751.84
2. Accumulated amortization			
(1) Balance at the end of last year	40,020,625.95	3,458,977.91	43,479,603.86
(2) Current increased	622,629.60	132,611.52	755,241.12
—Accrual	622,629.60	132,611.52	755,241.12
(3) Current decreased			
—Disposal			
—Decrease in disposal of subsidiaries			
(4) Ending Balance	40,643,255.55	3,591,589.43	44,234,844.98
3. Depreciation provision			
(1) Balance at the end of last year			
(2) Current increased			
—Accrual			
(3) Current decreased			
—Disposal			
(4) Ending Balance			

Item	Land use right	Software	Total
4. Book value			
(1) Ending book value	20,170,739.21	295,167.65	20,465,906.86
(2) Book value of end of last year	20,793,368.81	332,241.43	21,125,610.24

2. Land use rights without property rights certificate

Item	Book value	Reasons for failing to complete the property rights certificate
Land use right of the wharf and pipe gallery	503,012.29	Property rights certificate is undergoing
Total	503,012.29	

(15) Long-term deferred expenses

Item	Balance at the end of last year	Current increased	Amortized in the Period	Other decrease	Ending Balance
Decoration amount	1,027,508.94	1,130,571.96	441,620.60		1,716,460.30
Total	1,027,508.94	1,130,571.96	441,620.60		1,716,460.30

(16) Deferred income tax assets and deferred income tax liabilities

1. Deferred income tax assets without offsetting

Item	Ending Balance		Balance at the end of last year	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Bad debt provision	1,937,145.52	484,286.38	6,352,158.77	1,581,049.69
Changes in fair value of other equity instrument investments	2,500,000.00	625,000.00	2,500,000.00	625,000.00
Total	4,437,145.52	1,109,286.38	8,852,158.77	2,206,049.69

2. Details of unrecognized deferred income tax assets

Item	Ending Balance	Balance at the end of last year
Deductible temporary difference	585,949,690.28	257,908,575.87
Deductible loss	346,683,937.56	150,290,572.14
Total	932,633,627.84	408,199,148.01

3. Deductible losses of un-recognized deferred income tax assets expired on the followed year

Year	Ending Balance	Balance at the end of last year	Note
2021		8,844,687.56	
2022	18,744,225.08	18,744,225.08	
2023	37,902,892.36	41,640,520.44	
2024	5,350,767.06	11,385,937.72	
2025	3,472,561.77	69,675,201.34	
2026	169,951,549.63		
2027			
2028			
2029	6,035,170.66		
2030	66,686,335.03		
2031	38,540,435.97		
Total	346,683,937.56	150,290,572.14	

(17) Short-term loans**1. Classification**

Item	Ending Balance	Balance at the end of last year
Credit loans	856,861,840.80	672,033,285.00
Accrued interest	1,582,322.45	3,495,573.48
Total	858,444,163.25	675,528,858.48

(18) Note payable

Species	Ending Balance	Balance at the end of last year
Bank acceptance	135,025,883.27	30,467,345.48
Total	135,025,883.27	30,467,345.48

(19) Account payable**1. Account payable**

Item	Ending Balance	Balance at the end of last year
Materials	2,325,920.64	1,485,870.91
Electricity	1,078,066.07	3,198,432.35
Labor	3,299,480.00	4,622,000.00
Total	6,703,466.71	9,306,303.26

(20) Wages payable

1. Wages payable

Item	Balance at the end of last year	Current increased	Current Decreased	Ending Balance
Short-term remuneration	68,988,399.03	102,395,713.14	130,420,679.15	40,963,433.02
Post-employment welfare-defined contribution plans	438,504.94	16,562,029.92	16,430,946.92	569,587.94
Severance Pay				
Other welfare due within one year				
Total	69,426,903.97	118,957,743.06	146,851,626.07	41,533,020.96

2. Short-term remuneration

Item	Balance at the end of last year	Current increased	Current Decreased	Ending Balance
(1) Wages , bonuses, allowances and subsidies	68,484,174.37	84,655,768.62	112,628,541.74	40,511,401.25
(2) Welfare for workers and staff	129,361.00	635,834.00	703,118.00	62,077.00
(3) Social insurance		5,688,827.21	5,688,827.21	
Including:		5,421,050.30	5,421,050.30	
Medical insurance				
Work injury insurance		142,297.81	142,297.81	
Maternity insurance		125,479.10	125,479.10	
(4) Housing accumulation fund		9,271,438.14	9,271,438.14	
(5) Labor union expenditure and personnel education expense	374,863.66	1,876,869.17	1,861,778.06	389,954.77
(6) Short-term paid absence				
(7) Short-term profit sharing plan				
(8) Other		266,976.00	266,976.00	
Total	68,988,399.03	102,395,713.14	130,420,679.15	40,963,433.02

3. Defined contribution plans(DCP)

Item	Balance at the end of last year	Current increased	Current Decreased	Ending Balance
Basic endowment insurance		9,581,419.94	9,581,419.94	
Unemployment insurance		119,809.98	119,809.98	
Enterprise annuity	438,504.94	6,834,800.00	6,703,717.00	569,587.94
Other		26,000.00	26,000.00	
Total	438,504.94	16,562,029.92	16,430,946.92	569,587.94

(21) Taxes payable

Item	Ending Balance	Balance at the end of last year
VAT	706,615.96	3,086,053.57
Environmental tax	62,437.77	32,646.98
Corporate income tax		621,938.34
Personal Income Tax	1,402,165.48	2,726,195.98
Urban maintenance and construction tax	43,868.84	44,879.53
Local education surcharge	16,902.90	16,824.46
Education surcharge	25,354.34	25,236.71
Property tax	1,524,487.98	996,166.86
Stamp duty	63,247.50	33,443.10
Other	300,759.12	42,872.73
Total	4,145,839.89	7,626,258.26

(22) Other account payable

Item	Ending Balance	Balance at the end of last year
Interest payable		
Other account payable	62,678,254.02	27,020,944.95
Total	62,678,254.02	27,020,944.95

1. Other account payable**(1) Other payable by nature**

Item	Ending Balance	Balance at the end of last year
Engineering funds	4,991,246.36	7,759,695.06
Quality assurance	6,308,254.95	6,675,270.29
Accrued expenses	8,537,422.41	6,625,316.75
Material payment	30,721,390.14	147,487.65
Equipment fund		3,215,000.00
Other	12,119,940.16	2,598,175.20
Total	62,678,254.02	27,020,944.95

(2) Top five other payable

The ending balance of the top five other payable aggregated by the arrears party is 41,532,468.19 Yuan, accounting for 66.26% of the total ending balance of other payable.

