

Stock code: 000037, 200037

Stock abbreviation: Shennandian A, Shennandian B

Announcement No.: 2023-031

Shenzhen Nanshan Power Co., Ltd.

The Semi-Annual Report 2023

August 25, 2023

Section I Important Notes, Table of Contents and Interpretations

The Board of Directors, the Board of Supervisors, directors, supervisors and senior officers of the Company guarantee that the contents of the semi-annual report are true, accurate and complete, and do not contain false records, misleading statements or major omissions, and that they bear individual and joint legal liabilities.

Chairman Kong Guoliang, person in charge of accounting and GM Chen Yuhui, CFO Zhang Xiaoyin and head of accounting department (chief accountants) Lin Xiaojia declare that the financial reports in this semi-annual report are true, accurate and complete.

Except director Mr. Sun Huirong was unable to attend the Board Meeting personally to review annual report due to work reasons, authorized director Mr. Huang Qing to attend the meeting and exercise voting rights on his behalf. All other directors attended the Board Meeting for annual report deliberation.

The Company plans not to distribute cash dividends, issue bonus shares, or increase share capital through capitalization of reserves.

Any forward-looking statements in this semi-annual report, including future plans, do not constitute a material commitment of the Company to investors. Investors are kindly requested to pay attention to investment risks.

The semi-annual report is prepared in Chinese and English respectively. In case of any ambiguity between the two versions, the Chinese version shall prevail. Investors are advised to read the full text of this semi-annual report carefully.

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List of Reference Documents

- I. Original of the semi-annual report 2023 bearing the signature of the Company's legal representative.

- II. Financial statements signed and sealed by the Company's legal representative, chief accountant (General Manager), CFO and head of the accounting department (accounting officer).

- III. The originals of all the Company's documents and announcements that have been publicly disclosed on the designated media during the reporting period.

- IV. Place of inspection: Shenzhen Stock Exchange, the office of the Company's Board of Directors.

Interpretation

Item of interpretation	Refers to	Content of interpretation
Company, the Company, Shenzhen Nanshan Power, listed company	Refers to	Shenzhen Nanshan Power Co., Ltd.
New Power Company	Refers to	Shenzhen New Power Industrial Co., Ltd.
Shen Nan Dian Zhongshan Company, Zhongshan Nanlang Power Plant	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.
Singapore Company	Refers to	Shen Nan Energy (Singapore) Co., Ltd.
Xindesheng Company	Refers to	Hong Kong Xingdesheng Co., Ltd.
Shenzhen Nanshan Power Warehousing Company	Refers to	Zhongshan Shen Nan Dian Warehousing Co., Ltd.
Nanshan Thermal Power Station	Refers to	Nanshan Thermal Power Station of Shenzhen Nanshan Power Co., Ltd.
RMB yuan, RMB ten thousand yuan, and RMB one hundred million yuan	Refers to	Currency units are RMB yuan, RMB ten thousand yuan, RMB one hundred million yuan, except for the currency units otherwise expressed.
Reporting period	Refers to	From January 1, 2023 to June 30, 2023

Section II Company Profile and Financial Indicators

I. Company profile

Stock name	Shen Nan Dian A, Shen Nan Dian B	Stock code	000037、200037
Stock exchange where the Company's stocks are listed	Shenzhen Stock Exchange		
Chinese name of the Company	Shenzhen Nanshan Power Co., Ltd.		
Chinese abbreviation of the Company (if any)	Shen Nan Dian		
Foreign name of the Company (if any)	Shenzhen Nanshan Power Co., Ltd.		
Legal representative of the Company	Kong Guoliang		

II. Contact person and contact information

	Secretary of the Board of Directors	Securities affairs representative
Name	Zhou Yi	
Contact address	16th and 17th Floor, Hantang Building, Overseas Chinese Town, Nanshan District, Shenzhen City, Guangdong Province	
Telephone	0755-26003611	
Fax	0755-26003684	
Email	investor@nspower.com.cn	

III. Other information

1. Contact information of the Company

Whether the Company's registered address, office address, postal code, website, e-mail address, etc. have changed during the reporting period

Applicable Not applicable

The Company's registered address, office address and postal code, website and e-mail address have not changed during the reporting period. For details, please refer to the 2022 Annual Report.

2. Place of information disclosure and provision

Whether the place of information disclosure and provision has changed during the reporting period

Applicable Not applicable

The stock exchange website and the name and URL of the media where the Company discloses its semi-annual report, and the place of provision of the Company's semi-annual report have not changed during the reporting period. For details, please refer to the 2022 Annual Report.

3. Other relevant information

Whether other relevant information has changed in the reporting period

Applicable Not applicable

IV. Key accounting data and financial indicators

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

Yes No

	The reporting period	Same period last year	Changes YoY
Operating revenue (RMB)	271,268,185.05	229,243,542.07	18.33%
Net profit attributable to the shareholders of listed company (RMB)	-37,240,739.56	-94,098,149.09	60.42%
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss (RMB)	-54,877,330.63	-127,505,554.48	56.96%
Net cash flows from operating activities (RMB)	-57,016,489.54	200,588,083.30	-128.42%
Basic earnings per share (RMB/share)	-0.0618	-0.1561	60.41%
Diluted earnings per share (RMB/share)	-0.0618	-0.1561	60.41%
Weighted average rate of return on net assets	-2.59%	-6.00%	Increasing by 3.41%
	At the end of the reporting period	At the end of last year	Change compared to the end of the previous year.
Total assets (RMB)	1,982,518,782.62	2,606,216,345.99	-23.93%
Net assets attributable to shareholders of the listed company (RMB)	1,418,108,591.22	1,455,129,894.84	-2.54%

V. Differences in accounting data under domestic and foreign accounting standards

1. Differences in net profit and net assets in the financial reports disclosed in accordance with the international accounting standards and the Chinese accounting standards

Applicable Not applicable

During the reporting period of the Company, there was no difference in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards

2. Differences in net profit and net assets in financial reports disclosed in accordance with both the international accounting standards and Chinese accounting standards

Applicable Not applicable

During the reporting period of the Company, there was no difference in net profit and net assets in financial reports disclosed in accordance with the international accounting standards and Chinese accounting standards

VI. Non-recurring profit or loss items and amountsApplicable Not applicable

Unit: RMB

Item	Amount	Description
Profit or loss on disposal of non-current assets (including write-off of provision for asset impairment)	106,021.61	
Government subsidies included in the current profit or loss (except for the government subsidies closely related to the Company's normal business, in line with national policies and regulations, and continuously enjoyed according to a certain standard quota or quantity)	4,065,271.26	Mainly apportionment of government subsidies related to assets
Profit or loss from changes in fair value arising from holdings of trading financial assets and trading financial liabilities and investment income from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, except for the effective hedging business related to the Company's normal business operations	9,342,507.91	Mainly wealth management income
Other non-operating revenue and expenses other than the above items	4,993,878.46	Mainly power outage compensation and insurance claim compensation
Less: Affected amount of minority equity (after tax)	871,088.17	
Total	17,636,591.07	

Specific circumstances of other profit or loss items that meet the definition of non-recurring profit or loss:

 Applicable Not applicable

The Company had no specific profit or loss items that meet the definition of non-recurring profit or loss.

Notes on the definition of the non-recurring profit or loss items listed in the "Interpretive Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non-recurring Profit or Loss" as recurring profit or loss items

 Applicable Not applicable

The Company had no circumstances of definition of the non-recurring profit or loss items listed in the "Interpretive Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non-recurring Profit or Loss" as recurring profit or loss items.

Section III Management's Discussion and Analysis

I. Main business engaged in by the Company during the reporting period

According to data released by the China Electricity Council, in the first half of 2023, the national electricity consumption of the whole society was 4.31 trillion kWh, up 5.0% year-on-year, and the growth rate was 2.1% higher compared to the same period last year. The recovery and improvement of national economy in the first half of the year has driven a year-on-year increase in the growth rate of electricity consumption. In terms of industries, the electricity consumption of the primary industry was 57.8 billion kWh, up 12.1% year on year; The electricity consumption of the secondary industry was 2,867 billion kWh, up 4.4% year on year. the electricity consumption of the tertiary industry was 763.1 billion kWh, up 9.9% year on year; The domestic electricity consumption of urban and rural residents was 619.7 billion kWh, up 1.3% year on year. In the first half of the year, the power generation output of power plants above designated size in China was 4.17 trillion kWh, up 3.8% year-on-year. Among them, the hydropower generation output of power plants above designated size dropped by 22.9% year-on-year. Insufficient water storage in the main reservoirs and persistent low precipitation since the beginning of this year, coupled with the factors such as a high base in the same period of the previous year, have led to a continuous year-on-year decline in hydropower output since the beginning of this year, and the decline has expanded, with hydropower output falling by 32.9% and 33.9% year-on-year in May and June, respectively. In the first half of the year, the thermal power and nuclear power generation outputs of power plants above designated size increased by 7.5% and 6.5% year-on-year, respectively Full-scale grid-connected wind power generation output increased by 21.2% year-on-year. Coal-fired power output accounted for 58.5% of the total energy output, and coal-fired power remains the primary source of electricity supply in China. It effectively compensates for the significant decline in hydropower output and fully plays its role in ensuring basic power supply.

The main business of the Company is production and operation of power supply and heat supply, technical consulting and technical services related to power plants (stations). At the end of the reporting period, the Company had two wholly-owned and controlled gas turbine power plants with a total of five set 9E gas-steam combined cycle generating units with a total installed capacity of 900,000 kilowatts (including 3×180,000 kilowatts of Nanshan Thermal Power Station and 2×180,000 kilowatts of Zhongshan Nanlang Power Plant). Both gas turbine power plants are located in the electricity load center area of the Pearl River Delta, are the main peak-shaving power sources in the region, and are currently in normal production and operation. On February 21, 2022, upon the deliberation and approval of the Fifth Interim Meeting of the Ninth Session of the Board of Directors of the Company, the Company initiated the matter of the shutdown and decommissioning of the two 9E gas turbines of the Zhongshan Nanlang Power Plant of Shenzhen Nanshan Thermal Power, and formally submitted an application for shutdown and decommissioning of the units to the Energy Bureau of Guangdong Province on November 24, 2022. Before obtaining the relevant approvals and opinions, the Zhongshan Nanlang Power Plant will continue to carry out the electricity generation business, which will have no material impact on the current production and operation of the Company and the Zhongshan Nanlang Power Plant for the time being.

In the first half of 2023, the economic situations at home and abroad were grim. Facing an extraordinarily complex and challenging environment, the Company diligently implemented the relevant requirements from competent government authorities at all levels regarding the security and supply of energy and electricity, took effective and efficient measures, and spared no effort to ensure the safety and reliability of power generation, thus providing robust electricity assurance for the development of the economy and society. From January to June 2023, the two subordinate power generation enterprises of the Company generated a total of 299 million kWh of actual on-grid power and 595 million kWh of settlement contract power. The respective power generation outputs of the Company's subordinate enterprises are as follows: Nanshan Thermal Power Plant generated 255 million kWh of on-grid power and 460 million kWh of settlement contract power. Zhongshan Nanlang Power Plant generated 44 million kWh of actual on-grid power, and 135 million kWh of settlement contract power.

The Company shall comply with the disclosure requirements for "power supply industry" as set out in "Self-Regulation and Supervision Guidelines No. 3 for Shenzhen Stock Exchange-Listed Companies - Industry Information Disclosure".

II. Core competitiveness analysis

In recent years, the Company's main business has been facing increasing difficulties and challenges due to the macroeconomic situation and common issues in the gas turbine power generation industry. However, the fundamental core competitiveness formed over more than thirty years of operation and development, along with strong support from the major shareholders, innovative management practices adopted by the Company's Board of Directors and management team, have laid a necessary foundation for the Company's ongoing operations and pursuit of transformative development. During the reporting period, the Company adopted "activating stocks, introducing increments, transforming development" as its business objectives, and adhered to the management principles of being regulated, scientific, pragmatic, efficient and impartial, diligently carried out various work, and made every effort to promote the high-quality development of the Company. The Company's core competitiveness has been further consolidated and improved.

1. A management culture of hard work and innovation. The Company has a group of operation and management talents with innovative consciousness and hard working spirit. By deepening the human resources reform and building a performance-oriented performance assessment and incentive mechanism, the Company advocates and fosters a management culture of unity, hard work, innovation and progressiveness throughout the Company. In addition, the Company attaches great importance to and vigorously promotes the construction of its institutional, management, and compliance systems. It adheres to a standardized management that is law-abiding, regulation-compliant scientific, rigorous, efficient and orderly. Through refined and standardized management guidance, the Company has established a solid foundation for deeply tapping into internal potential and actively seeking external opportunities.

2. Professional and enterprising technical talents. With over thirty years of dedicated efforts and the influence in the gas turbine power generation industry, the company has attracted and cultivated a group of technical experts and professionals in the gas turbine industry, and has accumulated rich experiences in the construction and operation management of gas turbine power plants. In order to align with the market situation of deepened and progressive power marketization reform in Guangdong Province, the company has established a professional power marketing team, carried out in-depth research on power trading strategies, explored the construction of power marketing mathematical models, and accumulated a wealth of experience in power marketing, which has laid a solid foundation for the company to participate in the construction of a new type of power market and to integrate itself into the wave of power marketization reform. In addition, Shen Nan Dian Engineering Company has cumulatively provided dozens of domestic and overseas gas turbine power stations with professional services such as technical consulting, commissioning and operation guarantee; The Company's training center has successively undertaken the technical personnel training business for dozens of domestic and foreign power plants, has become a well-known professional talent training base in the domestic gas turbine industry, and has established a good reputation and professional brand image in the same industry.

3. Professional technical expertise that keeps pace with the times. The Company has a number of independent utility model patents and software copyrights, has jointly drafted and compiled one national standard, and has a number of invention patents that under review by the State Intellectual Property Office. It has been recognized as a national high-tech enterprise on December 23, 2021. The Company's research and innovation work has been continuously carried out and has received unanimous recognition from society. During the reporting period, the Company filed to the State Intellectual Property Office a total of 7 utility model patents and 1 invention patent applications, of which 1 utility model patent has been granted. The Company has been granted a total of 39 patents (including 4 invention patents) and 8 software copyrights, which has greatly enhanced the company's brand image and industry competitiveness.

4. Rich experiences in industrial exploration. The Company has fully leveraged its own advantages, accumulated experience in the construction and operation of new energy industry projects such as electrochemical energy storage and photovoltaic, and

actively explored technological projects such as virtual power station platforms. Through technical transformation, the company's subordinate Nanshan Thermal Power Station has filled the gap in the application of energy storage systems in the field of "black start" of 9E-grade units in China. Through the successful operation of black start projects, the preliminary work of independent energy storage power stations and the construction and operation of photovoltaic projects, the Company has accumulated certain experience in the preliminary preparation, construction, commissioning, operation and maintenance of energy storage projects, and trained a group of professional talents. In addition, the company's talent reserves and technological advantages in the traditional power industry have laid a solid foundation for the Company to continuously tap the existing potential and rely on the power market and its technical strength to enter the field of new energy services.

5. Leading environmental protection level. The Company's subordinate power plants all use gas-fired power generation units, adopting natural gas as fuel, and the CO₂ emission in the flue gas is about 42% of that of the coal-fired power plants, providing strong support for the national "double carbon" (carbon peaking and carbon neutrality) construction. According to the requirements of the "2018 'Shenzhen Blue' Sustainable Action Plan" of the Shenzhen Municipal People's Government, the Company has fully completed the "Shenzhen Blue" transformation of #3, #10 and #1 gas turbines of Nanshan Thermal Power Plant. After the transformation, the nitrogen oxides emissions of each unit have been reduced to less than 15mg/m³, reaching the world's most advanced level. Nanshan Thermal Power Plant was also selected as the best power plant of the Top Plant Award by Power Magazine, the most authoritative magazine in the global power industry, founded in 1882.

III. Main business analysis

Overview

Year-on-year changes in key financial data

Unit: RMB

	The reporting period	Same period last year	Year-on-year change	Reasons for changes
Operating revenue	271,268,185.05	229,243,542.07	18.33%	Mainly due to the increase in power generation output and the increase in electricity bill settlement revenue
Operating costs	285,367,929.90	282,486,432.21	1.02%	
Selling and distribution expenses	897,707.82		100.00%	Mainly due to the growth of electricity sales business and the increase in expenses
G&A expenses	34,513,202.72	43,777,644.68	-21.16%	Mainly due to reducing and eliminating losses, and strengthening cost control
Financial expenses	6,730,365.12	16,729,716.11	-59.77%	Mainly due to the decrease in financing scale and the decrease in financing cost
Income tax expenses	479.55			
R&D input	13,297,926.31	17,072,589.13	-22.11%	Mainly due to the cyclical impact of R&D project settlement
Net cash flow from operating activities	-57,016,489.54	200,588,083.30	-128.42%	Mainly due to VAT credit refund received

				in the same period of the previous year, and no such cash inflow in the current year
Net cash flow from investing activities	262,106,770.11	-730,434,844.43	135.88%	Mainly due to the increase in cash inflow from investing activities as a result of recovery of wealth management products in the current period and the decrease in payments for investment in wealth management products in the same period
Net cash flow from financing activities	-592,949,390.25	309,964,533.04	-291.30%	Mainly due to the decrease in financing scale
Net increase in cash and cash equivalents	-387,622,035.71	-219,586,524.40	-76.52%	Mainly due to the significant decrease in net cash flow from financing activities as compared to the same period of the previous year

Major changes in the Company's profit composition or profit sources during the reporting period

Applicable Not applicable

There were no major changes in the profit composition or profit source of the Company during the reporting period.

Composition of operating revenue

Unit: RMB

	The reporting period		Same period last year		Year-on-year change
	Amount	Percentage of operating revenue	Amount	Percentage of operating revenue	
Total operating revenue	271,268,185.05	100%	229,243,542.07	100%	18.33%
By industry					
Energy industry	260,794,861.20	96.14%	205,738,094.27	89.75%	26.76%
Engineering service	9,833,593.03	3.63%	22,901,068.56	9.99%	-57.06%
Others	639,730.82	0.24%	604,379.24	0.26%	5.85%
By product					
Electricity sales	260,794,861.20	96.14%	205,738,094.27	89.75%	26.76%
Engineering service	9,833,593.03	3.63%	22,901,068.56	9.99%	-57.06%
Others	639,730.82	0.24%	604,379.24	0.26%	5.85%
By region					
Domestic	271,268,185.05	100%	229,243,542.07	100%	18.33%

Industries, products or regions that account for more than 10% of the Company's operating revenue or operating profit

Applicable Not applicable

Unit: RMB

	Operating revenue	Operating costs	Gross profit margin	Year-on-year change in operating revenue	Year-on-year change in operating costs	Year-on-year change in gross profit margin
By industry						
Energy industry	260,794,861.20	281,263,633.98	-7.85%	26.76%	4.64%	22.80%
By product						
Electricity sales	260,794,861.20	281,263,633.98	-7.85%	26.76%	4.64%	22.80%
By region						
Domestic	271,268,185.05	285,367,929.90	-5.20%	18.33%	1.02%	18.03%

Under the circumstances that the calculation method of the Company's main business data is adjusted during the reporting period, the Company's main business data for the latest period is adjusted according to the calculation method at the end of the reporting period

Applicable Not applicable

IV. Non-primary business analysis

Applicable Not applicable

Unit: RMB

	Amount	Percentage of total profit	Formation reasons	Whether it is sustainable
Investment income	19,725,870.53	-46.21%	Mainly wealth management income and shareholding companies' equity investment income (including dividends)	Shareholding companies' equity investment income (including dividends) is sustainable
Non-operating revenue	4,994,213.17	-11.70%	Mainly power outage compensation	No
Non-operating expenses	6,208.32	-0.01%	Non-current asset retirement losses, etc.	No

V. Analysis of assets and liabilities

1. Major changes in asset composition

Unit: RMB

	At the end of the reporting period		At the end of last year		Increase/decrease in percentage	Explanation of significant changes
	Amount	Percentage of total assets	Amount	Percentage of total assets		
Cash and cash equivalents	293,314,664.92	14.80%	675,496,266.40	25.92%	-11.12%	Mainly due to the increase in debt repayments
Accounts receivable	144,831,860.55	7.31%	135,833,492.64	5.21%	2.10%	
Contract assets	89,848.39	0.00%	217,009.58	0.01%	-0.01%	
Inventories	84,996,198.57	4.29%	85,279,298.35	3.27%	1.02%	
Investment	1,748,955.40	0.09%	1,833,344.20	0.07%	0.02%	

properties						
Long-term equity investments	83,924,704.73	4.23%	83,496,098.24	3.20%	1.03%	
Fixed assets	578,426,240.23	29.18%	591,290,204.31	22.69%	6.49%	
Projects under construction	6,222,095.21	0.31%	4,861,062.16	0.19%	0.12%	
Right-of-use assets	4,987,282.16	0.25%	7,707,617.90	0.30%	-0.05%	
Short-term borrowings	226,612,655.38	11.43%	879,957,857.44	33.76%	-22.33%	Mainly due to the decrease in financing scale
Contract liabilities	0.00	0.00%	0.00	0.00%	0.00%	
Long-term borrowings	105,274,084.45	5.31%	28,019,758.68	1.08%	4.23%	
Lease liabilities		0.00%	2,262,160.03	0.09%	-0.09%	
Trading financial assets	145,000,000.00	7.31%	440,013,571.10	16.88%	-9.57%	Mainly due to the decrease in the liquidity management scale of idle funds
Other current assets	238,256,408.74	12.02%	188,248,840.44	7.22%	4.80%	

2. Main overseas assets

Applicable Not applicable

3. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening balance	Profit or loss from changes in fair value in the current period	Cumulative changes in fair value included in equity	Impairment provision in the current period	Amount purchased in the current period	Amount sold in the current period	Other changes	Ending balance
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	440,013,571.10					295,013,571.10		145,000,000.00
2.	0.00							

Derivative financial assets								
3. Other debt investments	0.00							
4. Other investments in equity instruments	300,615,000.00							300,615,000.00
Sub-total of financial assets	740,628,571.10					295,013,571.10		445,615,000.00
Total of the above	740,628,571.10					295,013,571.10		445,615,000.00
Financial liabilities	0.00				0.00	0.00	0.00	0.00

Other changes

None

Whether there were significant changes in the measurement attributes of the Company's major assets during the reporting period

Yes No

4. Restrictions on asset rights as of the end of the reporting period

Item	Ending balance (RMB)	Balance at end of previous year (RMB)
Bank acceptance bill margin	27,474,594.34	27,474,594.34
Performance bond	5,440,434.23	
Total	32,915,028.57	27,474,594.34

VI. Investment status analysis

1. Overall situation

Applicable Not applicable

Investment amount during the reporting period (RMB)	Investment amount in the same period of previous year (RMB)	Range of change
0.00	100,000,000.00	-100.00%

2. Major equity investments acquired during the reporting period

Applicable Not applicable

3. Major non-equity investments in progress during the reporting period Applicable Not applicable**4. Investment in the financial assets****(1) Securities investment** Applicable Not applicable

The Company had no securities investment during the reporting period.

(2) Derivatives investment Applicable Not applicable

The Company had no derivative investment during the reporting period.

5. Use of funds raised Applicable Not applicable

The Company had no use of funds raised during the reporting period.

VII. Sale of major assets and equity**1. Sales of major assets** Applicable Not applicable

The Company did not sell major assets during the reporting period.

2. Sale of major equity Applicable Not applicable**VIII. Analysis of major holding and shareholding companies** Applicable Not applicable

Major subsidiaries and shareholding companies with an impact of 10% or more on the Company's net profit

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operation profit	Net profit
Shenzhen New Power Industrial Co., Ltd.	Subsidiaries	Technology development of waste heat utilization (excluding restricted projects): power generation by waste heat utilization; gas turbine power generation.	RMB113.85 million	124,581,816.73	-497,023.45	94,131,560.49	-27,851,853.46	-27,851,853.46
Shen Nan	Subsidiary	Gas turbine power	RMB74	258,720,30	-	43,549,971.	-	-

Dian (Zhongshan) Electric Power Co., Ltd.	diaries	generation, waste heat power generation, power supply and heat supply (excluding heat supply pipe networks), wharves, oil depots (excluding refined oil, hazardous chemicals and flammable and explosive products) and lease of power equipment and facilities; land use rights lease; non-residential real estate lease.	6.8 million	6.42	524,787,260.65	34	28,135,239.81	23,988,910.88
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Information on acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Notes to main holding and shareholding companies

Not applicable

IX. Structured entities controlled by the Company

Applicable Not applicable

X. Risks faced by the Company and countermeasures

1. Main business: In the first half of 2023, the Guangdong Province continued to implement the trial operation of the spot market of electricity in the south (starting with Guangdong). In a situation where the natural gas prices have not decreased significantly compared to the same period last year, the two subordinate power plants of the Company were not only required to fulfill their social responsibility of ensuring power supply with a high political stance, but also faced significant operational pressure brought about by the inversion of power generation costs and electricity selling prices. In the face of the aforementioned unfavorable policy and industry situations, in order to minimize the losses of the main business of electric power, the Company, on the one hand, has relied on the Gas Turbine Special Committee, the natural gas Power Generation Supply Chain Special Committee and other industry associations, to actively advocate to the relevant government departments for the implementation of the gas-electricity price linkage mechanism and the promotion of policies such as capacity compensation and dual pricing system, according to relevant documents as well as the actual operation situation. On the other hand, the two subordinate power plants have continued to strengthen the overall planning of equipment management and economic operation, striving to enhance the marginal contribution level of the power generation business.

2. Safety management: in the context of a market-oriented electricity generation model, power plants will encounter more flexible dispatching methods and stricter assessment policies, which places higher demands on the operation and maintenance of the aging power generation equipment. By formulating scientific and reasonable maintenance and technical transformation plans, and allocating corresponding funds and technical resources, the Company will continuously improve the maintenance and governance level of equipment, implement the main responsibility for work safety, and ensure the safe and stable operation of production facilities. At the same time, it will further strengthen training and emergency response capacity building to achieve "five in place", namely, putting work safety responsibilities, management, investment, training and emergency rescue in place, to

ensure that no human-induced work safety accidents occur in the company system, and continue to play the supporting role of the key peak-shaving power point.

