

Stock Code: 000037, 200037

Short Form of Stock: Shen Nan Dian A, Shen Nan Dian B

No.: 2021-041



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

Semi-annual Report 2021

August 2021

Section I. Important Notice, Contents and Interpretation

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

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

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

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

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either in the mid-term.

The semi-annual report has been prepared in both Chinese and English, for any discrepancies, the Chinese version shall prevail. Please read the full semi-annual report seriously.

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Documents Available for Reference

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

Interpretation

Items	Refers to	Contents
Company, the Company, Shen Nan Dian, The listed company	Refers to	Shenzhen Nanshan Power Co., Ltd.
Shen Nan Dian Zhongshan Company	Refers to	Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Shen Nan Dian Engineering Company	Refers to	Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.
Shen Nan Dian Environment Protection Company	Refers to	Shenzhen Shen Nan Dian Environment Protection Co., Ltd.
Server Company	Refers to	Shenzhen Server Petrochemical Supplying Co., Ltd.
New Power Company	Refers to	Shenzhen New Power Industrial Co., Ltd.
Singapore Company	Refers to	Shen Nan Energy (Singapore) Co., Ltd.
Nanshan Power Factory	Refers to	Nanshan Power Factory of Shenzhen Nanshan Power Co., Ltd.
Zhongshan Nanlang Power Plant	Refers to	Zhongshan Nanlang Power Plant of Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Shenzhen Capital	Refers to	Shenzhen Capital Holdings Co., Ltd.
Shenzhen Qianhai Authority	Refers to	Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen Authority
Shenzhen SEZ Construction Group	Refers to	Shenzhen SEZ Construction Group Co., Ltd.
Audit institution, LIXINZHONGLIAN, accounting organ	Refers to	LIXINZHONGLIAN CPAS (SPECIAL GENERAL PARTNERSHIP)
<i>Articles of Association</i>	Refers to	<i>Article of Association of Shenzhen Nanshan Power Co., Ltd.</i>
Yuan, ten thousand Yuan, one hundred million	Refers to	Except the special description of the monetary unit, the rest of the monetary unit is RMB Yuan, ten thousand Yuan, one hundred million Yuan
Reporting period	Refers to	1 January 2021 to 30 June 2021

Section II. Company Profile and Main Financial Indexes

I. Company profile

Short form of the stock	Shen Nan Dian A , Shen Nan Dian B	Stock code	000037, 200037
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	深圳南山热电股份有限公司		
Short form of the Company (in Chinese) (if applicable)	深南电		
Foreign name of the Company (if applicable)	Shenzhen Nanshan Power Co., Ltd.		
Legal representative	Li Xinwei		

II. Contact person/ways

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

III. Others

1. Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in Annual Report 2020.

2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not

Applicable Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2020.

IV. Main accounting data and financial indexes

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

Yes No

	Current period	Same period of last year	Increase/decrease in this report y-o-y (+,-)
Operating revenue(RMB)	376,602,393.38	518,150,606.21	-27.32%
Net profit attributable to shareholders of the listed Company(RMB)	1,456,269.68	52,040,498.42	-97.20%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses(RMB)	-19,517,615.51	10,149,730.42	-292.30%
Net cash flow arising from operating activities (RMB)	68,920,712.99	69,936,561.46	-1.45%
Basic earnings per share (RMB/Share)	0.002	0.086	-97.67%
Diluted earnings per share (RMB/Share)	0.002	0.086	-97.67%
Weighted average ROE	0.07%	2.57%	-2.50%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end (+,-)
Total assets (RMB)	3,206,158,742.54	3,020,830,930.06	6.13%
Net assets attributable to shareholder of listed Company (RMB)	2,056,198,117.32	2,054,741,847.64	0.07%

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

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

Applicable Not applicable

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

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

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or

Chinese GAAP (Generally Accepted Accounting Principles) in the period.

VI. Items and amounts of extraordinary profit (gains)/loss

Applicable Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	974,699.74	
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, excluding the fixed-amount or fixed-proportion governmental subsidy according to the unified national standard)	3,368,979.50	The government subsidy related to assets are being amortized
Gains/losses arising from contingency that without relation with the normal operation business of the Company	5,000,000.00	Reversal of the accrual liabilities
Gains/losses of fair value changes from holding the trading financial asset, derivative financial assets, trading financial liability and derivative financial liability and investment earnings obtained from disposing the trading financial asset, derivative financial assets, trading financial liability, derivative financial liability and other debt investment, except for the effective hedging business related to normal operation of the Company	13,977,075.28	Income from wealth management
Other non-operating income and expenditure except for the aforementioned items	226,480.55	
Less: Impact on minority shareholders' equity (post-tax)	2,573,349.88	
Total	20,973,885.19	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, the Company has no such items in the reporting period for the aforesaid

Section III Management Discussion and Analysis

I. Main businesses of the Company in the reporting period

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

During the reporting period, the company's main power business faced many difficulties such as the recurring COVID-19 epidemic, the reduction of the benchmark electricity price on the grid, significant reduction in power metrics and the further increase of the electricity market transaction electricity sold below the benchmark electricity price on the grid. In order to minimize the negative impact of the external environment on the company's business performance, the company has implemented a series of business layout and management changes with innovative thinking and perseverance, clarified annual business objectives and policies, and adopted targeted major measures. On the basis of safety production management, we have continuously strengthened economic operation management, and conformed to the trend of accelerating the process of power market reform in Guangdong Province. We organized two subordinate power plants to actively participate in the marketing competition and achieved good results, which created favorable conditions for achieving the goal of operating profitability. From January to June 2021, the company's two subordinate power plants completed a total of 635 million kWh of actual on-grid energy, marketing electric quantity was 342 million kWh in months with difference in price, and contract electric quantity was 265 million kWh in spot months. The performance of each subordinate power plants of the company was as follows: Nanshan Power Factory completed the on-grid energy of 544 million kWh, the marketing electric quantity in months with difference in price was 176 million kWh, and the contract electric quantity in spot months was 164 million kWh; Zhongshan Nanlang Power Plant completed on-grid energy of 91 million kWh, the marketing electric quantity in months with difference in price was 166 million kWh, and the contract electric quantity in spot months was 101 million kWh.

During the reporting period, the company not only strive to improve the operating efficiency of its main business of electric power, but also made great efforts to the operation and expansion of related businesses. The subordinate Shen Nan Dian Engineering Company continued to develop the technical consultation and technology service business for the construction of domestic and international gas turbine power stations. Shen Nan Dian Environmental Protection Company continued to engaged in the drying treatment of wet sludge in sewage treatment plants by utilizing the waste heat generated by gas turbines, which realized the reduction and harmless treatment of sludge and the comprehensive utilization of resources.

The Company shall comply with the disclosure requirements of Guidelines of Information Disclosure for Industry on Shenzhen Stock Exchange No.15- Listed Companies are Engaged in Electricity-related Business

II. Core Competitiveness Analysis

In recent years, due to the impact of the macroeconomic situation and the common problems of gas turbine generating industry, the Company's main business has been facing increasing difficulties and challenges. However, the basic core competitiveness formed by

the operation and development for more than three decades and thanks to the strong support from major shareholders, and the management innovations adopted by new session of the Board and leading group, it has laid a necessary foundation for the Company to survive and seeking transformation and development. During the reporting period, the company's core competitiveness has not undergone major changes, and all competitiveness elements have developed in a balanced manner. The company's overall competitiveness has been further consolidated and improved, and there have been no major changes that may affect the company's future operations. (core competitiveness analysis found more in the Annual Report 2020)

III. Main business analysis

Found more in "I. Main businesses of the Company in the reporting period"

Y-o-y changes of main financial data

In RMB

	Current period	Same period of last year	Y-o-y increase/decrease	Reasons for changes
Operating revenue	376,602,393.38	518,150,606.21	-27.32%	Compared with the same period last year, the operating revenue reduced due to the change of consolidate statement scope
Operating costs	351,210,223.91	453,109,436.14	-22.49%	Compared with the same period last year, the power generation cost reduced due to the change of consolidate statement scope
Sales expenses	696,436.80	2,527,403.66	-72.44%	Mainly due to the reduction in the amount of dry sludge disposal
Administrative expenses	40,014,168.55	43,036,872.15	-7.02%	
Finance expenses	2,835,034.71	5,064,722.20	-44.02%	The loan interest rates and loan scale declined
Income tax expenses		610,366.52	-100.00%	The taxable income decreased
R&D investment	3,360,629.60	0.00	----	Mainly due to the R&D expenses for new technology from subsidiary
Net cash flow arising from operating activities	68,920,712.99	69,936,561.46	-1.45%	
Net cash flow arising	-442,542,660.44	-70,404,614.02	528.57%	Expenses on wealth

from investment activities				management products increased
Net cash flow arising from financing activities	60,903,494.60	313,780,839.64	-80.59%	The bank loans declined
Net increase of cash and cash equivalent	-312,778,014.74	313,413,965.85	-199.80%	The net cash flow arising from investment activities decreased

Major changes on profit composition or profit resources in reporting period

Applicable Not applicable

No changes on profit composition or profit resources in reporting period

Constitution of operating revenue

In RMB

	Current period		Same period of last year		Y-o-y changes (+,-)
	Amount	Ratio in operating revenue	Amount	Ratio in operating revenue	
Total operating revenue	376,602,393.38	100%	518,150,606.21	100%	-27.32%
According to industries					
Energy industry	356,995,223.97	94.79%	470,093,812.79	90.73%	-24.06%
Engineering labor	15,650,905.64	4.16%	16,697,226.83	3.22%	-6.27%
Sludge drying	3,388,263.75	0.90%	29,975,302.78	5.79%	-88.70%
Other	568,000.02	0.15%	1,384,263.81	0.27%	-58.97%
According to products					
Electricity sales	356,995,223.97	94.79%	470,093,812.79	90.73%	-24.06%
Engineering labor	15,650,905.64	4.16%	16,697,226.83	3.22%	-6.27%
Sludge drying	3,388,263.75	0.90%	29,975,302.78	5.79%	-88.70%
Other	568,000.02	0.15%	1,384,263.81	0.27%	-58.97%
According to region					
Shenzhen	306,547,992.61	81.40%	227,995,512.76	44.00%	34.45%
Zhongshan	70,054,400.77	18.60%	85,765,596.92	16.55%	-18.32%
Dongguan			204,389,496.53	39.45%	-100.00%

The industries, products, or regions accounting for over 10% of the Company's operating revenue or operating profit

Applicable Not applicable

In RMB

	Operating	Operating costs	Gross profit ratio	Increase/decrease	Increase/decrease	Increase/decrease

	revenue			of operating revenue y-o-y	of operating cost y-o-y	of gross profit ratio y-o-y
According to industries						
Energy industry	356,995,223.97	334,320,000.49	6.35%	-24.06%	-19.77%	-5.00%
Engineering labor	15,650,905.64	9,122,669.52	41.71%	-6.27%	-33.96%	24.45%
Sludge drying	3,388,263.75	7,649,745.60	-125.77%	-88.70%	-65.97%	-150.78%
According to products						
Electricity sales	356,995,223.97	334,320,000.49	6.35%	-24.06%	-19.77%	-5.00%
Engineering labor	15,650,905.64	9,122,669.52	41.71%	-6.27%	-33.96%	24.45%
Sludge drying	3,388,263.75	7,649,745.60	-125.77%	-88.70%	-65.97%	-150.78%
According to region						
Shenzhen	305,979,992.59	279,909,474.85	8.52%	35.02%	39.65%	-3.03%
Zhongshan	70,054,400.77	71,182,940.76	-1.61%	-18.32%	33.60%	-39.49%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest one year's scope of period-end

Applicable Not applicable

Reasons for y-o-y relevant data with over 30% changes

Applicable Not applicable

Revenue from sludge drying drops 88.70% from a year earlier, mainly due to the decline in sludge treatment volume.