(23) Accrual liability

Item	Balance at the end of last year	Current increased	Current Decreased	Ending Balance	Reason
Pending litigation	19,923,508.28		4,923,508.28	15,000,000.00	
Other					
Total	19,923,508.28		4,923,508.28	15,000,000.00	

Note: On 29 November 2013, Shenzhen Server and Jiahua Building Products (Shenzhen) Co., Ltd. (Jiahua Building) signed a supplementary term aiming at equity transfer over equity attribution and division of Yapojiao Dock, which belongs to Shenzhen Server, Huidong Server, and Huidong Nianshan Town Government as well as its subordinate Nianshan Group. In order to solve this remaining historic problem, Shenzhen Server saved 12,500,000.00 Yuan in condominium deposit account as guarantee. In addition, Server pledged its 20% of equity holding from Huidong Server to Jiahua Architecture with pledge duration of 2 years. The amount of collateral on loans could not exceed 15,000,000.00 Yuan. Relevant losses with the event concerned predicted amounting to 27,500,000.00 Yuan by the Group, the balance at the end of 2019 was 26,646,056.28 Yuan.

On November 12, 2020, Huidong Server and other related parties reached a preliminary settlement agreement on the land disputes in the estimated liabilities. According to this, accrual liability of 6,584,816.78 Yuan was reversed by Shenzhen Server. In 2020, Shenzhen Server to bear the lawyer's and other expenses in accordance with the agreed proportion, that is 137,731.22 Yuan, the accrual liability has 6,722,548.00 Yuan declined in total in the

Period. Balance of 19,923,508.28 Yuan refers to the repayment obligations that are likely to occur before the completion of the above matters.

On November 12, 2020, Huizhou Commercial Construction and Development Corporation and Huidong Server Harbor Comprehensive Development Company signed the "Creditor's Rights Assignment Agreement", and the reconciliation record was executed by the People's Court of Huidong County, which partially solved the issues of ownership and division of rights and interests of Yapojiao Wharf. On January 20, 2021, Shenzhen Server received 5,000,000.00 Yuan returned from the joint account. Accordingly, Shenzhen Server reverted its estimated liabilities of 4,573,508.28 Yuan. In 2021, Shenzhen Server bore the lawyer and other expenses of 350,000 Yuan for the issues in accordance with the agreed proportion, the estimated liabilities totally reduced by 4,923,508.28 Yuan in current period. The balance of 15,000,000.00 Yuan is a repayment obligation likely to occur before the completion of the above matters.

(24) Deferred income

Item	Balance at the end of last year	Current increased	Current Decreased	Ending Balance	Reason
Government subsidy	93,780,657.93	670,000.00	6,370,687.84	88,079,970.09	
Total	93,780,657.93	670,000.00	6,370,687.84	88,079,970.09	

Items with government subsidy involved:

Liability	Balance at the end of last year	Subsidy amount newly increased in the current period	Amount included in current profit and loss	Other change	Ending Balance	Assets related/income related
Government subsidies for low-nitrogen equipment renovation	24,648,454.68		544,168.22		24,104,286.46	Assets related
Government subsidies for information construction projects	25,490.12		25,490.12			Assets related
Subsidies for the Motor Energy Efficiency Improvement Funding Scheme	367,200.00		34,560.00		332,640.00	Assets related
Support fund of recycling economy for sludge drying	6,804,271.03		647,002.92		6,157,268.11	Assets related

Treasury subsidies for sludge drying	2,571,250.00		255,000.00		2,316,250.00	Assets related
Special funds for energy conservation and emission reduction	570,185.98		114,037.32		456,148.66	Assets related
Subsidy for quality promotion of the air environment in Shenzhen (note 1)	58,793,806.12		4,731,818.16		54,061,987.96	Assets related
2021 Technical Transformation Project		670,000.00	18,611.10		651,388.90	Assets related
Total	93,780,657.93	670,000.00	6,370,687.84		88,079,970.09	

(25) Other non-current liabilities

Item	Ending Balance	Balance at the end of last year
Amounts payable to other shareholders	50,310.78	7,627.86
Total	50,310.78	7,627.86

(26) Share capital

Item	Balance at the end of last year	Changes in this period (+ -)					Ending Balance
		New shares issued	Bonus shares	Capitalizing from reserves	Other	Subtotal	
Total shares	602,762,596.00						602,762,596.00

(27) Capital reserve

Item	Balance at the end of last year	Current increased	Current Decreased	Ending Balance
Capital premium (Share premium)	233,035,439.62			233,035,439.62
Other capital reserve	129,735,482.48			129,735,482.48
Total	362,770,922.10			362,770,922.10

(28) Other comprehensive income

Item	Balance at the end of last year	Balance at year-begin	Current period						Ending Balance
			Account before income tax in the year	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less : income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	
1. Other comprehensive income items which will not be reclassified subsequently to profit of loss									
Including: changes of the defined benefit plans that re-measured									
Other comprehensive income under equity method that cannot be transfer to gain/loss									
Change of fair value of investment in other equity instrument	-2,500,000.00								-2,500,000.00
Total other comprehensive income	-2,500,000.00								-2,500,000.00

(29) Surplus reserve

Item	Balance at the end of last year	Current increased	Current Decreased	Ending Balance
Legal surplus reserve	310,158,957.87			310,158,957.87
Discretionary surplus reserve	22,749,439.73			22,749,439.73
Total	332,908,397.60			332,908,397.60