3. Fuel procurement: in the first half of 2023, demand for natural gas was weak and supply was abundant. Meanwhile, domestic natural gas prices weakened due to factors such as the downward trend of international natural gas prices, and the Company's natural gas purchase price was slightly lower than that of the same period last year. Taking into account factors such as increased demand during the traditional peak power generation period and winter heating demand reserves, the Company's natural gas purchase price is expected to remain at the current level or slightly higher in the second half of 2023. Under the electricity spot trading rules, the estimated power generation output cannot match the actual power generation output. Since the natural gas purchase contract must be signed in advance, and the contracted gas volume has been determined at the time of signing, it is difficult to match the contracted natural gas volume with the actual extracted volume. If the gas cannot be extracted as agreed due to factors such as electricity spot trading in a later period, it may lead to related risks such as default of under-extraction of contract volume or an increase in incremental gas prices. The Company will continue to optimize the upstream and downstream partnerships, and exert its best efforts to reduce natural gas procurement costs while ensuring to meet the gas demand for power generation.

4. Land of Nanshan Thermal Power Station: according to the announcement, 2023 Urban Renewal and Land Preparation Plan of Shenzhen City and the relevant content of its exhibits, issued by Shenzhen Municipal Bureau of Planning and Natural Resources, the 2023 Urban Renewal and Land Preparation Plan of Shenzhen City still includes the land acquisition and reserve as well as related content of the Nanshan Thermal Power Station, a subordinate unit of the Company. The Company will closely maintain communication with the relevant functional departments of Shenzhen and Nanshan District and the Shenzhen Qianhai Administration Bureau, actively follow up on the progress of the government's relevant land preparation plan, conduct diligent studies to formulate response strategies and work programs, and make every effort to safeguard the legitimate rights and interests of the listed company and all shareholders.

Section IV Corporate Governance

I. Relevant information of the annual general meeting and extraordinary general meeting held during the reporting period

1. General meetings during the reporting period

Session	Meeting type	Investor attendance ratio	Date of convening	Date of disclosure	Resolution of the meeting
The First Extraordinary General Meeting in 2023	Extraordinary general meeting	38.36%	March 23, 2023	March 23, 2023	For details, please refer to the Announcement on the Resolution of the First Extraordinary General Meeting in 2023 (Announcement No.: 2023-011) disclosed by the Company on March 23, 2023 in the Securities Times and CNINF.
2022 Annual General Meeting	Annual general meeting	38.40%	May 05, 2023	May 05, 2023	For details, please refer to the Announcement on the Resolution of the 2022 Annual General Meeting (Announcement No.: 2023-022) disclosed by the Company on May 5, 2023 in the Securities Times and CNINF.

2. The preferred shareholders whose voting rights have been restored requested to convene an extraordinary general meeting.

Applicable Not applicable

II. Changes in the Company's directors, supervisors and senior officers

Applicable Not applicable

Name	Position	Change type	Date	Reason
Zhai Baojun	Chairman of the Board of Supervisors	Elected	March 23, 2023	
Ye Qiliang	Chairman of the Board of Supervisors	Resigned	February 27, 2023	Retired
Zhang Jie	Deputy General Manager	Resigned	March 20, 2023	Retired

III. Profit distribution and conversion of capital reserves into share capital during the reporting period

Applicable Not applicable

The Company has planned not to distribute cash dividends, bonus shares or convert capital reserves into share capital in the half year.

IV. Implementation of the Company's equity incentive plans, employee stock ownership plans or other employee incentive measures

Applicable Not applicable

During the reporting period, the Company had no equity incentive plan, employee stock ownership plan or other employee incentive measures and their implementation.

Section V Environment and Social Responsibilities

I. Major environmental protection issues

Whether the listed company and its subsidiaries are among the key pollutant discharge entities announced by the environmental protection department

Yes No

Environmental protection related policies and industry standards

The Company operates in the Sub-category 4411 thermal power generation industry as defined in the Industrial Classification for National Economic Activities (GB/T 4754-2017), and currently implements the Emission Standard of Air Pollutants for Thermal Power Plants (GB-13223-2011). Meanwhile, its affiliate, Nanshan Thermal Power Station, strictly controls nitrogen oxide emissions in accordance with the relevant requirements of the 2018 "Shenzhen Blue" Sustainable Action Plan.

Environmental protection administrative licensing

The Company's affiliate, Nanshan Thermal Power Station, has obtained the pollutant discharge license issued by Nanshan Administration Bureau of the Bureau of Ecology and Environment of Shenzhen City with the license number:

91440300764983799T001P. The Company's affiliate, Shen Nan Dian (Zhongshan) Electric Power Co., Ltd. has obtained the

pollutant discharge license issued by the Bureau of Ecology and Environment of Zhongshan City, license number:

914420007564567614001P.

Name of the Company or subsidiaries	Type of main pollutants and particular pollutants	Name of main pollutants and particular pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Emission concentration/intensity	Executive pollutant discharge standards	Total emissions	Approved total emissions	Exceeding emission standards
Shenzhen Nanshan Power Co., Ltd.	Nitrogen oxides	Nitrogen oxides	Centralized emission through boiler stack	2	In the plant site of Nanshan Thermal Power Station	<15 mg/m ³	"Shenzhen Blue" emission standard < 15 mg/m ³	22 tons	457.5 tons/year	0
Shenzhen New Power Industrial Co., Ltd.	Nitrogen oxides	Nitrogen oxides	Centralized emission through boiler stack	1	In the plant site of Nanshan Thermal Power Station	<15 mg/m ³	"Shenzhen Blue" emission standard < 15 mg/m ³	7.18 tons	228.75 tons/year	0
Shen Nan Dian (Zhongshan) Electric	Nitrogen oxides	Nitrogen oxides	Centralized emission through boiler stack	2	Within Zhongshan Nanlang Power Plant	<50 mg/m ³	GB13223	6.7523 tons	803.06 tons/year	0

Power Co., Ltd.										
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Treatment of pollutants

The Company and its controlling subsidiaries have 5 sets of 9E units, Shenzhen Nanshan Power Co., Ltd. has 2 sets of 9E units and Shenzhen New Power Industrial Co., Ltd. has 1 set of 9E units, all with GE DLN1.0 + low nitrogen combustion system. Shen Nan Dian (Zhongshan) Electric Power Co., Ltd. has two sets of 9E units with GE DLN1.0 low nitrogen combustion system.

During the reporting period, the Company and its controlling subsidiaries strictly complied with the national laws and regulations on environmental protection, and all the pollutants emitted met the national emission standards. There was no environmental pollution accident, nor was there any punishment imposed by the relevant departments due to major environmental protection issues.

Emergency plan for unexpected environmental events

The emergency plan for environmental emergencies has been filed with the Department of Ecology and Environment of Guangdong Province and corresponding municipal environmental protection bureaus.

Investment in environmental governance and protection and relevant information on payment of environmental protection tax

The Company attaches great importance to the environmental protection work, and strengthens on-site management by carrying out special work such as investigation of environmental risks and standardized management of hazardous waste. In addition, the Company has continuously increased its investment in the maintenance of environmental protection facilities, continuously improved and perfected the environmental protection infrastructure, and continuously improved the level of pollution prevention and control.

The Company has paid environmental protection tax in strict accordance with the Chairman Order No. 61 for the Environmental Protection Tax Law of the People's Republic of China and other relevant laws and regulations.

Environmental self-monitoring plan

The Company has prepared environmental self-monitoring plan which has been reviewed and approved by competent environmental protection department; it has timely disclosed the monitoring data on the website of the environmental protection department.

Administrative penalties imposed due to environmental problems during the reporting period

None

Other environmental information that should be disclosed

None

Measures taken to reduce its carbon emissions during the reporting period and their effects

Applicable Not applicable

During the reporting period, the Company's affiliated power stations continuously improved the efficiency of unit and reduced carbon emissions by taking technical transformation measures such as technical transformation of unit condenser.

Other information related to environmental protection

None

The Company shall comply with the disclosure requirements for "power supply industry" as set out in "Self-Regulation and Supervision Guidelines No. 3 for Shenzhen Stock Exchange-Listed Companies - Industry Information Disclosure".

Environmental protection related accidents occurred in the listed company

None

II. Undertaking of social responsibilities

In 1H23, despite of significant challenges in production, operation, and management it faced, the Company bravely assumed social responsibility, actively ensured electricity supply against of the inversion of power generation costs and sales prices, and conscientiously fulfilled its social responsibilities within its capabilities. In terms of work safety, the Company strictly complied with the Law of the People's Republic of China on Work Safety and other relevant laws and regulations. In accordance with the principle of "common responsibility among the party and administration teams, dual responsibilities for one position, joint management and involvement, and accountability for dereliction of duty", the Company took multiple measures to strengthen safety management, allocated safety responsibilities to all levels layer by layer, and continued to maintain the "five-without" safety goals. In terms of environmental protection, the Company strictly abided by the national and local environmental protection laws and regulations, always adhered to the concept of clean power generation and recyclable economy development, and all environmental protection work has been effectively implemented. The environmental protection emission standards have been met, and no environmental pollution accidents have occurred. In terms of caring assistance, the Company actively implemented the consumption poverty alleviation policy of Shenzhen, and participated in consumption poverty alleviation totaling an amount of RMB72,000 during the reporting period, and actively fulfilled social responsibilities within its capabilities.

Section VI Important Matters

I. Commitments made by the Company's actual controller, shareholders, related parties, acquirers, the Company and other related parties that have been fulfilled within the reporting period and those that have not been fulfilled within the time limit as of the end of the reporting period

Applicable Not applicable

During the reporting period, there were no commitments that were made by the actual controllers, shareholders, related parties, acquirers, and other related parties of the Company to be fulfilled during the reporting period but failed to be fulfilled as of the end of the reporting period.

II. Non-operational occupation of funds by the controlling shareholders and other related parties of the listed company

Applicable Not applicable

During the reporting period, there were no non-operational funds occupied by the controlling shareholders and other related parties for the listed company.

III. Illegal external guarantees

Applicable Not applicable

The Company had no illegal external guarantee during the reporting period.

IV. Appointment and dismissal of accounting firms

Whether the semi-annual report has been audited.

Yes No

The Company's semi-annual report has not been audited.

V. Explanation of the Board of Directors and the Board of Supervisors on the "modified report" of the accounting firm during the Reporting Period

Applicable Not applicable

VI. Explanation of the Board of Directors on the "modified report" of the previous year

Applicable Not applicable

VII. Bankruptcy and restructuring related matters

Applicable Not applicable

During the reporting period, the Company had no bankruptcy restructuring related matters.

VIII. Litigation

Major litigation and arbitration matters

Applicable Not applicable

During the reporting period, the Company had no major litigation or arbitration matters.

Other matters of litigation

Applicable Not applicable

IX. Penalties and rectification

Applicable Not applicable

X. Integrity status of the Company and its controlling shareholders and actual controller

Applicable Not applicable

During the reporting period, the Company did not fail to comply with effective court judgments or incur significant debts that were not repaid upon maturity, and its integrity was in good condition. During the reporting period, the Company had no controlling shareholder or actual controller.

XI. Major related party transactions

1. Related party transactions related to daily operations

Applicable Not applicable

During the reporting period, the Company had no related party transactions related to daily operations.

2. Related party transactions arising from the acquisition and sale of assets or equity

Applicable Not applicable

During the reporting period, the Company had no related party transactions arising from the acquisition or sale of assets or equity.

3. Related party transactions arising from joint foreign investment

Applicable Not applicable

During the reporting period, the Company had no related party transactions arising from joint external investment.

4. Related claims and debts

Applicable Not applicable

During the reporting period, the Company had no related debt transactions.

5. Information on transactions with finance companies with association

Applicable Not applicable

There was no deposit, loan, credit or other financial business between the Company and the finance companies with association and their related parties.

6. Transactions between the Company's holding finance companies and its related parties

Applicable Not applicable

There was no deposit, loan, credit or other financial business between the Company's holding finance companies and its related parties.

7. Other major related transactions

Applicable Not applicable

The Company had no other major related transactions during the reporting period.

XII. Major contracts and their performance**1. Custody, contracting and lease matters****(1) Custody**

Applicable Not applicable

During the reporting period, the Company had nothing under custody.

(2) Contracting

Applicable Not applicable

During the reporting period, the Company had no contracting.

(3) Lease

Applicable Not applicable

During the reporting period, the company had no leases.

2. Significant guarantees

Applicable Not applicable

During the reporting period, the Company had no significant guarantees.

3. Entrusted wealth management

Applicable Not applicable

Unit: RMB10,000

Specific type	Sources of funds for entrusted wealth management	Amount of entrusted wealth management	Undue balance	Delinquent uncollected amount	Delinquent uncollected amount of financial assets with provision for impairment
Bank wealth management products	Self-owned fund	21,001.37	0	0	0

Total	21,001.37	0	0	0
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Specific conditions of high-risk entrusted wealth management with significant single amount, low safety and poor liquidity

Applicable Not applicable

Entrusted wealth management that may fail to recover the principal or other circumstances that may lead to impairment

Applicable Not applicable

4. Other major contracts

Applicable Not applicable

XIII. Explanation of other major matters

Applicable Not applicable

Nanshan Thermal Power Station's land-related matters: in Jun. 2023, the Company learned the Notice of the Shenzhen Planning and Natural Resources Bureau on Issuing the 2023 Urban Renewal and Land Preparation Plan for Shenzhen on the website of the Shenzhen Bureau of Planning and Natural Resources. According to the relevant contents of the attached table, the land preparation project of Qianhai Cooperation Zone in 2023 still includes the land purchase and storage of the Company's affiliated Nanshan Thermal Power Station and other related contents. (For details, please refer to the Announcement on the Issuance of the 2023 Urban Renewal and Land Preparation Plan for Shenzhen by the Shenzhen Bureau of Planning and Natural Resources (Announcement No.: 2023-023) disclosed by the Company in the Securities Times and CNINF.)

Except for the above matters, there was no progress or change in the refundable funds of the Company's "Project Technical Transformation Benefit Fund" during the reporting period.

XIV. Major matters of the Company's subsidiaries

Applicable Not applicable

Section VII Changes in Shares and Shareholders

I. Changes in shares

1. Changes in shares

Unit: share

	Before the change		Increase or decrease in this change (+, -)					After the change	
	Quantity	Ratio	New shares issued	Bonus issue	Conversion of provident fund into shares	Others	Sub-total	Quantity	Ratio
I. Shares with restrictive conditions for sales	12,994	0.0022%				4,331	4,331	17,325	0.0029%
1. State-owned shares									
2. Shares held by the state-owned legal persons									
3. Other domestic holdings	12,994	0.0022%				4,331	4,331	17,325	0.0029%
Including: shares held by domestic legal persons									
Shares held by domestic natural persons	12,994	0.0022%				4,331	4,331	17,325	0.0029%
4. Foreign shareholding									
Including: shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Shares without restrictive conditions for sales	602,749,602	99.9978%				-4,331	-4,331	602,745,271	99.9971%
1. RMB ordinary shares	338,895,156	56.2236%				-4,331	-4,331	338,890,825	56.2229%
2. Foreign shares listed domestically	263,854,446	43.7742%						263,854,446	43.7742%
3. Foreign shares listed overseas									
4. Others									

III. Total number of shares	602,762,596	100.00%				0	0	602,762,596	100.00%
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Reasons for changes in shares

Applicable Not applicable

On March 20, 2023, Ms. Zhang Jie resigned from the position of the Company's Deputy General Manager due to reaching the statutory retirement age, and all the 17,325 A-shares of the Company held by her were locked within 6 months from the date of her resignation.

Approval of changes in shares

Applicable Not applicable

Transfer of changes in shares

Applicable Not applicable

Implementation progress of share repurchase

Applicable Not applicable

Implementation progress of reducing and repurchasing shares through centralized bidding

Applicable Not applicable

Effect of changes in shares on financial indicators such as basic earnings per share and diluted earnings per share in the latest year and the latest period, and net assets per share attributable to the Company's ordinary shareholders

Applicable Not applicable

Other contents deemed necessary by the Company or required by the securities regulators to be disclosed

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

Unit: share

Shareholder name	Beginning number of restricted shares	Number of restricted shares lifted in the current period	Increase in restricted shares in the current period	Ending number of restricted shares	Reasons for sales restriction	Date of lifting sales restrictions
Zhang Jie	12,994	0	4,331	17,325	On March 20, 2023, Ms. Zhang Jie resigned from the position of the Company's Deputy General Manager of the Company due to reaching the statutory retirement age, and all the 17,325 A-shares of the Company held by her were locked within 6 months from the date of her resignation.	All the 17,325 A-shares held by Ms. Zhang Jie will be locked within half a year from the date of her resignation, and she still needs to comply with the relevant provisions on the restriction of the sale of shares of directors, supervisors and senior officers after half a year.
Total	12,994	0	4,331	17,325	--	--

II. Issuance and listing of securities

Applicable Not applicable

III. Number of the Company's shareholders and shareholding status

Unit: share

Total number of ordinary shareholders at the end of the reporting period.		78,421		Total number of preferred shareholders with restoration of voting rights at the end of the reporting period (if any) (see Note 8)			0	
Shareholdings of ordinary shareholders or top 10 ordinary shareholders holding 5% or more shares								
Shareholder name	Shareholder nature	Shareholding ratio	Quantity of ordinary shares held at the end of the reporting period	Change during the reporting period	Quantity of ordinary shares with restrictive conditions for sales	Number of ordinary shares without restrictive conditions for sales	Pledge, marking or freezing	
							Share status	Quantity
HONG KONG NAM HOI (INTERNATIONAL) LTD.	Foreign legal person	15.28%	92,123,248			92,123,248		
Shenzhen Guangju Industrial Co., Ltd.	State-owned legal person	12.22%	73,666,824			73,666,824		
Shenzhen Energy Group Co., Ltd.	State-owned legal person	10.80%	65,106,130			65,106,130		
BOCI SECURITIES LIMITED	Foreign legal person	2.34%	14,104,038	-5,000		14,104,038		
Zeng Ying	Domestic natural person	1.19%	7,159,600			7,159,600		
China Merchants Securities (Hong Kong) Co., Ltd.	Foreign legal person	0.90%	5,425,628	-5,100		5,425,628		
Meiyi Investment and Property Co., Ltd.	Domestic non-state-owned legal person	0.87%	5,223,200			5,223,200		
Haitong International Securities Company Limited-Account	Foreign legal person	0.65%	3,908,357			3,908,357		

Client								
Huang Yilong	Domestic natural person	0.64%	3,866,500			3,866,500		
Li Baoqin	Domestic natural person	0.51%	3,048,150			3,048,150		
Strategic investors or general legal persons becoming the top 10 ordinary shareholders due to placement of new shares (if any) (see Note 3)	None							
Association or concerted action of the above shareholders	1. Shenzhen Energy Group Co., Ltd., holds 100% equity of the HONG KONG NAM HOI (INTERNATIONAL) LTD. 2. The Company does not know whether the above-mentioned other public shareholders have any association or are persons acting in concert.							
Explanation of the above shareholders' involvement in entrusting/being entrusted voting rights and waiver of voting rights	None							
Special explanation for the existence of repurchase accounts among the top 10 shareholders (if any) (see Note 11)	None							
Shareholding of the top 10 ordinary shareholders without restrictive conditions for sales								
Shareholder name	Ending number of ordinary shares without restrictive conditions for sales	Classes of shares						
		Classes of shares	Quantity					
HONG KONG NAM HOI (INTERNATIONAL) LTD.	92,123,248	Foreign shares listed domestically	92,123,248					
Shenzhen Guangju Industrial Co., Ltd.	73,666,824	RMB ordinary shares	73,666,824					
Shenzhen Energy Group Co., Ltd.	65,106,130	RMB ordinary shares	65,106,130					
BOCI SECURITIES LIMITED	14,104,038	Foreign shares listed domestically	14,104,038					
Zeng Ying	7,159,600	Foreign shares listed domestically	7,159,600					
China Merchants Securities (Hong Kong) Co., Ltd.	5,425,628	Foreign shares listed domestically	5,425,628					
Meiyi Investment and Property Co., Ltd.	5,223,200	RMB ordinary shares	5,223,200					
Haitong International Securities Company Limited-Account Client	3,908,357	Foreign shares listed domestically	3,908,357					
Huang Yilong	3,866,500	RMB ordinary shares	3,866,500					
Li Baoqin	3,048,150	Foreign shares listed domestically	3,048,150					
Description of association or concerted action among the top 10 ordinary shareholders without restrictive condition for sales and that between the top 10 ordinary shareholders without restrictive	1. Shenzhen Energy Group Co., Ltd., holds 100% equity of the HONG KONG NAM HOI (INTERNATIONAL) LTD. 2. The Company does not know whether the above-mentioned other public shareholders have any association or are persons acting in concert.							

condition for sales and the top 10 ordinary shareholders	
Description of the top 10 ordinary shareholders' participation in margin financing and securities lending business (if any) (see Note 4)	None

Whether the Company's top 10 ordinary shareholders and the top 10 ordinary shareholders without restrictive condition for sales conduct any agreed repurchase transactions during the reporting period

Yes No

The Company's top 10 ordinary shareholders, and top 10 ordinary shareholders without restrictive condition for sales did not conduct any agreed repurchase transaction during the reporting period.

IV. Changes in shareholding of directors, supervisors and senior officers

Applicable Not applicable

There were no changes in the shareholdings of the Company's directors, supervisors and senior officers during the reporting period. For details, please refer to the 2022 Annual Report.

V. Changes in the controlling shareholder or the actual controller

Changes in controlling shareholders during the reporting period

Applicable Not applicable

There was no change in the controlling shareholder of the Company during the reporting period.

Changes in actual controller during the reporting period

Applicable Not applicable

There was no change in the actual controller of the Company during the reporting period.

Section VIII Preferred Shares

Applicable Not applicable

During the reporting period, the Company had no preferred shares.

Section IX Bonds

Applicable Not applicable

Section X Financial Report

I. Auditor's report

Whether the semi-annual report has been audited.

Yes No

The Company's semi-annual report has not been audited.

II. Financial statements

The unit in the notes to the financial statements is: RMB

1. Consolidated balance sheet

Prepared by: Shenzhen Nanshan Power Co., Ltd.