Other revenue has 58.97% down on a y-o-y basis, mainly due to the decrease of technical service revenue.

IV. Analysis of the non-main business

Applicable Not applicable

In RMB

	Amount	Ratio in total profit	Note	Whether be sustainable (Y/N)
Investment income	12,828,359.95	-1,684.41%	The income from wealth management	N
Non-operating income	5,261,868.55	-690.90%	Reversal of the accrual liability	N
Non-operating expenditure	35,388.00	-4.65%	Loss on retirement of the fixed assets	N

V. Assets and liability

1. Major changes of assets composition

In RMB

	End of the current Period		End of last year		Ratio changes (+,-)	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	451,823,257.47	14.09%	764,601,272.21	25.31%	-11.22%	Purchasing more wealth products
Account receivable	96,253,747.38	3.00%	85,293,052.88	2.82%	0.18%	
Contractual assets		0.00%	7,229,600.00	0.24%	-0.24%	
Inventory	101,208,069.27	3.16%	100,245,529.06	3.32%	-0.16%	
Investment real estate	2,107,120.60	0.07%	2,205,189.40	0.07%	0.00%	
Long-term equity investment	7,744,693.53	0.24%	8,893,408.86	0.29%	-0.05%	
Fixed assets	903,855,214.06	28.19%	925,745,208.55	30.65%	-2.46%	Depreciation of fixed assets accrual in the Period
Construction in process	85,544,475.11	2.67%	42,782,712.98	1.42%	1.25%	New technology transformation projects
Short-term loans	458,822,740.80	14.31%	675,528,858.48	22.36%	-8.05%	Repayment of the short-term bank loans
Other current assets	1,222,940,412.14	38.14%	917,288,244.54	30.37%	7.77%	Purchasing more wealth management products
Other equity instrument investment	200,615,000.00	6.26%	81,615,000.00	2.70%	3.56%	Foreign investment from Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership) increased
Long-term expenses to be apportioned	1,711,000.41	0.05%	1,027,508.94	0.03%	0.02%	
Note payable	469,635,315.93	14.65%	30,467,345.48	1.01%	13.64%	The bank acceptance payable and trade acceptance payable increased

2. Main foreign assets

Applicable Not applicable

3. Assets and liability measured by fair value

√Applicable □Not applicable

In RMB

Item	Opening amount	Gain/loss of fair value changes in the Period	Cumulative change of fair value recorded into equity	Impairment accrual in the Period	Amount purchased in the Period	Amount sold in the Period	Other changes	Ending amount
Financial assets								
Other equity instrument investment	81,615,000.00				119,000,000.00			200,615,000.00
Total above	81,615,000.00				119,000,000.00			200,615,000.00
Financial liability	0.00							0.00

Other changes

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

□Yes √No

4. Assets right restriction till end of reporting period

N/A

VI. Investment analysis**1. Overall situation**

√Applicable □Not applicable

Investment amount in the Period (RMB)	Investment amount at same period last year (RMB)	Changes (+,-)
118,957,517.00	0.00	----

2. The major equity investment obtained in the reporting period

√Applicable □Not applicable

In RMB

Invested company	Main business	Form of investment	Investment amount	Shareholding ratio	Capital source	Partner	Time horizon	Type	Progress as of the balance	Anticipated income	Investment gains/losses	With lawsuit	Disclosure date (if any)	Disclosure index (if any)
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Project Name	Investment Type	Investment Status	Investment Amount (RMB)	Ownership	Investment Object	Term	Investment Date	Investment Amount (RMB)	Investment Amount (RMB)	Investment Status	Investment Date	Investment Status	Investment Status	Investment Status
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	Equity investment	Newly established	118,957,517.00	99.96%	China Science and Tech Innovation Venture Capital Management	5-year	Limited partnership	140,229,917.00	9,308.53	N	2020-10-23	2020-051	Notice on the Investment for Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership); Notice No.: 2020-051 released on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website	
Total	--	--	118,957,517.00	--	--	--	--	--	9,308.53	--	--	--	--	--

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

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

The Company had no securities investment in the reporting period.

(2) Derivative investment

Applicable Not applicable

The Company had no derivatives investment in the reporting period.

VII. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

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

2. Sales of major equity

Applicable Not applicable

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

Applicable Not applicable

Particular about main subsidiaries and stock-jointly companies with an impact of 10% or more on the Company's net profit

In RMB

Name	Type	Main business	Register capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen New Power Industrial Co., Ltd.	Subsidiary	Technology development regarding to application of remaining heat (excluding restricted items) and power generation with remaining heat. Add: power generation through burning machines.	RMB 113.85 million	197,567,783.71	159,696,173.50	137,786,947.04	672,954.78	672,954.78
Shenzhen Shen Nan Dian Environment Protection Co., Ltd.	Subsidiary	Sludge drying; the design and operations management of sludge treatment and disposal facilities and engineering; the technology development, technology transfer, technical advice, technical services of environmental pollution control and comprehensive utilization domain; (Except for the projects required to be approved before registration by laws, administrative regulations,	RMB 79 million	132,710,496.59	115,034,037.59	3,412,263.75	-7,117,609.49	-7,117,609.49

		or decisions and stipulation of the State Council, the restricted items must be approved before operating)						
Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.	Subsidiary	Engage in the technical advisory service for the construction projects of gas-steam combined cycle power plant (station), and undertake the maintenance and overhaul of the operation equipment of gas-steam combined cycle power plant (station). Import and export of goods and technologies (excluding distribution and state monopoly commodities)	RMB 10 million	50,769,529.05	37,425,432.39	15,650,905.64	-33,011.56	-58,399.56
Shenzhen Server Petrochemical Supplying Co., Ltd	Subsidiary	Self-supporting or import agent business of fuel oil; trade (excluding production and storage and transportation) in diesel, lubricating oil, liquefied petroleum gas, natural gas, compressed gas and liquefied gas, chemical products (excluding dangerous chemicals); investment, construction and technical supports in liquefied petroleum gas, natural gas and related facilities; import and export businesses and domestic trade of goods and technologies (excluding franchise, exclusive control, and monopoly products); leasing business. Licensed	RMB 53.3 million	111,095,593.07	93,943,291.33	544,000.02	-2,133,761.79	2,866,238.21

		projects: fuel oil warehousing business (except for refined oil); general freight transport, special transportation of goods (containers), special transportation of goods (tank)						
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	Subsidiary	Gas turbine power generation, waste heat power generation, power supply and heating(heating pipe network excluded), leasing of wharf, oil depots and power equipment facilities (excluding refined oil, dangerous chemicals, or flammable and explosive goods); leasing of land-use right; non-residential real estate leasing	RMB 746.8 million	525,057,677.20	-76,902,978.26	70,054,400.77	-18,506,781.68	-18,254,913.13
Shen Nan Energy (Singapore) Co., Ltd.	Subsidiary	Agent for oils trade and spare parts of gas turbine	US \$ 0.9 million	139,143,335.51	136,623,838.96		959,675.20	959,675.20
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	Subsidiary	Equity investment, venture capital	RMB 21.358 million	140,290,796.86	140,289,731.86		9,308.53	9,308.53

Subsidiary disposes and acquired in the period

Applicable Not applicable

Statement of main holding company and stock-jointly companies

IX. Structured vehicle controlled by the Company

Applicable Not applicable

X. Risks and countermeasures

1. In terms of main business, in 2021, the market share of the company's two subordinate power plants continued to decline, and the quantity of electricity index significantly reduced. In addition, since August 1, 2020, the on-grid electricity price of gas and power units in the province has been lowered again by 0.035 yuan/kWh, while the price of natural gas has been running at a high level and rising continuously since the beginning of the year, resulting in a significant increase in the fuel cost of the company's 9E gas unit and a more severe operating situation of the company's main power generation business. On the one hand, the company continued to communicate with relevant provincial and municipal government departments to reflect the difficulties of the company and seek government support, on the other hand, the company continued to strengthen the operation and management of the stock assets, adhered to the working principles and ideas of the organic combination of "generating electricity economically by units" and "increasing income from electricity marketing", and tried our best to improve the profitability of the main business of power production and the overall operating efficiency of the company. At the same time, the company will actively explore diversified business models and transformation and development opportunities to create better conditions for the company's sustainable operation and healthy development.

2. In terms of security management, on the one hand, under the power generation new model of constantly deepening marketization, more flexible scheduling mode, and stricter non-stop assessment, and in the face of ageing generating equipment and increasingly heavy operation and maintenance work, the company actively organized subordinate two power plants to formulate scientific and reasonable equipment maintenance and technical modification plan, invested a lot of money and technical force, made efforts to enhance the maintenance and management level of units, ensured the safe and stable operation of production facilities, and continued to play the supporting role of the main peaking power supply points. On the other hand, with the promulgation and implementation of the new "Safety Production Law of the People's Republic of China", the state, provinces and municipalities, and industries put forward more stringent and fine regulatory requirements, the company continued to implement the safety production subject responsibility and safety production responsibility system of all staff, further strengthened various aspects of production safety, pandemic prevention and control, network information security, and emergency disposal, ensured no safety accidents in the company system, and continued to create a new situation in safe production work.

3. In terms of fuel procurement, in the first half of 2021, due to the high economic growth rate in the Pearl River Delta region, regional high temperature, reduction of West-East electricity transmission and other factors, the power demand increased substantially and the natural gas supply was tight. The company's natural gas purchase price increased significantly compared with the same period in 2020, and the natural gas price in the second half of the year is expected to be at the higher level in recent years. Since the natural gas procurement contract must be signed in advance, the contract gas has been basically determined when signing, due to the characteristics of the electric power market, it is difficult to match the planned electricity generation with the actual electricity generation, and the planned purchase quantity of natural gas is difficult to match the actual pickup quantity. If the natural gas cannot be picked up according to the contract due to the influence of electricity transaction marketization and other factors in the later period, which may cause related risks of insufficient pickup of contractual gas quantity and fluctuations in prices of increased gas. The company will continue to optimize the upstream and downstream cooperation, give full play to the advantages of large-scale procurement and the regulating function of multiple gas sources, and try its best to reduce the cost of natural gas procurement while ensuring the gas demand for power production.

4. In terms of lands of Nanshan Power Factory, during the reporting period, the company actively used every opportunity to express

its own demands and suggestions, but by the end of the reporting period, there was still little effect. The company will keep close communication and contact with the relevant functional departments of Shenzhen and Qianhai Authority, actively follow up the implementation of the government-related planning progress, and seriously study the land related situation of Nanshan Power Factory with legal advisers, formulate coping strategies and work plans so as to ensure the legitimate rights and interests of the listed company and all shareholders.