(30) Retained profit

Item	Current amount	Last-period amount
Retained profit of last year before adjusted	758,799,931.94	706,830,892.54
Total retained profit adjusted (increased with +, decreased with -)		
Retained profit at beginning of the year after adjusted	758,799,931.94	706,830,892.54
Add: net profit attributable to shareholders of parent company	-439,448,712.13	64,024,291.32
Less: withdrawal of statutory surplus reserve		
Common Stock dividend payable		12,055,251.92
Retained profit at period-end	319,351,219.81	758,799,931.94

(31) Operating income and operating cost

Item	Current amount		Last-period amount	
	Income	Cost	Income	Cost
Main business	755,956,762.36	849,690,713.43	982,484,377.16	794,326,472.79
Other business	1,218,981.05	569,945.97	2,769,454.42	197,337.60
Total	757,175,743.41	850,260,659.40	985,253,831.58	794,523,810.39

(32) Tax and surcharge

Item	Current amount	Last-period amount
Property tax	2,220,037.22	2,149,484.33
Travel tax	16,916.56	15,266.56
Land holding tax	308,017.20	785,747.88
Stamp duty	701,797.80	625,730.48

Item	Current amount	Last-period amount
Urban maintenance and construction tax	1,168,205.83	2,507,916.30
Education surcharge	572,120.09	1,413,635.81
Local education surcharge	381,413.39	935,569.77
Environmental protection tax	912,640.21	112,506.92
Total	6,281,148.30	8,545,858.05

(33) Sales expense

Item	Current amount	Last-period amount
Sludge treatment costs	208,163.44	3,848,884.38
Salary, welfare and social insurance	420,777.50	655,091.29
Social expenses	100,232.70	233,663.28
Agency engagement fee	32,737.16	68,056.60
Property insurance	48,684.42	55,981.53
Labor insurance fee	19,687.32	23,561.59
Inspection charges	2,358.49	21,683.02
Rental fee	10,800.00	18,000.00
Fleet cost	17,824.25	15,284.63
Housing fund	14,745.72	14,746.52
Food expenses	14,700.00	11,900.00
Travel expenses	22,050.79	7,662.50
Communication expenses	15,900.00	5,400.00
Total	928,661.79	4,979,915.34

(34) Administration expense

Item	Current amount	Last-period amount
Wages	52,721,563.61	62,913,189.30
Rental fee	6,461,642.19	7,243,936.24
Depreciation	10,879,329.80	6,453,519.80
Social expenses	2,611,353.46	2,983,408.61
Food expenses	3,730,529.14	3,217,453.47

Item	Current amount	Last-period amount
Agency fee	6,597,046.69	3,766,552.89
Repairing cost	382,708.01	1,191,409.25
Eco fee	1,408,486.56	244,376.90
Fleet cost	2,892,135.99	4,202,313.60
Office fee	591,516.35	1,369,300.09
Board charges	1,033,954.26	2,357,575.81
Communication expenses	1,235,859.50	1,201,372.17
Amortization of intangible assets	139,202.16	292,083.81
Corporate culture fee	312,381.43	1,175,121.33
Property management fee	1,110,962.08	989,244.87
Business travel expenses	470,531.57	710,951.65
Fee for stock certificate	642,314.97	676,422.39
Other	10,065,408.92	10,629,992.91
Total	103,286,926.69	111,618,225.09

(35) R&D expenses

Item	Current amount	Last-period amount
Employee's salary	20,409,064.48	8,242,704.84
Depreciation	353,385.65	163,768.32
Amortization of intangible assets		84,409.42
Patent fee	24,860.38	
Repair fee	146,402.47	
Total	20,933,712.98	8,490,882.58

(36) Financial expense

Item	Current amount	Last-period amount
Interest expenses	30,629,953.77	32,014,803.26
Less: capitalized interest		
Expenses interest	30,629,953.77	32,014,803.26
Less: interest income	15,728,363.74	32,660,554.45
Exchange loss (gains is listed with "-")	112,793.73	407,513.25

Item	Current amount	Last-period amount
Other	198,353.91	171,579.98
Total	15,212,737.67	-66,657.96

(37) Other Income

Item	Current amount	Last-period amount
Government subsidies	7,074,336.60	15,117,534.15
Debt restructuring income		7,593,783.90
Total	7,074,336.60	22,711,318.05

Government subsidies included in other income

Item	Current amount	Last-period amount	Asset related / income related
Subsidy for low-nitrogen transformation	544,168.22	516,675.96	Asset related
Support fund of recycling economy for sludge drying	647,002.92	647,002.92	Asset related
Treasury subsidies for sludge drying	255,000.00	255,000.00	Asset related
Subsidy for quality promotion of the air environment in Shenzhen	4,731,818.16	4,731,818.16	Asset related
Special funds for energy conservation and emission reduction	114,037.32	114,037.32	Asset related
Information construction	25,490.12	61,176.48	Asset related
Funded of energy efficiency improvement for electric machine	34,560.00	34,560.00	Asset related
2021 Technical Transformation Subsidy	18,611.10		Asset related
Individual tax refund	195,684.76	375,369.20	Income related
Enterprise unemployment insurance premium refund		4,176,211.18	Income related
VAT rebates		1,283,570.70	Income related
Employment and unemployment monitoring subsidy		1,000.00	Income related
Reward to encouraging small and medium-sized enterprise to growth as a scale-sized company		27,816.00	Income related
Supporting funds of office occupancy for listed companies		1,822,300.00	Income related
Special fund for the development of independent innovation industry	100,000.00	500,000.00	Income related
Qianhai Epidemic Prevention Support Special Fund		448,791.00	Income related
Subsidy of further stable growth		100,000.00	Income related
Job stabilization subsidy	7,964.00	21,687.31	Income related