Unit: RMB

Item	June 30, 2023	January 1, 2023
Current assets:		
Cash and cash equivalents	293,314,664.92	675,496,266.40
Settlement reserve		
Loans to other banks and other financial institutions		
Trading financial assets	145,000,000.00	440,013,571.10
Derivative financial assets		
Notes receivable		
Accounts receivable	144,831,860.55	135,833,492.64
Receivables financing		
Advances to suppliers	53,931,606.71	45,448,287.86
Premium receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	18,852,212.98	18,314,003.84
Including: interest receivable		
Dividends receivable		
Purchase of financial assets under resale agreements		
Inventories	84,996,198.57	85,279,298.35
Contract assets	89,848.39	217,009.58
Assets held for sale		
Non-current assets maturing within one year		

Other current assets	238,256,408.74	188,248,840.44
Total current assets	979,272,800.86	1,588,850,770.21
Non-current assets:		
Loans and advances		
Claim investments		
Other claim investments		
Long-term receivables		
Long-term equity investments	83,924,704.73	83,496,098.24
Other investments in equity instruments	300,615,000.00	300,615,000.00
Other non-current financial assets		
Investment properties	1,748,955.40	1,833,344.20
Fixed assets	578,426,240.23	591,290,204.31
Projects under construction	6,222,095.21	4,861,062.16
Productive biological assets		
Oil and gas assets		
Right-of-use assets	4,987,282.16	7,707,617.90
Intangible assets	19,454,429.10	19,799,355.12
R&D expenses		
Goodwill		
Long-term deferred expenses	970,463.62	1,219,129.18
Deferred tax assets	1,172,366.49	1,172,366.49
Other non-current assets	5,724,444.82	5,371,398.18
Total of non-current assets	1,003,245,981.76	1,017,365,575.78
Total assets	1,982,518,782.62	2,606,216,345.99
Current liabilities:		
Short-term borrowings	226,612,655.38	879,957,857.44
Borrowing from the Central Bank		
Borrowings from banks and other financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	137,298,902.17	137,298,902.17
Accounts payable	4,121,762.97	5,227,836.22
Advances from customers		
Contract liabilities		
Sale of financial assets under repurchase agreements		
Deposits from customers and interbank		
Funds from vicariously traded securities		
Funds from vicariously underwritten securities		

Employee compensation payable	29,287,941.48	29,296,815.07
Taxes payable	7,269,477.80	5,107,666.73
Other payables	22,785,089.94	22,997,466.80
Including: Interest payable		
Dividends payable		
Service fee and commission payable		
Reinsurance premium payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	5,495,936.70	6,014,119.95
Other current liabilities	12,787.72	21,600.00
Total current liabilities	432,884,554.16	1,085,922,264.38
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	105,274,084.45	28,019,758.68
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liabilities		2,262,160.03
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities	15,000,000.00	15,000,000.00
Deferred income	78,966,632.06	82,145,596.60
Deferred tax liabilities		
Other non-current liabilities	45,112.54	47,511.72
Total non-current liabilities	199,285,829.05	127,475,027.03
Total liabilities	632,170,383.21	1,213,397,291.41
Owner's equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserves	362,770,922.10	362,770,922.10
Less: treasury stock		
Other comprehensive income	-2,500,000.00	-2,500,000.00
Special reserves	219,435.94	
Surplus reserves	332,908,397.60	332,908,397.60
General risk reserves		
Undistributed profit	121,947,239.58	159,187,979.14
Total equity attributable to the owners of parent company	1,418,108,591.22	1,455,129,894.84
Minority equity	-67,760,191.81	-62,310,840.26
Total owner's equity	1,350,348,399.41	1,392,819,054.58
Total liabilities and owners' equity	1,982,518,782.62	2,606,216,345.99

Legal representative: Kong Guoliang Chief accountant: Chen Yuhui CFO: Zhang Xiaoyin Head of the accounting department: Lin Xiaojia

2. Balance sheet of the parent company

Unit: RMB

Item	June 30, 2023	January 1, 2023
Current assets:		
Cash and cash equivalents	264,152,583.51	652,703,545.21
Trading financial assets	145,000,000.00	440,013,571.10
Derivative financial assets		
Notes receivable		
Accounts receivable	54,764,958.01	47,995,982.82
Receivables financing		
Advances to suppliers	22,319,802.97	29,715,650.29
Other receivables	919,550,297.33	851,189,111.89
Including: interest receivable		
Dividends receivable		
Inventories	79,038,144.88	79,504,053.32
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	230,188,501.37	180,501,049.31
Total current assets	1,715,014,288.07	2,281,622,963.94
Non-current assets:		
Claim investments		
Other claim investments		
Long-term receivables		
Long-term equity investments	352,264,960.27	352,171,153.27
Other investments in equity instruments	160,615,000.00	160,615,000.00
Other non-current financial assets		
Investment properties		
Fixed assets	272,700,853.74	279,587,315.87
Projects under construction	3,337,206.33	1,976,173.28
Productive biological assets		
Oil and gas assets		
Right-of-use assets	4,987,282.16	7,707,617.90
Intangible assets	168,431.13	193,607.19
R&D expenses		
Goodwill		
Long-term deferred expenses	902,817.19	1,106,385.13
Deferred tax assets		
Other non-current assets		
Total of non-current assets	794,976,550.82	803,357,252.64

Total assets	2,509,990,838.89	3,084,980,216.58
Current liabilities:		
Short-term borrowings	226,612,655.38	285,705,357.36
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	137,298,902.17	737,298,902.17
Accounts payable	1,590,154.08	3,759,009.04
Advances from customers		
Contract liabilities		
Employee compensation payable	21,000,126.20	18,905,560.54
Taxes payable	3,154,830.93	1,203,569.67
Other payables	167,052,061.36	170,451,537.10
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	5,495,936.70	6,014,119.95
Other current liabilities		
Total current liabilities	562,204,666.82	1,223,338,055.83
Non-current liabilities:		
Long-term borrowings	105,274,084.45	28,019,758.68
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liabilities		2,262,160.03
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	47,245,826.04	48,978,528.78
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	152,519,910.49	79,260,447.49
Total liabilities	714,724,577.31	1,302,598,503.32
Owner's equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserves	289,963,039.70	289,963,039.70
Less: treasury stock		
Other comprehensive income		
Special reserves	219,435.94	
Surplus reserves	332,908,397.60	332,908,397.60
Undistributed profit	569,412,792.34	556,747,679.96
Total owner's equity	1,795,266,261.58	1,782,381,713.26

Total liabilities and owners' equity	2,509,990,838.89	3,084,980,216.58
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Legal representative: Kong Guoliang Chief accountant: Chen Yuhui CFO: Zhang Xiaoyin Head of the accounting department: Lin Xiaojia

3. Consolidated income statement

Unit: RMB

Item	1H23	1H22
I. Total revenue	271,268,185.05	229,243,542.07
Including: operating revenue	271,268,185.05	229,243,542.07
Interest income		
Premiums earned		
Income from service fee and commission		
II. Total operating costs	342,848,838.47	362,962,644.74
Including: operating costs	285,367,929.90	282,486,432.21
Interest expenses		
Expenses on service fee and commission		
Surrender value		
Net amount of compensation payout		
Net change in insurance contract reserves		
Policy dividend payout		
Cost of reinsurance		
Taxes and surcharges	2,041,706.60	2,896,262.61
Selling and distribution expenses	897,707.82	
G&A expenses	34,513,202.72	43,777,644.68
R&D expenses	13,297,926.31	17,072,589.13
Financial expenses	6,730,365.12	16,729,716.11
Including: interest expenses	11,768,338.22	20,539,845.79
Interest income	3,020,964.70	3,594,848.74
Plus: other income	4,065,271.26	4,440,645.78
Investment income (loss expressed with "-")	19,725,870.53	27,741,227.07
Including: income from investment in associates and joint ventures	1,643,156.49	-1,471,602.77
Gain from derecognition of financial assets measured at amortized cost		
Foreign exchange gains (loss expressed with "-")		
Net exposure hedging gains (loss		

expressed with "-")		
Gains from changes in fair value (losses expressed with "-")		
Credit loss (loss expressed with "-")		
Asset impairment loss (loss expressed with "-")		
Gains from disposal of assets (losses expressed with "-")	111,895.22	
III. Operation profit (loss expressed with "-")	-47,677,616.41	-101,537,229.82
Plus: non-operating revenue	4,994,213.17	
Less: non-operating expenses	6,208.32	228,495.85
IV. Total profit (total loss expressed with "-")	-42,689,611.56	-101,765,725.67
Less: income tax expenses	479.55	
V. Net profit (net loss expressed with "- ")	-42,690,091.11	-101,765,725.67
(i) Classified as per business continuity		
1. Net profit from continuing operations (net loss expressed with "-")	-42,690,091.11	-101,765,725.67
2. Net profit from discontinued operations (net loss expressed with "-")		
(II) Classified as per attribution of ownership		
1. Net profit attributable to shareholders of the parent company (net loss expressed with "-")	-37,240,739.56	-94,098,149.09
2. Minority interest (net loss expressed with "-")	-5,449,351.55	-7,667,576.58
VI. Net after-tax amount of other comprehensive income		
Net amount of other comprehensive income after tax attributed to parent company owners		
(i) Other comprehensive income that cannot be reclassified into the profit or loss		
1. Changes arising from re- measurement of defined benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Other changes in fair value of investments in equity instruments		
4. Changes in fair value of the enterprise's own credit risk		
5. Others		
(ii) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income of convertible profit or loss under the equity method		

2. Changes in fair value of other claim investments		
3. Amount of financial assets reclassified into the other comprehensive income		
4. Credit provision for impairment of other claim investments		
5. Hedging reserves for cash flow		
6. Differences arising from foreign currency financial statements		
7. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	-42,690,091.11	-101,765,725.67
Total comprehensive income attributable to the owner of the parent company	-37,240,739.56	-94,098,149.09
Total comprehensive income attributable to the minority shareholders	-5,449,351.55	-7,667,576.58
VIII. Earnings per share:		
(I) Basic earnings per share	-0.0618	-0.1561
(II) Diluted earnings per share	-0.0618	-0.1561

In case of any business combination under the same control in the current period, the net profit realized by the combinee before the combination was RMB0.00, and the net profit realized by the combinee in the previous period was RMB0.00.

Legal representative: Kong Guoliang Chief accountant: Chen Yuhui CFO: Zhang Xiaoyin Head of the accounting department: Lin Xiaojia

4. Income statement of the parent company

Item	Unit: RMB	
	1H23	1H22
I. Operating revenue	167,763,232.36	129,074,352.66
Less: operating costs	167,385,274.90	153,243,699.14
Taxes and surcharges	797,742.96	1,561,901.55
Selling and distribution expenses	333,513.64	
G&A expenses	13,560,282.42	14,624,528.90
R&D expenses	8,859,406.25	11,637,676.90
Financial expenses	-15,313,487.00	1,145,966.46
Including: interest expenses	6,443,539.09	18,356,302.31
Interest income	-22,272,424.92	17,449,061.98
Plus: other income	2,014,744.97	2,453,965.18
Investment income (loss expressed with "-")	17,708,671.86	28,915,295.59
Including: income from investment in associates and joint ventures	1,308,357.00	
Gains from derecognition of financial assets measured by amortized cost (losses)		

expressed with "-")		
Net exposure hedging gains (loss expressed with "-")		
Gains from changes in fair value (losses expressed with "-")		
Credit loss (loss expressed with "-")		
Asset impairment loss (loss expressed with "-")		
Gains from disposal of assets (losses expressed with "-")	-40,000.01	
II. Operation profit (loss expressed with "-")	11,823,916.01	-21,770,159.52
Plus: non-operating revenue	847,884.24	
Less: non-operating expenses	6,208.32	218,495.85
III. Total profit (total losses expressed with "-")	12,665,591.93	-21,988,655.37
Less: income tax expenses	479.55	
IV. Net profit (net losses expressed with "-")	12,665,112.38	-21,988,655.37
(I) Net profit from continuing operations (net losses expressed with "-")	12,665,112.38	-21,988,655.37
(II) Net profit from discontinued operations (net losses expressed with "-")		
V. Net after-tax amount of other comprehensive income		
(i) Other comprehensive income that cannot be reclassified into the profit or loss		
1. Changes arising from re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Other changes in fair value of investments in equity instruments		
4. Changes in fair value of the enterprise's own credit risk		
5. Others		
(ii) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income of convertible profit or loss under the equity method		
2. Changes in fair value of other claim investments		
3. Amount of financial assets reclassified into the other comprehensive income		
4. Credit provision for impairment of other claim investments		
5. Hedging reserves for cash flow		
6. Differences arising from foreign currency financial statements		

7. Others		
VI. Total comprehensive income	12,665,112.38	-21,988,655.37
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal representative: Kong Guoliang Chief accountant: Chen Yuhui CFO: Zhang Xiaoyin Head of the accounting department: Lin Xiaojia

5. Consolidated statement of cash flows

Unit: RMB

Item	1H23	1H22
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	296,915,732.81	210,746,338.10
Net increase in deposits from customers and due from other banks and financial institutions		
Net increase in borrowings from the Central Bank		
Net increase in borrowings from banks and other financial institutions		
Cash received from receiving insurance premium of original insurance contract		
Net cash receipts from reinsurance business		
Net increase in policyholders' deposits and investments		
Cash receipts from interest, service fee and commission		
Net increase in loans from banks and other financial institutions		
Net increase in funds from repurchase business		
Net cash receipts from acting trading securities		
Refund of taxes and surcharges		321,785,326.40
Other cash receipts relating to operating activities	12,296,599.09	45,493,756.61
Sub-total of cash inflows from operating activities	309,212,331.90	578,025,421.11
Cash paid for purchase of goods and receiving of services	280,708,443.46	283,749,702.63
Net increase in customer loans and advances		
Net increase in deposits with central bank and other banks and financial institutions		
Cash payments for original insurance contract claims		
Net increase in loans to banks and		

other financial institutions		
Cash payments for interest, service fee and commission		
Cash payments for policyholder dividend		
Cash paid to and on behalf of employees	54,829,117.40	64,322,418.53
Cash payments for taxes	12,312,023.45	7,023,037.32
Cash paid for other operating activities related	18,379,237.13	22,342,179.33
Sub-total of cash outflows from operating activities	366,228,821.44	377,437,337.81
Net cash flow from operating activities	-57,016,489.54	200,588,083.30
II. Cash flows from the investing activities:		
Cash receipts from investment withdrawal	285,010,220.37	
Cash received from the investment income	29,300,616.97	19,707,290.27
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	550,880.00	
Net cash received from the disposal of subsidiaries and other business units		
Other cash received in connection with investing activities		
Sub-total of cash inflows from investing activities	314,861,717.34	19,707,290.27
Cash paid for acquiring and constructing fixed assets, intangible assets and other long-term assets	2,754,947.23	2,242,860.09
Cash paid for investments		747,899,274.61
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other investing activities	50,000,000.00	
Sub-total of cash outflows from investing activities	52,754,947.23	750,142,134.70
Net cash flow from investing activities	262,106,770.11	-730,434,844.43
III. Cash flows from the financing activities:		
Cash received from the absorption of investments		
Including: Cash received from absorption of investments of minority shareholders by subsidiaries		
Cash received from borrowings	265,878,587.77	1,021,949,358.06
Cash received in connection with other financing activities		
Sub-total of cash inflows from financing activities	265,878,587.77	1,021,949,358.06
Cash paid for debt repayments	847,229,358.05	706,518,623.08
Cash paid for the distribution of dividends and profits or the payment of interests	6,158,185.74	5,466,201.94
Including: dividends and profits paid		

to minority shareholders by subsidiaries		
Cash paid for other financing activities	5,440,434.23	
Sub-total of cash outflows from financing activities	858,827,978.02	711,984,825.02
Net cash flow from financing activities	-592,949,390.25	309,964,533.04
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	237,073.97	295,703.69
V. Net increase in cash and cash equivalents	-387,622,035.71	-219,586,524.40
Plus: beginning balance of cash and cash equivalents	648,021,672.06	689,604,633.59
VI. Ending balance of cash and cash equivalents	260,399,636.35	470,018,109.19

Legal representative: Kong Guoliang Chief accountant: Chen Yuhui CFO: Zhang Xiaoyin Head of the accounting department: Lin Xiaojia

6. The statement of cash flows of the parent company

Unit: RMB

Item	1H23	1H22
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	238,785,052.21	195,459,447.73
Refund of taxes and surcharges		317,508,755.71
Other cash receipts relating to operating activities	56,464,858.58	882,162,936.47
Sub-total of cash inflows from operating activities	295,249,910.79	1,395,131,139.91
Cash paid for purchase of goods and receiving of services	169,853,255.01	139,104,100.10
Cash paid to and on behalf of employees	33,292,463.79	42,760,321.94
Cash payments for taxes	4,813,280.65	366,550.16
Cash paid for other operating activities related	129,718,913.30	358,690,786.29
Sub-total of cash outflows from operating activities	337,677,912.75	540,921,758.49
Net cash flow from operating activities	-42,428,001.96	854,209,381.42
II. Cash flows from the investing activities:		
Cash receipts from investment withdrawal	285,010,220.37	
Cash received from the investment income	27,618,217.79	19,707,290.27
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from the disposal of subsidiaries and other business units		
Other cash received in connection with investing activities		
Sub-total of cash inflows from investing activities	312,628,438.16	19,707,290.27
Cash paid for acquiring and constructing fixed assets, intangible assets and other long-term assets	2,608,372.23	780,194.99

Cash paid for investments		747,899,274.61
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other investing activities	63,500,000.00	
Sub-total of cash outflows from investing activities	66,108,372.23	748,679,469.60
Net cash flow from investing activities	246,520,065.93	-728,972,179.33
III. Cash flows from the financing activities:		
Cash received from the absorption of investments		
Cash received from borrowings	265,878,587.77	439,191,858.06
Cash received in connection with other financing activities		
Sub-total of cash inflows from financing activities	265,878,587.77	439,191,858.06
Cash paid for debt repayments	847,229,358.05	706,518,623.08
Cash paid for the distribution of dividends and profits or the payment of interests	6,155,786.56	5,466,201.94
Cash paid for other financing activities	10,578,867.57	
Sub-total of cash outflows from financing activities	863,964,012.18	711,984,825.02
Net cash flow from financing activities	-598,085,424.41	-272,792,966.96
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	1,964.51	1,767.29
V. Net increase in cash and cash equivalents	-393,991,395.93	-147,553,997.58
Plus: beginning balance of cash and cash equivalents	625,228,950.87	592,751,213.88
VI. Ending balance of cash and cash equivalents	231,237,554.94	445,197,216.30

Legal representative: Kong Guoliang Chief accountant: Chen Yuhui CFO: Zhang Xiaoyin Head of the accounting department: Lin Xiaojia

7. Consolidated statement of changes in owner's equity

Current amount

Unit: RMB

Item	1H23													Minority equity	Total owner's equity
	Owner's equity attributable to the parent company														
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profit	Others	Sub-total		
I. Ending balance last year	602,762,596.00				362,770,922.10		-2,500.00		332,908,397.60		159,187,979.14		1,455,129,894.84	-62,310,840.26	1,392,819,054.58

Add: changes of accounting policies															
Ad justments for correction of accounting errors in prior year															
Bu siness combination under the same control															
Ot hers															
II. Beginning balance this year	602, 762, 596. 00			362, 770, 922. 10		- 2,50 0,00 0.00		332, 908, 397. 60		159, 187, 979. 14		1,45 5,12 9,89 4.84	- 62,3 10,8 40.2 6	1,39 2,81 9,05 4.58	
III. Current increases/dec reases ("-" for decreases)						219, 435. 94				- 37,2 40,7 39.5 6		- 37,0 21,3 03.6 2	- 5,44 9,35 1.55	- 42,4 70,6 55.1 7	
(I) Total comprehen sive income										- 37,2 40,7 39.5 6		- 37,2 40,7 39.5 6	- 5,44 9,35 1.55	- 42,6 90,0 91.1 1	
(II) Capital contributed or reduced by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amounts of share- based payments included in the owner's equity															
4. Others															
(III) Profit															

distribution														
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk reserves														
3. Profit distributed to owners (or shareholders)														
4. Others														
(IV) Internal carry-forward of owner's equity														
1. Conversion of capital reserves into capital (or share capital)														
2. Conversion of surplus reserves into capital (or share capital)														
3. Making up losses with surplus reserves														
4. Carry-forward of changes in benefit plans to retained earnings														
5. Carry-forward of other comprehensive income to retained earnings														
6. Others														
(V) Special reserves							219,435.94					219,435.94		219,435.94
1.							5,086.97					5,086.97		5,086.97

Withdrawal in this period								3.52					3.52		3.52
2. Use in this period								4,86 7,53 7.58					4,86 7,53 7.58		4,86 7,53 7.58
(VI) Others															
IV. Ending balance in this period	602,762,596.00				362,770,922.10		-2,500.00	219,435.94	332,908,397.60		121,947,239.58		1,418,108,591.22	-67,760.19	1,350,348,399.41

Amount last year

Unit: RMB

Item	1H22														
	Owner's equity attributable to the parent company													Minority equity	Total owner's equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profit	Others	Sub-total		
Prefe red shares		Perpetua l bond	Oth ers												
I. Ending balance last year	602,762,596.00				362,770,922.10		-2,500.00	219,435.94	332,908,397.60		319,351,219.81		1,615,293,135.51	36,951,200.07	1,578,341,915.44
Add: changes of accounting policies															
Adjustments for correction of accounting errors in prior year															
Business combination under the same control															
Others															
II. Beginning balance this year	602,762,596.00				362,770,922.10		-2,500.00	219,435.94	332,908,397.60		319,351,219.81		1,615,293,135.51	36,951,200.07	1,578,341,915.44
III. Current increases/decreases ("-")											-94,098.1		-94,098.1	7,667.57	101,765,

for decreases)											49.09		49.09	6.58	725.67
(I) Total comprehensive income											-94,098,149.09		-94,098,149.09	-7,667,576.58	-101,765,725.67
(II) Capital contributed or reduced by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amounts of share-based payments included in the owner's equity															
4. Others															
(III) Profit distribution															
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)															
4. Others															
(IV) Internal carry-forward of owner's equity															
1. Conversion of capital reserves into capital (or															

share capital)															
2. Conversion of surplus reserves into capital (or share capital)															
3. Making up losses with surplus reserves															
4. Carry-forward of changes in benefit plans to retained earnings															
5. Carry-forward of other comprehensive income to retained earnings															
6. Others															
(V) Special reserves															
1. Withdrawal in this period															
2. Use in this period															
(VI) Others															
IV. Ending balance in this period	602,762,596.00				362,770,922.10		-2,500.00		332,908,397.60		225,253,070.72		1,521,194,986.42	-44,618,796.65	1,476,576,189.77

Legal representative: Kong Guoliang Chief accountant: Chen Yuhui CFO: Zhang Xiaoyin Head of the accounting department: Lin Xiaojia

8. Statement of changes in owner's equity of parent company

Current amount

Unit: RMB

Item	1H23											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total owner's equity
		Preferred shares	Perpetual bond	Others								

						e					
I. Ending balance last year	602,762,596.00				289,963,039.70				332,908,397.60	556,747,679.96	1,782,381,713.26
Add: changes of accounting policies											
Adjustments for correction of accounting errors in prior year											
Others											
II. Beginning balance this year	602,762,596.00				289,963,039.70				332,908,397.60	556,747,679.96	1,782,381,713.26
III. Current increases/decreases ("-" for decreases)								219,435.94		12,665,112.38	12,884,548.32
(I) Total comprehensive income										12,665,112.38	12,665,112.38
(II) Capital contributed or reduced by owners											
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equity instruments											
3. Amounts of share-based payments included in the owner's equity											
4. Others											
(III) Profit distribution											
1. Withdrawal of surplus											

reserves												
2. Profits distributed to owners (or shareholders)												
3. Others												
(IV) Internal carry-forward of owner's equity												
1. Conversion of capital reserves into capital (or share capital)												
2. Conversion of surplus reserves into capital (or share capital)												
3. Making up losses with surplus reserves												
4. Carry-forward of changes in benefit plans to retained earnings												
5. Carry-forward of other comprehensive income to retained earnings												
6. Others												
(V) Special reserves							219,435.94					219,435.94
1. Withdrawal in this period							3,810,328.32					3,810,328.32
2. Use in this period							3,590,892.38					3,590,892.38
(VI) Others												
IV. Ending balance in this period	602,762.596.00				289,963.039.70		219,435.94	332,908.397.60	569,412.792.34			1,795,266.261.58

Amount last year

Unit: RMB

Item	1H22											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bond	Others								
I. Ending balance last year	602,762,596.00				289,963,039.70				332,908,397.60	562,739,676.37		1,788,373,709.67
Add: changes of accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
II. Beginning balance this year	602,762,596.00				289,963,039.70				332,908,397.60	562,739,676.37		1,788,373,709.67
III. Current increases/decreases ("-" for decreases)										-21,988,655.37		-21,988,655.37
(I) Total comprehensive income										-21,988,655.37		-21,988,655.37
(II) Capital contributed or reduced by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amounts of share-based payments												

included in the owner's equity												
4. Others												
(III) Profit distribution												
1. Withdrawal of surplus reserves												
2. Profits distributed to owners (or shareholders)												
3. Others												
(IV) Internal carry-forward of owner's equity												
1. Conversion of capital reserves into capital (or share capital)												
2. Conversion of surplus reserves into capital (or share capital)												
3. Making up losses with surplus reserves												
4. Carry-forward of changes in benefit plans to retained earnings												
5. Carry-forward of other comprehensive income to retained earnings												
6. Others												
(V) Special reserves												
1.												

Withdrawal in this period												
2. Use in this period												
(VI) Others												
IV. Ending balance in this period	602,7 62,59 6.00				289,9 63,03 9.70				332,9 08,39 7.60	540,7 51,02 1.00		1,766, 385,0 54.30

Legal representative: Kong Guoliang Chief accountant: Chen Yuhui CFO: Zhang Xiaoyin Head of the accounting department: Lin Xiaojia

Shenzhen Nanshan Power Co., Ltd.

Notes to the 2023 Semi-Annual Financial Statements

(Expressed in RMB unless otherwise stated)

I. Basic information of the Company

1. Company profile

Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as "Company") is a joint stock limited company restructured and established by foreign-invested enterprises on November 25, 1993 with the approval of the document Shen Fu Ban Fu [1993] No.897 issued by the General Office of the People's Government of Shenzhen.

Upon the approval of the document (Shen Zheng Ban Fu [1993] No. 179) issued by the Shenzhen Securities Regulatory Office, the Company issued 40 million RMB ordinary shares and 37 million domestically listed foreign shares to domestic and overseas investors respectively on January 3, 1994. On July 1, 1994 and November 28, 1994, the Company's RMB ordinary shares (A shares) and domestically listed foreign shares (B shares) were listed and traded in the Shenzhen Stock Exchange successively.

The Company is headquartered at the 16th and 17th floors of Hantang Building, Overseas Chinese Town, Nanshan District, Shenzhen, Guangdong Province, China.

The financial statements have been approved by the Company's Board of Directors for disclosure on August 23, 2023.

2. Scope of financial statements

- a) There are 9 subsidiaries included in consolidated financial statements in this period, including:

Name of subsidiaries	Shareholding ratio %	Remarks
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. ("Environmental Protection Company")	100.00	
Shenzhen Server Petrochemical Supplying Co., Ltd. ("Shenzhen Server")	50.00	
Shenzhen New Power Industrial Co., Ltd. ("New Power")	100.00	
Shen Nan Energy (Singapore) Co., Ltd. (the "Singapore Company")	100.00	
Hong Kong Hing Tak Shing Limited ("Hing Tak Shing")	100.00	

Name of subsidiaries	Shareholding ratio %	Remarks
Zhongshan Shennan Electric Storage Co., Ltd. ("Shennan Storage")	80.00	
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership) ("Zhuhai Hengqin")	99.96	

See Notes "6. Changes in the scope of consolidation" and "7. Equity in other entities" for details of the scope of the current consolidated financial statements and the changes.

II. Basis of preparation for the financial statements

1. Basis of preparation

Based on the continuing operation and according to the actual transactions and events, the Company prepares the financial statements in accordance with "the Accounting Standards for Business Enterprises - Basic Standards " promulgated by the Ministry of Finance and various specific accounting standards, application guidelines for accounting standards for business enterprises, interpretations and other relevant provisions for accounting standards for business enterprises (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises"), as well as the disclosure provisions by " General Provisions on Financial Reporting, No. 15 of the Rules for Information Disclosure and Presentation by Companies that Publically Issue Securities" issued by the China Securities Regulatory Commission.

2. Continuing operation

The Company has the ability of continuing operation for at least 12 months as of the end of the reporting period, and there are no major events may affect the ability of continuing operation.

III. Significant accounting policies and accounting estimates

The Company and its subsidiaries are engaged in electricity and thermal power production, power station construction, fuel oil trading, engineering and technical consulting and sludge drying business. The Company and its subsidiaries have formulated several specific accounting policies and accounting estimates for revenue recognition and other transactions and events according to the actual production and operation characteristics and the relevant provisions of Accounting Standards for Business Enterprises. See Note III.XXIV "Revenue" and other descriptions for details.

1. Statement in compliance with the Accounting Standards for Business Enterprises

The financial statements comply with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, and truly and completely reflect the Company's financial position, operating results, changes in owners' (shareholders') equity, cash flows and other relevant information during the reporting period.

2. Accounting period

The fiscal year is from January 1 to December 31 of each calendar year.

3. Operating cycle

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

4. Recording currency

The Company adopts RMB as its recording currency.

5. Accounting treatment method of business combination under the same control and not under the same control

Business combination under the same control: the assets and liabilities acquired by the combining party in the business combination are measured at the book value of the assets and liabilities (including the goodwill formed by the acquisition of the combined party by the ultimate controller) of the combined party in the consolidated financial statements of the ultimate controller on the combination date. The difference between the book value of net assets acquired from the combination and the book value of the consideration paid for the combination (or the total nominal value of shares issued) shall be adjusted to the capital stock premium in the capital reserves, and the retained earnings shall be adjusted if the capital stock premium in the capital reserves is insufficient to be offset.