Section IV. Corporate Governance

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

1. Shareholders' General Meeting in the report period

Session of meeting	Type	Ratio of investor participation	Opening date	Date of disclosure	Resolution
First extraordinary shareholders' general meeting in 2021	Extraordinary shareholders' general meeting	39.27%	2021-02-19	2021-02-20	"Resolution Notice of First extraordinary shareholders' general meeting in 2021" No.:2021-005, released on "China Securities Journal" "Securities Times" "Hong Kong Commercial Daily" and Juchao Website
Annual General Meeting (AGM) of 2020	AGM	39.20%	2021-04-16	2021-04-17	"Resolution Notice of Annual General Meeting 2020" No.:2021-027, released on "China Securities Journal" "Securities Times" "Hong Kong Commercial Daily" and Juchao Website
Second extraordinary shareholders' general meeting in 2021	Extraordinary shareholders' general meeting	39.19%	2021-04-26	2021-04-27	"Resolution Notice of Second extraordinary shareholders' general meeting in 2021" No.:2021-033, released on "China Securities Journal" "Securities Times" "Hong Kong Commercial Daily" and Juchao Website

2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable Not applicable

II. Change of the Directors, Supervisors and Senior Executive

Applicable Not applicable

Name	Title	Type	Date	Causes
Huang Bangxin	Vice president	Be elected	2021-04-26	
Sun Huirong	Director	Be elected	2021-04-26	
Li Caijun	Non-employee representative supervisors	Be elected	2021-04-26	
Qian Wenhui	Employee representative supervisors	Be elected	2021-04-26	
Lu Yingdi	Employee representative supervisors	Be elected	2021-04-26	
Zou Yi	Secretary of the Board	Appointments	2021-04-26	
Li Hongsheng	Vice president	Leaving at the end of the office term	2021-04-26	
Li Wenying	Director	Leaving at the end of the office term	2021-04-26	
Li Zhiwei	Non-employee representative supervisors	Leaving at the end of the office term	2021-04-26	
Liang Jianqiang	Employee representative supervisors	Leaving at the end of the office term	2021-04-26	
Peng Bo	Employee representative supervisors	Leaving at the end of the office term	2021-04-26	
Zhang Jie	Secretary of the Board	Leaving at the end of the office term	2021-04-26	
Dai Xiji	CFO	Dismissal	2021-03-29	Voluntary resignation

III. Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either for the semi-annual year.

IV. Implementation of the equity incentive plan, employee stock ownership plan or other employee incentives

Applicable Not applicable

The Company has no implementation of the equity incentive plan, employee stock ownership plan or other employee incentives in the Period.

Section V. Environmental and Social Responsibility

I. Major environmental protection

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

Yes No

Enterprise or subsidiary	Main pollutant and features	Way of discharge	Number of discharge outlet	Distribution of the discharge outlet	Emission concentration	Pollutant discharge standard implemented	Total discharge	Total approved emissions	Excessive emission
Shenzhen Nanshan Power Co., Ltd.	Oxynitride	Concentrate emission from boiler uptake	2	In plant area of Nanshan Power Factory	<15 mg/ m ³	Implementation of “Shenzhen Blue” emission standard<15 mg/ m ³	31.92 ton	457.5 ton	0
Shenzhen New Power Industrial Co., Ltd.	Oxynitride	Concentrate emission from boiler uptake	1	In plant area of Nanshan Power Factory	<15 mg/ m ³	Implementation of “Shenzhen Blue” emission standard<15 mg/ m ³	17.76 ton	228.75 ton	0
Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.	Oxynitride	Concentrate emission from boiler uptake	2	In plant area of Zhongshan Nanlang Power Plant	<25 mg/ m ³	Emission standards for air pollutants from thermal power plants GB13223-2011	4.97 ton	324.50 ton	0

Construction and operation of the pollution controlling instruments

All pollution prevention and control facilities are operating normally, and all pollutant discharges are stable and up to standard. Shenzhen Nanshan Power Co., Ltd and the gas units under Shenzhen New Power Industrial Co., Ltd are strictly control the pollutant emissions in line with the relevant requirement of “The Sustainability Action Plan of “Shenzhen Blue” for 2018”(Shen Fu Ban Gui (2018) No.6).

Environmental impact assessment of construction projects and other environmental protection administrative licenses

All the above three legal entities have passed the environmental impact assessment and have been filed in Guangdong Environmental Protection Department.

Emergency plan for sudden environmental incident:

The emergency plan for sudden environmental incidents has been filed in Guangdong Environmental Protection Department and the corresponding Municipal Environmental Protection Bureau.

Environmental self-monitoring program

The environmental self-monitoring program has been prepared and reviewed by the environmental protection department; the information on the monitoring data is disclosed on the website of the environmental protection department on time.

Administrative penalties imposed for environmental issues during the reporting period

N/A

Other environmental information that should be disclosed

N/A

Relevant other information

N/A

The Company shall comply with the disclosure requirements of Guidelines of Information Disclosure for Industry on Shenzhen Stock Exchange No.15- Listed Companies are Engaged in Electricity-related Business

II. Social responsibility

The Company has not carried out targeted poverty alleviation work during the reporting period.

Section VI. Important Event

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

Applicable Not applicable

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

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

Applicable Not applicable

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

III. External guarantee out of the regulations

Applicable Not applicable

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

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

Whether the financial report of semi-annual report has been audited

Yes No

The semi-annual report of the Company is unaudited.

V. Explanation from Board of Directors and Supervisory Committee for “Non-standard audit report” that issued by CPA

Applicable Not applicable

VI. Explanation from the BOD on the previous year’s “non-standard audit report”

Applicable Not applicable

VII. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period.

VIII. Litigation

Major litigation and arbitration

Applicable Not applicable

No major litigation and arbitration occurred in the Period.

Other litigation

Applicable Not applicable

IX. Penalty and rectification

Applicable Not applicable

No penalty and rectification for the Company in reporting period.

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

Applicable Not applicable

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

XI. Major related party transaction

1. Related party transaction with routine operation concerned

Applicable Not applicable

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

2. Related party transactions by assets acquisition and sold

Applicable Not applicable

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

3. Main related transactions of mutual investment outside

Applicable Not applicable

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

4. Contact of related credit and debt

Applicable Not applicable

No contact of related credit and debt occurred in the Period

5. Contact with the related finance companies and finance companies that controlled by the Company

Applicable Not applicable

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

relationships or between the finance companies controlled by the Company and related parties

6. Other material related party transactions

Applicable Not applicable

The company had no other material related party transactions in reporting period.

XII. Significant contract and implementations

1. Trusteeship, contract and leasing

(1) Trusteeship

Applicable Not applicable

Note of trusteeship

In line with the Genset Asset Trusteeship Contract of Shenzhen New Power Industrial Co., Ltd. signed with New Power Company, the Company was entrusted to operate and manage the power generation machine unit owned by its wholly-owned subsidiary New Power Company. The custody business service charge 4.115 million yuan was obtained by the Company in reporting period.

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

Applicable Not applicable

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

(2) Contract

Applicable Not applicable

No contract for the Company in Period.

(3) Leasing

Applicable Not applicable

No leasing for the Company in Period.

2. Major guarantees

Applicable Not applicable

No major guarantees for the Company in Period.

3. Trust financing

Applicable Not applicable

In 10 thousand Yuan

Type	Capital sources	Amount occurred	Outstanding balance	Overdue amount	Amount with
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					impairment accrual for the overdue financial products which has not been recovered
Bank financial products	Own fund	31,635.18	89,200.74	0	0
Total		31,635.18	89,200.74	0	0

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

Applicable Not applicable

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

Applicable Not applicable

4. Material contracts for routine operations

Applicable Not applicable

5. Other material contracts

Applicable Not applicable

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

								make by the two parties accordi ng to the supple mentar y agreem ent						
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XIII. Other major events

Applicable Not applicable

Investment matters related to the Zhongshan Prefabricated Building Industrial Park project. The “Notice on Termination of Investment in the Zhongshan Prefabricated Building Industrial Park Project” was released by the Company dated 27 May 2021. On May 26, 2021, the company received a letter from Shenzhen SEZ Construction Group Co., Ltd., it stated that it had commissioned a third-party intermediary to conduct a feasibility study on the project, and considered that the project should not be approved based on the principle of prudence. Considering all aspects of factors, the company decided to terminate the investment in Zhongshan prefabricated building industrialized park project. (Found more in the Notice released on *China Securities Journal*, *Securities Times*, *Hong Kong Commercial Daily* and Juchao Website, including the Notice on Termination of Investment in the Zhongshan Prefabricated Building Industrial Park Project (Notice No.: 2021-036))

During the reporting period, the company actively promoted the investments of Yuanzhi Ruixin new generation of information technology equity investment funds and Zhuhai Hengqin Zhuoji investment partnership (limited partnership) and other related matters, followed up T102-0011, T102-0155 land related matters, and sorted out the refundable payments of the "project technical innovation benefit fund" and contacted and communicated with relevant personnel again. In addition to the above matters, the Xinjiang Aid Project of Guangdong in which the company participated in 2013 had no progress or changes during the reporting period.

XIV. Significant event of subsidiary of the Company

Applicable Not applicable

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

Unit: share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Public reserve transfer into share capital	Others	Subtotal	Amount	Proportion
I. Restricted shares	14,139	0.0023%				382	382	14,521	0.0024%
1. State-owned shares									
2. State-owned legal person's shares									
3. Other domestic shares	14,139	0.0023%				382	382	14,521	0.0024%
Including: Domestic legal person's shares									
Domestic natural person's shares	14,139	0.0023%				382	382	14,521	0.0024%
4. Foreign shares									
Including: Foreign legal person's shares									
Foreign natural person's shares									
II. Unrestricted shares	602,748,457	99.9977%				-382	-382	602,748,075	99.9976%
1. RMB ordinary shares	338,894,011	56.2235%				-382	-382	338,893,629	56.2234%
2. Domestically listed foreign shares	263,854,446	43.7742%						263,854,446	43.7742%
3. Overseas listed foreign shares									
4. Others									
III. Total shares	602,762,596	100.00%						602,762,596	100.00%

Reasons for share changed

Applicable Not applicable

During the reporting period, the Company conducts general elections, Mr. Peng Bo ceased to be the employee representative supervisor of the Company, the Shen Nan Dian A shares, 1,527 shares in total held by Mr. Peng Bo are restricted with 6 months of his departure, thus the number of restricted shares has 382 shares increased.