Item	Current amount	Last-period amount	Asset related / income related
Preferential refund of education fees for comprehensive utilization of resources products and labor		517.92	Income related
National High-tech Enterprise Multiplication Plan	400,000.00		Income related
Total	7,074,336.60	15,117,534.15	

(38) Investment income

Item	Current amount	Last-period amount
Long-term equity investment income by equity	-1,906,753.67	-5,725,794.17
Investment income from disposal of long-term equity investments		33,534,881.55
Investment income during the holding period of Trading financial assets	47,635,822.62	
Dividend income obtained during the holding period of other equity instrument investments	252,016.49	
Total	45,981,085.44	27,809,087.38

(39) Assets impairment loss

Item	Current amount	Last-period amount
Loss of inventory fall	-11,958,247.40	-7,399,234.51
Fixed asset impairment loss	-277,713,051.89	-14,045,534.44
Construction in progress impairment loss	-37,807,711.63	-22,273,910.43
Total	-327,479,010.92	-43,718,679.38

(40) Income from disposal of assets

Item	Current amount	Last-period amount	Amount reckoned into non-recurring gains/losses of the Period
Profit and loss on disposal of fixed assets	974,699.74	-1,109,128.91	974,699.74
Total	974,699.74	-1,109,128.91	974,699.74

(41) Non-operating revenue

Item	Current amount	Last-period amount	Amount reckoned into non-recurring gains/losses of the Period
Reversal of accrual liabilities	5,000,000.00	6,584,816.78	5,000,000.00
Other	261,868.99	500.00	261,868.99
Total	5,261,868.99	6,585,316.78	5,261,868.99

(42) Non-operating expenditure

Item	Current amount	Last-period amount	Amount reckoned into non-recurring gains/losses of the Period
External donation	10,000.00	10,000.00	10,000.00
Loss of scrap from non-current assets	188,716.00	34,990.00	188,716.00
Other	49,500.00	108,729.62	49,500.00
Total	248,216.00	153,719.62	248,216.00

(43) Income tax expense**1. Income tax expense**

Item	Current amount	Last-period amount
Current income tax	140,503.27	1,361,203.90
Deferred income tax	1,096,763.31	
Total	1,237,266.58	1,361,203.90

2. Adjustment on accounting profit and income tax expenses

Item	Current amount
Total profit	-508,163,339.57
Income tax measured by statutory/applicable tax rate	-76,224,500.94
Impact on subsidiary with different rates adaption	-36,453,082.03
Adjusted the previous income tax	140,479.58
Impact on cost, expenses and losses that unable to deducted	1,131,302.13
Effect of deductible losses of deferred tax assets unconfirmed at the earlier stage of use	-25,435,122.20
Impact on deductible temporary differences or losses deductible which was un-recognized as deferred income tax assets	139,895,044.18
Changes in deferred tax assets/liabilities at the beginning of the period due to tax rate adjustments	1,096,763.31

Item	Current amount
Impact of R&D Expenses Plus Deduction	-2,913,617.45
Income tax expenses	1,237,266.58

(44) Earnings per share

1. Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares issued by the company:

Item	Current amount	Last-period amount
Consolidated net profit attributable to ordinary shareholders of the parent company	-439,448,712.13	64,024,291.32
Weighted average number of common shares issued by the company	602,762,596.00	602,762,596.00
Consolidated net profit attributable to ordinary shareholders of the parent company	-0.7291	0.1062

2. Diluted earnings per share

Item	Current amount	Last-period amount
Consolidated net profit attributable to ordinary shareholders of the parent company (diluted)	-439,448,712.13	64,024,291.32
Weighted average number of common shares issued by the company (diluted)	602,762,596.00	602,762,596.00
Diluted earnings per share	-0.7291	0.1062

(45) Cash flow statement

1. Cash received with other operating activities concerned

Item	Current amount	Last-period amount
Interest income	17,328,709.70	30,591,982.78
Government subsidy	18,415,845.60	7,639,374.06
Intercourse funds	15,273,968.49	7,399,077.47
Other	407,871.92	320,135.7
Total	51,426,395.71	45,950,570.01

2. Other cash paid in relation to operation activities

Item	Current amount	Last-period amount
Out-of-pocket expenses	44,496,464.32	48,434,930.11
Intercourse funds	12,486,872.79	9,982,836.03
Total	56,983,337.11	58,417,766.14

3. Other cash received in relation to investment activities

Item	Current amount	Last-period amount
Debt repayment received from Huidong Server		1,144,800.00
Interest from financial products		6,763,164.80
Total		7,907,964.80

4. Other cash received in relation to financing activities

Item	Current amount	Last-period amount
Received from other company		170,000,000.00
Total		170,000,000.00

5. Cash paid related with financing activities

Item	Current amount	Last-period amount
Other account paid		887,962.40
Total		887,962.40

(46) Supplementary information to statement of cash flow

1. Supplementary information to statement of cash flow

Supplementary information	Current amount	Last-period amount
1. Net profit adjusted to cash flow of operation activities		
Net profit	-509,400,606.15	67,924,788.49
Add: credit impairment loss		
Assets impairment provision	327,479,010.92	43,718,679.38
Depreciation and amortization of investment properties	196,137.60	196,137.60