Business combination not under the same control: the acquirer shall, on the acquisition date, measure the assets surrendered and liabilities incurred or assumed as the consideration for the business combination at the fair value, and the difference between the fair value and its book value shall be included in the current profit or loss. The difference of the combination cost in excess of the acquiree's share of fair value of net identifiable assets is recognized as goodwill. The difference of the combination cost in short of the share of fair value of net identifiable assets of the acquiree obtained in the combination shall be included in the current profit or loss.

Costs directly attributable to the business combination shall be included in the current profit or loss as occurred; Transaction costs for the issuance of equity securities or debt securities for the business combination shall be included in the initially recognized amount of the equity securities or debt securities.

6. Preparation method of the consolidated financial statements

a) Scope of consolidation

The scope of consolidated financial statements is determined on the basis of control, including the Company and all subsidiaries.

b) Procedures of consolidation

The Company prepares the consolidated financial statements based on the financial statements of the Company and all subsidiaries with reference to other relevant materials. In preparing the consolidated financial statements, the Company treats the whole enterprise group as an accounting entity to reflect the overall financial position, operating results and cash flows of the enterprise group in accordance with the recognition, measurement and presentation requirements of the relevant Accounting Standards for Business Enterprises and in accordance with the unified accounting policies.

The accounting policies and accounting period adopted by all subsidiaries included in the scope of the consolidated financial statements shall be consistent with those of the Company; if not inconsistent with those of the Company, necessary adjustments shall be made according to the accounting policies and accounting period of the Company at preparation. For subsidiaries acquired from business combination not under the same control, the financial statements shall be adjusted on the basis of the fair value of the identifiable net assets on the acquisition date. For subsidiaries acquired from business combination under the same control, adjustments shall be made to the financial statements based on the book value of its assets and liabilities (including the goodwill formed by the acquisition of the subsidiary by the ultimate controller) in the financial statements of the ultimate controller.

The owner's equity, current net profit or loss and share attributable to minority shareholders in current comprehensive income of subsidiaries shall be separately presented under the owner's equity in the consolidated balance sheet, net profit and total comprehensive income in the consolidated income statement. The balance resulting from the excess of the minority shareholders' share of the current loss of a subsidiary over the minority's share of the subsidiary's owners' equity at the beginning of the period is eliminated to reduce the minority equity.

(1) Addition of subsidiaries or business

During the reporting period, if there is a new subsidiary or business due to the

business combination under the same control, the beginning amount of consolidated balance sheet shall be adjusted; The revenues, expenses and profits from the beginning of the consolidation period to the end of the reporting period of the subsidiary or business shall be included in the consolidated income statement; The cash flow of subsidiaries or business combination from the beginning of the current period to the end of the reporting period shall be included in the consolidated statement of cash flows, and the relevant items of the comparative statements shall be adjusted as if the consolidated reporting entity has always existed since the time point when the ultimate controller begins to control it.

Where the Company can exercise control over the investee under common control due to additional investment or other reasons, adjustments shall be made as if all parties involved in the combination exist at the beginning of the control by the ultimate controller. For equity investments held prior to the acquisition of control of the combinee, the related gains or losses, other comprehensive income and other changes in net assets recognized between the later of the date of acquisition of the original equity interest and the date on which the combining party and the combinee are under the same control and the date of consolidation are eliminated against retained earnings at the beginning of the comparative statement period or against current profit or loss, respectively.

During the reporting period, if there is a new subsidiary or business due to business combination not under the same control, the beginning amount of the consolidated balance sheet will not be adjusted. The revenues, expenses and profits of the subsidiary or business from the purchase date to the end of the reporting period shall be included in the consolidated income statement. The cash flow of the subsidiaries or business from the purchase date to the end of the reporting period shall be included in the consolidated statement of cash flows.

Where the Company can exercise control over the investee not under the same control due to additional investment or other reasons, the Company shall re-measure the equity of the acquiree held before the purchase date at the fair value of the equity on the purchase date, and the difference between the fair value and the book value shall be included in the current investment income. If the equity of the acquiree held before the purchase date involves the other comprehensive income under the accounting by equity method and changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution, other

comprehensive income and other changes in owners' equity shall be transferred to the investment income of the period to which the purchase date belongs, except for other comprehensive income arising from the investee's re-measurement of changes in net liabilities or net assets under defined benefit plans.

(2) Disposal of subsidiaries or business

① General treatment methods

During the reporting period, if the Company disposes of subsidiaries or business, the revenues, expenses and profits of such subsidiaries or business shall be included in the consolidated income statement from the beginning of the period to the disposal date. The cash flow from the beginning period of the subsidiaries or business to the disposal date shall be included in the consolidated statement of cash flows.

When the Company loses the right of control over the investee due to disposal of part of the equity investments or other reasons, the remaining equity investments after disposal will be re-measured by the Company at their fair value on the date of loss of control. The difference between the sum of the consideration obtained from disposal of equities and the fair value of the remaining equities, less the sum of the share of net assets and goodwill of the original subsidiaries calculated continuously from the purchase date or combination date according to the original shareholding ratio, shall be included in the investment income at the period of loss of control. Other comprehensive incomes related to the original equity investments in subsidiaries or changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution are transferred to the current investment income at loss of control, except for other comprehensive income arising from the investee's re-measurement of changes in net liabilities or net assets under defined benefit plans.

Where the decrease in the Company's shareholding ratio leads to loss of control due to the increase of capital by other investors in the subsidiaries, the accounting treatment shall be carried out in accordance with the above principles.

② Disposal of subsidiaries step by step

Where the equity investments in subsidiaries are disposed of step by step through multiple transactions until the loss of control, and the terms, conditions and economic impact of the disposal on various transactions of the equity investments in subsidiaries meet one or more of the following circumstances, it generally

indicates that multiple transactions shall be taken as a package of transactions for accounting treatment:

- i. The transactions are concluded at the same time or under the consideration of mutual effect;
- ii. The transactions can reach a complete business result only as a whole;
- iii. One transaction occurs on the precondition of the occurrence of one or more transactions;
- iv. One single transaction is uneconomical but it is economical when considered together with other transactions.

If a transaction to dispose of an equity investment in a subsidiary up to the point of loss of control is a package transaction, the Company accounts for the transaction as a single transaction to dispose of a subsidiary and lose control; However, before the loss of control, the difference between each disposal price and the share of net assets of the subsidiaries corresponding to the disposal of investments shall be recognized as other comprehensive income in the consolidated financial statements and transferred to the current profit or loss at the time of loss of control.

Where the disposal of various transactions from the equity investments in subsidiaries until the loss of control are not a package deal, before the loss of control, accounting treatment shall be carried out according to the relevant policies on partial disposal of equity investments of subsidiaries without loss of control; When loss of control, the accounting treatment shall be carried out in accordance with the general treatment of the disposal of subsidiaries.

(3) Purchase of minority interest in the subsidiaries

The capital stock premium in the capital reserves in the consolidated balance sheet shall be adjusted at the difference between the long-term equity investments acquired by the Company for the purchase of minority interests and the share of net assets of the subsidiaries calculated continuously from the purchase date (or combination date) according to the newly increased shareholding ratio; if the capital stock premium in the capital reserves is insufficient to be offset, the retained earnings shall be adjusted.

(4) Partial disposal of equity investments to the subsidiaries without loss of control

The capital stock premium in the capital reserves in the consolidated balance sheet will be adjusted at the difference between the disposal price obtained from partial disposal of long-term equity investments to the subsidiaries without loss of control

and the share of net assets of the subsidiaries calculated continuously from the purchase date or combination date corresponding to the disposal of the long-term equity investments; if the capital stock premium in the capital reserve is insufficient to be offset, the retained earnings will be adjusted.

7. Classification and accounting treatment method of joint venture arrangements

The joint venture arrangements are divided into joint operation and joint ventures.

When the Company is the joint venturer of the joint venture arrangements, enjoys the relevant assets and assumes the relevant liabilities of the arrangement, it is a joint operation.

The Company recognizes the following items related to the share of interests in the joint operation, and carries out accounting treatment in accordance with the relevant accounting standards for business enterprises:

- (1) To recognize the assets held separately, and to recognize the assets held jointly by the shares of the Company;
- (2) To recognize the liabilities held separately, and to recognize the liabilities held jointly by the shares of the Company;
- (3) To recognize the revenue arising from the sale of the share of output from joint operations owned by the Company;
- (4) To recognize the revenue arising from the sale of output from joint operations on a share basis of the Company;
- (5) To recognize expenses incurred separately and expenses incurred by joint operations on a share basis.

See Note "III.XIII Long-term equity investments" for the accounting policies of the Company's investment in the joint ventures.

8. Recognition criteria for cash and cash equivalents

For the purpose of preparing the statement of cash flows, the cash on hand and the deposits that can be readily available for payment of the Company are recognized as cash. The term "cash equivalents" refers to short-term (maturing within three months from acquisition) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

a) Foreign currency transactions

Foreign currency transactions of the Company are translated into RMB and recorded in the recording currency translated at the spot exchange rates on the transaction date.

The foreign currency monetary items on the balance sheet date are translated at the spot exchange rate on the balance sheet date. The exchange differences arising from the difference between the spot exchange rate on that date and the spot exchange rate on the initial recognition or the previous balance sheet date are included in current profit or loss, except for the exchange differences arising from special borrowings in foreign currencies related to the acquisition and construction of assets eligible for capitalization are recognized in profit or loss for the current period in accordance with the principle of capitalization of borrowing costs.

b) Conversion of foreign currency financial statements

The assets and liabilities items in the balance sheet shall be converted at the spot exchange rate on the balance sheet date. And the owner's equity shall be converted at the spot exchange rate when the transactions occur except for the "undistributed profits". The revenue and expense items in the income statement shall be converted at the spot exchange rate when the transactions occur.

On disposal of foreign operations, the translation difference of foreign currency financial statements related to the foreign operations shall be transferred from the item of owner's equity to the profit or loss of the current period of disposal.

10. Financial instruments

The financial instruments include the financial assets, financial liabilities and equity instruments.

a) Classification of financial instruments

According to the business model of the Company's management of financial assets and the contract cash flows characteristics of financial assets, financial assets are classified into: financial assets measured at amortized cost, the financial assets measured at fair value through other comprehensive income (debt instruments) and financial assets measured at fair value through current profit or loss.

If the business model is aimed at collecting contract cash flows and the contract cash flows are only for the payment of principal and interest based on the outstanding principal amount, it is classified as financial assets measured at the amortized cost. Financial assets (debt instruments) whose business model is aimed

at both collecting contract cash flows and selling the financial assets, and whose contract cash flows are only for the payment of principal and interest based on the outstanding principal amount, are classified as the financial assets measured at fair value through other comprehensive income (debt instruments). Other financial assets are classified as financial assets measured at fair value through current profit or loss.

For non-trading investments in equity instruments, the Company determines whether to designate them as the financial assets (equity instruments) measured at fair value through other comprehensive income.

Financial liabilities are classified at initial recognition as: financial liabilities measured at fair value through current profit or loss and financial liabilities measured at amortized cost upon initial recognition.

The financial liabilities meeting one of the following conditions may be designated as the financial liabilities measured at fair value through current profit or loss at initial measurement:

- 1) Such designation can eliminate or significantly reduce accounting mismatches.
- 2) According to the enterprise risk management or investment strategies stated in formal written documents, the Company manages and evaluates the performance of the financial liabilities portfolio or the portfolio of financial assets and financial liabilities on the basis of the fair value, and reports to the key officers within the enterprise on this basis.
- 3) The financial liabilities contain embedded derivative instruments that need to be separately split.

In accordance with the above conditions, such financial liabilities designated by the Company mainly include: (specifically describe the circumstances specified)

b) Recognition basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, claim investments, etc., which are initially measured at the fair value, and the relevant transaction costs are included in the initially recognized amount. The accounts receivable excluding the significant financing component and the accounts receivable that the Company decides not to consider the financing component of less than one year shall be initially measured at the contract price.

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

Upon recovery or disposal, the difference between the purchase price obtained and the book value of the financial assets is included in the current profit or loss.

(2) The financial assets measured at fair value through other comprehensive income (debt instruments)

The financial assets measured at fair value through other comprehensive income (debt instruments) include receivables financing and other claim investments, etc., which are initially measured at the fair value, and the relevant transaction costs are included in the initially recognized amount. Such financial assets are subsequently measured at fair value. changes in fair value are included in the other comprehensive income, except for interest income calculated using the effective interest method, impairment loss or gains and foreign exchange profit or loss.

Upon derecognition, the accumulated gains or losses previously included in the other comprehensive income shall be transferred out of the other comprehensive income and included in current profit or loss.

(3) Financial assets (equity instruments) measured at fair value through other comprehensive income

Financial assets (equity instruments) measured at fair value through other comprehensive income include other investments in equity instruments, which are initially measured at the fair value, and the relevant transaction costs shall be included in the initially recognized amount. Financial assets shall be subsequently measured at the fair value and changes in fair value shall be included in the other comprehensive income. The dividends obtained shall be included in current profit or loss.

Upon derecognition, the cumulative gains or losses previously included in the other comprehensive income shall be transferred out of the other comprehensive income and included in the retained earnings.

(4) Financial assets measured at fair value through current profit or loss

Financial assets measured at fair value through current profit or loss include trading financial assets, derivative financial assets, other non-current financial assets, etc., which are initially measured at the fair value, and the relevant transaction costs are

included in current profit or loss. Financial assets shall be subsequently measured at fair value, and changes in fair value shall be included in the current profit or loss.

(5) Financial liabilities measured at fair value through current profit or loss

Financial liabilities measured at fair value through current profit or loss include trading financial liabilities, derivative financial liabilities, etc., which are initially measured at the fair value, and the relevant transaction costs shall be included in current profit or loss. Financial liabilities shall be subsequently measured at fair value, and changes in fair value shall be included in current profit or loss.

Upon derecognition, the difference between the book value and the consideration paid shall be included in the current profit or loss.

(6) Financial liabilities measured at the amortized cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, which are initially measured at fair value and the relevant transaction costs shall be included in the initially recognized amount.

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

Upon derecognition, the difference between the consideration paid and the book value of the financial liabilities shall be included in the profit or loss of the current period.

c) Recognition basis and measurement method of transfer of financial assets

When a financial asset is transferred, the Company assesses the extent of the risks and rewards associated with the ownership of the financial assets it retains, and deals with them according to the following circumstances:

(1) Where the Company transfers substantially all the risks and rewards related to the ownership of a financial assets, the financial assets shall be derecognized, and the rights and obligations arising from or retained in the transfer shall be separately recognized as assets or liabilities.

(2) If the Company retains nearly all the risks and rewards related to the ownership of the financial assets, the financial assets shall continue to be recognized.

(3) Where the Company neither transfers nor retains almost all the risk and reward on the ownership of the financial assets (i.e. other circumstances except for (1) and (2) of this Article), they shall be treated according to the following circumstances according to whether the Company retains the control over the financial assets:

1) If the Company doesn't retain the control over the financial assets, the financial assets shall be derecognized, and the rights and obligations arising from or retained in the transfer shall be separately recognized as assets or liabilities.

2) If the Company retains the control over the financial assets, it shall continue to recognize the relevant financial assets according to the extent of its continuous involvement in the transferred financial assets, and recognize the relevant liabilities accordingly. The degree of continuous involvement in the transferred financial assets refers to the degree of the risk or reward of changes in the value of transferred financial assets undertaken by the Company.

The principle of substance over form shall be adopted when judging whether the transfer of financial assets satisfies the above-mentioned derecognition criteria of financial assets. The Company divides the transfer of financial assets into the overall transfer and the partial transfer of financial assets.

(1) If the overall transfer of the financial assets meets the derecognition criteria, the difference between the following two amounts shall be included in the current profit or loss:

1) The book value of the transferred financial assets on the derecognition date.

2) The sum of the consideration received from the transfer of financial assets and the amount corresponding to the derecognized portion of the accumulated amount of changes in fair value originally and directly included in the other comprehensive income (the financial assets involved in the transfer are classified as the financial assets measured at fair value through the other comprehensive income).

(2) If the financial assets are partially transferred and the transferred portion satisfies the derecognition criteria as a whole, the entire book value of the financial assets before the transfer shall be amortized between the derecognized portion and the continuously recognized portion (in this case, the retained service assets shall be deemed as part of the continuously recognized financial assets) according to their respective relative fair values on the transfer date, and the underecognized part according to their respective relative fair values on the transfer date, and then the difference between the following two amounts shall be recorded into the current profit or loss:

1) The book value of the derecognized portion on the derecognition date.

2) The sum of the consideration received from the derecognized portion and the corresponding amount of derecognized portion in the accumulated amount of

changes in fair value originally included in the other comprehensive income (the financial assets involved in the transfer are classified as the financial asset measured at fair value through other comprehensive income).

If the transfer of financial assets does not satisfy the derecognition criteria, the financial assets shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

d) Derecognition criteria of financial liabilities

If the current obligation of the financial liability or part thereof has been discharged, the financial liabilities or part thereof shall be derecognized. If the Company enters into an agreement with a creditor to replace the existing financial liabilities by undertaking a new financial liabilities, and the new financial liabilities is substantially different from the contract terms of the existing financial liabilities, the existing financial liabilities shall be derecognized, and the new financial liabilities shall be recognized at the same time.

Where substantial modification is made to all or part of the contract terms of the existing financial liabilities, the existing financial liabilities or part thereof shall be derecognized, and the financial liabilities with the modified terms shall be recognized as a new financial liability.

When financial liabilities are derecognized in whole or in part, the difference between the book value of the derecognized financial liabilities and the consideration paid (including non-cash assets transferred out or new financial liabilities borne) shall be included in the current profit or 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 continuously recognized part and the derecognized portion. The difference between the book value allocated to the derecognized portion and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) shall be included in the current profit or loss.

e) Determination method of the fair value of financial assets and financial liabilities

Where there is an active market for financial instruments, the fair value shall be determined based on the quoted price in the active market. Where there is no active market for financial instruments, the fair value thereof shall be determined by using valuation techniques. At the time of valuation, the Company adopts the techniques

that are applicable in the current situation and supported by enough available data and other information, selects the input values that are consistent with the features of assets or liabilities as considered by market participants in relevant asset or liability transactions, and gives priority to use relevant observable inputs. Unobservable input values are used only when relevant observable input values cannot be available or such values obtained are impracticable.

f) Test method and accounting treatment method of financial assets impairment

The Company considers all reasonable and well-founded information, including forward-looking information, and estimates the expected credit loss of financial assets measured at amortized cost and the financial assets measured at fair value through other comprehensive income (debt instruments) in an individual or combined manner. The measurement of expected credit loss depends on whether there has been a significant increase in credit risk of financial assets since initial recognition.

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company shall measure its provision for losses at the amount equivalent to the expected credit loss of the financial instruments during the entire duration. If the credit risk of the financial instrument has not increased significantly since the initial recognition, the Company measures its provision for losses at the amount equivalent to the expected credit loss of the financial instruments in the next 12 months. The increase or reversal amount of the provision for losses arising therefrom shall be included in the current profit or loss as impairment loss or profit.

Generally, if it is overdue for more than 30 days, the Company shall consider that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence to prove that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If the credit risk of the financial instrument on the balance sheet date is low, the Company considers that the credit risk of the financial instruments has not increased significantly since the initial recognition.

For notes receivable, accounts receivable, receivables financing, whether significant financing component is included or not, the Company always measures its provision for losses at the amount equivalent to the expected credit loss during the entire duration.

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

For notes receivable, accounts receivable, other receivables, receivables financing and long-term receivables applicable to individual assessment, if there is objective evidence that they are impaired, separate impairment test shall be made; expected credit loss shall be recognized and provision for impairment shall be made; For notes receivable, accounts receivable, other receivables, receivables financing for which there is no objective basis for impairment, or when there is sufficient evidence that the expected credit loss cannot be evaluated at reasonable cost at the level of individual instruments, the Company divides the notes receivable, accounts receivable, other receivable, receivables financing and long-term receivables into several portfolios according to the characteristics of credit risk by reference to the experience of historical credit losses, in combination with the current situation and the judgment on future economic conditions, and calculates the expected credit loss on the basis of the portfolio. The details are as follows:

(1) Notes receivable

Name of portfolios	Methods of measuring credit losses
Bank acceptance bill of state-owned banks	For the notes receivable classified into bank acceptance bill portfolio, the management evaluates that such funds have low credit risk and low expected credit loss rate, so no provision for impairment is made;

(2) Accounts receivable

Name of portfolios	Methods of measuring credit losses
Receivables from electricity transactions	For accounts receivable classified as electricity trading, engineering operation and maintenance, and environmental protection services, our company refers to the experience of historical credit losses, combining with the current situation and the forecast of future economic conditions, and calculates the expected credit loss.
Receivables from project operation and maintenance	
Receivables from environmental protection services	

(3) Other receivables

Name of portfolios	Methods of measuring credit losses
Portfolio of export tax rebate, refund upon collection of VAT and other taxes	Except for the portfolios of related parties within the consolidation scope, tax refunds receivable and other receivables without significant recovery risks, for other receivables classified into other portfolios, the Company
Portfolio of deposit, security deposit and reserve fund	

Other receivables and temporary payments except for the above portfolios	calculates the expected credit loss by reference to the historical credit loss experience, combining the current situation and the forecast of future economic conditions, and by default risk exposure and the expected credit loss rate in the next 12 months or over the life.
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(4) Receivables financing

Name of portfolios	Methods of measuring credit losses
Bank acceptance bill with lower credit risk	The expected credit loss is calculated by reference to historical credit loss experience, combined with current conditions and projections of future economic conditions, through default risk exposure and expected credit loss rate over the life
Trade acceptance bill	

11. Inventories

a) Classification of inventories

Inventories mainly include fuel, raw materials, etc.

b) Pricing method of inventories dispatched

Inventories are measured at the weighted average method when dispatched.

c) Basis for determining the net realizable value of different inventory categories

For commodity inventories for direct sale, including finished goods, stock commodities and materials for sale, the net realizable value shall be recognized at the estimated selling price less the estimated selling and distribution expenses and the relevant taxes and surcharges of the inventories in the normal production and operation process. For material inventories to be processed, the net realizable value shall be recognized at the estimated selling price of finished goods less estimated costs to completion, estimated selling and distribution expenses and relevant taxes and surcharges in the normal production and operation process. The net realizable value of the inventories held for the execution of the sales contract or service contract shall be calculated on the basis of the contract price; if the quantity of the inventories held is more than the quantity ordered in the sales contract, the net realizable value of the excess inventories shall be calculated on the base of the general selling price.

At the end of the period, the provision for inventory falling price reserves is made on an individual basis. However, for inventories with large quantity and low unit price, the provision for inventory falling price reserves shall be made according to the inventory categories. For inventories related to the series of products manufactured and sold in the same area, with the same or similar final use or purpose, and difficult to be measured separately from other items, the provision for

inventory falling price reserves shall be made on a consolidated basis.

d) Inventory system of inventories

Perpetual inventory system is adopted.

e) Amortization method of low-cost consumables and packaging materials

(1) Low-value consumables adopt one-off amortization method;

(2) Packaging materials adopt one-off amortization method

12. Contract assets

Where the Company has transferred goods to the customer and has the right to receive consideration, and the right depends on factors other than the passage of time, it is recognized as contract assets. The Company's right to receive consideration from the customer unconditionally (i.e. subject only to the passage of time) is separately presented as accounts receivable.

For the determination method and accounting treatment method of the Company's expected credit loss for contract assets, please refer to Note III.(X) 6. Test method and accounting treatment method for impairment of financial assets

13. Long-term equity investments

a) Judgement criteria for common control and significant influence

The term "common control" refers to the control shared over an arrangement in accordance with the relevant provisions, and the relevant activities of the arrangement can be decided only after the unanimous consent of the participants sharing the right of control. Where the Company and other joint ventures jointly exercise common control on the investees and have the right to the net assets of the investees, the investees shall be the joint ventures of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but without the power to control or common control the formulation of these policies with other parties. Where the Company is able to exert significant influence on the investees, the investees shall be the associates of the Company.

b) Determination of the initial investment cost

(1) Long-term equity investments formed by business combination

Business combination under common control: if the Company makes payment in cash, transfers non-cash assets or bears debts and issues equity securities as the consideration for the business combination, the initial investment cost of the long-term equity investments shall be the book value share of the owner's equity of the

combinee in the consolidated financial statements of the ultimate controller on the combination date. Where control can be exercised over the investee under common control due to additional investment or other reasons, the initial investment cost of the long-term equity investments shall be determined at the book value share of the net assets of the combinee in the consolidated financial statements of the ultimate controller on the combination date. The capital stock premium shall be adjusted according to the difference between the initial investment cost of the long-term equity investments on the combination date and the sum of the book value of the long-term equity investments before the combination plus the book value of the newly paid consideration for shares obtained on the combination date; if the share premium is insufficient to be offset, the retained earnings shall be offset.

Business combination not under common control: the Company takes the combination cost determined on the purchase date as the initial investment cost of the long-term equity investments. Where the investees not under common control can be controlled due to additional investment or other reasons, the sum of the book value of the equity investment originally held and the newly increased investment cost shall be recognized as the initial investment cost calculated under the cost method.

(2) Long-term equity investments obtained by other means

For long-term equity investments acquired by making payments in cash, the actually paid purchase price shall be taken as the initial investment cost.

Long-term equity investments obtained from the issuance of equity securities shall be taken as the initial investment cost according to the fair value of the issuance of equity securities.

On the premise that the exchange of non-monetary assets has commercial substance and the fair values of both assets received and surrendered can be measured reliably, the initial investment cost of the long-term equity investments received are determined based on the fair values of the assets surrendered and the relevant taxes and surcharges payable, unless there is any conclusive evidence that the fair values of assets received are more reliable. For exchange of non-monetary assets that do not meet the above prerequisites, the book value of the assets surrendered and the relevant taxes and surcharges payable shall be taken as the initial investment cost of the long-term equity investments received.