Approval of share changed

Applicable Not applicable

Ownership transfer of share changed

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

Implementation progress of reducing holdings of shares buy-back by centralized bidding

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes of lock-up stocks

Applicable Not applicable

Unit: share

Name of shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares released in the current period	Increase in the number of restricted shares in the current period	Number of restricted shares at the end of the period	Reasons for sales restriction	Release date
Peng Bo	1,145		382	1,527	During the reporting period, the Company conducts general elections, Mr. Peng Bo ceased to be the employee representative supervisor of the Company, the Shen Nan Dian A shares, 1,527 shares in total held by Mr. Peng	2021-10-26

					Bo are restricted with 6 months of his departure, thus the number of restricted shares has 382 shares increased.	
total	1,145		382	1,527	--	--

II. Securities issuance and listing

Applicable Not applicable

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

Unit: share

Total common stock shareholders in reporting period-end		40,917	Total preference shareholders with voting rights recovered at end of reporting period (if applicable) (see note 8)	0				
Particulars about common shares held above 5% by shareholders or top ten common shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of common shares held at the end of reporting period	Changes in report period	Amount of restricted common shares held	Amount of common shares held without restriction	Information of shares pledged, tagged or frozen	
							State of share	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD.	Overseas legal person	15.28%	92,123,248	0		92,123,248		
Shenzhen Guangju Industrial Co., Ltd.	State-owned legal person	12.22%	73,666,824	0		73,666,824		
Shenzhen Energy Group Co., Ltd.	State-owned legal person	10.80%	65,106,130	0		65,106,130		
BOCI SECURITIES LIMITED	Overseas legal person	2.49%	14,991,882	Increased holdings of 16,380 shares		14,991,882		

Zeng Ying	Domestic nature person	1.19%	7,159,600			7,159,600		
China Merchants Securities H.K. Co., Ltd.	State-owned legal person	1.02%	6,133,328	Decreased holdings of 946,400 shares		6,133,328		
LI SHERYN ZHAN MING	Overseas nature person	0.97%	5,833,690	Increased holdings of 8,200 shares		5,833,690		
Meiyi Investment Property Co., Ltd.	Domestic non state legal person	0.87%	5,218,000	Increase holdings of 200 shares		5,218,000		
Haitong International Securities Company Limited-Account Client	Overseas legal person	0.65%	3,909,357			3,909,357		
Guosen Securities (Hong Kong) Brokerage Co., Ltd.	Overseas legal person	0.61%	3,651,901			3,651,901		
Strategy investor or general legal person becoming the top 10 common shareholders by placing new shares (if applicable) (see note 3)	Not applicable							
Explanation on associated relationship among the aforesaid shareholders	1. 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LIMITED 100% held by Shenzhen Energy Group Co., Ltd.; 2. The Company is unknown whether there exists associated relationship or belongs to the consistent actor among the other shareholders.							
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	Not applicable							
Special note on the repurchase account among the top 10 shareholders (if applicable) (see note 11)	Not applicable							
Particular about top ten shareholders with un-lock up common stocks held								
Shareholders' name	Amount of common shares held without restriction at Period-end	Type of shares						
		Type	Amount					
HONG KONG NAM HOI	92,123,248	Domestically	92,123,248					

(INTERNATIONAL) LTD.		listed foreign shares	
Shenzhen Guangju Industrial Co., Ltd.	73,666,824	RMB common shares	73,666,824
Shenzhen Energy Group Co., Ltd.	65,106,130	RMB common shares	65,106,130
BOCI SECURITIES LIMITED	14,991,882	Domestically listed foreign shares	14,991,882
Zeng Ying	7,159,600	Domestically listed foreign shares	7,159,600
China Merchants Securities H.K. Co., Ltd.	6,133,328	Domestically listed foreign shares	6,133,328
LI SHERYN ZHAN MING	5,833,690	Domestically listed foreign shares	5,833,690
Meiyi Investment Property Co., Ltd.	5,218,000	RMB common shares	5,218,000
Haitong International Securities Company Limited-Account Client	3,909,357	Domestically listed foreign shares	3,909,357
Guosen Securities (Hong Kong) Brokerage Co., Ltd.	3,651,901	Domestically listed foreign shares	3,651,901
Expiation on associated relationship or consistent actors within the top 10 un-lock up common shareholders and between top 10 un-lock up common shareholders and top 10 common shareholders	<p>1. 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LIMITED 100% held by Shenzhen Energy Group Co., Ltd.;</p> <p>2. The Company is unknown whether there exists associated relationship or belongs to the consistent actor among the other shareholders.</p>		
Explanation on top 10 common shareholders involving margin business (if applicable) (see note 4)	Not applicable		

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

Yes No

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

IV. Changes of shares held by directors, supervisors and senior executives

Applicable Not applicable

Shares held by directors, supervisors and senior officers have no changes in reporting period, found more details in Annual Report 2020.

V. Changes in controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

Applicable Not applicable

The Company had no change of controlling shareholder during the reporting period

Change of actual controller during the reporting period

Applicable Not applicable

The Company had no change of actual controller during the reporting period

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period.

Section IX. Corporate Bonds

Applicable Not applicable

The Company had no convertible bonds in the Period

Section X. Financial Report

I. Audit report

Whether the semi annual report is audited

Yes No

The company's semi annual financial report has not been audited

II. Financial Statement

Statement in Financial Notes are carried in RMB/CNY

1. Consolidated Balance Sheet

Prepared by Shenzhen Nanshan Power Co., Ltd.

June 30, 2021

In RMB

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	451,823,257.47	764,601,272.21
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	96,253,747.38	85,293,052.88
Receivable financing		
Accounts paid in advance	79,010,325.13	29,544,788.35
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	30,330,188.34	31,027,754.36
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial		

assets		
Inventories	101,208,069.27	100,245,529.06
Contractual assets		7,229,600.00
Assets held for sale		
Non-current asset due within one year		
Other current assets	1,222,940,412.14	917,288,244.54
Total current assets	1,981,565,999.73	1,935,230,241.40
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	7,744,693.53	8,893,408.86
Investment in other equity instrument	200,615,000.00	81,615,000.00
Other non-current financial assets		
Investment real estate	2,107,120.60	2,205,189.40
Fixed assets	903,855,214.06	925,745,208.55
Construction in progress	85,544,475.11	42,782,712.98
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	20,809,189.41	21,125,610.24
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	1,711,000.41	1,027,508.94
Deferred income tax asset	2,206,049.69	2,206,049.69
Other non-current asset		
Total non-current asset	1,224,592,742.81	1,085,600,688.66
Total assets	3,206,158,742.54	3,020,830,930.06
Current liabilities:		
Short-term loans	458,822,740.80	675,528,858.48

Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	469,635,315.93	30,467,345.48
Account payable	9,517,807.05	9,306,303.26
Accounts received in advance		
Contractual liability		
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	44,751,065.21	69,426,903.97
Taxes payable	8,379,393.57	7,626,258.26
Other account payable	22,860,672.23	27,020,944.95
Including: Interest payable	432,488.68	
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,013,966,994.79	819,376,614.40
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		

Long-term account payable		
Long-term wages payable		
Accrual liability	14,573,508.28	19,923,508.28
Deferred income	90,587,200.87	93,780,657.93
Deferred income tax liabilities		
Other non-current liabilities	50,110.86	7,627.86
Total non-current liabilities	105,210,820.01	113,711,794.07
Total liabilities	1,119,177,814.80	933,088,408.47
Owner's equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	362,770,922.10	362,770,922.10
Less: Inventory shares		
Other comprehensive income	-2,500,000.00	-2,500,000.00
Reasonable reserve		
Surplus public reserve	332,908,397.60	332,908,397.60
Provision of general risk		
Retained profit	760,256,201.62	758,799,931.94
Total owner's equity attributable to parent company	2,056,198,117.32	2,054,741,847.64
Minority interests	30,782,810.42	33,000,673.95
Total owner's equity	2,086,980,927.74	2,087,742,521.59
Total liabilities and owner's equity	3,206,158,742.54	3,020,830,930.06

Legal Representative: Li Xinwei

Person in charge of accounting works: Chen Yuhui

Person in charge of accounting institute: Shang Ying

2. Balance Sheet of Parent Company

In RMB

Item	June 30, 2021	December 31, 2020
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Current assets:		
Monetary funds	369,013,276.08	656,244,294.18
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	48,374,534.89	24,673,115.32
Receivable financing		
Accounts paid in advance	70,967,049.79	25,560,315.87
Other account receivable	595,045,866.53	598,044,417.89
Including: Interest receivable		
Dividend receivable		
Inventories	93,001,526.47	91,867,492.38
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	1,216,227,322.16	910,645,154.56
Total current assets	2,392,629,575.92	2,307,034,790.20
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	369,148,682.00	250,191,165.00
Investment in other equity instrument	60,615,000.00	60,615,000.00
Other non-current financial assets		
Investment real estate		
Fixed assets	305,876,867.25	312,649,354.95
Construction in progress	43,058,266.07	1,073,964.84
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	327,135.40	332,241.43
Research and development costs		
Goodwill		

Long-term expenses to be apportioned	1,462,963.50	734,374.41
Deferred income tax assets		
Other non-current assets		
Total non-current assets	780,488,914.22	625,596,100.63
Total assets	3,173,118,490.14	2,932,630,890.83
Current liabilities:		
short-term loans	458,822,740.80	675,528,858.48
Trading financial liability		
Derivative financial liability		
Notes payable	469,635,315.93	30,467,345.48
Account payable	1,549,013.90	998,036.56
Accounts received in advance		
Contractual liability		
Wage payable	34,278,034.43	53,405,473.63
Taxes payable	1,000,237.46	1,752,749.94
Other accounts payable	224,058,510.94	204,960,979.45
Including: Interest payable	432,488.68	
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,189,343,853.46	967,113,443.54
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities		

Deferred income	53,082,581.40	54,805,440.92
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	53,082,581.40	54,805,440.92
Total liabilities	1,242,426,434.86	1,021,918,884.46
Owners' equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	289,963,039.70	289,963,039.70
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	332,908,397.60	332,908,397.60
Retained profit	705,058,021.98	685,077,973.07
Total owner's equity	1,930,692,055.28	1,910,712,006.37
Total liabilities and owner's equity	3,173,118,490.14	2,932,630,890.83

3. Consolidated Profit Statement

In RMB

Item	2021 semi-annual	2020 semi-annual
I. Total operating income	376,602,393.38	518,150,606.21
Including: Operating income	376,602,393.38	518,150,606.21
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	399,762,506.97	508,157,542.84
Including: Operating cost	351,210,223.91	453,109,436.14
Interest expense		
Commission charge and commission expense		
Cash surrender value		

Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	1,646,013.40	4,419,108.69
Sales expense	696,436.80	2,527,403.66
Administrative expense	40,014,168.55	43,036,872.15
R&D expense	3,360,629.60	
Financial expense	2,835,034.71	5,064,722.20
Including: Interest expenses	13,028,372.76	18,187,759.13
Interest income	10,344,030.33	13,142,285.32
Add: Other income	3,368,979.50	8,755,536.55
Investment income (Loss is listed with “-”)	12,828,359.95	33,291,259.12
Including: Investment income on affiliated company and joint venture	-1,148,715.33	-243,622.43
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	974,699.74	828,535.66
III. Operating profit (Loss is listed with “-”)	-5,988,074.40	52,868,394.70
Add: Non-operating income	5,261,868.55	4,753.84

Less: Non-operating expense	35,388.00	11,110.00
IV. Total profit (Loss is listed with “-”)	-761,593.85	52,862,038.54
Less: Income tax expense		610,366.52
V. Net profit (Net loss is listed with “-”)	-761,593.85	52,251,672.02
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)		
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	1,456,269.68	52,040,498.42
2.Minority shareholders’ gains and losses	-2,217,863.53	211,173.60
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise’s credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		

2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	-761,593.85	52,251,672.02
Total comprehensive income attributable to owners of parent Company	1,456,269.68	52,040,498.42
Total comprehensive income attributable to minority shareholders	-2,217,863.53	211,173.60
VIII. Earnings per share:		
(i) Basic earnings per share	0.002	0.086
(ii) Diluted earnings per share	0.002	0.086