Supplementary information	Current amount	Last-period amount
Depreciation of fixed assets	45,339,600.41	71,493,650.27
Amortization of intangible assets	755,241.12	908,122.77
Amortization of long-term deferred expenses	441,620.60	261,513.71
Loss from disposing fixed assets, intangible assets and other long-term assets (income listed with “-“)	-974,699.74	1,109,128.91
Loss on retirement of fixed assets (gain is listed with “-“)	188,716.00	34,990.00
Loss from changes of fair value (income listed with “-“)		
Financial expense (gain listed with “-“)	30,629,953.77	32,014,803.26
Investment loss (gain listed with “-“)	-45,981,085.44	-27,809,087.38
Decrease of deferred income tax asset((increase is listed with “-“)	1,096,763.31	
Decrease of inventory (increase is listed with “-“)		
Decrease of inventory (increase is listed with “-“)	-205,923.56	22,175,312.08
Decrease of operating receivable accounts (increase is listed with “-“)	30,907,257.52	88,309,904.36
Increase of operating payable accounts (decrease is listed with “-“)	80,269,711.57	-39,612,534.43
Other		
Net cash flow arising from operating activities	-39,258,302.07	260,725,409.02
2. Material investment and financing not involved in cash flow		
Debt capitalization		
Convertible company bond due within one year		
Fixed assets acquired under finance leases		
3. Net change of cash and cash equivalents:		
Ending Balance of cash	456,751,614.75	397,101,272.21
Less: Opening Balance of cash	397,101,272.21	381,490,000.96
Add: Ending Balance of cash equivalent	232,853,018.84	367,500,000.00
Less: Opening Balance of cash equivalent	367,500,000.00	390,000,000.00
Net increasing of cash and cash equivalents	-74,996,638.62	-6,888,728.75

2. Composition of cash and cash equivalent

Item	Ending Balance	Balance at the end of last year
I. Cash	456,751,614.75	397,101,272.21
Including: Cash on hand	35,963.95	101,163.11
Bank savings available for payment needed	456,715,650.80	397,000,109.10

Item	Ending Balance	Balance at the end of last year
Other monetary capital available for payment needed		
Account due from central bank available for payment		
Amount due from banks		
Amount call loans to banks		
II. Cash equivalent	232,853,018.84	367,500,000.00
including: bond investment due within three months		
III. Balance of cash and cash equivalent at period-end	689,604,633.59	764,601,272.21
Including: Cash and cash equivalent of the parent company or subsidiaries with use restricted		

(47) Assets of ownership or use right restricted

No assets of ownership or use right restricted in the period.

(48) Foreign currency**1. Foreign currency**

Item	Balance of foreign currency at period-end	Conversion rate	Balance of RMB converted at period-end
Monetary fund			
Including: USD	839,075.91	6.3757	5,349,696.28
Euro	1,017.87	7.2197	7,348.72
HKD	376,057.62	0.8176	307,464.71
SGD	4,338.03	4.7179	20,466.39

(49) Government subsidies**1. Government subsidies related to assets**

Type	Amount	Balance sheet	The amount included in current gain/loss or loss resulting from related costs off-setting		Item of the amount included in current gain/loss or loss resulting from related costs off-setting
			Current amount	Last-period amount	
Subsidy for low-nitrogen transformation	43,032,780.00	Deferred income	544,168.22	458,768.16	Other income
Support fund of recycling economy for sludge drying	11,750,000.00	Deferred income	647,002.92	647,002.92	Other income

Type	Amount	Balance sheet	The amount included in current gain/loss or loss resulting from related costs off-setting		Item of the amount included in current gain/loss or loss resulting from related costs off-setting
			Current amount	Last-period amount	
Treasury subsidies for sludge drying	5,100,000.00	Deferred income	255,000.00	255,000.00	Other income
Subsidy for quality promotion of the air in Shenzhen	70,977,273.00	Deferred income	4,731,818.16	4,789,725.96	Other income
Special funds for energy conservation and emission reduction	1,530,000.00	Deferred income	114,037.32	114,037.32	Other income
Information construction	520,000.00	Deferred income	25,490.12	61,176.48	Other income
Funded of energy efficiency improvement for electric machine	518,400.00	Deferred income	34,560.00	34,560.00	Other income
2021 Technical Transformation Project	670,000.00	Deferred income	18,611.10		Other income
Total	134,098,453.00		6,370,687.84	6,360,270.84	

2. Government subsidies related to income

Type	Amount	The amount included in current gain/loss or loss resulting from related costs off-setting		Item of the amount included in current gain/loss or loss resulting from related costs off-setting
		Current amount	Last-period amount	
VAT refund			1,283,570.70	
Individual tax refund	195,684.76	195,684.76	375,369.20	Other income
Enterprise unemployment insurance premium refund			4,176,211.18	
Employment and unemployment monitoring subsidy			1,000.00	
Reward to encouraging small and medium-sized enterprise to growth as a scale-sized company			27,816.00	
Supporting funds of office occupancy for listed companies			1,822,300.00	
Special fund for the development of independent innovation industry	100,000.00	100,000.00	500,000.00	Other income
Qianhai Epidemic Prevention Support Special Fund			448,791.00	
Subsidy of further stable growth			100,000.00	
Job stabilization subsidy	7,964.00	7,964.00	21,687.31	Other income
Preferential refund of education fees for comprehensive utilization of resources products and labor			517.92	

Type	Amount	The amount included in current gain/loss or loss resulting from related costs off-setting		Item of the amount included in current gain/loss or loss resulting from related costs off-setting
		Current amount	Last-period amount	
National High Multiplication Plan	400,000.00	400,000.00		Other income
2021 Power Generation Gas Cost Subsidy	16,322,000.00	16,322,000.00		Operating cost
Total	17,025,648.76	17,025,648.76	8,757,263.31	

VI. Change of consolidate scope

No change in the company included in the consolidated statement scope during the reporting period.

VII. Equity in other entity

(1) Equity in subsidiaries

1. Composition of the Group

Subsidiary	Main operation place	Shareholding ratio (%)		Acquired way
		Directly	Indirectly	
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	Zhongshan	55.00	25.00	Establishment
Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.	Shenzhen	60.00	40.00	Establishment
Shenzhen Shen Nan Dian Environment Protection Co., Ltd.	Shenzhen	70.00	30.00	Establishment
Shenzhen Server Petrochemical Supplying Co., Ltd.	Shenzhen	50.00		Establishment
Shenzhen New Power Industrial Co., Ltd.	Shenzhen	75.00	25.00	Establishment
Shen Nan Energy (Singapore) Co., Ltd.	Singapore	100.00		Establishment
Hong Kong Syndisome Co., Ltd.	Hong Kong		100.00	Establishment
Zhongshan Shennandian Storage Co., Ltd.	Zhongshan		80.00	Establishment
Zhuhai Hengqin Zhuozhi Investment Partnership	Zhuhai	99.96		Establishment