For long-term equity investments acquired from debt restructuring, the entry value

shall be recognized at the fair value of the creditor's right waived, taxes and other costs directly attributable to the asset, and the difference between the fair value of the creditor's right waived and the book value shall be included in the current profit or loss.

c) Subsequent measurement and recognition of profit or loss

(1) Long-term equity investments calculated by cost method

The Company adopts the cost method to account for the long-term equity investments of subsidiaries. Besides the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration that have been declared but not yet distributed, the Company recognizes the current investment income according to the cash dividends or profit declared to be distributed according to the investees.

(2) Long-term equity investments calculated by equity method

For the long-term equity investments of associates and joint ventures, equity method shall be adopted. If the initial investment cost is greater than the difference of the share of fair value of net identifiable assets of the investee at the time of investment, the initial investment cost of the long-term equity investments shall not be adjusted. The difference between the initial investment cost and the share of fair value of net identifiable assets of the investee at the time of investment shall be included in current profit or loss.

The Company shall respectively recognize the investment income and the other comprehensive income according to the net profit or loss realized by the investees and the share of the other comprehensive income to be enjoyed or shared, and adjust the book value of the long-term equity investments. The book value of the long-term equity investments shall be reduced correspondingly according to the profits declared to be distributed by the investees or the part to be enjoyed calculated by cash dividends; For other changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution of the investees, the book value of long-term equity investments shall be adjusted and included in owners' equity.

When recognizing the share of investees net profit or loss that shall be enjoyed, the Company shall recognize the net profit of the investees after adjustment based on the fair value of the identifiable net assets investees when the investment is obtained and in accordance with the Company's accounting policies and accounting

period. During the period of holding the investment, if the consolidated financial statements are prepared by the investees, it shall be accounted for on the basis of the net profit, other comprehensive income and the amount attributable to the investees in the changes in other owners' equity in the consolidated financial statements.

When the Company recognizes the losses incurred by the investees to be shared, the treatment shall be carried out in the following order: firstly, the book value of the long-term equity investments shall be offset. Secondly, if the book value of the long-term equity investments is insufficient to offset, the investment losses shall continue to be recognized to the extent of other long-term equity book value that substantially constitute the net investment in the investees to offset the book value of long-term receivables and other items. Finally, after the above treatment, if the enterprise still undertakes additional obligations as agreed in the investment contract or agreement, the estimated liabilities shall be recognized according to the estimated obligations and included in the current investment loss.

(3) Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the book value and the actual purchase price shall be included in the profit or loss of the period.

For long-term equity investments accounted for using the equity method, accounting treatment shall be made for the part originally included in the other comprehensive income according to the corresponding ratio on the same basis as that for the investees to directly dispose of the relevant assets or liabilities when disposing of the investment. Owners' equity recognized from investees changes in other owners' equity other than net profit or loss, other comprehensive income and profit distribution shall be carried forward to the current profit or loss by ratio, except for other comprehensive income arising from the re-measurement of net liabilities under defined benefit plans or changes in net assets by the investee.

Where common control or significant influence on the investees is lost due to disposal of part of equity investments or other reasons, the remaining equity after disposal shall be changed to be accounted for according to the recognition and measurement standards of financial instruments, and the difference between the fair value and the book value on the date of loss of common control or significant influence shall be included in the current profit or loss. For the other

comprehensive income of the original equity investments recognized by adopting the accounting by equity method, the accounting treatment shall be made on the same basis for the direct disposal of the relevant assets or liabilities by the investees when the accounting by equity method is terminated. Owner's equity recognized from the investee's changes in other owner's equity other than net profit or loss, other comprehensive income and profit distribution should all be transferred to the current profit or loss when the accounting by equity method is terminated.

Where the Company loses the right of control over the investees due to the disposal of part of the equity investments, the decrease in the shareholding ratio of the Company due to the increase of capital by other investors in the subsidiaries and other reasons, in the preparation of individual financial statements, if the remaining equity can exercise common control or significant influence on the investees, the equity method shall be adopted, and the remaining equity shall be deemed to have been adjusted by using the accounting by equity method since acquisition. Where the remaining equity cannot common control or exert significant influence on the investees, it shall be subject to accounting treatment in accordance with the relevant provisions on the recognition and measurement standards of financial instruments, and the difference between its fair value on the date of loss of control and its book value shall be included in the current profit or loss.

If the equity disposed of is acquired through business combination due to additional investment and other reasons, when preparing individual financial statements, if the remaining equity after disposal adopts the cost method or the accounting by equity method, the other comprehensive income recognized from the use of accounting by equity method for the equity investment held before the acquisition date and other owner's equity shall be carried forward in proportion. If the remaining equity after disposal is changed to be accounted for according to the recognition and measurement standards of the financial instruments, the other comprehensive income and other owner's equity shall be fully carried forward.

14. Investment properties

Investment properties refer to the real estates held for earning rentals or capital appreciation, or both, including leased land use right, land use right held for transfer upon appreciation, and leased buildings (including self-constructed or developed buildings used for renting and buildings under construction to be used for renting in the future or in the

process of development).

The Company adopts the cost model to measure the existing investment properties. For investment properties measured under the cost model - buildings for lease shall adopt the same depreciation policy as the fixed assets of the Company, and the land use right for lease shall be subject to the same amortization policy as the intangible assets.

15. Fixed assets

a) Conditions for recognizing fixed assets

Fixed assets refer to the tangible assets held for the purpose of producing commodities, providing services, renting or business management, and the service life exceeds one fiscal year. The fixed assets shall be recognized when all the following conditions are satisfied:

- (1) It is probable that the economic benefits related to the fixed assets will flow to the Company;
- (2) The cost of the fixed assets can be measured reliably.

b) Method of depreciation

Depreciation of fixed assets is provided on a category basis by using the straight-line method, and the depreciation rate is determined according to the category of fixed assets, estimated service life and estimated net residual value. If the components of the fixed assets have different service life or provide economic benefits for the enterprise in different ways, different depreciation rates or methods shall be selected to provide for depreciation separately.

The depreciation methods, depreciation lives, residual value rates and annual depreciation rates of various types of fixed assets are as follows:

Category	Method of depreciation	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	Straight-line method	20 years	10	4.5
Gas turbine generator unit of machinery equipment (Note)	Units-of-production method		10	
Machinery equipment (except for gas turbine generator unit)	Straight-line method	15 - 20 years	10	4.5-6
Means of transport	Straight-line method	5 years	10	18
Others	Straight-line	5 years	10	18

Category	Method of depreciation method	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
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Note: the gas turbine generator unit is depreciated by the workload method; that is, the depreciation amount of power generation per hour of the gas turbine generator unit is determined according to the equipment value, estimated net residual value rate and total estimated hours of power generation. Details are set out as follows:

Company name	Fixed assets	Depreciation amount (RMB/hour)
The Company	No. 1 generator unit	538.33
	No. 3 generator unit	601.21
New electricity	No. 10 generator unit	520.61
Zhongshan Electric Power	No. 1 generator unit	960.04
	No. 3 generator unit	837.29

16. Projects under construction

The initial book value of construction in progress is stated at necessary expenditures incurred before preparing the asset to reach the working condition for its intended use. Where the constructed fixed assets have reached their intended state of use, but the final accounts for completion have not been handled, they shall be transferred into the fixed assets at the estimated value according to the project budget, construction cost or actual cost, etc. from the date when the assets reach the working condition for their expected use, and the depreciation of the fixed assets shall be provided in accordance with the Company's fixed assets depreciation policy. After the final accounts for completion are handled, the original provisional estimated value shall be adjusted according to the actual cost, but the depreciation already provided will not be adjusted.

17. Borrowing costs

a) Recognition principles for capitalization of borrowing costs

Borrowing costs, including interest on borrowings, amortization of discounts or premiums on borrowings, auxiliary expenses and exchange differences arising from foreign currency borrowings.

Where the borrowing costs incurred by the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization,

such costs shall be capitalized and included in the costs of relevant assets. Other borrowing costs are recognized as expenses at the amount incurred and included in the profit or loss of the current period.

Assets eligible for capitalization refer to the fixed assets, investment properties, inventories and other assets that can reach the working conditions for their intended use or sales only after a long period of acquisition, construction or production activities.

The capitalization of borrowing costs shall commence when the following conditions are simultaneously met:

- (1) The asset disbursement has already occurred which includes expenditures in the form of cash payment, transferring non-cash assets, or assuming interest-bearing debts for the purchase, construction or production of assets that meet the conditions for capitalization;
- (2) The borrowing costs have been incurred;
- (3) Acquisition, construction or production activities for preparing the assets ready for their intended use or sale have begun.

b) During the capitalization of borrowing costs

Capitalization period refers to the period from the commencement of capitalization to the cessation of capitalization of borrowing costs, excluding the period of suspending capitalization of borrowing costs;

When the acquired and constructed or produced assets eligible for capitalization have reached the working conditions for their intended use or sale, the capitalization of borrowing costs shall be ceased.

When part of the acquired and constructed or produced assets eligible for capitalization are completed and can be used separately, the capitalization of the borrowing costs shall be ceased in terms of such part of assets.

Where all parts of the acquired and constructed or produced assets are completed separately, but the assets cannot be used or sold externally until the overall completion, the capitalization of borrowing costs of such assets shall be ceased upon the overall completion.

c) Period of suspension of capitalization

Where the acquisition and construction or production of assets eligible for

capitalization are interrupted abnormally and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs shall be suspended; If the interruption is a necessary procedure for the acquired and constructed or produced assets eligible for capitalization to reach the working conditions for their intended use or sale, the borrowing costs shall continue to be capitalized. The borrowing costs occurred during the interruption period are recognized as the current profit or loss and continue to be capitalized until the acquisition, construction or production activities of the assets restart.

d) Calculation method of the rate and amount of capitalization of borrowing costs

As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, the capitalization amount of borrowing costs should be recognized at the amount of borrowing costs of special borrowings actually incurred in the current period, less the interest income of unused borrowings deposited in bank or the investment income of temporary investment.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the amount of borrowing costs of general borrowings to be capitalized should be calculated based on the weighted average of accumulated expenditure on assets in excess of special borrowings, multiplied by the capitalization rate of used general borrowings. The capitalization rate is calculated and recognized as per the weighted average interest rate of general borrowing.

18. Intangible assets

a) Valuation method of intangible assets

(1) The Company shall initially measure the intangible assets at cost when obtaining the same;

The costs of an externally acquired intangible asset comprise its purchase price, relevant taxes and any other expenditure directly attributable to bringing the asset to its intended use. If the purchase price of an intangible asset is delayed beyond the normal credit conditions and is substantially in the nature of financing, the cost of the intangible asset shall be determined on the basis of the present value of the purchase price.

For intangible assets obtained in debt restructuring by the debtor for repayment of

debts, the book-entry value shall be recognized at the fair value of the waived creditor's rights and taxes and other costs directly attributable to preparing the assets for their intended use. The difference between the fair value of the waived creditors' rights and the book value shall be included in the current profit or loss.

On the premise that the exchange of non-monetary assets has commercial substance and the fair value of both the assets received and surrendered can be measured reliably, the book-entry value of the intangible assets received from exchange of non-monetary assets is determined based on the fair value of the assets surrendered, unless there is any conclusive evidence that the fair value of the assets received is more reliable. If the exchange of non-monetary assets does not meet the above criteria, the book value of the assets surrendered and the relevant taxes payable shall be recognized as the cost of the intangible assets received, and no profit or loss will be recognized.

(2) Subsequent measurement

Analyze and judge the service life of the intangible assets when obtaining the same. Intangible assets with limited service life shall be amortized at the straight-line method within the period when it can bring economic benefits to the enterprise; If it is impossible to predict the period when the intangible assets can bring economic benefits to the enterprise, they are deemed as intangible assets with uncertain service life and shall not be amortized.

b) Estimated service life of intangible assets with limited service life

For intangible assets with limited service life, the accumulated amount of its original value less estimated net residual value and accrued provision for impairment shall be evenly amortized by using the straight-line method within the estimated service life from the date when it is available for use. The intangible assets with uncertain service life shall not be amortized.

At the end of the period, the service life and amortization method of the intangible assets with limited service life shall be reviewed, and any change shall be handled as a change in accounting estimates.

c) Basis for determining intangible assets with uncertain service life and the procedures for reviewing the service life

The service life of intangible assets with uncertain service life shall be reviewed,

and if there is evidence that the period for the intangible assets to bring economic benefits to the enterprise is foreseeable, the service life shall be estimated and amortized in accordance with the amortization policy of intangible assets with limited service life.

d) Specific criteria for classifying research and development stages

Internal research and development expenditures of the Company include those incurred in the research stage and those in the development stage.

Research stage: the stage when creative and planned investigations and research activities are carried out to acquire and understand new scientific or technological knowledge.

Development stage: a stage in which research results or other knowledge are applied to a plan or design for obtaining new or substantially improved materials, apparatuses and products prior to commercial manufacture or use.

Specific criteria for development expenditures eligible for capitalization

Expenditures in the development stage of an internal research and development project shall be recognized as intangible assets when all the following conditions are met:

1. It is technically feasible to complete the intangible assets so that they can be used or sold;
2. It has the intention to complete the intangible assets and use or sell them;
3. The means of generating economic benefits by intangible assets, including being able to prove that there is a market for the products produced by applying the intangible assets or the intangible assets having their own market, and intangible assets to be used internally, being able to prove their usefulness;
4. With the support of sufficient technology, financial resources and other resources, it is able to complete the development of the intangible assets, and it is able to use or sell the intangible assets;
5. The expenditures attributable to the intangible assets in the development stage

can be measured reliably.

19. Impairment of long-term assets

For long-term equity investments, investment properties, fixed assets, construction in progress, intangible assets with limited service life and other long-term assets measured at

cost model, if there is any indication of impairment on the balance sheet date, an impairment test shall be conducted. If the results of the impairment test show that the recoverable amount of the assets is lower than the book value, the provision for impairment shall be made at the difference and included in the impairment loss. The recoverable amount is the higher of the net amount of the asset's fair value less the disposal expenses and the present value of the asset's estimated future cash flow. The provision for asset impairment shall be calculated and recognized on the basis of individual assets. If it is difficult to estimate the recoverable amount of the individual assets, the recoverable amount of the asset group shall be determined at the asset group to which the assets belong. The asset group is the minimum asset group that can independently generate cash inflow.

Goodwill, intangible assets with uncertain service life and intangible assets that have not reached the serviceable condition shall be tested for impairment at least annually at year end.

If the Company conducts an impairment test on goodwill, the book value of goodwill arising from the business combination shall be amortized to the relevant asset group by a reasonable method as of the purchase date. If it is difficult to apportion to the relevant asset group, it shall be apportioned to the relevant portfolio of asset groups. When the Company amortizes the book value of goodwill, it shall amortize it according to the relative benefits that the relevant asset group or portfolio of asset groups can obtain from the synergy effect of business combination, and a goodwill impairment test shall be performed on this basis.

When an impairment test is performed on the relevant asset group or portfolio of asset groups containing goodwill, if there is any indication that the asset group or portfolio of asset groups related to the goodwill may be impaired, the asset group or portfolio of asset groups excluding goodwill shall be tested for impairment first, and the recoverable amount shall be calculated, and compared with the relevant book value to recognize the corresponding impairment loss. Then an impairment test shall be performed on the asset group or portfolio of asset groups containing goodwill and compare the book value of these relevant asset group or portfolio of asset groups (including the book value of the goodwill apportioned) with their recoverable amount. If the recoverable amount of the relevant asset group or portfolio of asset groups is lower than their book value, the impairment loss of goodwill will be recognized. The above-mentioned asset impairment loss will not be reversed in subsequent accounting periods once recognized.

20. Long-term deferred expenses

Long-term deferred expenses of the Company refer to the expenses that have been paid but have a benefit period of more than one year (excluding one year). Long-term deferred expenses are amortized by stages according to the benefit period of expense items. If an item of long-term deferred expenses cannot benefit the subsequent accounting periods, the amortized value of the item that has not been amortized shall be fully transferred to the current profit or loss.

21. Contract liabilities

Contract liabilities refer to the obligations of the Company to assign goods or services to customers for which the Company has received or shall receive consideration from the customers. The contract assets and contract liabilities under the same contract shall be presented on a net basis.

22. Employee compensation

a) Accounting treatment of short-term compensation

During the accounting period when employees provide services for the Company, the Company recognizes short-term compensation actually incurred as liabilities and includes it in the current profit or loss or related asset costs.

The social insurance premiums and housing provident funds paid by the Company for employees, as well as labor union dues and employee education funds withdrawn in accordance with the provisions, shall be calculated and determined according to the prescribed accrual basis and accrual ratio during the accounting period when employees provide services for the Company.

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

b) Accounting treatment of post-employment benefits

(1) Defined contribution plans

The Company pays basic endowment insurance and unemployment insurance for employees according to the relevant provisions of the local government. During the accounting period when employees provide services for the Company, the amount payable calculated at the payment base and the ratio as stipulated in the local

provisions is recognized as liabilities and included in the current profit or loss or related asset costs.

In addition to the basic endowment insurance, the Company has also set up enterprise annuity system (supplementary endowment insurance)/corporate annuity plan in accordance with relevant national policies on enterprise annuity system. The Company pays premiums to the local social insurance institutions/annuity plan at a certain ratio of the total wages of employees, and the corresponding expenses are included in the current profit or loss or related asset costs.

(2) Defined benefit plans

According to the formula determined by the expected cumulative welfare unit method, the Company attributes the welfare obligations arising from the defined benefit plans to the period during which the employees provide services, and includes them in the current profit or loss or relevant assets costs.

The deficit or surplus arising from the present value of obligations under the defined benefit plans less the fair value of assets under the defined benefit plans is recognized as net liabilities or net assets under defined benefit plans. If there is a surplus in the defined benefit plans, the Company shall measure the net assets of defined benefit plans at the lower of the surplus in the defined benefit plans and the upper limit of assets.

All obligations under the defined benefit plans, including those expected to be paid within 12 months after the end of the annual reporting period in which the employees provide services, are discounted according to the market yield of treasury bonds or high-quality corporate bonds in the active market that match the term and currency of the obligations under the defined benefit plans on the balance sheet date.

Service costs arising from the defined benefit plans and the net interest on the net liabilities or net assets under defined benefit plans are included in the current profit or loss or related asset costs. The changes arising from the re-measurement of net liabilities or net assets under defined benefit plans are included in the other comprehensive income, and will not be reversed to the profit or loss in the subsequent accounting periods. When the original defined benefit plans terminates, the part originally included in the other comprehensive income will be fully carried forward to the undistributed profits to the extent of equity.

Upon the settlement of defined benefit plans, the settlement gains or losses shall be

recognized according to the difference between the present value of obligations under the defined benefit plans and the settlement price determined on the settlement date.

c) Accounting treatment of dismissal welfare

When the Company cannot unilaterally withdraw the dismissal welfare provided due to the plan to terminate labor relations or the layoff proposal, or recognizes the costs or expenses related to the restructuring involving the payment of dismissal welfare (whichever is earlier), the employee compensation liabilities arising from the dismissal welfare are recognized and included in the current profit or loss.

23. Estimated liabilities

a) Criteria for recognition of estimated liabilities

The obligations related to contingencies such as litigation, debt guarantee, onerous contract and restructuring matters shall be recognized as estimated liabilities by the Company when all the following conditions are met:

- (1) The obligation is the current obligation assumed by the Company;
- (2) The fulfillment of the obligation is likely to lead to outflow of economic benefits from the Company;
- (3) The amount of the obligation can be measured in a reliable way.

b) Measurement methods of various types of estimated liabilities

The Company's estimated liabilities shall be initially measured at the best estimate of the expenses required to fulfill the relevant present obligations.

When determining the best estimate, the Company shall comprehensively consider the risks, uncertainties and time value of money and other factors related to contingencies. For those that have a significant impact on the time value of money, the best estimate shall be determined by discounting the relevant future cash outflows.

The best estimate will be handled according to the following circumstances:

If there is a continuous range (or interval) of the required expenses, and the probabilities of occurrence of all the outcomes within this range are the same, the best estimate shall be determined according to the middle value of this range, that is, the average of the upper and lower limit amounts.

If there is no continuous range (or interval) of the required expenses, or the probabilities of occurrence of all the outcomes within this range are not the same although there is a continuous range, if the contingency involves a single item, the best estimate shall be determined according to the most likely amount; If the contingency involves more than one item, the best estimate shall be calculated and determined based on various possible outcomes and relevant probabilities.

If all or part of the expenses required by the Company to pay off the estimated 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 recognized compensation amount shall not exceed the book value of the estimated liabilities.

24. Revenue

General principles

The Company has fulfilled the performance obligations in the contract; namely, the revenue is recognized when the customer obtains the right of control of the relevant goods or services. Performance obligations refer to the contractual commitments in which the Group transfers clearly distinguishable goods or services to the customers. "Obtaining the right of control of the relevant goods or services" refers to the ability to dominate the use of the goods or the provision of the services and obtain almost all the economic benefits from them.

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

Variable consideration

Some of the contracts between the Company and its customers have arrangements

for sales rebates, quantity discounts, commercial discounts, performance bonuses and claims, which form the variable consideration. The Company determines the best estimate of the variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration does not exceed the amount of accumulated recognized revenue which is unlikely to be significantly reversed when the relevant uncertainty is eliminated.

Significant financing component

If there is a significant financing component in the contract, the Company determines the transaction price according to the payable amount that is assumed to be paid in cash by the customer when the customer obtains the right of control of the goods or services. The difference between the transaction price and the contract consideration is amortized over the contract period by using the effective interest method.

On the commencement date of the contract, if the enterprise expects that the interval between the customer's acquisition of the right of control of the goods and the customer's payment will not exceed one year, significant financing components existing in the contract will not be considered.

Non-cash consideration

If the customer pays non-cash consideration, the Company shall determine the transaction price according to the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably estimated, the Company shall indirectly determine the transaction price by reference to the individual selling price of the goods promised to be transferred to the customer. Where the fair value of a non-cash consideration changes due to reasons other than the form of consideration, it shall be accounted for as a variable consideration in accordance with the relevant provisions.

Consideration payable to customers

For the consideration payable to customers, the Company shall offset the transaction price of the consideration payable to customers, and offset the current revenue at the later of the recognition of the relevant revenue or the commitment to pay the consideration, unless the consideration payable is for the purpose of obtaining other clearly distinguishable goods from the customers.

Sales with sales return clauses

For sales with sales return clauses, when the customer obtains the right of control

of relevant goods, the Company recognizes the revenue according to the amount of consideration expected to receive due to the transfer of goods to the customer (i.e., excluding the amount expected to be refunded due to the sales return) and recognizes liabilities according to the amount expected to be returned due to the sales return; At the same time, the balance of the book value of the expected goods to be returned at the time of transfer after deducting the expected cost of recovering the goods (including the impairment of the value of the returned goods) is recognized as an asset. The net amount after deducting the cost of the above asset will be transferred as cost based on the book value of the transferred goods. On each balance sheet date, the future sales returns are re-estimated, and if there is any change, it will be conducted with accounting treatment as a change in accounting estimate.

Sales with quality assurance clauses

For sales with quality assurance clauses, if the quality assurance provides a separate service in addition to assuring the customer that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Company shall conduct accounting treatment on the quality assurance responsibilities in accordance with the Accounting Standards for Business Enterprises No.13 - Contingencies.

Principal responsible person and agent

The Company determines whether it is the principal responsible person or the agent when engaging in the transaction based on whether it has the right of control of the goods or services before transferring them to the customers. If the Company is able to control the goods or services before transferring the goods or services to the customers, the Company is the principal responsible person, and the revenue is recognized according to the total consideration received or receivable. Otherwise, the Company, as the agent, shall recognize revenue according to the amount of commission or service fee expected to receive, which shall be determined according to the net amount of the total consideration received or receivable after deducting the price payable to other relevant parties, or according to the established amount or ratio of commission.

Sales with additional call option for customers

For sales with additional call option for the customer, the Company evaluates whether this option provides the customer with a significant right. If an enterprise

provides significant rights, it shall, as a single performance obligation, allocate the transaction price to the performance obligations in accordance with the relevant provisions of the standards, and recognize the corresponding revenue when the customer exercises the call option to obtain the right of control of the relevant goods in the future, or when the option expires. If the separate selling price of the additional call option for customer cannot be directly observed, the Company shall make a reasonable estimate after comprehensively considering all relevant information such as the difference between the discounts that the customer can obtain if he/she exercises or does not exercise the option, the possibility that the customer exercises the option, etc. Although the customer has the option to purchase additional goods, the price at the time when the customer exercises the option to purchase the goods reflects the separate selling price of these goods and it shall not be regarded as that the Company has provided the customer with a significant right.

Grant of intellectual property license to customers

If the intellectual property license is granted to the customer, the Company shall evaluate 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 is 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 shall be recognized as a performance obligation to be fulfilled within a certain period of time. Otherwise, the relevant revenue is recognized as a performance obligation fulfilled at a certain point in time:

- (I) The contract requires or the customers can reasonably expect that the enterprise will engage in activities that have a significant impact on the intellectual property;
- (II) The activity will have a favorable or unfavorable impact on the customers;
- (III) The activity will not result in the transfer of a certain goods to the customer.

Transactions of sales with buyback agreements

For the transactions of sales with buyback agreements, the Company conducts accounting treatment respectively under the following two circumstances:

- (I) If the Company has the obligation to repurchase or the Company enjoys the right to repurchase due to the existence of forward arrangements with customers, the Company shall carry out corresponding accounting treatment as a lease

transaction or a financing transaction. In this case, if the repurchase price is lower than the original selling price, it shall be deemed as a lease transaction, and accounting treatment shall be carried out 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 recognized when the customer's payment is received, and the difference between the payment and the repurchase price shall be recognized as interest expenses, etc. during the repurchase period. If the Company fails to exercise the repurchase right upon expiration, the financial liabilities shall be derecognized upon the expiration of the repurchase right, and the revenue shall be recognized at the same time.