As for the enterprise combined under the same control, net profit of 0 Yuan achieved by the merged party before combination while 0 Yuan achieved last period

Legal Representative: Li Xinwei

Person in charge of accounting works: Chen Yuhui

Person in charge of accounting institute: Shang Ying

4. Profit Statement of Parent Company

In RMB

Item	Semi-annual of 2021	Semi-annual of 2020
I. Operating income	184,931,162.25	145,767,015.34
Less: Operating cost	171,383,039.58	137,936,919.09

Taxes and surcharge	182,295.14	1,043,521.78
Sales expenses		
Administrative expenses	18,205,121.93	20,573,683.41
R&D expenses		
Financial expenses	-8,003,413.78	-15,583,586.02
Including: Interest expenses	13,876,981.75	14,007,579.30
Interest income	21,956,978.18	29,739,688.15
Add: Other income	1,894,186.55	6,061,054.97
Investment income (Loss is listed with “-”)	13,977,075.28	-14,432,400.00
Including: Investment income on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)	944,667.70	828,535.66
II. Operating profit (Loss is listed with “-”)	19,980,048.91	-5,746,332.29
Add: Non-operating income		
Less: Non-operating expense		1,110.00
III. Total Profit (Loss is listed with “-”)	19,980,048.91	-5,747,442.29
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	19,980,048.91	-5,747,442.29
(i) continuous operating net profit (net loss listed with “-”)		

(ii) termination of net profit (net loss listed with ‘-’)		
V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	19,980,048.91	-5,747,442.29
VII. Earnings per share:		
(i) Basic earnings per share		

(ii) Diluted earnings per share		
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5. Consolidated Cash Flow Statement

In RMB

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	455,910,102.76	546,650,431.87
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	188,709.78	825,437.15
Other cash received concerning operating activities	15,878,060.82	22,506,294.89
Subtotal of cash inflow arising from operating activities	471,976,873.36	569,982,163.91
Cash paid for purchasing commodities and receiving labor service	287,613,597.56	375,599,637.22
Net increase of customer loans and		

advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	79,004,549.15	75,085,663.24
Taxes paid	11,130,068.18	28,204,829.24
Other cash paid concerning operating activities	25,307,945.48	21,155,472.75
Subtotal of cash outflow arising from operating activities	403,056,160.37	500,045,602.45
Net cash flows arising from operating activities	68,920,712.99	69,936,561.46
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	13,595,677.64	254,147.93
Net cash received from disposal of fixed, intangible and other long-term assets	1,812,386.50	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	5,000,000.00	800,000.00
Subtotal of cash inflow from investing activities	20,408,064.14	1,054,147.93
Cash paid for purchasing fixed, intangible and other long-term assets	28,044,760.20	5,447,277.81
Cash paid for investment	434,905,964.38	53,434,321.12
Net increase of mortgaged loans		
Net cash received from		

subsidiaries and other units obtained		
Other cash paid concerning investing activities		12,577,163.02
Subtotal of cash outflow from investing activities	462,950,724.58	71,458,761.95
Net cash flows arising from investing activities	-442,542,660.44	-70,404,614.02
III. Cash flows arising from financing activities:		
Cash received from absorbing investment	42,483.00	
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	514,022,740.80	844,233,285.00
Other cash received concerning financing activities		170,000,000.00
Subtotal of cash inflow from financing activities	514,065,223.80	1,014,233,285.00
Cash paid for settling debts	438,233,285.00	670,000,000.00
Cash paid for dividend and profit distributing or interest paying	14,928,444.20	30,452,445.36
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	453,161,729.20	700,452,445.36
Net cash flows arising from financing activities	60,903,494.60	313,780,839.64
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-59,561.89	101,178.77
V. Net increase of cash and cash equivalents	-312,778,014.74	313,413,965.85
Add: Balance of cash and cash equivalents at the period -begin	764,601,272.21	771,490,000.96
VI. Balance of cash and cash	451,823,257.47	1,084,903,966.81

equivalents at the period -end		
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6. Cash Flow Statement of Parent Company

In RMB

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	339,874,588.88	175,122,223.90
Write-back of tax received	181,606.65	171,207.01
Other cash received concerning operating activities	81,393,879.95	255,646,269.06
Subtotal of cash inflow arising from operating activities	421,450,075.48	430,939,699.97
Cash paid for purchasing commodities and receiving labor service	115,934,173.38	117,118,694.51
Cash paid to/for staff and workers	56,654,760.87	47,301,346.15
Taxes paid	909,616.90	222,887.49
Other cash paid concerning operating activities	149,731,282.02	275,229,334.87
Subtotal of cash outflow arising from operating activities	323,229,833.17	439,872,263.02
Net cash flows arising from operating activities	98,220,242.31	-8,932,563.05
II. Cash flows arising from investing activities:		
Cash received from recovering investment		59,990,000.00
Cash received from investment income	13,595,677.64	254,147.93
Net cash received from disposal of fixed, intangible and other long-term assets	1,756,774.50	0.00
Net cash received from disposal of subsidiaries and other units		0.00
Other cash received concerning		230,318,617.98

investing activities		
Subtotal of cash inflow from investing activities	15,352,452.14	290,562,765.91
Cash paid for purchasing fixed, intangible and other long-term assets	26,800,456.86	1,915,256.43
Cash paid for investment	315,905,964.38	53,434,321.12
Net cash received from subsidiaries and other units obtained	118,957,517.00	0.00
Other cash paid concerning investing activities		0.00
Subtotal of cash outflow from investing activities	461,663,938.24	55,349,577.55
Net cash flows arising from investing activities	-446,311,486.10	235,213,188.36
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		0.00
Cash received from loans	514,022,740.80	544,233,285.00
Other cash received concerning financing activities		5,000,000.00
Subtotal of cash inflow from financing activities	514,022,740.80	549,233,285.00
Cash paid for settling debts	438,233,285.00	370,000,000.00
Cash paid for dividend and profit distributing or interest paying	14,928,444.20	25,373,959.23
Other cash paid concerning financing activities		600,600.00
Subtotal of cash outflow from financing activities	453,161,729.20	395,974,559.23
Net cash flows arising from financing activities	60,861,011.60	153,258,725.77
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-785.91	848.67
V. Net increase of cash and cash equivalents	-287,231,018.10	379,540,199.75
Add: Balance of cash and cash	656,244,294.18	632,948,706.11

equivalents at the period -begin		
VI. Balance of cash and cash equivalents at the period -end	369,013,276.08	1,012,488,905.86

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

Current Amount

In RMB

Item	Semi-annual of 2021														
	Owners' equity attributable to the parent Company													Minority interests	Total owners' equity
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses reserve	Provision of general risk	Retained profit	Other	Subtotal		
		Preferred stock	Perpetual capital securities	Other											
I. The ending balance of the previous year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		758,799,931.94		2,054,741,847.64	33,000,673.95	2,087,742,521.59
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. The beginning balance of the current year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		758,799,931.94		2,054,741,847.64	33,000,673.95	2,087,742,521.59
III. Increase/Decrease in the period (Decrease is listed with "-")											1,456,269.68		1,456,269.68	-2,217,863.53	-761,593.85

(i) Total comprehensive income											1,456,269.68		1,456,269.68	-2,217,863.53	-761,593.85
(ii) Owners' devoted and decreased capital															
1. Common shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment															
4. Other															
(iii) Profit distribution															
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)															
4. Other															
(iv) Carrying forward internal owners' equity															
1. Capital reserves conversed to capital (share															

capital)																				
2. Surplus reserves conversed to capital (share capital)																				
3. Remedying loss with surplus reserve																				
4. Carry-over retained earnings from the defined benefit plans																				
5. Carry-over retained earnings from other comprehensive income																				
6. Other																				
(v) Reasonable reserve																				
1. Withdrawal in the report period																				
2. Usage in the report period																				
(vi) Others																				
VI. Balance at the end of the period	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		760,256,201.62		2,056,198,117.32	30,782,810.42					2,086,980,927.74	

Amount of the previous period

In RMB

Item	Semi-annual of 2020														Minority interests	Total owners' equity				
	Owners' equity attributable to the parent Company																			
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive	Reasonable reserve	Surpluses	Provision of general risk	Retained profit	Other	Subtotal							
		Preferred	Perpetual	Other																

		stock	capital				incom								
			secur				e								
			ities												
I. The ending balance of the previous year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		706,830,892.54		2,002,772,808.24	59,719,513.26	2,062,492,321.50
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. The beginning balance of the current year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		706,830,892.54		2,002,772,808.24	59,719,513.26	2,062,492,321.50
III. Increase/Decrease in the period (Decrease is listed with "-")											39,985,246.50		39,985,246.50	-30,408,162.88	9,577,083.62
(i) Total comprehensive income											52,040,498.42		52,040,498.42	211,173.60	52,251,672.02
(ii) Owners' devoted and decreased capital															
1. Common shares invested by shareholders															
2. Capital invested by holders of other equity															

instruments															
3. Amount reckoned into owners equity with share-based payment															
4. Other															
(iii) Profit distribution										-12,055,251.92		-12,055,251.92			-12,055,251.92
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)										-12,055,251.92		-12,055,251.92			-12,055,251.92
4. Other															
(iv) Carrying forward internal owners' equity															
1. Capital reserves conversed to capital (share capital)															
2. Surplus reserves conversed to capital (share capital)															
3. Remedying loss with surplus reserve															
4. Carry-over retained earnings from															

the defined benefit plans																	
5. Carry-over retained earnings from other comprehensive income																	
6. Other																	
(v) Reasonable reserve																	
1. Withdrawal in the report period																	
2. Usage in the report period																	
(vi) Others																-30,619,336.48	-30,619,336.48
VI. Balance at the end of the period	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		746,816,139.04		2,042,758,054.74		29,311,350.38		2,072,069,405.12

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

Current Amount

In RMB

Item	Semi-annual of 2021												Total owners' equity
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other		
		Preferr ed stock	Perpet ual capital securiti es	Other									
I. The ending balance of the previous year	602,762,596.00				289,963,039.70				332,908,397.60	685,077,973.07			1,910,712,006.37
Add: Changes of accounting policy													
Error													

correction of the last period												
Other												
II. The beginning balance of the current year	602,762,596.00				289,963,039.70				332,908,397.60	685,077,973.07		1,910,712,006.37
III. Increase/Decrease in the period (Decrease is listed with “-”)										19,980,048.91		19,980,048.91
(i) Total comprehensive income										19,980,048.91		19,980,048.91
(ii) Owners’ devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(iii) Profit distribution												
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(iv) Carrying												

forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(vi) Others												
VI. Balance at the end of the period	602,762,596.00				289,963,039.70				332,908,397.60	705,058,021.98		1,930,692,055.28

Amount of the previous period

In RMB

Item	Semi-annual of 2020										
	Share	Other equity instrument	Capital	Less:	Other compre	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners'	

	capital	Preferr ed stock	Perpet ual capital securit ies	Other	reserve	Inventor y shares	hensive income					equity
I. The ending balance of the previous year	602,76 2,596. 00				289,963 ,039.70				332,908 ,397.60	710,334,3 73.89		1,935,968,4 07.19
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	602,76 2,596. 00				289,963 ,039.70				332,908 ,397.60	710,334,3 73.89		1,935,968,4 07.19
III. Increase/ Decrease in the period (Decrease is listed with “-”)										-17,802,6 94.21		-17,802,694 .21
(i) Total comprehensive income										-5,747,44 2.29		-5,747,442. 29
(ii) Owners’ devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into												

owners equity with share-based payment												
4. Other												
(iii) Profit distribution										-12,055,251.92		-12,055,251.92
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-12,055,251.92		-12,055,251.92
3. Other												
(iv) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												

6. Other												
(v) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(vi) Others												
VI. Balance at the end of the period	602,762,596.00				289,963,039.70				332,908,397.60	692,531,679.68		1,918,165,712.98

III. Company Profile

(1) Profile

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

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

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

The financial statement has approved for report by the Board on August 18, 2021.