2. Important non-wholly-owned subsidiary

Subsidiary	Share-holding ratio of minority (%)	Gains/losses attributable to minority in the Period	Ending equity of minority
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	20.00	-66,151,231.09	-77,880,844.12

3. Main finance of the important non-wholly-owned subsidiary

Subsidiary	Ending Balance /Yuan						Balance at the end of last year/Yuan					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liability	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liability
Shennandian (Zhongshan) Power Co., Ltd. ("Zhongshan Power")	32,544,636.55	231,154,252.88	263,698,889.43	647,836,819.17	5,266,290.86	653,103,110.03	63,887,511.26	486,793,086.63	550,680,597.89	603,862,934.78	5,465,728.24	609,328,663.02

Subsidiary	Current amount/Yuan				Last-period amount/Yuan			
	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity
Shennandian (Zhongshan) Power Co., Ltd. ("Zhongshan Power")	124,646,010.22	-330,756,155.47	-330,756,155.47	-7,574,929.39	202,539,109.51	35,690,722.96	35,690,722.96	114,269,754.95

(2) Equity in joint venture and cooperative enterprise**1. Major joint venture and cooperative enterprise**

Name of joint venture or cooperative enterprise	Main operation place	Main business activities	Share-holding ratio (%)		Accounting treatment on investment for joint venture and cooperative enterprise
			Directly	Indirectly	
Huidong Server Harbor Comprehensive Development Company	Renshan Town, Huidong County	Wharf operation	40.00		Equity method

2. Main financial information of significant joint ventures or associates

	Ending Balance /Current amount	Opening Balance/Last-period amount
Total book value of investment	6,986,655.19	8,893,408.86
Total numbers measured by share-holding ratio		
Net profit	-1,906,753.67	-5,725,794.17
Other comprehensive income		
Total comprehensive income	-1,906,753.67	-5,725,794.17

VIII. Risks relating to financial instruments

The Company's main financial instruments include equity investment, notes receivable, long-term and short-term loans, accounts receivable, accounts payable, other payable, etc., see details of each financial instrument in related items of this annotation III (10). The risks associated with these financial instruments and the risk management policies adopted by the Company to reduce these risks are described as below. The management of the Company manages and monitors these risk exposures to ensure that the above risks are controlled within the limit range.

The Company uses the sensitivity analysis technique to analyze the possible impact of the risk variable on the current profit and loss or the shareholders' equity. Since any risk variable rarely changes in isolation, and the correlation existing among the variables shall have a significant effect on the final amount of changes about a certain risk variable, therefore, the following proceeds by assuming that the change in each variable is independent.

(1) Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to perform its obligations, causing the other party to suffer financial losses. The Company is mainly faced with customer credit risk caused by credit

sales. Before signing a new contract, the Company will evaluate the credit risk of the new customer, including the external credit rating and, in some cases, the bank credit certificate (when this information is available). The company has set a credit limit for each customer, which is the maximum amount without additional approval.

The company ensures that the company's overall credit risk is within a controllable range through quarterly monitoring of existing customer credit ratings and monthly review of accounts receivable aging analysis. When monitoring the credit risk of customers, they are grouped according to their credit characteristics. Customers rated as "high risk" will be placed on the restricted customer list, and only with additional approval, the company can sell them on credit in the future, otherwise they must be required to pay the corresponding amount in advance.

(2) Market risk

Market risks of financial instruments refers to the risks that the fair value or future cash flow of such financial instruments will fluctuate due to the changes in market prices, including FX risks, interest rate risks and other price risks.

(1) Interest rate risk

The Company's cash flow change risk of financial instruments arising from interest rate change is mainly related to the floating interest rate bank loans.

Interest rate risk sensitivity analysis:

The interest rate risk sensitivity analysis is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of financial instruments with variable interest rate; For financial instruments with fixed rate by fair value measurement, the changes in market interest rates only affect their interest income or expense; For derivative financial instruments designated as hedging instruments, the changes in market interest rates affect their fair value, and all interest rate hedging prediction is highly effective; Calculate the changes in fair value of derivative financial instruments and other financial assets and liabilities by using the cash flow discount method at the market interest rate at the balance sheet date.

As of 31 December 2021, interest on bank loans at floating interest rate totaled 4,849,829.00Yuan. Based on the above assumptions and with other variables unchanged, the pre-tax impact of a 5% changes in interest rate on current gain/loss and shareholders' equity is as follows:

Rate changes	Current year		Last year	
	Impact on profit	Impact on shareholders' equity	Impact on profit	Impact on shareholders' equity
5% increased	-242,491.45	-242,491.45	-14,399.25	-14,399.25
5% decreased	242,491.45	242,491.45	14,399.25	14,399.25

(2) FX risks

Foreign exchange risk refers to the risk of losses due to exchange rate changes. The Company's foreign exchange risk is mainly related to the US dollar. On Dec. 31, 2021, except for the balance of foreign currency monetary items of (48), foreign currency monetary in Note V, the assets and liabilities of the Company are RMB balance. The foreign exchange risk arising from the assets and liabilities of such foreign currency balances may have an impact on the Company's operating results.

(3) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when an enterprise fulfills its obligation of settlement by means of cash or other financial assets. The Company's policy is to ensure that it has sufficient cash to repay the debts due. Liquidity risk is centrally controlled by the Company's financial department. The financial department monitors cash balances, marketable securities that can be cashed at any time, and rolling forecasts of cash flows in the next 12 months to ensure that the company has sufficient funds to repay debts under all reasonable forecasts.

IX. Related party and related party transactions**(1) Parent company of the Group**

Share holding proportion of any shareholder of the Company didn't reach 50%, and couldn't form a holding relationship of the Company through any methods. The Company has no parent company.