(II) If the Company has the obligation to repurchase the goods at the request of the customer, it shall assess whether the customer has a significant economic motivation to exercise the right of request on the commencement date of contract. If the customer has a significant economic motivation to exercise the right of request, the enterprise shall take the sales with buyback agreements as a lease transaction or a financing transaction and conduct accounting treatment in accordance with the provisions of Item 1 of this Article; Otherwise, the Company will treat it as a sales transaction with a sales return clause, and conduct accounting treatment in accordance with the relevant provisions of the Standards.

Rights not exercised by customers

If the Company receives the payment for sales of goods from customers in advance, it shall first recognize the payment as the liabilities, and then transfer it to the revenue when the relevant performance obligations are fulfilled. When the advance payment does not need to be returned, and the customer may waive all or part of his/her contractual rights, the Company expects to be entitled to the amount related to the contractual rights waived by the customer, the above amount shall be recognized as the revenue at the ratio to the mode of the customer exercising the contractual rights; Otherwise, the Company can only transfer the relevant balance of the above liabilities to revenue when the possibility of the customer requiring it to perform the remaining performance obligations is extremely low.

Initial costs no to be returned.

The non-refundable initial costs 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 the Company shall assess whether the

initial costs are related to the transfer of the promised goods to the customer. If the initial costs are related to the transfer of the promised goods to the customer, and the goods constitute a single performance obligation, the Company recognizes the revenue at the transaction price allocated to the goods when transferring the goods; If the initial costs are related to the goods promised to transfer to the customer, but the goods do not constitute a single performance obligation, the Company will recognize the revenue at the transaction price allocated to the single performance obligation when the single performance obligation containing the goods is fulfilled. If the initial costs are 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 revenue when the goods are transferred in the future.

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

Specific principles

The Company has fulfilled the performance obligations in the contract; namely, the revenue is recognized when the customer obtains the right of control of the relevant goods or services. "Obtaining the right of control of the relevant goods or services" refers to the ability to dominate the use of the goods or the provision of the services and obtain almost all the economic benefits from them.

(1) Revenue from sales of goods

The sales contract between the Company and its customers generally includes only the performance obligations of 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 for 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 and the customer's acceptance of the goods.

Revenue from sales of electricity

The Company produces electric energy through thermal power and sells it by integrating it into the Guangdong power grid. For sales of electricity, the Company shall recognize revenue when the electric energy has been produced and the statistical form of net energy output confirmed by the electric power bureau has been obtained.

(2) Revenue from the provision of service

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 contract commencement date, identifies each single performance obligation contained in the contract, and determines whether each individual performance obligation is performed within a certain period or at a certain time point. If one of the following conditions is met, it is a performance obligation performed within a certain period of time and 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) The customer can control the goods under construction during the performance of the Company;
- (3) The goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect payment for the accumulated part that has been completed so far during the entire contract period. Otherwise, the Company will recognize revenue at the time when the customer obtains the right of control of the relevant goods or services.

④ Recognition of revenue from services provided by the Environmental 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 the Engineering Company:

Commissioning projects: when the commissioning is successful, obtain the

confirmation of successful commissioning, and recognize revenue 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 temporarily 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. Contract cost

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 will be recognized as an asset, amortized on the same basis as the revenue recognition of goods or services related to the asset for sales, and be included in the current profit or loss. If the asset amortization period does not exceed one year, the asset shall be included in the current profit or loss when it occurs. Other expenses incurred by the Group to obtain the contract will be included in the current profit or loss when incurred, except for those clearly borne by the customer.

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 revenue 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 revenue of goods or services related to the asset and included in the current profit or loss.

Contract cost impairment

When the Company determines loss of impairment 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 accounting standards for business enterprises. Then, if the book value is higher than the difference between the remaining consideration expected to be obtained by the Company from the transfer of the asset-related goods and the estimated cost to be incurred for the transfer of the relevant goods, the excess shall be

subject to provision for impairment and recognized as the asset impairment loss.

If the factors of impairment in the previous period change after that, making the aforesaid difference higher than the book value of the asset, the provision for asset impairment that has been withdrawn shall be reversed and included in the current profit or loss, but the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date assuming that no provision for impairment is made.

26. Government subsidies

a) Change type

Government subsidies are monetary and non-monetary assets obtained by the Company from the government for free. They can be divided into government subsidies related to assets and government subsidies related to revenue.

Government subsidies related to assets are government subsidies that the Company acquires for acquisition, construction, or otherwise forms long-term assets. Government subsidies related to revenue refer to government subsidies other than government subsidies related to assets. Government subsidies related to revenue refer to those other than government subsidies related to assets.

b) Timing 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 subsidies will be recognized according to the amount receivable. In addition, all government subsidies shall be recognized when actually received.

The government subsidies considered as monetary assets are measured at the amount received or receivable. If government subsidies are non-monetary assets, they will be measured at fair value. If the fair value cannot be obtained reliably, it shall be measured at a nominal amount (RMB1). Government subsidies measured according to the nominal amount are directly included in current profit or loss.

c) Accounting treatment

Government subsidies related to assets are used to offset the book value of relevant assets or recognized as deferred income. If they are recognized as a deferred income, they will be included in the current profit or loss by stages according to a reasonable and systematic method within the service life of the relevant assets (if

they are related to the daily activities of the Company, they are included into other income; if irrelevant to the daily activities of the Company, they will be included into non-operating revenue).

If the government subsidies related to revenue are used to compensate the Company's relevant costs or losses in subsequent periods, they are recognized as deferred income, and will be included in the current profit or loss (if they are related to the Company's daily activities, they are included in other income; if irrelevant to the Company's daily activities, they are included into the non-operating revenue) or offset the relevant costs or losses during the period when the relevant costs or losses are recognized; Those used to compensate the Company for the relevant costs or losses incurred will be directly included in the current profit or loss (those related to the Company's daily activities will be included in other income; those irrelevant to the Company's daily activities will be included in the non-operating revenue) or used to offset the relevant costs or losses.

The discount interest of the policy-based preferential loans obtained by the Company will be accounted for respectively according to the following two situations:

(1) If the finance department appropriates the discount interest funds to the lending bank, and the lending bank provides the loan to the Company at the policy-based preferential interest rate, the Company shall take the loan amount actually received as the entry value of the loan, and calculate the relevant borrowing costs according to the loan principal and the policy-based preferential interest rates.

(2) If the finance department directly appropriates the discount interest funds to the Company, the Company will offset the corresponding borrowing costs with the corresponding discount interest.

27. Deferred tax assets and deferred tax liabilities

Deferred tax assets are recognized for deductible temporary differences to the extent that they do not exceed the taxable income probably obtained in the future period that can be used to offset the deductible temporary differences. For deductible loss and tax credits that can be carried forward to subsequent years, the corresponding deferred tax assets arising therefrom are recognized to the extent that future taxable income will be probable to be available against deductible losses and tax credits.

Taxable temporary differences are recognized as deferred tax liabilities, except for special circumstances.

Special circumstances in which deferred tax assets or deferred tax liabilities shall not be recognized include: the initial recognition of goodwill. Other transactions or matters excluding business combinations, which affect neither accounting profits nor taxable income (or deductible loss) when occurred.

If the Company has the legal right of netting and intends to settle in net amount or to obtain assets and discharge liabilities simultaneously, the income tax assets and income tax liabilities of the Company for the current period shall be presented based on the net amount after offset.

When the Company has the legal right to settle current income tax assets and current income tax liabilities on a net basis, and the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection authority on the same tax entity or to different tax entities, but in each future period when important deferred tax assets and liabilities are reversed, the involved tax entity intends to settle current income tax assets and liabilities on a net basis or to acquire assets and settle liabilities at the same time, deferred tax assets and deferred tax liabilities are listed and reported on a net basis after offsetting.

28. Lease

Leases refers to a contract in which the lessor transfers the right to use the asset to the lessee for consideration within a certain period of time.

a) The Company as the lessee

The Company recognizes the right-of-use assets on the lease commencement date and recognizes the lease liabilities at the present value of the outstanding lease payments. Lease payments include fixed payments and payments to be made in circumstances where it is reasonably certain that the call option or the right to terminate the lease will be exercised. The variable rent determined based on a certain ratio of sales is not included in the lease payment, and is included in the current profit or loss when it actually occurs.

The Company's right-of-use assets include leased houses and buildings, machinery 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 profit or loss or the relevant asset cost in each period of

the lease term according to the straight-line method.

b) The Company as the lessor

Leases that substantially transfer substantially all of the risks and rewards associated with the ownership of leased assets are finance leases. Other leases are operating leases.

i. Operating lease

When the Company operates leased buildings, machinery and equipment, and means of transport, the rental revenue 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 ratio of sales in rental revenue when it actually incurs.

ii. Financing lease

On the lease commencement date, the Company recognizes the finance lease receivable 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.

29. Special reserves

The Group includes the work safety costs in accordance with the national provisions in the cost of the related products or the current profit or loss and in the account of "special reserves" at the same time. When the Group uses the special reserves, the special reserves shall be directly offset if it belongs to the expense. If fixed assets are formed, they shall be recognized as fixed assets when the relevant assets reach the working condition for their intended use. Meanwhile, special reserves shall be offset according to the costs of fixed assets and the accumulated depreciation of the same amount shall be recognized. Depreciation of such fixed assets will not be made in subsequent periods.

30. Changes in significant accounting policies and accounting estimates

a) Changes in significant accounting policies

There were no changes in significant accounting policies during the reporting period.

b) Changes in significant accounting estimates

There were no changes in significant accounting estimates during the reporting period.

IV. Taxation

1. Major types of tax and tax rates

Type of tax	Taxation basis	Tax rate
VAT	The output tax is calculated on the basis of the sales of goods and the taxable service income calculated in accordance with the tax law, and the difference shall be the VAT payable after deducting the deductible input tax for the current period.	13%、9%、6%、5%、3%
Urban maintenance and construction tax	Paid on the basis of the actual VAT and consumption tax paid	7%
Education surcharges	Paid on the basis of the actual VAT and consumption tax paid	3%
Local education surcharges	Paid on the basis of the actual VAT and consumption tax paid	2%
Corporate income tax	Levied based on taxable income	25%、15%、16.5%、17%
Urban and rural land use tax	Calculated and paid at RMB 2-8/square meter for the actual land area occupied by the industrial land in Nanshan District, Shenzhen; Calculated and paid at RMB1/square meter for the actual land area occupied by the industrial land in Zhongshan.	

Remarks: refer to explanations (II) and (III) below for the rate of corporate income tax

2. Notes to the rate of income tax of the corporate income tax taxpayers

Name of taxpayer	Income tax rate
The Company	15%
New Power Company	25%
Shen Nan Dian Engineering Company	15%
Server Company	25%
Shen Nan Dian Environment Protection Company	25%
Shen Nan Dian Zhongshan Company	25%
Singapore Company	17%
Shenzhen Nanshan Power Warehousing Company	25%
Xindesheng Company	16.5%

3. Preferential tax policies and basis

1. Preferential policies for corporate income tax:

(1) According to the Record-filing 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 Accreditation Certificate (No. GR202144204080), which is valid for 3 years. From 2021 to 2023, the Company will enjoy preferential policies for high-tech corporate income tax and its corporate income tax will be calculated and paid at a reduced rate of 15.00%.

(2) According to the document Guo Ke Huo Zi (2020) No.46, Shenzhen Shennandian Turbine Engineering Technology Co., Ltd. has obtained the National High-tech Enterprise Accreditation Certificate (No. GR202044200352), which is valid for 3 years. From 2020 to 2023, the Company will enjoy preferential policies for high-tech corporate income tax and its corporate income tax will be calculated and paid at a reduced rate of 15.00%.

2. Preferential policies for VAT:

Type of tax	Company name	Relevant regulations and policy basis	Approving authority	Approval number	Exemption range	Term of validity
VAT	Environmental Protection Company	Notice on the Catalogue of VAT Preferential Policies for Products and Labor Services for Comprehensive Utilization of Resources (CS No. [2015] 78)	Qianhai Office of Shenzhen Tax Service, State Taxation Administration	SQSST No. [2018] 18302	Refund upon collection of VAT for comprehensive utilization of resources	From August 01, 2020 to July 31, 2023
VAT	Engineering Company	Administrative Measures for VAT Exemption for Cross-border Taxable Activities of VAT in Lieu of Business Tax	Qianhai Office of Shenzhen Tax Service, State Taxation Administration	Announcement of the State Taxation Administration [2016] No.29	VAT exemption for cross-border taxable activities	

V. Notes to items of the consolidated financial statements

1. Cash and cash equivalents

Item	Ending balance	Ending balance last year
Cash on hand	30,624.14	37,698.63

Item	Ending balance	Ending balance last year
Bank deposit	260,369,004.01	647,983,965.23
Other cash and cash equivalents	32,915,036.77	27,474,602.54
Total	293,314,664.92	675,496,266.40
Including: total amount of deposit abroad	6,222,045.22	6,016,949.57

Details of the cash and cash equivalents which are restricted for use due to mortgage, pledge or freezing, and which are placed overseas with restrictions on fund repatriation are as follows:

Item	Ending balance	Ending balance last year
Bank acceptance bill margin	27,474,594.34	27,474,594.34
Performance bond	5,440,434.23	
Total	32,915,028.57	27,474,594.34

2. Trading financial assets

Item	Ending balance	Ending balance last year
Financial assets measured at fair value and the changes of which are included in the current profit or loss	145,000,000.00	440,013,571.10
Including: investment in debt instruments		
Investments in equity instruments		
Derivative financial assets		
Others	145,000,000.00	440,013,571.10
Financial assets designated to be measured at fair value through current profit or loss		
Including: investment in debt instruments		
Investments in equity instruments		
Total	145,000,000.00	440,013,571.10

3. Accounts receivable

a) Accounts receivable disclosed by aging

Aging	Ending balance	Ending balance last year
Within 1 year (including 1 year)	88,354,422.85	103,306,168.76
1-2 years (including 2 years)	58,189,402.12	34,239,288.30
2-3 years (including 3 years)	-	
More than 3 years	5,558,673.67	5,558,673.67

Aging	Ending balance	Ending balance last year
Sub-total	152,102,498.64	143,104,130.73
Less: provision for bad debts	7,270,638.09	7,270,638.09
Total	144,831,860.55	135,833,492.64

b) Disclosure of accounts receivable by category based on provision method for bad debts

Category	Ending balance				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Ratio of provision (%)	
Accounts receivable with provision for bad debts made on an individual basis	5,558,673.67	3.65	5,558,673.67	100.00	-
Provision for bad debts by portfolio of risk characteristics	146,543,824.97	96.35	1,711,964.42	1.17	144,831,860.55
Including: low-risk portfolio	146,543,824.97	96.35	1,711,964.42	1.17	144,831,860.55
Total	152,102,498.64	100.00	7,270,638.09	4.78	144,831,860.55

Category	Ending balance last year				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Ratio of provision (%)	
Accounts receivable with provision for bad debts made on an individual basis	5,558,673.67	3.88	5,558,673.67	100.00	-
Provision for bad debts by portfolio of risk characteristics	137,545,457.06	96.12	1,711,964.42	1.24	135,833,492.64
Including: low-risk portfolio	137,545,457.06	96.12	1,711,964.42	1.24	135,833,492.64
Total	143,104,130.73	100.00	7,270,638.09	5.08	135,833,492.64

Provision for bad debts accrued on an individual basis

Name	Ending balance
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	Book balance	Provision for bad debts	Ratio of provision (%)	Reason for provision
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.	3,474,613.06	3,474,613.06	100.00	Estimated to be irrecoverable
China Soilbase Engineering Co., Ltd.	1,137,145.51	1,137,145.51	100.00	Estimated to be irrecoverable
Shenzhen Fuhuade Electricity Co., Ltd.	800,000.00	800,000.00	100.00	Estimated to be irrecoverable
Others	146,915.10	146,915.10	100.00	Estimated to be irrecoverable
Total	5,558,673.67	5,558,673.67	100.00	

c) Provision, reversal or recovery of provision for bad debts in the current period

Category	Ending balance last year	Changes in current period			Ending balance
		Provision	Recovery or reversal	Others	
Accounts receivable with provision for bad debts made on an individual basis	5,558,673.67				5,558,673.67
Provision for bad debts by portfolio of risk characteristics	1,711,964.42				1,711,964.42
Total	7,270,638.09				7,270,638.09

d) Top 5 accounts receivable in terms of ending balances due from debtors

Company name	Book balance	Ratio in the balance of accounts receivable (%)	Ending balance of the provision for bad debts
No.1	79,629,858.86	52.35	1,711,964.42
No.2	54,764,958.01	36.01	
No.3	7,264,100.00	4.78	
No.4	4,957,000.00	3.26	
No.5	3,474,613.06	2.28	3,474,613.06
Total	150,090,529.93	98.68	5,186,577.48

4. Advances to suppliers

a) Presentation of advances to suppliers by aging

Aging	Ending balance		Ending balance last year	
	Book balance	Ratio (%)	Book balance	Ratio (%)
Within 1 year (including 1 year)	52,803,240.38	97.91	44,506,222.90	97.93
1-2 years (including 2 years)	622,841.10	1.15	514,851.14	1.13
2-3 years (including 3 years)	465,000.00	0.86	389,626.88	0.86
More than 3 years	40,525.23	0.08	37,586.94	0.08
Total	53,931,606.71	100.00	45,448,287.86	100.00

b) Top 5 prepayments in terms of ending balance due to payee

Company name	Book balance	Ratio in the balance of prepayments (%)
No.1	21,657,139.77	40.16
No.2	18,038,674.04	33.45
No.3	11,955,099.62	22.17
No.4	458,593.30	0.85
No.5	436,337.40	0.81
Total	52,545,844.13	97.43

5. Other receivables

Item	Ending balance	Ending balance last year
Interest receivable		
Dividends receivable		
Other accounts receivable	18,852,212.98	18,314,003.84
Total	18,852,212.98	18,314,003.84

a) Other accounts receivable

(1) Disclosure by aging

Aging	Ending balance	Ending balance last year
Within 1 year	5,052,627.80	1,058,183.07

Aging	Ending balance	Ending balance last year
1-2 years	842,636.66	36,436.71
2-3 years	172,169.92	243,391.13
More than 3 years	44,825,166.21	49,016,380.54
Sub-total	50,892,600.59	50,354,391.45
Less: provision for bad debts	32,040,387.61	32,040,387.61
Total	18,852,212.98	18,314,003.84

(2) Disclosure by category

Category	Ending balance				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Ratio of provision (%)	
Accounts receivable with provision for bad debts made on an individual basis	32,328,502.39	63.52	32,040,387.61	99.11	288,114.78
Provision for bad debts based on portfolio of credit risk characteristics	18,564,098.20	36.48			18,564,098.20
Including: low-risk portfolio	18,564,098.20	36.48			18,564,098.20
Total	50,892,600.59	100.00	32,040,387.61	62.96	18,852,212.98

Category	Ending balance last year				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Ratio of provision (%)	
Accounts receivable with provision for bad debts made on an individual basis	32,328,502.39	64.20	32,040,387.61	99.11	288,114.78
Provision for bad debts based on portfolio of credit risk characteristics	18,025,889.06	35.80			18,025,889.06
Including: low-risk portfolio	18,025,889.06	35.80			18,025,889.06
Total	50,354,391.45	100.00	32,040,387.61	63.63	18,314,003.84

Provision for bad debts accrued on an individual basis

Name	Ending balance			
	Book balance	Provision for bad debts	Ratio of provision (%)	Reason for provision
Huiyang County Kangtai Industrial Company	14,311,626.70	14,311,626.70	100.00	Estimated to be irrecoverable
Individual income tax	2,470,039.76	2,470,039.76	100.00	Estimated to be irrecoverable
Dormitory amounts receivable	1,736,004.16	1,736,004.16	100.00	Estimated to be irrecoverable
Accounts receivable from individuals	7,498,997.87	7,498,997.87	100.00	Estimated to be irrecoverable
Jinan Power Equipment Co., Ltd.	3,560,000.00	3,560,000.00	100.00	Estimated to be irrecoverable
Zuo Hao Garment (Shenzhen) Co., Ltd.	43,068.31	43,068.31	100.00	Estimated to be irrecoverable
Shenzhen Guanhua Printing and Dyeing Co., Ltd.	53,591.75	53,591.75	100.00	Estimated to be irrecoverable
Shenzhen Nanhua Printing and Dyeing Co., Ltd.	41,407.01	41,407.01	100.00	Estimated to be irrecoverable
Huizhou Bangdenong Ecological Organic Fertilizer Co., Ltd.	25,788.00	25,788.00	100.00	Estimated to be irrecoverable
Huizhou Lvhuan Fertilizer Co., Ltd.	44,112.10	44,112.10	100.00	Estimated to be irrecoverable
Others	2,543,866.73	2,255,751.95	88.67	Estimated to be irrecoverable
Total	32,328,502.39	32,040,387.61	99.11	

(3) Provision for bad debts

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss over the whole life (without credit impairment)	Expected credit loss over the whole life (with credit impairment)	
Beginning balance			32,040,387.61	32,040,387.61
Beginning balance in the current period				
- Carried forward to the second stage				
- Carried forward to the third stage				
- Reversal to the second stage				
- Reversal to the first stage				
Provision in the current period				
Reversal in the current period				
Charge-off in the current period				
Write-off in current period				

	First stage	Second stage	Third stage	
Provision for bad debts	Expected credit loss for the next 12 months	Expected credit loss over the whole life (without credit impairment)	Expected credit loss over the whole life (with credit impairment)	Total
Other changes				
Ending balance			32,040,387.61	32,040,387.61

(4) Classification by the nature of payment

Nature of payment	Book balance at the end of period	Book balance at the end of the previous year
Deposit and security deposit	1,654,712.69	2,784,868.96
Withholding payments	9,393,549.05	8,077,850.31
Accounts receivable from Huidong Server	15,817,190.04	14,740,501.44
Current accounts and others	24,027,148.81	24,751,170.74
Sub-total	50,892,600.59	50,354,391.45
Less: provision for bad debts	32,040,387.61	32,040,387.61
Total	18,852,212.98	18,314,003.84

(5) Top 5 of other accounts receivable in terms of ending balances due from debtors

Company name	Nature of payment	Book balance	Aging	Ratio in the total ending balance of accounts receivable (%)	Ending balance of the provision for bad debts
No.1	Current accounts	14,911,484.45	1-3 years	29.30	
No.2	Current accounts	14,311,626.70	More than 3 years	28.12	14,311,626.70
No.3	Security deposit	3,560,000.00	More than 3 years	7.00	3,560,000.00
No.4	Deposit	1,460,919.00	More than 3 years	2.87	
No.5	Current accounts	1,408,866.89	More than 3 years	2.77	1,408,866.89
Total		35,652,897.04		70.06	19,280,493.59

6. Inventories

a) Classification of inventories

Item	Ending balance			Ending balance last year		
	Book balance	Inventory falling price reserves	Book value	Book balance	Inventory falling price reserves	Book value
Raw materials	144,075,420.62	59,079,222.05	84,996,198.57	144,000,440.38	59,079,222.05	84,921,218.33
Sporadic spare parts				358,080.02		358,080.02
Total	144,075,420.62	59,079,222.05	84,996,198.57	144,358,520.40	59,079,222.05	85,279,298.35

b) Inventory falling price reserves

Item	Ending balance last year	Increase in the current period		Decrease in the current period		Ending balance
		Provision	Others	Reversal or charge-off	Others	
Raw materials	59,079,222.05					59,079,222.05
Total	59,079,222.05					59,079,222.05

7. Contract assets

Item	Ending balance	Ending balance last year
Operation and maintenance project settlement receivable		
Quality guarantee deposit receivable	89,848.39	217,009.58
Sub-total	89,848.39	217,009.58
Provision for contract assets impairment		
Total	89,848.39	217,009.58

8. Other current assets

Item	Ending balance	Ending balance last year
Negotiable certificate of deposit	230,000,000.00	180,000,000.00
Input tax of VAT to be deducted	1,423,597.61	1,103,481.37
Prepaid income tax	6,583,089.98	6,583,089.98
Interest receivable on time deposits	237,900.37	496,849.31
Others	11,820.78	65,419.78
Total	238,256,408.74	188,248,840.44

9. Long-term equity investments

Investees	Ending balance last year	Increase/decrease in the current period								Ending balance	Ending balance of the provision for impairment
		Additional investment	Decrease in investment	Profit or loss of investment recognized under the equity method	Adjustment of other comprehensive income	Changes in other equity	Cash dividends or profits declared and distributed	Provision for impairment	Others		
1. Associates											
Huidong Server Harbor Comprehensive Development Company (hereinafter referred to as the "Huidong Server")	4,414,021.80			334,799.49						4,748,821.29	
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd. (hereinafter referred to as "Liaoyuan Environmental Protection")	79,082,076.44			1,308,357.00			1,214,550.00			79,175,883.44	
Total	83,496,098.24	-	-	1,643,156.49	-	-	1,214,550.00	-	-	83,924,704.73	

10. Other investments in equity instruments

a) Details of other investments in equity instruments

Item	Ending balance of this year			Ending balance last year		
	Original book value	Changes in fair value	Ending balance	Original book value	Changes in fair value	Ending balance
Jiangxi Nuclear Power Co., Ltd.	60,615,000.00		60,615,000.00	60,615,000.00		60,615,000.00
Sunpower Tech (Jiangsu) Co., Ltd.	140,000,000.00		140,000,000.00	140,000,000.00		140,000,000.00
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.	2,500,000.00	-2,500,000.00		2,500,000.00	-2,500,000.00	
Shenzhen Ruixin New Generation Information Technology Private Equity Investments Fund Partnership (Limited Partnership)	100,000,000.00		100,000,000.00	100,000,000.00		100,000,000.00
Total	303,115,000.00	-2,500,000.00	300,615,000.00	303,115,000.00	-2,500,000.00	300,615,000.00

b) Investment in non-trading equity instruments

Item	Dividend income recognized in the current period	Cumulative gains	Cumulative loss	Amount transferred from the other comprehensive income to retained earnings	Reasons for being designated to be measured at fair value through other comprehensive income	Reasons for the transfer of other comprehensive income into retained earnings
Jiangxi Nuclear Power Co., Ltd.					Planned to hold for a long term	
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.			-2,500,000.00		Planned to hold for a long term	
Sunpower Tech (Jiangsu) Co., Ltd.	8,400,000.00				Planned to hold for a long term	
Shenzhen Ruixin New Generation Information Technology Private Equity Investments Fund Partnership (Limited Partnership)	340,206.13				Planned to hold for a long term	
Total	8,740,206.13		-2,500,000.00			