(2) Scope of financial statement

As of June 30, 2021, there are 9 subsidiaries included in the consolidate financial statement, including:

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

Shenzhen Server Petrochemical Supplying Co., Ltd. (“Shenzhen Server”)	50.00	
Shenzhen New Power Industrial Co., Ltd. (“New Power”)	100.00	
Shen Nan Energy (Singapore) Co., Ltd. (“Singapore Company”)	100.00	
Hong Kong Syndisome Co., Ltd. (“Syndisome”)	100.00	
Zhongshan Shen Nan Dian Storage Co., Ltd. (“Shen Storage”)	80.00	
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	99.96	

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

IV. Preparation basis of Financial statement

1. Preparation basis

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

2. Going concern

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

V. Major Accounting Policies and Estimation

Tips on specific accounting policies and accounting estimates:

The Company together with its subsidiaries is mainly engaged in businesses as production of power and heat, power plant construction, fuel trading, engineering consulting and sludge drying. According to the actual production and operation characteristics, the Company and its subsidiaries establish certain specific accounting policies and accounting estimates in respect of their transactions and matters such as sales revenue recognition pursuant to relevant business accounting principles. Details are set out in (24) Fixed assets and the (39) Revenue under Note V.

1. Statement on observation of Accounting Standard for Business Enterprises

The Financial Statements are up to requirements of Accounting Standards for Business Enterprises, and reflect the financial status, operation outcomes, changes of owners(shareholders) equity and cash flows of the Company in reporting period in truthfulness and completeness.

2. Accounting period

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

3. Operating cycle

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

4. Book-keeping standard currency

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

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

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

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

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

6. Preparation methods for consolidated statement

6.1. Consolidate scope

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

6.2. Consolidate procedures

Based on the financial statements of itself and its subsidiaries, the Company compiles the consolidated financial statements in line with other relevant information. The Company compiles consolidated financial statements, considers the entire enterprise group as an accounting entity, and reflects the overall financial position, operating

results and cash flow of the enterprise group in accordance with the relevant accounting standards' recognition, measurement and presentation requirements and in accordance with unified accounting policies.

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

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

(1) Increase subsidiaries or businesses

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

Where it is possible to exercise control over an investee under the same control due to additional investment, all parties participating in the combination are deemed to have adjusted in their current state when the ultimate controlling party commenced control. The equity investment held before the control of the combined party is obtained, the relevant profit or loss and other comprehensive income that have been confirmed between the date of acquisition of the original equity and the date on which the combining party and the combined party are under the same control until the combining date, as well as other changes in net assets respectively write down the retained earnings at the beginning of period or the current profits and losses in the comparative statements.

During the reporting period, if a subsidiary or business is added due to a business combination not under the same

control, the opening balance of the consolidated balance sheet period will not be adjusted; the income, expenses, and profits of the subsidiary or business from the acquisition date to the end of the reporting period will be included in the consolidated income statement; the cash flows of the subsidiary or business from the acquisition date to the end of the reporting period are included in the consolidated statement of cash flow.

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

(2) Disposal of subsidiaries or businesses

① General treatment method

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

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

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

② Dispose subsidiary step-by-step

When the Company disposes of equity investment in a subsidiary by a stage-up approach with several transactions until the control over the subsidiary is lost, these several transactions related to the disposal of equity investment

in a subsidiary are accounted for as transactions in a basket when the terms, conditions and economic impacts of these several transactions meet the following one or more conditions:

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

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

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

(3) Purchase of minority shares in subsidiaries

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

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

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

7. Classification of joint arrangement and accounting treatment for joint venture

Joint arrangement is divided into joint operation and joint venture.

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

arrangement and bears the liabilities related to the arrangement.

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

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

Accounting policy for the joint venture investment found more in (22) Long-term equity investment under Note V.

8. Determination criteria of cash and cash equivalent

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

9. Foreign currency business and foreign currency statement translation

9.1. Foreign currency business

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

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

9.2 Foreign currency statement translation

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

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

10. Financial instrument

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

10.1. Classification of financial instrument

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

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

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

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

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

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

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

10.2 Recognition basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

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

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

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

subsequently measured at fair value, and the fair value changes are reckoned into current gains/losses.

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

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

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

(6) Financial liability measured at amortized cost

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

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

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

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

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

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

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

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

1) Where the control of such financial asset is not retained, the recognition of the financial asset is terminated, and

the rights and obligations generated or reserved in the transfer are identified as an asset or liability.

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

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

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

- 1) The carrying amount of the transferred financial asset on the date of the termination of recognition.
- 2) The sum of the consideration received by the transfer of financial assets and the amount corresponding to the portion of which the recognition is terminated of the accumulated amount of changes in fair value originally included in other comprehensive income (The financial assets involved in transfer are measured at fair value and their changes are included in other comprehensive income).

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

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

If the transfer of financial assets does not meet the conditions for derecognition, the financial assets are

continuously recognized, and the consideration received is recognized as a financial liability.

10.4. Termination recognition of financial liability

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

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

If the Company repurchases part of the financial liabilities, the entire book value of the financial liabilities will be allocated on the repurchase date according to the relative fair value of the continuing recognition part and the derecognition part. The difference between the book value allocated to the derecognition part and the consideration paid (including the transferred non-cash assets or assumed new financial liabilities) is included in the current profit and loss.

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

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

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

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

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

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

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

Regarding the note receivable, account receivables and receivables financing, whether or not it contains a significant financing component, the Company always measures its loss provisions at an amount equivalent to the expected credit loss throughout the duration.

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

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

(1) Note receivables

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

(2) Account receivable

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

(3)Other account receivable

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

(4)Receivable financing

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

11. Note receivable**12.Account receivable****13.Receivable financing****14. Other account receivable**

Recognition method and accounting treatment of the expected credit losses on other account receivables

15. Inventory**15.1. Categories of inventory**

Inventory consists of fuels and raw materials etc.

15.2. Valuation method of delivered inventory

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

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

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

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

15.4. Inventory system

Perpetual inventory system required

15.5. Amortization method of low-value consumables and packaging

- (1) Low-value consumables-one pass method
- (2) Packaging- one pass method

16. Contractual assets

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

17. Contractual cost

The cost of obtaining the contract

If the incremental cost (that is, the cost that would not be incurred without obtaining the contract) incurred by the Company to obtain the contract is expected to be recovered, it shall be recognized as an asset, and use the same basis for the recognition of the income of goods or services related to the asset for sales, and be included in the

current profit and loss. If the asset amortization period does not exceed one year, it shall be included in the current profit and loss when it occurs. Other expenses incurred by the Group in order to obtain the contract shall be included in the current profit and loss when incurred, except for those clearly borne by the customer.

The cost of fulfilling the contract

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

Contract cost impairment

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

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

18. Assets held-for-sale

19. Debt investment

20. Other debt investment

21. Long-term receivables

22. Long-term equity investments

22.1. Criteria judgement for joint control and significant influence

Joint control is the Company's contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control. Where

the Company and other joint ventures exercise joint control over the investee and enjoy the rights to the net assets of the investee, the investee is a joint venture of the Company.

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

22.2. Determination of initial investment cost

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

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

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

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

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

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

On the premise that the non-monetary asset exchange has commercial substance and that the fair value of the assets swapped in or out can be reliably measured, the initial investment cost of the long-term equity investment swapped in by non-monetary assets exchange is determined by the fair value of assets swapped out and the

relevant payable taxes and fees, unless there is conclusive evidence that the fair value of the assets swapped in is more reliable; for non-monetary assets exchange that do not meet the above preconditions, the book value of the assets swapped out and the relevant taxes and fees payable are used as the initial investment cost of the long-term equity investment swapped in.

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

22.3. Follow-up measurement and gain/loss recognition

(1) Long-term equity investment measured at cost

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

(2) Long-term equity investment measured at equity

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

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

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

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

(3) Disposal of long-term equity investment

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

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

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

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

current period.

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

23. Investment real estate

Measurement mode of the investment real estate

Measure by cost

Depreciation or amortization method

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

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

24. Fixed assets

(1) Recognition conditions

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

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

(2) Depreciation method

Category	Depreciation method	Depreciation period	Residuals rate	Annual depreciation rate
Houses and buildings	Average age method	20-year	10	4.5
Equipment-fuel machinery sets(Note)	The work quantity method		10	

Equipment (fuel machinery sets excluded)	Average age method	15-20 years	10	4.5-6
Transportation tools	Average age method	5-year	10	18
Other	Average age method	5-year	10	18

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

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

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

(3) Recognition basis, valuation and depreciation method of financial leased fixed assets

25. Construction-in-progress

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

26. Borrowing expenses

26.1. Recognition principle of the capitalization of borrowing expenses

Borrowing expenses include interest, amortization of discounts or premiums related to borrowings, ancillary costs

incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

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

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

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

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

26.2. Period of capitalization of borrowing expenses

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

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

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

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

26.3. The period of suspension of capitalization

If an abnormal interruption occurs during the acquisition, construction or production of an asset that meets the

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

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

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

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

27. Biological assets

28. Oil and natural gas assets

29. Right-of-use assets

30. Intangible assets

(1) Valuation method, service life and impairment test

30.1. Valuation methods of intangible assets

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

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

For intangible assets used by the debtor to repay the debt through debt restructuring, the entry value is determined

by the fair value of the waived creditor's rights and other costs that can be directly attributable to the tax incurred to make the asset reach its intended use, and the difference between the fair value and the book value of the waived creditor's rights is included in the current profit and loss.

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

(2) Follow-up measurement

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

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

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

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

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

30.3. Judgment basis for intangible assets with uncertain service life and procedures for reviewing their service life

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

(2) Accounting policy for internal R&D expenditure

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

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

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

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

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

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

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

31. Impairment of long-term assets

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

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

The Company conducts a goodwill impairment test. The book value of the goodwill formed by the business combination shall be allocated to the relevant asset group according to a reasonable method from the date of

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

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

32. Long-term expenses to be apportioned

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

33. Contractual liabilities

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

34. Staff remuneration

(1) Accounting treatment of a short-term compensation

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

The social insurance premiums and housing provident fund paid by the Company for employees, as well as the labor union funds and employee education funds drawn in accordance with the regulations, of which the

corresponding employee compensation amount shall be calculated and determined according to the specified accrual basis and accrual ratio during the accounting period when the employees provide services to the Company.