(2) Subsidiaries of the Company

See details in Note VII. (1) Equity in other entity

(3) Joint venture and affiliated enterprise of the Group

See details in Note VII. (2) Interest in joint venture arrangements or associates

(4) Other related party

Other related party	Relationship with the Company
Shenzhen Energy Group Co., Ltd. ("Shenzhen Energy Group" for short)	Legal person holding more than 5% of the company's shares
Shenzhen Guangju Industrial Co., Ltd.	Legal person holding more than 5% of the company's shares
HONG KONG NAM HOI (INTERNATIONAL) LTD.	Legal person holding more than 5% of the company's shares
Shenzhen Capital Holdings Co., Ltd.	Legal person indirectly holding more than 5% of the company's shares through Shenzhen Energy Group
Directors, supervisors and senior management of the company	Key managers

(5) Related party transaction**1. Remuneration of key manager**

Item	Current amount	Last-period amount
Remuneration of key manager	6,373,300 Yuan	5,301,000 Yuan

(6) Receivable/payable items of related parties

1. Receivable

Item	Related party	Ending book balance	Book balance at last year-end
Other account receivable			
	Huidong Server	14,740,501.44	14,740,501.44
	Huidong Server managed account	1,014,945.19	6,634,071.38
	Total	15,755,446.63	21,374,572.82

X. Commitment and Contingency

(1) Major Commitment

As of December 31, 2021, the company has no commitments that need to be disclosed.

(2) Contingency

As of December 31, 2021, the company has no commitments that need to be disclosed.

XI. Events Occurring after the Balance Sheet Date

As of the date of this report, the company has no contingencies that need to be disclosed.

(1) Important non-adjusting matters

Nil

(2) Note of other events occurring after the balance sheet date

Nil

(3) Segment information

1. Determining basis and accounting policies of the report divisions

According to the Company's internal organizational structure, management requirements and internal reporting system, the Company's operating business is divided into three business divisions, i.e. power supply and heating, fuel trading, and other businesses. The Company's management regularly evaluates the business performance of these divisions in order to determine the allocation of resources and evaluate the performance.

Divisional reporting information is disclosed in accordance with the accounting policies and measurement

standards adopted when each division reports to the management. These measurement bases are consistent with the accounting and measurement bases used when preparing financial statements.

2. Financial information of the reportable segment

Item	Power supply & heating	Fuel trading	Other	Fuel trading	Total
Operation income	797,730,101.42	1,196,857.16	47,097,449.18	88,848,664.35	757,175,743.41
Operation cost	902,277,301.90	215,877.10	33,417,537.23	85,650,056.83	850,260,659.40
Total assets	3,391,577,016.75	101,091,770.98	371,549,715.65	1,074,215,678.97	2,790,002,824.41
Total liabilities	1,897,219,137.10	17,616,043.71	39,375,959.92	742,550,231.76	1,211,660,908.97

XII. Note to main items of financial statements of the Company

(1) Account receivable

1. Age analysis

Age	Ending Balance	Balance at the end of last year
Within 1 year	35,966,056.15	24,673,115.32
Over 3 years		
Subtotal	35,966,056.15	24,673,115.32
Less: Bad debt provision		
Total	35,966,056.15	24,673,115.32

2. According to accrual method for bad debts

Category	Ending Balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Bad debt by single provision					
Provision for bad debts by combination of risk characteristics	35,966,056.15	100.00			35,966,056.15
Including: risk-free portfolio	35,966,056.15	100.00			35,966,056.15
Total	35,966,056.15	100.00			35,966,056.15

Category	Balance at the end of last year				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Bad debt by single provision					
Provision for bad debts by combination of risk characteristics	24,673,115.32	100.00			24,673,115.32
Including: risk-free portfolio	24,673,115.32	100.00			24,673,115.32
Total	24,673,115.32	100.00			24,673,115.32

Provision for bad debts by portfolio:

Name	Ending Balance		
	Account receivable	Bad debt provision	Accrual proportion (%)
Grid accounts receivable	35,966,056.15		
Total	35,966,056.15		

3. Top 5 receivables at ending balance by arrears party

Total period-end balance of top five receivables by arrears party amounting to 35,966,056.15 Yuan, takes 100.00% of the total account receivable at period-end, bad debt provision accrual correspondingly at period-end amounting as 0 Yuan

(2) Other account receivable

Item	Ending Balance	Balance at the end of last year
Interest receivable		
Dividends receivable		
Other account receivable	618,436,063.60	598,044,417.89
Total	618,436,063.60	598,044,417.89

1. Other account receivable

(1) Age analysis

Age	Ending Balance	Balance at the end of last year
Within 1 year	98,550,452.19	6,702,182.44

Age	Ending Balance	Balance at the end of last year
1-2 years	64,095.20	35,844,839.81
2-3 years	35,844,839.81	10,166,211.56
Over 3 years	511,306,319.84	572,660,827.52
Subtotal	645,765,707.04	625,374,061.33
Less: Bad debt provision	27,329,643.44	27,329,643.44
Total	618,436,063.60	598,044,417.89

(2) By category

Category	Ending Balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Bad debt by single provision	27,965,391.68	4.33	27,329,643.44	97.73	635,748.24
Provision for bad debts by combination of risk characteristics	617,800,315.36	95.67			617,800,315.36
Including: risk-free portfolio	617,800,315.36	95.67			617,800,315.36
Total	645,765,707.04	100.00	27,329,643.44	4.23	618,436,063.60

Category	Balance at the end of last year				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Bad debt by single provision	28,023,159.22	4.48	27,329,643.44	97.53	693,515.78
Provision for bad debts by combination of risk characteristics	597,350,902.11	95.52			597,350,902.11
Including: risk-free portfolio	597,350,902.11	95.52			597,350,902.11
Total	625,374,061.33	100.00	27,329,643.44	4.37	598,044,417.89

With single provision for bad debts:

Name	Ending Balance			Causes
	Book balance	Bad debt provision	Accrual proportion (%)	