11. Investment properties

a) Investment properties measured at the cost mode

Item	Houses and buildings	Total
1. Original book value		
(1) Balance at the end of last year	9,708,014.96	9,708,014.96
(2) Increase during the current period		
(3) Decrease during the current period		
(4) Ending balance	9,708,014.96	9,708,014.96
2. Accumulated depreciation and amortization		
(1) Balance at the end of last year	7,874,670.76	7,874,670.76
(2) Increase during the current period	84,388.80	84,388.80
(3) Decrease during the current period		-
(4) Ending balance	7,959,059.56	7,959,059.56
3. Provision for impairment		
(1) Balance at the end of last year		
(2) Increase during the current period		
(3) Decrease during the current period		
(4) Ending balance		
4. Book value		
(1) Book value at the end of the period	1,748,955.40	1,748,955.40
(2) Book value at the end of the previous year	1,833,344.20	1,833,344.20

12. Fixed assets

a) Fixed assets and disposal of fixed assets

Item	Ending balance	Ending balance last year
Fixed assets	577,934,944.24	591,290,204.31
Disposal of fixed assets	491,295.99	
Total	578,426,240.23	591,290,204.31

b) Details of fixed assets

Item	Houses and buildings	Machinery equipment	Means of transport	Others	Total
1. Original book value					
(1) Balance at the end of last year	424,154,183.71	2,725,092,344.93	8,138,535.02	44,622,476.80	3,202,007,540.46
(2) Increase during the current period		1,209,282.24		177,917.45	1,387,199.69
- Purchase				177,917.45	177,917.45
- Transfer-in from projects under construction		1,209,282.24			1,209,282.24
-Others					-
(3) Decrease during the current period			1,537,429.89	39,051.73	1,576,481.62
- Disposal or scrapping			1,537,429.89	39,051.73	1,576,481.62
- Others					-
(4) Ending balance	424,154,183.71	2,726,301,627.17	6,601,105.13	44,761,342.52	3,201,818,258.53
2. Accumulated depreciation					
(1) Balance at the end of last year	294,778,055.90	1,912,442,654.22	5,011,870.15	33,757,207.10	2,245,989,787.37
(2) Increase during the current period	4,846,599.33	7,215,954.91	595,886.75	1,215,680.50	13,874,121.49
—Provision	4,846,599.33	7,215,954.91	595,886.75	1,215,680.50	13,874,121.49
-Others					
(3) Decrease during the current period			1,160,387.61	39,051.73	1,199,439.34
- Disposal or scrapping			1,160,387.61	39,051.73	1,199,439.34

Item	Houses and buildings	Machinery equipment	Means of transport	Others	Total
-Others					
(4) Ending balance	299,624,655.23	1,919,658,609.13	4,447,369.29	34,933,835.87	2,258,664,469.52
3. Provision for impairment					
(1) Balance at the end of last year	22,573,968.96	341,888,879.56	53,176.48	211,523.78	364,727,548.78
(2) Increase during the current period					
—Provision					
(3) Decrease during the current period					
- Disposal or scrapping					
(4) Ending balance	22,573,968.96	341,888,879.56	53,176.48	211,523.78	364,727,548.78
4. Book value					
(1) Book value at the end of the period	101,955,559.52	464,754,138.48	2,100,559.36	9,615,982.87	578,426,240.23
(2) Book value at the end of the previous year	106,802,158.85	470,760,811.15	3,073,488.39	10,653,745.92	591,290,204.31

c) Details of the fixed assets without certificate of title

Item	Book value	Reasons for failure to obtain the certificate of title
Circulating water pump house	804,495.56	Procedures uncompleted
Cooling tower	673,259.25	Procedures uncompleted
Complex building	443,246.19	Procedures uncompleted
Canteen of the complex building	227,979.99	Procedures uncompleted
Chemical water treatment workshop	232,960.00	Procedures uncompleted
Main entrance mail room	57,339.98	Procedures uncompleted
Total	2,439,280.97	

13. Projects under construction

a) Projects under construction

Item	Ending balance	Ending balance last year
Projects under construction	6,222,095.21	4,861,062.16
Total	6,222,095.21	4,861,062.16

b) Details of projects under construction

Item	Ending balance			Ending balance last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Cogeneration project	60,307,712.44	59,515,356.69	792,355.75	60,307,712.44	59,515,356.69	792,355.75
Oil-to-gas project	9,441,286.39	9,441,286.39		9,441,286.39	9,441,286.39	
Technical renovation project	7,034,739.46	1,605,000.00	5,429,739.46	5,673,706.41	1,605,000.00	4,068,706.41
Total	76,783,738.29	70,561,643.08	6,222,095.21	75,422,705.24	70,561,643.08	4,861,062.16

c) **Changes in significant projects under construction in the current period**

Project name	Budgeted amount	Ending balance last year	Increase in the current period	Amount transferred into fixed assets in the current period	Other decreases in the current period (note)	Ending balance	Ratio of accumulated project investment in the budget (%)	Rate of progresses (%)	Accumulated capitalization amount of interest	Including: amount of capitalized interest in the current period	Capitalization rate of interest in the current period (%)	Source of funds
Cogeneration project	60,000,000.00	60,307,712.44				60,307,712.44	100.51	100.00	6,476,185.46			Self-raised and borrowing
Oil-to-gas project		9,441,286.39				9,441,286.39						Self-raised funds
Technical renovation project		5,673,706.41	1,361,033.05			7,034,739.46						Self-raised funds
Total	60,000,000.00	75,422,705.24	1,361,033.05	-	-	76,783,738.29			6,476,185.46	-		

14. Right-of-use assets

Item	Buildings	Total
I. Original book value		
1. Beginning balance	16,322,014.37	16,322,014.37
2. Increase in the current period		-
3. Decrease in the current period		-
4. Ending balance	16,322,014.37	16,322,014.37
II. Accumulated depreciation		
1. Beginning balance	8,614,396.47	8,614,396.47
2. Increase in the current period	2,720,335.74	2,720,335.74
(1) Provision	2,720,335.74	2,720,335.74
3. Decrease in the current period		
(1) Disposal		
4. Ending balance	11,334,732.21	11,334,732.21
III. Provision for impairment		
IV. Book value		
1. Book value at the end of period	4,987,282.16	4,987,282.16
2. Book value at the beginning of the year	7,707,617.90	7,707,617.90

Note: the right-of-use assets in the current period refer to the Company's operating lease of the 16-17th floors of Hantang Building Property for office use.

15. Intangible assets

a) Details of intangible assets

Item	Land use right	Patent right	Software	Total
1. Original book value				
(1) Balance at the end of last year	60,813,994.76	138,625.07	3,782,983.49	64,735,603.32
(2) Increase during the current period				
- Purchase				
(3) Decrease during the current period				
-Others				
(4) Ending balance	60,813,994.76	138,625.07	3,782,983.49	64,735,603.32
2. Accumulated amortization				
(1) Balance at the end of last year	41,265,885.15	31,817.30	3,638,545.75	44,936,248.20
(2) Increase during the current period	311,314.80	10,133.06	23,478.16	344,926.02
—Provision	311,314.80	10,133.06	23,478.16	344,926.02

Item	Land use right	Patent right	Software	Total
(3) Decrease during the current period				
- Disposal				
(4) Ending balance	41,577,199.95	41,950.36	3,662,023.91	45,281,174.22
3. Provision for impairment				
(1) Balance at the end of last year				
(2) Increase during the current period				
—Provision				
(3) Decrease during the current period				
- Disposal				
(4) Ending balance				
4. Book value				
(1) Book value at the end of the period	19,236,794.81	96,674.71	120,959.58	19,454,429.10
(2) Book value at the end of the previous year	19,548,109.61	106,807.77	144,437.74	19,799,355.12

b) Details of land use right without certificate of title

Item	Book value	Reasons for failure to obtain the certificate of title
Land use right of the wharf and pipe gallery	482,221.57	Procedures uncompleted
Total	482,221.57	

16. Long-term deferred expenses

Item	Ending balance last year	Increase in the current period	Amortization amount for the current period	Other decreases	Ending balance
Decoration fees	1,219,129.18		248,665.56		970,463.62
Total	1,219,129.18		248,665.56		970,463.62

17. Deferred tax assets and deferred tax liabilities

Non-offset deferred tax assets

Item	Ending balance	Ending balance last year
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	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for bad debts	3,649,109.93	547,366.49	3,649,109.93	547,366.49
Changes in fair value of investments in other equity instruments	2,500,000.00	625,000.00	2,500,000.00	625,000.00
Total	6,149,109.93	1,172,366.49	6,149,109.93	1,172,366.49

18. Other non-current assets

Item	Ending balance	Ending balance last year
Quality guarantee deposit for projects	5,724,444.82	5,371,398.18
Total	5,724,444.82	5,371,398.18

19. Short-term borrowings

a) Classification of short-term borrowings

Item	Ending balance	Ending balance last year
Credit borrowings	226,482,574.59	885,229,358.05
Accrued interest	130,080.79	1,806,895.30
Interest on bill discounting		-7,078,395.91
Total	226,612,655.38	879,957,857.44

20. Notes payable

Category	Ending balance	Ending balance last year
Bank acceptance bills	137,298,902.17	137,298,902.17
Total	137,298,902.17	137,298,902.17

21. Accounts payable

a) List of accounts payable

Item	Ending balance	Ending balance last year
Payment for materials	393,610.51	292,422.50

Item	Ending balance	Ending balance last year
Electricity charge	1,359,094.94	937,613.72
Service charge	2,369,057.52	3,997,800.00
Total	4,121,762.97	5,227,836.22

As at the end of the reporting period, the Company had no significant accounts payable with aging of over one year.

22. Employee compensation payable

a) Presentation of employee compensation payable

Item	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance
Short-term compensation	29,296,815.07	49,737,665.86	51,861,501.45	27,172,979.48
Post-employment benefits - defined contribution plans		7,632,523.28	5,517,561.28	2,114,962.00
Dismissal welfare				
Other benefits maturing within one year				
Total	29,296,815.07	57,370,189.14	57,379,062.73	29,287,941.48

b) List of short-term compensation

Item	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance
(1) Salaries, bonuses, allowances and subsidies	28,806,319.36	38,074,252.95	40,085,028.49	26,795,543.82
(2) Employee welfare expenses	107,277.20	3,032,981.38	3,140,258.58	
(3) Social insurance premiums		2,857,262.39	2,857,262.39	
Including: medical insurance premiums		2,570,908.59	2,570,908.59	
Work-related injury insurance premiums		118,648.42	118,648.42	
Maternity insurance premiums		167,705.38	167,705.38	
(4) Housing provident fund		4,960,520.44	4,960,520.44	
(5) Union funds and employee education funds	383,218.51	812,648.70	818,431.55	377,435.66
(6) Short-term compensated absences				
(7) Short-term profit sharing plans				
(8) Others				

Item	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance
Total	29,296,815.07	49,737,665.86	51,861,501.45	27,172,979.48

c) Presentation of defined contribution plans

Item	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance
Basic endowment insurance		5,446,193.55	5,446,193.55	
Unemployment insurance premium		71,367.73	71,367.73	
Enterprise annuity payment		2,114,962.00		2,114,962.00
Total		7,632,523.28	5,517,561.28	2,114,962.00

23. Taxes payable

Taxes and duties	Ending balance	Ending balance last year
VAT	3,938,360.24	2,068,236.33
Individual income tax	925,601.29	1,825,992.00
Urban maintenance and construction tax	17,117.99	2,464.98
Education surcharges	6,760.78	630.08
Local education surcharges	4,507.19	420.06
House tax	1,957,288.05	996,166.86
Stamp duty		170,883.69
Environmental protection duty		
Others	419,842.26	42,872.73
Total	7,269,477.80	5,107,666.73

24. Other payables

Item	Ending balance	Ending balance last year
Interest payable		
Other payables	22,785,089.94	22,997,466.80
Total	22,785,089.94	22,997,466.80

a) Other payables

(1) Presented by the nature of payment

Item	Ending balance	Ending balance last year
Project funds	8,463,575.53	7,525,391.28
Quality guarantee deposit	4,952,004.54	6,973,652.54
Accrued expenses	4,548,310.37	7,429,154.13
Payment for materials	52,087.65	52,087.65
Others	4,769,111.85	1,017,181.20
Total	22,785,089.94	22,997,466.80

(2) Top 5 of other payables

Company name	Book balance	Ratio in the balance of other payables (%)
No.1	3,108,638.60	13.64
No.2	2,172,495.58	9.53
No.3	1,280,336.71	5.62
No.4	860,190.12	3.78
No.5	387,621.83	1.70
Total	7,809,282.84	34.27

25. Non-current liabilities maturing within one year

Item	Ending balance	Ending balance last year
Lease liabilities maturing within one year	5,624,540.90	6,279,115.44
Less: unrecognized financing expenses	128,604.20	264,995.49
Total	5,495,936.70	6,014,119.95

26. Other current liabilities

Item	Ending balance	Ending balance last year
Output tax to be carried forward in the VAT	12,787.72	21,600.00
Total	12,787.72	21,600.00

27. Long-term borrowings

Item	Ending balance	Ending balance last year
Credit borrowings	105,274,084.45	28,019,758.68
Total	105,274,084.45	28,019,758.68

28. Lease liabilities

a) Details of lease liabilities

Item	Ending balance	Ending balance last year
Lease liabilities		2,291,614.01
Less: unrecognized financing expenses		29,453.98
Total	-	2,262,160.03

b) Maturity analysis of lease liabilities

Item	Ending balance	Ending balance last year
1-2 years		2,262,160.03
Total	-	2,262,160.03

29. Estimated liabilities

Item	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance	Reasons for formation
Pending litigation	15,000,000.00			15,000,000.00	
Total	15,000,000.00			15,000,000.00	

Note: On November 29, 2013, Shenzhen Server and Jiahua Building Products (Shenzhen) Co., Ltd. ("Jiahua Building") signed a supplementary agreement to the equity transfer agreement with respect to the historical issues regarding the ownership and division of the equity of Yapojiao Wharf among Shenzhen Server, Huidong Server, Huidong Renshan Town Government and its subordinate Renshan Group. In order to solve the historical issues, Shenzhen Server deposited RMB 12,500,000.00 into the co-managed account for guarantee, and pledged 20% equity of Huidong Server held by it to Jiahua Building for two years, with the amount of claims guaranteed by pledge not exceeding RMB 15,000,000.00. The Company predicted a loss related to this matter of RMB 27, 500,000.00, and the balance at the end of 2019 was RMB 26,646,056.28.

On November 12, 2020, Huidong Server reached a preliminary settlement agreement with other relevant parties on the land disputes in the estimated liabilities, and Shenzhen Server reversed the estimated liabilities of RMB 6,584,816.78 accordingly. In 2020, Shenzhen Server bore the lawyer and other expenses of RMB 137,731.22 in accordance with the agreed ratio, and the total decrease in estimated liabilities in 2020 was RMB 6,722,548.00. The balance of RMB 19,923,508.28 is the repayment obligation that is likely to occur before the completion of the above matters.

On November 12, 2020, Huizhou Commercial Construction and Development Company and Huidong Server Harbor Comprehensive Development Company signed the Agreement on Transfer of Claims and the record of enforcement and compromise of the People's Court of Huidong County, partially resolving the historical issues concerning the ownership and division of the equity of Yapojiao Wharf. On January 20, 2021, Shenzhen Server received the refund of RMB 5,000,000.00 from the co-managed account, and it reversed the estimated liabilities RMB 4,573,508.28 accordingly. In 2021, Shenzhen Server bore the legal and other expenses of RMB 350,000 in accordance with the agreed ratio, with a total decrease of RMB 4,923,508.28 in estimated liabilities in 2021. The balance of RMB 15,000,000.00 is a repayment obligation likely to occur before the completion of the above matters.

30. Deferred income

Item	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance	Reasons for formation
Government subsidies	82,145,596.60	-	3,178,964.54	78,966,632.06	Government subsidies
Total	82,145,596.60	-	3,178,964.54	78,966,632.06	

Items involving government subsidies:

Liabilities	Ending balance last year	New subsidies in the current period	Amount included in the current profit or loss at the current period	Other changes	Ending balance	Related to assets/revenue
Government subsidies for low nitrogen equipment modification	23,615,664.69		252,422.00		23,363,242.69	Related to assets
Subsidies for the motor energy efficiency improvement	298,080.00		17,280.00		280,800.00	Related to assets

funding scheme						
Support fund for sludge drying project circular economy	5,510,265.19		323,501.46		5,186,763.73	Related to assets
Government bond subsidies for sludge drying project	2,061,250.00		127,500.00		1,933,750.00	Related to assets
Special funds for energy conservation and emission reduction	342,111.34		57,018.66		285,092.68	Related to assets
Subsidies for the improvement of atmospheric environment quality in Shenzhen	49,330,169.80		2,365,909.09		46,964,260.71	Related to assets
Funding for technological transformation investment project in 2021-2022	988,055.58		35,333.33		952,722.25	Related to assets
Total	82,145,596.60	-	3,178,964.54	-	78,966,632.06	

31. Other non-current liabilities

Item	Ending balance	Ending balance last year
Equity of the other partners in the partnership	45,112.54	47,511.72
Total	45,112.54	47,511.72

32. Share capital

Item	Ending balance last year	Increase (+) or decrease (-) in the current period					Ending balance
		New shares issued	Bonus issue	Conversion of provident fund into shares	Others	Sub-total	
Total number of shares	602,762,596.00						602,762,596.00

33. Capital reserves

Item	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance
Capital premiums (capital stock premium)	233,035,439.62			233,035,439.62
Other capital reserves	129,735,482.48			129,735,482.48
Total	362,770,922.10			362,770,922.10

34. Other comprehensive income

Item	Ending balance last year	Beginning balance	Current amount						Ending balance
			Amount before income tax in the current period	Less: included in other comprehensive income in prior periods and transferred to current profit or loss	Less: included in other comprehensive income in prior periods and transferred to current retained earnings	Less: income tax expenses	Amount attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified into the profit or loss									
Including: changes in re-measurement of defined benefit plans									
Other comprehensive income that cannot be transferred to the profit or loss under the equity method									
Changes in fair value of investments in other equity instruments	-2,500,000.00								-2,500,000.00
Total of other comprehensive income	-2,500,000.00								-2,500,000.00

35. Special reserves

Item	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance
Work safety expenses		3,810,328.32	3,590,892.38	219,435.94
Total		3,810,328.32	3,590,892.38	219,435.94

36. Surplus reserves

Item	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	310,158,957.87			310,158,957.87
Discretionary surplus reserves	22,749,439.73			22,749,439.73
Total	332,908,397.60			332,908,397.60

37. Undistributed profit

Item	Current amount	Amount for the previous period
Undistributed profit at the end of the previous year before adjustment	159,187,979.14	319,351,219.81
Total adjusted undistributed profit at the beginning of the year ("+" for increases and "-" for decreases)		
Adjusted undistributed profit at the beginning of the year	159,187,979.14	319,351,219.81
Plus: net profit attributable to owners of the parent company in the current period	-37,240,739.56	-94,098,149.09
Less: withdrawal of statutory surplus reserves		
Dividends payable for ordinary shares		
Undistributed profit at the end of period	121,947,239.58	225,253,070.72

38. Operating revenue and operating costs

Item	Current amount		Amount for the previous period	
	Revenue	Costs	Revenue	Costs
Main business	270,628,454.23	285,268,563.82	228,639,162.83	282,392,283.22
Other business	639,730.82	99,366.08	604,379.24	94,148.99
Total	271,268,185.05	285,367,929.90	229,243,542.07	282,486,432.21

39. Taxes and surcharges

Item	Current amount	Amount for the previous period
House tax	961,121.19	1,521,117.59
Vehicle and vessel tax	1,080.00	
Land use tax	376,969.53	452,503.02
Stamp duty	150,371.40	335,629.10
Urban maintenance and construction tax	323,664.43	335,501.06
Education surcharges	136,671.47	142,789.14
Local education surcharges	91,114.32	96,152.80
Environmental protection tax	714.26	12,569.90
Total	2,041,706.60	2,896,262.61

40. Selling and distribution expenses

Item	Current amount	Amount for the previous period
Employee compensation	683,687.41	
Business entertainment expenses	60,438.80	
Agency fee	17,924.52	
Property premium	0.00	
Others	135,657.09	
Total	897,707.82	-

41. G&A expenses

Item	Current amount	Amount for the previous period
Employee compensation	16,678,744.54	20,629,642.95
Lease fee	149,208.80	3,046,301.79
Depreciation cost	5,836,834.84	3,949,187.75
Business entertainment expenses	709,926.13	913,815.31
Agency fee	1,040,133.44	697,476.86
Repair cost	359,247.29	218,372.10
Environmental protection fee	63,096.10	77,142.71

Item	Current amount	Amount for the previous period
Vehicle expenses	128,763.36	1,198,452.90
Administrative expenses	195,789.57	200,798.79
Expenses of the Board of Directors	227,754.47	313,528.29
Communication expenses	381,621.13	521,423.22
Amortization of intangible assets	31,717.80	36,421.38
Property management fee	491,101.02	493,842.17
Travel expenses	304,075.94	53,447.95
Share certificate fee	19,713.42	238,083.50
Others	7,895,474.87	11,189,707.01
Total	34,513,202.72	43,777,644.68

42. R&D expenses

Item	Current amount	Amount for the previous period
Employee compensation	11,392,275.80	15,356,997.69
Depreciation cost	969,806.88	1,306,880.89
Others	935,843.63	408,710.55
Total	13,297,926.31	17,072,589.13

43. Financial expenses

Item	Current amount	Amount for the previous period
Interest expenses	11,766,633.92	20,539,845.79
Including: interest capitalized		
Expensed interest expense	11,766,633.92	20,539,845.79
Less: interest income	5,205,492.86	3,594,848.74
Foreign exchange losses (gains are listed with "-")	-199,804.29	-273,651.02
Service fee	203,183.08	58,370.08
Amortization of financing charges unrecognized	165,845.27	
Total	6,730,365.12	16,729,716.11

44. Other income

Item	Current amount	Amount for the previous period
Government subsidies	4,065,271.26	4,440,645.78
Total	4,065,271.26	4,440,645.78

Government subsidies included in other income

Subsidy items	Current amount	Amount for the previous period	Related to assets/revenue
Subsidies for transformation of low nitrogen projects	252,422.00	234,909.80	Related to assets
Support fund for sludge drying project circular economy	127,500.00	323,501.46	Related to assets
Government bond subsidies for sludge drying project	323,501.46	127,500.00	Related to assets
Subsidies for the improvement of atmospheric environment quality in Shenzhen	2,365,909.08	2,365,909.08	Related to assets
Special funds for energy conservation and emission reduction	57,018.66	57,018.66	Related to assets
Funding scheme for the motor energy efficiency improvement	17,280.00	17,280.00	Related to assets
Funding for technological transformation investment project in 2021-2022	35,333.34	22,333.32	Related to assets
National high-tech enterprises multiplication plan	100,000.00	643,800.00	Related to revenue
Refund of personal income tax	74,806.72	243,753.86	Related to revenue
Lump-sum subsidies for training of workers on post	-	128,000.00	Related to revenue
Subsidies for pilot demonstration of industrial "carbon peaking"	-	200,000.00	Related to revenue
Subsidies for stabilizing posts	115,000.00	76,639.60	Related to revenue
Sci-tech innovation voucher	296,500.00		Related to revenue
Subsidies for supporting green and low-carbon development projects of enterprises	300,000.00		Related to revenue
Total	4,065,271.26	4,440,645.78	

45. Investment income

Item	Current amount	Amount for the previous period
Income from long-term equity investments accounted for by using the equity method	1,643,156.49	-1,471,602.77
Investment income during the holding period of trading financial assets	9,342,507.91	29,212,829.84

Item	Current amount	Amount for the previous period
Dividend income earned during the holding period of investments in other equity instruments	8,740,206.13	
Total	19,725,870.53	27,741,227.07

46. Income from asset disposal

Item	Current amount	Amount for the previous period	Amount charged to the non-recurring profit or loss of the current period
Profit or loss from disposal of fixed assets	111,895.22		111,895.22
Total	111,895.22		111,895.22

47. Non-operating revenue

Item	Current amount	Amount for the previous period	Amount charged to the non-recurring profit or loss of the current period
Compensation for power outage	4,335,500.00		4,335,500.00
Indemnity from insurance companies	432,328.93		432,328.93
Others	226,384.24		226,384.24
Total	4,994,213.17		4,994,213.17

48. Non-operating expenses

Item	Current amount	Amount for the previous period	Amount charged to the non-recurring profit or loss of the current period
External donation		10,000.00	
Losses due to damage and scrapping of non-current assets	5,873.61	880.34	5,873.61
Others	334.71	217,615.51	334.71
Total	6,208.32	228,495.85	6,208.32

49. Income tax expenses

Table of income tax expenses

Item	Current amount	Amount for the previous period
Income tax expenses of the current period	479.55	
Deferred income tax expenses		
Total	479.55	

50. Earnings per share

a) Basic earnings per share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average of the Company's outstanding ordinary shares:

Item	Current amount	Amount for the previous period
Consolidated net profit attributable to ordinary shareholders of the parent company	-37,240,739.56	-94,098,149.09
Weighted average of the Company's outstanding ordinary shares	602,762,596.00	602,762,596.00
Basic earnings per share	-0.0618	-0.1561

b) Diluted earnings per share

Item	Current amount	Amount for the previous period
Consolidated net profit (diluted) attributable to ordinary shareholders of parent company	-37,240,739.56	-94,098,149.09
Weighted average of the Company's outstanding ordinary shares (diluted)	602,762,596.00	602,762,596.00
Diluted earnings per share	-0.0618	-0.1561