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

(2) Accounting treatment methods for post-employment benefits

(1) Defined contribution plans

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

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

(2) Defined benefit plans

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

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

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

The service cost incurred by the defined benefit plan and the net interest of the net liabilities or net assets of the defined benefit plan are included in the current profit and loss or the related asset cost; the changes in net liabilities or net assets resulting from the remeasurement of defined benefit plans are included in other comprehensive income, and shall not be transferred back to profit or loss in the subsequent accounting period, and

the part that was originally included in other comprehensive income will be carried forward to undistributed profit within the scope of equity when the original defined benefit plan is terminated.

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

(3) Accounting treatment methods for dismissal benefits

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

(4) Accounting treatment methods for other long-term employee benefits

35. Lease liability

36. Accrual liability

36.1. Recognition criteria

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

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

36.2. Measurement on vary accrual liability

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

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

The best estimates are handled separately in the following situations:

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

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

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

37.Share-based payment

38. Other financial instrument as preferred stock and perpetual bonds

39. Revenue

Accounting policies used in revenue recognition and measurement

General principles

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

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

Variable consideration

Some of the Company's contracts with customers include sales rebates, quantity discounts, commercial discounts, performance bonuses and claims, which forms variable consideration. The Company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price that

includes the variable consideration does not exceed the amount that the accumulated recognized revenue is most unlikely to be materially reversed when the relevant uncertainty is eliminated.

Significant financing component

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

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

Non-cash consideration

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

Consideration payable to customers

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

Sales with sales return clauses

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

Sales with quality assurance clauses

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

Principal and agent

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

Sales with additional purchase options for customers

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

Grant intellectual property licenses to customers

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

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

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

After-sales repurchase transaction

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

(1) If there is a repurchase obligation due to the existence of a long-term arrangement with the customer or the Company enjoys the repurchase right, the Company shall conduct the corresponding accounting treatment as a lease transaction or financing transaction. Among them, if the repurchase price is lower than the original selling price, it shall be regarded as a lease transaction, and shall be accounted for in accordance with the relevant provisions of the standards; if the repurchase price is not lower than the original selling price, it shall be regarded as a financing transaction, and the financial liabilities shall be confirmed when receiving the client's payment, and the difference between the payment and the repurchase price is recognized as interest expenses during the repurchase period. If the Company fails to exercise the repurchase right upon maturity, when the repurchase right expires, the financial liabilities is derecognized, and the revenue is recognized at the same time.

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

Customer's unexercised rights

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

above liabilities into income when the possibility of the customer requesting it to perform the remaining performance obligations is extremely low.

Initial fee no need to be refunded

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

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

Specific principles

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

(1) Commodity sales revenue

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

Electricity sales revenue

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

(2) Income from rendering of labor services

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

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

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

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

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

② Specific standards for revenue recognition of Engineering Company:

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

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

Differences in accounting policies for revenue recognition due to the different operation models for the same type of business

40. Government subsidy

40.1. Type

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

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

40.2 Time point of recognition

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

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

40.3. Accounting treatment

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

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

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

(1) The finance allocates interest subsidy to the lending bank, if the lending bank provides loans to the Company at a preferential policy interest rate, the Company uses the amount of borrowing actually received as the entry value of the loan, and calculates the related borrowing costs according to the loan principal and the policy preferential interest rates.

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

41. Deferred income tax asset/ deferred income tax liability

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

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

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

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

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

42. Leasing

42.1. Accounting treatment of operating leases

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

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

and reckons it in the current expenses.

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

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

42.2. Accounting treatment of financial leasing

(1) Financing rent in assets: on the start date of the lease, the company takes the lower of the fair value of the leased asset and the present value of the minimum lease payment as the entry value of the leased asset, and the minimum lease payment as the entry value of of long-term payable, and the difference is regarded as unrecognized financing expenses. Refer to Note V (24) Fixed Assets for the identification basis, valuation and depreciation methods of finance leased assets.

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

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

43. Other major accounting policies and estimation

44. Changes of major accounting policy and accounting estimation

(1) Change of major accounting policies

Applicable Not applicable

(2) Change of accounting estimation

Applicable Not applicable

(3)Adjustment the financial statements at the beginning of the first year of implementation of new leasing standards since 2021

Not applicable

(4) Retrospective adjustment of early comparison data description when initially implemented the new leasing standards since 2021Applicable Not applicable**45. Other****VI. Taxes****1. Main taxation and rates**

Taxation items	Taxation basis	Tax rate
VAT	Calculate the output tax based on the sales of goods and taxable service income calculated according to the tax law, after deducting the input tax allowable for deduction in the current period, the difference is the VAT payable.	13%, 9%, 6%
City maintenance tax	According to the actual payment of VAT and consumption tax	7%, 5%
Enterprise income tax	According to the taxable income amount	25%, 17%, 16.5%, 15%
Education surtax	According to the actual payment of VAT and consumption tax	3%
Local education surtax	According to the actual payment of VAT and consumption tax	2%
Property tax	The tax rate shall be calculated and paid at 1.2% of the remaining value of the original value of the property after a deduction of 30% if it is calculated according to the residual value of the property, the tax rate shall be calculated and paid at 12% of the property rental income if it is calculated according to the property rental income.	
Land-use tax of town	2 Yuan ~ 8Yuan per square meter of the actual occupied are for the industrial land	

	located in Nanshan District, Shenzhen City; 1Yuan per square meter of the actual occupied are for the industrial land located in Zhongshan City	
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As for the taxpaying bodies have different enterprise income tax rate, explanation as:

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

2. Taxes preferential

(1)Income tax preferential policies:

①According to the announcement (No. 60 of 2019) of the Ministry of Finance, the State Administration of Taxation, the National Development and Reform Commission, and the Ministry of Ecological Environment, and the Announcement on Issues Concerning Income Tax Policies for Third-Party Enterprises Engaged in Pollution Prevention and Control of the Ministry of Finance and the State Administration of Taxation, from January 1, 2019 to December 31, 2021, the corporate income tax will be levied at a reduced rate of 15% on eligible third-party enterprises engaged in pollution prevention and control. The Company's subordinate Environment Protection Company enjoys the above preferential policy and levies corporate income tax at a rate of 15%

② According to the provisions of Article 28 (2) of the Enterprise Income Tax Law of the People's Republic of China, the enterprise income tax on important high- and new-tech enterprises that are necessary to be supported by the state shall be levied at the reduced tax rate of 15%. The Company's subsidiaries environmental protection company and engineering company enjoy the above-mentioned preferential policies, and the enterprise income taxes are levied at the rate of 15%.

(2) Value-added tax preferential policies:

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

3. Other

VII. Annotation of the items in consolidate financial statement

1. Monetary fund

In RMB

Item	Ending balance	Opening balance
Cash on hand	66,399.71	101,163.11
Bank savings	436,403,838.92	397,000,109.10
Other monetary fund	15,353,018.84	367,500,000.00
Total	451,823,257.47	764,601,272.21
Including: total amount saving aboard	51,329,868.08	50,810,349.72

Other notes

2. Trading financial assets

3. Derivative financial assets

4. Notes receivable

5. Accounts receivable

(1) Classification of account receivable

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Account receivable	5,558,67	5.46%	5,558,67	100.00%		5,558,673	6.12%	5,558,673	100.00%	

with bad debt provision accrual on a single basis	3.67		3.67			.67		.67		
Including:										
Account receivable with bad debt provision accrual on portfolio	96,253,747.38	94.54%			96,253,747.38	85,293,052.28	93.88%			85,293,052.88
Including:										
Total	101,812,421.05	100.00%	5,558,673.67	5.46%	96,253,747.38	90,851,726.55	100.00%	5,558,673.67	6.12%	85,293,052.88

Bad debt provision accrual on single basis:

In RMB

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

If the provision for bad debts of accounts receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose related information about bad-debt provisions:

Applicable Not applicable

By account age

In RMB

Account age	Ending balance
Within 1 year (including 1 year)	96,250,858.38
Over 3 years	5,561,562.67
Total	101,812,421.05

(2) Bad debt provision accrual collected or switch back

Bad debt provision accrual in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written-off	Other	
Accounts receivable with single provision for bad debts	5,558,673.67					5,558,673.67
Total	5,558,673.67					5,558,673.67

(3) Account receivable actual charge off in the Period**(4) Top 5 receivables at ending balance by arrears party****(5) Account receivable derecognition due to financial assets transfer****(6) Assets and liabilities resulted by account receivable transfer and continues involvement**

Other notes:

Total period-end balance of top five receivables by arrears party amounting to 96,250,866.91 Yuan, takes 94.54 percent of the total account receivable at period-end, bad debt provision accrual correspondingly at period-end amounting as 0.00 Yuan

6. Receivable financing**7. Account paid in advance****(1) Account age of account paid in advance**

In RMB

Account age	Ending balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	78,498,830.19	99.35%	22,552,426.03	76.33%
1-2 years	417,908.00	0.53%	6,883,175.38	23.30%
2-3 years			15,600.00	0.05%
Over 3 years	93,586.94	0.12%	93,586.94	0.32%
Total	79,010,325.13	--	29,544,788.35	--

Explanation on reasons of failure to settle on important advance payment with age over one year:

(2) Top 5 account paid in advance at ending balance by prepayment object

Total year-end balance of top five account paid in advance by prepayment object amounted to 77,211,761.95 Yuan, takes 97.72 percent of the total advance payment at year-end.

8. Other account receivables

In RMB

Item	Ending balance	Opening balance
Other account receivables	30,330,188.34	31,027,754.36
Total	30,330,188.34	31,027,754.36

(1) Interest receivable**(2) Dividend receivable****(3) Other account receivables****1) Other account receivables classification by nature**

In RMB

Nature	Ending book balance	Opening book balance
Deposit and security deposit	8,383,734.57	5,130,967.25
Reserve fund	1,355,335.06	566,951.40
Withholding payment	6,837,743.80	9,151,898.54
Intercourse funds	17,871,626.70	18,066,774.22
Accounts receivable of Huidong Server	16,175,914.15	21,374,572.81
Other	11,746,221.67	8,776,977.75
Less: Bad debt provision	-32,040,387.61	-32,040,387.61
Total	30,330,188.34	31,027,754.36

2) Accrual of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2021			32,040,387.61	32,040,387.61
Balance of Jan. 1, 2021 in the period	—	—	—	—
Balance on Jun. 30, 2021			32,040,387.61	32,040,387.61

Change of book balance of loss provision with amount has major changes in the period

□ Applicable √ Not applicable

By account age

In RMB

Account age	Ending balance
Within 1 year (including 1 year)	5,496,216.53
1-2 years	3,464,750.17
2-3 years	5,289,595.47
Over 3 years	48,120,013.78
Total	62,370,575.95

3) Bad debt provision accrual collected or switch back**4) Other receivables actually written-off during the reporting period****5) Top 5 other receivables at ending balance by arrears party****6) Other account receivables related to Government subsidy****7) Other receivable for termination of confirmation due to the transfer of financial assets****8) The amount of assets and liabilities that are transferred other receivable and continued to be involved**

The total amount of the top five other receivables at the end of the period aggregated by the owing party was 46,715,920.52 yuan, accounting for 74.90% of the total balance of other receivables at the end of the period.