Name	Ending Balance			Causes
	Book balance	Bad debt provision	Accrual proportion (%)	
Individual income tax	2,470,039.76	2,470,039.76	100.00	Unable to recover
Dormitory amount receivable	2,083,698.16	1,736,004.16	83.31	Unable to recover
Huiyang Kangtai Industrial Company	14,311,626.70	14,311,626.70	100.00	Unable to recover
Beneficiary fund dividends (personal receivables)	7,498,997.87	7,498,997.87	100.00	Unable to recover
Deposit receivable	1,601,029.19	1,312,974.95	82.01	Unable to recover
Total	27,965,391.68	27,329,643.44	97.73	

(3) Accrual of bad debt provision

Bad debt provision	Phases I	Phases II	Phases III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance at year-begin			27,329,643.44	27,329,643.44
Balance at year-begin of the period				
——Turn to phase II				
——Turn to phase III				
——Return to Phase II				
——Return to Phase I				
Current accrual				
Current switch back				
Rewrite in the period				
Write-off in the period				
Other changes				
Ending Balance			27,329,643.44	27,329,643.44

(5) By nature

Nature	Ending book balance	Book balance at last year-end
Related party transactions	616,401,741.49	596,066,327.13
Dormitory receivable	2,083,698.16	2,083,698.16
Deposit receivable	1,750,498.58	1,658,753.42

Nature	Ending book balance	Book balance at last year-end
Personal money	8,567,330.57	9,969,037.63
Other	16,962,438.24	15,596,244.99
Subtotal	645,765,707.04	625,374,061.33
Less: Bad debt provision	27,329,643.44	27,329,643.44
Total	618,436,063.60	598,044,417.89

(3) Long-term equity investment

Item	Ending Balance			Balance at the end of last year		
	Book balance	Depreciation provision	Book value	Book balance	Depreciation provision	Book value
Investment in subsidiary	716,893,717.00	429,592,447.19	287,301,269.81	597,936,200.00	347,745,035.00	250,191,165.00
Total	716,893,717.00	429,592,447.19	287,301,269.81	597,936,200.00	347,745,035.00	250,191,165.00

1. Investment to subsidiary

The invested entity	Balance at the end of last year	Current increased	Current Decreased	Ending Balance	Impairment provision accrual in the Period	Period-end balance of depreciation reserves
Shenzhen Xiefu Oil Supply Company	26,650,000.00			26,650,000.00		
Shennan Energy Singapore Company	6,703,800.00			6,703,800.00		
Shenzhen New Power Industrial Co., Ltd.	71,270,000.00			71,270,000.00		
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	410,740,000.00			410,740,000.00	62,994,965.00	410,740,000.00
Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.	6,000,000.00			6,000,000.00		
Shenzhen Shen Nan Environment Protection Co., Ltd.	55,300,000.00			55,300,000.00	18,852,447.19	18,852,447.19
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	21,272,400.00	118,957,517.00		140,229,917.00		
Total	597,936,200.00	118,957,517.00		716,893,717.00	81,847,412.19	429,592,447.19

(4) Operation revenue and operation cost

Item	Current amount		Last-period amount	
	Revenue	Cost	Revenue	Cost
Main business	304,694,251.31	409,069,566.58	309,680,939.69	344,087,651.19
Other business	88,487,552.28	491,345.55	66,299,908.86	6,677,789.32
Total	393,181,803.59	409,560,912.13	375,980,848.55	350,765,440.51

(5) Investment income

Item	Current amount	Last-period amount
Investment income from disposal of long-term equity investments		-14,432,400.00
Investment income from trading financial assets during the holding period	47,412,260.98	
Dividend income earned during the holding period of investments in other equity instruments	252,016.49	
Total	47,664,277.47	-14,432,400.00

XIII. Supplementary information**(1) Statement of non-recurring gains/losses**

Item	Amount	Note
Gains and losses from disposal of non-current assets	974,699.74	
Tax refund or mitigate due to examination-and-approval beyond power or without official approval document		
Governmental subsidy reckoned into current gains/losses(not including the subsidy enjoyed in quota or ration, which are closely relevant to enterprise's normal business)	23,396,336.60	
Capital occupancy expense, collected from non-financial enterprises and recorded in current gains and losses		
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries, associates and joint-ventures and recognizable net assets fair value attributable to the Company when acquiring the investment		
Gains and losses from exchange of non-monetary assets		
Gains and losses from assets under trusted investment or management		
Various provision for impairment of assets withdrew due to act of God, such as natural disaster		
Gains and losses from debt restructuring		
Enterprise restructuring costs, such as expenses for staff placement, integration costs, etc		
Gains and losses of the part arising from transaction in which price is not fair and exceeding fair value		

Item	Amount	Note
Current net gains and losses occurred from period-begin to combination day by subsidiaries resulting from business combination under common control		
Gains and losses arising from contingent proceedings irrelevant to normal operation of the Company	5,000,000.00	
Except for effective hedge business relevant to normal operation of the Company, gains and losses arising from fair value change of Trading financial assets and tradable financial liabilities, and investment income from disposal of Trading financial assets, tradable financial liabilities and financial assets available for sale	47,887,839.11	
Switch-back of provision of impairment of account receivable which are treated with separate depreciation test		
Gains and losses obtained from external trusted loans		
Gains and losses arising from change of fair value of investment real estate whose follow-up measurement are conducted according to fair value pattern		
Affect on current gains and losses after an one-time adjustment according to requirements of laws and regulations regarding to taxation and accounting		
Trust fee obtained from trust operation		
Other non-operating income and expenditure except for the aforementioned items	13,652.99	
Other gains and losses items complying with definition for non-recurring gains and losses		
Subtotal	77,272,528.44	
Less: impact on income tax		
Less: impact on minority equity	2,579,026.82	
Total	74,693,501.62	

(2) ROE and EPS

Profit in the Period	Weighted average ROE (%)	EPS (Yuan)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of the listed company	-23.95	-0.7291	-0.7291
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-28.02	-0.8530	-0.8530

Shenzhen Nanshan Power Co., Ltd
(Stamped)

March 23, 2022