51. Items of statement of cash flows

a) Other cash received related to operating activities

Item	Current amount	Amount for the previous period
Interest income	5,037,876.59	4,800,937.34
Government subsidies	693,966.28	1,048,439.60
Current accounts received	-	38,142,088.17
Others	6,564,756.22	1,502,291.50
Total	12,296,599.09	45,493,756.61

b) Cash paid for other operating activities related

Item	Current amount	Amount for the previous period
Cash paid for G&A expenses, R&D expenses and selling and distribution expenses	17,969,237.13	21,958,179.33
Current accounts paid	410,000.00	384,000.00
Total	18,379,237.13	22,342,179.33

c) Cash paid for other investing activities

Item	Current amount	Amount for the previous period
Cash paid for the purchase of negotiable certificates of deposit	50,000,000.00	
Cash paid for the disposal of fixed assets		
Total	50,000,000.00	

d) Cash paid for other financing activities related

Item	Current amount	Amount for the previous period
Performance bond	5,440,434.23	
Total	5,440,434.23	

52. Supplementary information to statement of cash flows**a) Supplementary information to statement of cash flows**

Supplementary information	Current amount	Amount for the previous period
1. Adjust the net profit to the cash flow of operating activities		
Net profit	-42,690,091.11	-101,765,725.67
Plus: credit impairment loss		
Provision for asset impairment		
Depreciation and amortization of the investment properties	84,388.80	91,318.80
Depreciation of fixed assets	13,874,121.49	14,917,695.19
Depreciation of right-of-use assets	2,720,335.74	
Amortization of intangible assets	344,926.02	344,440.86

Supplementary information	Current amount	Amount for the previous period
Amortization of long-term deferred expenses	248,665.56	248,665.56
Losses from disposal of fixed assets, intangible assets and other long-term assets (gains are listed with "-")	-111,895.22	
Losses on write-off of fixed assets (gains are listed with "-")	5,873.61	880.34
Losses from changes in fair value (gains are listed with "-")		
Financial expenses (gains are listed with "-")	11,768,338.22	20,539,845.79
Investment loss (gains are listed with "-")	-19,725,870.53	-27,741,227.07
Decreases in deferred tax assets (increases are listed with "-")		
Increases in deferred tax liabilities (decreases are listed with "-")		
Decreases in inventories (increases are listed with "-")	283,099.78	2,347,438.40
Decreases of operating receivables (increase are listed with "-")	-25,420,031.99	314,198,626.07
Increase of operating payables (decrease are listed with "-")	1,601,650.09	-22,593,874.97
Others		
Net cash flow from operating activities	-57,016,489.54	200,588,083.30
2. Significant investing and financing activities not involving cash inflows and outflows		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under financing leases		
3. Net change in cash and cash equivalents		
Ending balance of cash	260,399,636.35	470,018,109.19
Less: beginning balance of cash	648,021,672.06	456,751,614.75
Plus: Ending balance of cash equivalents		
Less: beginning balance of cash equivalents	-	232,853,018.84
Net increase in cash and cash equivalents	-387,622,035.71	-219,586,524.40

b) Composition of cash and cash equivalents

Item	Ending balance	Ending balance last year
I. Cash	260,399,636.35	648,021,672.06
Including: cash on hand	30,624.14	37,698.63
Bank deposit available for payment at any time	260,369,004.01	647,983,965.23
Other cash and cash equivalents available for payment at any time	8.20	8.20

Item	Ending balance	Ending balance last year
Deposits in the central bank available for payment		
Deposit of interbank amount		
Loans to banks and other financial institutions		
II. Cash equivalents		
Including: Bond investments maturing within three months		
III. Ending balance of cash and cash equivalents	260,399,636.35	648,021,672.06
Including: cash and cash equivalents with restricted use by parent company or subsidiaries within the group		

53. Assets with restrictions on the ownership or use right

Item	Book value at the end of the period	Reason for restriction
Cash and cash equivalents	32,915,028.57	Note guarantee deposits and performance guarantee deposits
Total	32,915,028.57	

54. Monetary items in foreign currency

a) Monetary items in foreign currency

Item	Ending balance of foreign currency	Exchange rate of conversion	Ending balance of translated RMB
Cash and cash equivalents			
Including: USD	836,529.86	7.22580	6,044,597.46
EUR	1,017.87	7.87710	8,017.86
HKD	268,947.70	0.92198	247,964.40
SGD	3,573.03	5.3442	19,094.99

55. Government subsidies

a) Government subsidies related to assets

Category	Amount	Items presented on the	Amount included in the current profit or loss or used to offset the losses of relevant costs	Items included in the current
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		balance sheet	Current amount	Amount for the previous period	profit or loss or used to offset the losses of related costs
Subsidies for transformation of low nitrogen projects	43,032,780.00	Deferred income	252,422.00	234,909.80	Other income
Support fund for sludge drying project circular economy	11,750,000.00	Deferred income	127,500.00	323,501.46	Other income
Government bond subsidies for sludge drying project	5,100,000.00	Deferred income	323,501.46	127,500.00	Other income
Subsidies for the improvement of atmospheric environment quality in Shenzhen	70,977,273.00	Deferred income	2,365,909.08	2,365,909.08	Other income
Special funds for energy conservation and emission reduction	1,530,000.00	Deferred income	57,018.66	57,018.66	Other income
Funding scheme for the motor energy efficiency improvement	518,400.00	Deferred income	17,280.00	17,280.00	Other income
Funding for technological transformation investment project in 2021-2022	1,060,000.00	Deferred income	35,333.34	22,333.32	Other income
Total	133,968,453.00		3,178,964.54	3,148,452.32	

b) Government subsidies related to revenue

Category	Amount	Amount included in the current profit or loss or used to offset the losses of relevant costs		Items included in the current profit or loss or used to offset the losses of related costs
		Current amount	Amount for the previous period	
National High Multiplication Plan	100,000.00	100,000.00	643,800.00	Other income
Refund of personal income tax	74,806.72	74,806.72	243,753.86	Other income
Lump-sum subsidies for training of workers on post			128,000.00	Other income
Subsidies for pilot demonstration of industrial "carbon peaking"			200,000.00	Other income
Subsidies for stabilizing posts	115,000.00	115,000.00	76,639.60	Other income
Sci-tech innovation voucher	296,500.00	296,500.00		Other income
Subsidies for supporting green and low-carbon development projects of enterprises	300,000.00	300,000.00		Other income

Category	Amount	Amount included in the current profit or loss or used to offset the losses of relevant costs		Items included in the current profit or loss or used to offset the losses of related costs
		Current amount	Amount for the previous period	
Total	886,306.72	886,306.72	1,292,193.46	

VI. Changes in the scope of consolidation

There were no changes to the companies included in the scope of consolidated statements during the reporting period.

VII. Equity in other entities

1. Equity in subsidiaries

a) Structure of the enterprise group

Name of subsidiaries	Main place of business	Place of registration	Nature of business	Shareholding ratio (%)		Method of acquisition
				Direct	Indirect	
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	Zhongshan	Zhongshan	Electricity	55.00	25.00	Establishment
Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.	Shenzhen	Shenzhen	Engineering service	60.00	40.00	Establishment
Shenzhen Shen Nan Dian Environment Protection Co., Ltd.	Shenzhen	Shenzhen	Sludge drying	70.00	30.00	Establishment
Shenzhen Server Petrochemical Supplying Co., Ltd.	Shenzhen	Shenzhen	Energy trade	50.00		Establishment
Shenzhen New Power Industrial Co., Ltd.	Shenzhen	Shenzhen	Electricity	75.00	25.00	Establishment
Shen Nan Energy (Singapore) Co., Ltd.	Singapore	Singapore	Investment	100.00		Establishment
Hong Kong Xingdesheng Co., Ltd.	Hong Kong	Hong Kong	Investment		100.00	Establishment
Zhongshan Shen Nan Dian Warehousing Co., Ltd.	Zhongshan	Zhongshan	Warehousing		80.00	Establishment
Zhuhai Hengqin Zhuozhi Investment Partnership Enterprise (Limited Partnership)	Zhuhai	Zhuhai	Investment	99.96		Establishment

b) Significant non-wholly-owned subsidiaries

Name of subsidiaries	Shareholding ratio of minority shareholders (%)	Current profit or loss attributable to minority shareholders	Ending balance of minority equity
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	20.00	-4,797,782.18	-104,957,452.13

c) **Key financial information of major non-wholly-owned subsidiaries**

Name of subsidiaries	Ending balance /RMB						Balance at the end of last year/RMB					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd. ("Zhongshan Electric Power")	46,730,850.08	211,989,456.34	258,720,306.42	778,465,223.72	5,042,343.35	783,507,567.07	43,407,571.96	216,418,067.18	259,825,639.14	755,501,588.98	5,122,399.93	760,623,988.91

Name of subsidiaries	Current amount/RMB				Amount for the previous period/RMB			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd. ("Zhongshan Electric Power")	43,549,971.34	-23,988,910.88	-23,988,910.88	-1,700,627.90	16,508,874.54	-30,324,465.11	-30,324,465.11	-53,373,996.76

2. Equity in the joint venture arrangements or associates

a) Significant joint ventures or associates

Name of joint ventures or associates	Main place of business	Place of registration	Main business activities	Shareholding ratio (%)		Accounting treatment for investment in joint ventures or associates
				Direct	Indirect	
Huidong Server Harbor Comprehensive Development Company	Renshan Town, Huidong County	Renshan Town, Huidong County	Wharf operation	40.00		Equity method
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	Yixing, Jiangsu	Yixing, Jiangsu	Environmental protection	9.935		Equity method

b) Key financial information of joint ventures or associates

	Ending balance/Current amount		Balance at the end of the previous year/Amount for the previous period	
	Liaoyuan Environmental Protection	Huidong Server	Liaoyuan Environmental Protection	Huidong Server
Total of investment book value	79,175,883.44	4,748,821.29	79,082,076.44	4,414,021.80
Total amounts of the following items calculated at shareholding ratio				
- Net profit	1,308,357.00	334,799.49	6,208,396.44	-2,572,633.39
- Other comprehensive income				
- Total comprehensive income	1,308,357.00	334,799.49	6,208,396.44	-2,572,633.39

VIII. Risks associated with financial instruments

The Company's main financial instruments include equity investments, notes receivable, long-term and short-term borrowings, accounts receivable, accounts payable, other payables, etc. See details of each financial instrument in related items of Note III (X). Risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The Group's management manages and monitors these exposures to ensure that the risks are controlled within certain limits.

The Company adopts the sensitivity analysis technique to analyze the possible impact of reasonable and possible changes in risk variables on the current profit or loss or

shareholders' equity. As any risk variable seldom changes in isolation, and the correlation between the variables will have a significant effect on the final affected amount of the change of a risk variable, the following contents are carried out under the assumption that the change of each variable is independently:

1. Credit risk

The credit risk refers to the risk of financial loss to the other party due to the failure of one party to perform its obligations financial instruments. The Company mainly faces customer credit risks caused by sales on account. Prior to the conclusion of a new contract, the Company will evaluate the credit risk of the new customer, including external credit ratings and bank reference certificate under some circumstances (if it is readily available). The Company has set a credit limit for each customer, which is the maximum amount without additional approval.

The Company ensures its overall credit risk remains within a controllable range through quarterly monitoring of existing customers' credit ratings and monthly review of accounts receivable aging analysis. When monitoring the customers' credit risks, the Company will divide them into groups by their credit characteristics. Customers classified as "high risk" are placed on the restricted customer list, and the Company can extend credit to them in future periods only with additional approval. Otherwise, the Company must request advance payment for the corresponding amounts.

2. Market risk

Market risk associated with financial instruments refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market prices, and it includes exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

The Company's risk of changes in cash flows of financial instruments due to changes in interest rates is mainly related to bank borrowings with floating interest rates.

Sensitivity analysis of interest rate risk:

Sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expenses of the variable rate financial instruments. For fixed-rate financial instruments measured at fair value, changes in market interest rates only affect their interest income or expenses. For derivative financial instruments designated as hedging instruments, changes in market interest rates

affect their fair value and all interest rate hedges are highly effective. Changes in the fair value of derivative financial instruments and other financial assets and liabilities are calculated using the cash flow discount method at the market interest rate on the balance sheet date.

As of June 30, 2023, the Company's bank loan interest calculated at floating interest rates amounted to RMB1,644,773.76. On the basis of the above assumptions and with other variables unchanged, it is assumed that the pre-tax impact of a 5% change in interest rate on the current profit or loss and shareholders' equity is as follows:

Change in interest rate	Current amount		Same period last year	
	Impact on profit	Impact on shareholders' equity	Impact on profit	Impact on shareholders' equity
Increasing by 5%	-82,238.69	-82,238.69	-188,647.52	-188,647.52
Decreasing by 5%	82,238.69	82,238.69	188,647.52	188,647.52

(2) Exchange rate risk

Foreign exchange risk refers to the risk of losses arising from the exchange rate fluctuation. The Company's exposure to foreign exchange risk is mainly related to US dollars. As at June 30, 2023, except for the balance of foreign currency monetary items in Note V(XLVI), the Company's assets and liabilities were the balance in RMB. 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

The term "liquidity risk" refers to the risk of shortage of funds when an enterprise fulfills its obligations of settlement by delivery of cash or other financial assets. It is the Company's policy to ensure that it has sufficient cash to repay its debts as they fall due. The liquidity risk is under the centralized control of the Company's Finance Department. The Finance Department ensures that the Company has sufficient funds to repay its debts under all reasonable forecast circumstances by monitoring its cash balance, marketable securities that can be realized at any time and rolling forecast of the cash flow in the next 12 months.

IX. Related parties and related party transactions

1. Parent company of the Company

None of the shareholders of the Company holds a stake exceeding 50%, and control over the Company cannot be established through other means. Therefore, the Company does not have a parent company.

2. Subsidiaries of the Company

For details of the Company's subsidiaries, please refer to "VII. (I) Equity in Subsidiaries".

3. Joint ventures and associates of the Company

For details of significant joint ventures or associates of the Company, please refer to "VII. (II) Equity in joint venture arrangements or associates".

4. Other related parties

Name of other related parties	Relationships between other related parties and the Company
Shenzhen Energy Group Co., Ltd. (hereinafter referred to as "Energy Group")	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 who indirectly holds more than 5% of the Company's shares through Energy Group
Directors, supervisors, senior officers of the Company	Key management personnel

5. Receivables from and payables to related parties

a) Receivables

Project name	Related party	Book balance at the end of period	Book balance at the end of the previous year
Other receivables			
	Huidong Server	14,911,484.45	14,740,501.44
	Huidong Server co-managed account	905,705.59	900,414.01
	Total	15,817,190.04	15,640,915.45

X. Commitments and contingencies

1. Significant commitments

There were no commitments required to be disclosed by the Company as at June 30, 2023.

2. Contingencies

There were no contingencies required to be disclosed by the Company as at June 30, 2023.

XI. Events after the balance sheet date

The Company had no subsequent events that need to be disclosed as of the reporting date.

1. Significant non-adjusting events

None

2. Notes to other events after the balance sheet date

None

XII. Other significant matters

Segment information

1. Determination basis and accounting policies for reporting segments

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. electricity generation, electricity engineering and other businesses. The Company's management regularly evaluates the business performance of these divisions to determine the allocation of resources and evaluate their performance.

Information on segment reporting is disclosed according to the accounting policies and measurement standards adopted by each segment when reporting to the management, and these measurement bases are consistent with the accounting and measurement bases when preparing the financial statements.

2. Financial information of reporting segments

Item	Electricity generation division	Electricity engineering division	Other segments	Inter-segment offset	Total
Operating revenue	260,912,625.36	19,368,926.99	550,285.74	9,563,653.04	271,268,185.05

Item	Electricity generation division	Electricity engineering division	Other segments	Inter-segment offset	Total
Operating costs	281,278,611.26	13,411,721.57	84,388.80	9,406,791.73	285,367,929.90
Total assets	1,970,158,049.37	96,168,091.09	396,943,342.40	480,750,700.24	1,982,518,782.62
Total liabilities	757,736,515.40	59,459,733.17	36,353,724.25	221,379,589.61	632,170,383.21

XIII. Notes to the main items of the parent company's financial statements

1. Accounts receivable

a) Accounts receivable disclosed by aging

Aging	Ending balance	Ending balance last year
Within 1 year	54,764,958.01	47,995,982.82
More than 3 years		
Sub-total	54,764,958.01	47,995,982.82
Less: provision for bad debts		
Total	54,764,958.01	47,995,982.82

b) Disclosure of accounts receivable by category based on provision method for bad debts

Category	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Ratio of provision (%)	
Provision for bad debts accrued on an individual basis					
Provision for bad debts by portfolio of risk characteristics	54,764,958.01	100			54,764,958.01
Including: risk-free portfolio	54,764,958.01	100			54,764,958.01
Total	54,764,958.01	100			54,764,958.01

Category	Ending balance last year		
	Book balance	Provision for bad debts	Book value

	Amount	Ratio (%)	Amount	Ratio of provision (%)	
Provision for bad debts accrued on an individual basis					
Provision for bad debts by portfolio of risk characteristics	47,995,982.82	100			47,995,982.82
Including: risk-free portfolio	47,995,982.82	100			47,995,982.82
Total	47,995,982.82	100			47,995,982.82

Provision for bad debts made by portfolio:

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Ratio of provision (%)
Electricity charges receivable	54,764,958.01		
Total	54,764,958.01		

c) Top 5 accounts receivable in terms of ending balances due from debtors

Company name	Book balance	Ratio in the balance of accounts receivable (%)	Ending balance of the provision for bad debts
No.1	54,764,958.01	100	
Total	54,764,958.01	100	

2. Other receivables

Item	Ending balance	Ending balance last year
Interest receivable		
Dividends receivable		
Other accounts receivable	919,550,297.33	851,189,111.89
Total	919,550,297.33	851,189,111.89

a) Other accounts receivable

(1) Disclosure by aging

Aging	Ending balance	Ending balance last year
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Aging	Ending balance	Ending balance last year
Within 1 year	520,717,149.91	452,449,473.00
1-2 years	94,734,608.45	94,733,821.40
2-3 years	19,926.83	19,926.83
More than 3 years	331,408,255.58	331,315,534.10
Sub-total	946,879,940.77	878,518,755.33
Less: provision for bad debts	27,329,643.44	27,329,643.44
Total	919,550,297.33	851,189,111.89

(2) Disclosure by category

Category	Ending balance				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Ratio of provision (%)	
Provision for bad debts accrued on an individual basis	27,617,758.22	2.92	27,329,643.44	98.96	288,114.78
Provision for bad debts by portfolio of risk characteristics	919,262,182.55	97.08			919,262,182.55
Including: low-risk portfolio	919,262,182.55	97.08			919,262,182.55
Total	946,879,940.77	100	27,329,643.44	3.11	919,550,297.33

Category	Ending balance last year				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Ratio of provision (%)	
Provision for bad debts accrued on an individual basis	27,617,758.22	3.14	27,329,643.44	98.96	288,114.78
Provision for bad debts by portfolio of risk characteristics	850,900,997.11	96.86			850,900,997.11
Including: low-risk portfolio	850,900,997.11	96.86			850,900,997.11
Total	878,518,755.33	100.00	27,329,643.44	3.11	851,189,111.89

Provision for bad debts made on an individual basis:

Name	Ending balance			
	Book balance	Provision for bad debts	Ratio of provision (%)	Reason for provision
Individual income tax	2,470,039.76	2,470,039.76	100.00	Estimated to be irrecoverable
Dormitory amounts receivable	1,736,004.16	1,736,004.16	100.00	Estimated to be irrecoverable
Huiyang County Kangtai Industrial Company	14,311,626.70	14,311,626.70	100.00	Estimated to be irrecoverable
Accounts receivable from individuals	7,498,997.87	7,498,997.87	100.00	Estimated to be irrecoverable
Others	1,601,089.73	1,312,974.95	82.01	Estimated to be irrecoverable
Total	27,617,758.22	27,329,643.44	98.96	

(3) Provision for bad debts

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss over the whole life (without credit impairment)	Expected credit loss over the whole life (with credit impairment)	
Beginning balance			27,329,643.44	27,329,643.44
Beginning balance in the current period				
- Carried forward to the second stage				
- Carried forward to the third stage				
- Reversal to the second stage				
- Reversal to the first stage				
Provision in the current period				
Reversal in the current period				
Charge-off in the current period				
Write-off in current period				
Other changes				
Ending balance			27,329,643.44	27,329,643.44

(5) Classification by nature of payment

Nature of payment	Book balance at the end of period	Book balance at the end of the previous year
Transactions between related parties	919,379,250.99	850,503,678.18
Dormitory amounts receivable	1,736,004.16	1,736,004.16
Deposits receivable	1,601,089.73	1,601,089.73
Accounts receivable from individuals	7,591,575.29	7,615,145.44
Others	16,572,020.60	17,062,837.82
Sub-total	946,879,940.77	878,518,755.33
Less: provision for bad debts	27,329,643.44	27,329,643.44
Total	919,550,297.33	851,189,111.89

3. Long-term equity investments

Item	Ending balance			Ending balance last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	718,091,322.09	445,002,245.26	273,089,076.83	718,091,322.09	445,002,245.26	273,089,076.83
Investments in joint ventures and associates	79,175,883.44		79,175,883.44	79,082,076.44		79,082,076.44
Total	797,267,205.53	445,002,245.26	352,264,960.27	797,173,398.53	445,002,245.26	352,171,153.27

a) Investments in subsidiaries

Investees	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment made in the current period	Ending balance of the provision for impairment
Shenzhen Server Petrochemical Supplying Co., Ltd.	26,650,000.00			26,650,000.00		
Shen Nan Energy (Singapore) Co., Ltd.	6,703,800.00			6,703,800.00		
Shenzhen New Power Industrial Co., Ltd.	71,270,000.00			71,270,000.00		13,709,556.49
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	410,740,000.00			410,740,000.00		410,740,000.00
Shenzhen Shennandian	6,000,000.00			6,000,000.00		

Investees	Ending balance last year	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment made in the current period	Ending balance of the provision for impairment
Turbine Engineering Technology Co., Ltd.						
Shenzhen Nan Environment Protection Co., Ltd.	55,300,000.00			55,300,000.00		20,552,688.77
Zhuhai Hengqin Zhuozhi Investment Partnership Enterprise (Limited Partnership)	141,427,522.09			141,427,522.09		
Total	718,091,322.09	-	-	718,091,322.09	-	445,002,245.26

b) Investments in associates, joint ventures

Investees	Ending balance last year	Increase/decrease in the current period								Ending balance	Ending balance of the provision for impairment
		Additional investment	Decrease in investment	Profit or loss of investment recognized under the equity method	Adjustment of other comprehensive income	Changes in other equity	Cash dividends or profits declared and distributed	Provision for impairment	Others		
I. Associates											
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	79,082,076.44			1,308,357.00			1,214,550.00			79,175,883.44	
Sub-total	79,082,076.44	-	-	1,308,357.00	-	-	1,214,550.00	-	-	79,175,883.44	
Total	79,082,076.44	-	-	1,308,357.00	-	-	1,214,550.00	-	-	79,175,883.44	

4. Operating revenue and operating costs

Item	Current amount		Amount for the previous period	
	Revenue	Costs	Revenue	Costs
Main business	123,160,499.18	167,370,297.62	96,445,440.00	153,240,868.95
Other business	44,602,733.18	14,977.28	32,628,912.66	2,830.19
Total	167,763,232.36	167,385,274.90	129,074,352.66	153,243,699.14

5. Investment income

Item	Current amount	Amount for the previous period
Income from long-term equity investments accounted for by using the equity method	1,308,357.00	
Investment income from trading financial assets during the holding period	9,342,507.91	28,915,295.59
Dividend income earned during the holding period of investments in other equity instruments	340,206.13	
Dividends from long-term equity investments	6,717,600.82	
Total	17,708,671.86	28,915,295.59

XIV. Supplementary information

1. Breakdown of the current non-recurring profit or loss

Item	Amount	Description
Profit or loss from disposal of non-current assets	106,021.61	
Tax returns, deduction and exemption approved beyond the authority or without official approval documents		
Government subsidies included in the current profit or loss (except for government subsidies closely related to the enterprise business, obtained by quota or quantity at unified state standards)	4,065,271.26	
Expenses for using funds charged from non-financial enterprises and included in the current profit or loss		
Gains arising from the difference between the investment costs of acquiring subsidiaries, associates and joint ventures in short of the fair value of the identifiable net assets of the investees enjoyed by the enterprise at the time of acquiring investment		
Profit or loss from exchange of non-monetary assets		
Profit or loss from entrusting others to invest in or manage assets		
Various provision for asset impairment made due to force majeure factors, such as natural disasters		
Profit or loss from debt restructuring		

Item	Amount	Description
Enterprise reorganizing expenses, such as employee accommodation costs and integration expenses, etc.		
Profit or loss in excess of the fair value arising from transactions with obviously unfair transaction price		
Current net profit or loss of the subsidiaries from business combination under the same control from the beginning of the period to the merger date		
Profit or loss from contingencies unrelated to the Company's normal business		
Profit or loss from changes in fair value arising from holdings of trading financial assets and trading financial liabilities and investment income from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, except for the effective hedging business related to the Company's normal business operations	9,342,507.91	
Reversal of provision for impairment of accounts receivable subject to separate impairment test		
Profit or loss from external entrusted loans		
Profit or loss from changes in fair value of investment properties subsequently measured using the fair value model		
Impact of one-off adjustment to the current profit or loss in accordance with laws and regulations on taxation and accounting on the current profit or loss		
Revenue of trusteeship fees from entrusted operation		
Other non-operating revenue and expenses other than the above items	4,993,878.46	
Other profit or loss that meet the definition of non-recurring profit or loss		
Sub-total	18,507,679.24	
Less: effect of income tax		
Less: minority equity impact	871,088.17	
Total	17,636,591.07	

2. Rate of return on net assets and earnings per share

Profit during the reporting period	Weighted average rate of return on net assets (%)	Earnings per share (RMB)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	-2.59	-0.0618	-0.0618
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	-3.82	-0.0910	-0.0910

Shenzhen Nanshan Power Co., Ltd.

August 23, 2023