Other notes:

9. Inventory

Does the company need to comply with the disclosure requirements of the real estate industry

No

(1) Category of inventory

In RMB

Item	Ending balance			Opening balance		
	Book balance	Inventory depreciation reserve or provision for impairment of contract performance	Book value	Book balance	Inventory depreciation reserve or provision for impairment of contract performance	Book value

		costs			costs	
Raw materials	150,615,654.32	49,407,585.05	101,208,069.27	149,653,114.11	49,407,585.05	100,245,529.06
Total	150,615,654.32	49,407,585.05	101,208,069.27	149,653,114.11	49,407,585.05	100,245,529.06

(2) Inventory depreciation reserve or provision for impairment of contract performance costs

In RMB

Item	Opening balance	Current increased		Current decreased		Ending balance
		Accrual	Other	Switch back or write-off	Other	
Raw materials	49,407,585.05					49,407,585.05
Total	49,407,585.05					49,407,585.05

10. Contractual assets

In RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Operation and maintenance project settlement accounts receivable				7,229,600.00		7,229,600.00
Total				7,229,600.00		7,229,600.00

If the provision for bad debts of note receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose related information about bad-debt provisions:

Applicable Not applicable

11. Assets held for sale**12. Non-current assets due within one year****13. Other current assets**

In RMB

Item	Ending balance	Opening balance
VAT input tax deductible	323,755,441.93	332,071,261.59
Income tax paid in advance	6,583,089.98	6,583,089.98
Financial products	892,007,372.24	575,655,558.24
Accrual interest of time deposit	464,507.99	2,918,334.73
Other	130,000.00	60,000.00

Total	1,222,940,412.14	917,288,244.54
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Other notes:

14. Debt investment**15. Other debt investment****16. Long-term receivables****17. Long-term equity investment**

In RMB

The invested entity	Opening balance (book value)	Current changes (+, -)								Ending balance (book value)	Ending balance of depreciation reserves
		Additional investment	Capital reduction	Investment gain/loss recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Impairment accrual	Other		
I. Joint venture											
Huidong Server Harbor Comprehensive Development Company	8,893,408.86			-1,148,715.33						7,744,693.53	
Subtotal	8,893,408.86			-1,148,715.33						7,744,693.53	
II. Associated enterprise											
Total	8,893,408.86			-1,148,715.33						7,744,693.53	

Other notes

18. Other equity instrument investment

In RMB

Item	Ending balance	Opening balance
CPI Jiangxi Nuclear Power Company	60,615,000.00	60,615,000.00
Nanjing Zhongsheng Holding Co., Ltd.	140,000,000.00	21,000,000.00
Shenzhen Petrochemical Oil Bonded Trade Co., Ltd. - investment cost	2,500,000.00	2,500,000.00

Shenzhen Petrochemical Oil Bonded Trade Co., Ltd. - change in fair value	-2,500,000.00	-2,500,000.00
Total	200,615,000.00	81,615,000.00

Disclosure of the non-trading equity instrument investment item by item

In RMB

Item	Dividend income recognized	Accumulated gain	Accumulated loss	Retained earnings transferred from other comprehensive income	Designated as the investment measured at fair value and whose changes reckoned into other comprehensive income (explain reasons)	Reasons of retained earnings transferred from other comprehensive income
Jiangxi Nuclear Power Co., Ltd.					Intents to holding for a long-term	
Nanjing Zhongsheng Holding Co., Ltd.					Intents to holding for a long-term	
Shenzhen Petrochemical Oil Bonded Trade Co., Ltd.			-2,500,000.00		Intents to holding for a long-term	

Other notes:

19. Other non-current financial assets

20. Investment real estate

(1) Investment real estate measured by cost

Applicable Not applicable

In RMB

Item	House and Building	Land use right	Construction in progress	Total
I. Original book value				
1. Opening balance	9,708,014.96			9,708,014.96
2. Current increased				
(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in				

(3) Increased by combination				
3.Current decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance	9,708,014.96			9,708,014.96
II. Accumulated depreciation and accumulated amortization				
1.Opening balance	7,502,825.56			7,502,825.56
2.Current increased	98,068.80			98,068.80
(1) Accrual or amortization	98,068.80			98,068.80
3.Current decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance	7,600,894.36			7,600,894.36
III. Depreciation reserves				
1.Opening balance				
2.Current increased				
(1) Accrual				
3.Current decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance				
4.Ending balance				
IV. Book value	2,107,120.60			2,107,120.60
1.Ending Book value	2,205,189.40			2,205,189.40

(2) Investment real estate measured at fair value

Applicable Not applicable

(3) Investment real estate without property certification held**21. Fixed assets**

In RMB

Item	Ending balance	Opening balance
Fixed assets	903,855,214.06	925,745,208.55
Total	903,855,214.06	925,745,208.55

(1) Fixed assets

In RMB

Item	House and Building	Machinery equipment	Means of transport	Other	Total
I. Original book value:					
1. Opening balance	426,009,822.97	3,159,342,280.68	16,757,800.53	58,485,287.75	3,660,595,191.93
2. Current increased		1,011,427.00		2,702,694.11	3,714,121.11
(1) Purchase		10,442.48		1,212,417.43	1,222,859.91
(2) Construction in progress transfer-in		1,000,984.52		1,490,276.68	2,491,261.20
(3) Increased by combination					
3. Current decreased		6,100,000.00	499,000.00		6,599,000.00
(1) Disposal or scrapping		6,100,000.00	499,000.00		6,599,000.00
4. Ending balance	426,009,822.97	3,154,253,707.68	16,258,800.53	61,187,981.86	3,657,710,313.04
II. Accumulated depreciation					
1. Opening balance	274,467,339.25	2,285,724,572.18	8,778,143.96	44,182,864.81	2,613,152,920.20
2. Current increased	5,588,517.65	17,172,137.63	867,140.92	1,316,419.40	24,944,215.60
(1) Accrual	5,588,517.65	17,172,137.63	867,140.92	1,316,419.40	24,944,215.60

3.Current decreased		5,490,000.00	449,100.00		5,939,100.00
(1) Disposal or scrapping		5,490,000.00	449,100.00		5,939,100.00
4.Ending balance	280,055,856.90	2,297,406,709.81	9,196,184.88	45,499,284.21	2,632,158,035.80
III. Depreciation reserves					
1.Opening balance	9,800,239.30	111,896,823.88			121,697,063.18
2.Current increased					
(1) Accrual					
3.Current decreased					
(1) Disposal or scrapping					
4.Ending balance	9,800,239.30	111,896,823.88			121,697,063.18
IV. Book value					
1.Ending Book value	136,153,726.77	744,950,173.99	7,062,615.65	15,688,697.65	903,855,214.06
2.Opening Book value	141,742,244.42	761,720,884.62	7,979,656.57	14,302,422.94	925,745,208.55

(2) Temporarily idle fixed assets

In RMB

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value	Note
Housing & buildings	127,893,412.10	98,659,265.99	13,948,439.04	15,285,707.07	
Machinery equipment	568,728,189.68	482,646,162.93	50,065,844.45	36,016,182.30	
Means of transport	256,300.00	230,670.00	0.00	25,630.00	

(3) Fixed assets acquired by operating lease**(4) Fixed assets without property certification held**

In RMB

Item	Book value	Reasons for failing to complete the property rights certificate
Circulating Water Pump House	1,213,756.28	Procedures uncompleted
Cooling Tower	673,259.25	Procedures uncompleted
Complex Building	443,246.19	Procedures uncompleted
Comprehensive building canteen	256,846.77	Procedures uncompleted
Chemical water treatment workshop	232,960.00	Procedures uncompleted
Main entrance mail room	154,979.21	Procedures uncompleted

22. Construction in progress

In RMB

Item	Ending balance	Opening balance
Construction in progress	85,544,475.11	42,782,712.98
Total	85,544,475.11	42,782,712.98

(1) Construction in progress

In RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Cogeneration	60,112,152.46	22,273,910.43	37,838,242.03	60,112,152.46	22,273,910.43	37,838,242.03
Oil to Gas Works	13,230,574.53	13,230,574.53		13,230,574.53	13,230,574.53	
Technical innovation	47,706,233.08		47,706,233.08	4,944,470.95		4,944,470.95
Total	121,048,960.07	35,504,484.96	85,544,475.11	78,287,197.94	35,504,484.96	42,782,712.98

(2) Changes of major projects under construction

In RMB

Item	Budget	Opening	Current	Fixed	Other	Ending	Proporti	Progress	Accumul	including	Interest	Source of
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		balance	increased	assets transfer-in in the Period	decrease in the Period	balance	on of project investment in budget		ated amount of interest capitalization	: interest capitalized amount of the year	capitalization rate of the year	funds
Cogeneration	60,000,000.00	60,112,152.46				60,112,152.46	100.19%	100.00	6,476,185.46			Other
Oil to Gas Works	74,400,000.00	13,230,574.53				13,230,574.53	63.76%	63.76				Other
Technical innovation	67,735,200.00	4,944,470.95	45,253.023.33	2,491,261.20		47,706,233.08	74.11%	74.11				Other
Total	202,135,200.00	78,287,197.94	45,253.023.33	2,491,261.20		121,048,960.07	--	--	6,476,185.46			--

23. Productive biological assets

24. Oil and gas assets

25. Right-of-use assets

26. Intangible assets

(1) Intangible assets

In RMB

Item	Land use right	Patent	Non-patent technology	Software	Total
I. Original book value					
1. Opening balance	60,813,994.76			3,791,219.34	64,605,214.10
2. Current increased		103,773.59			103,773.59
(1) Purchase		103,773.59			103,773.59
(2) Internal R&D					
(3) Increased					

by combination					
3.Current decreased					
(1) Disposal					
4.Ending balance	60,813,994.76	103,773.59		3,791,219.34	64,708,987.69
II. Accumulated amortization					
1.Opening balance	40,020,625.95			3,458,977.91	43,479,603.86
2.Current increased	311,314.80	1,729.58		107,150.04	420,194.42
(1) Disposal	311,314.80	1,729.58		107,150.04	420,194.42
3.Current decreased					
(1) Disposal					
4.Ending balance	40,331,940.75	1,729.58		3,566,127.95	43,899,798.28
III. Depreciation reserves					
1.Opening balance					
2.Current increased					
(1) Disposal					
3.Current decreased					
(1) Disposal					
4.Ending balance					
IV. Book value					

1. Ending Book value	20,482,054.01	102,044.01		225,091.39	20,809,189.41
2. Opening Book value	20,793,368.81			332,241.43	21,125,610.24

(2) Land use right without property certification held

In RMB

Item	Book value	Reasons for failing to complete the property rights certificate
Land use right of the wharf and pipe gallery	509,942.53	Property rights certificate is undergoing

27. Development expenditure**28. Goodwill****29. Long-term expenses to be apportioned**

In RMB

Item	Opening balance	Current increased	Amortized in the Period	Other decrease	Ending balance
Exhibition hall decoration amount	1,027,508.94	853,344.24	169,852.77		1,711,000.41
Total	1,027,508.94	853,344.24	169,852.77		1,711,000.41

30. Deferred income tax assets/Deferred income tax liabilities**(1) Deferred income tax assets that are not offset**

In RMB

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Bad debt provision for account receivable	5,628,573.77	1,400,153.44	5,628,573.77	1,400,153.44
Bad debt provision for other account receivable	723,585.00	180,896.25	723,585.00	180,896.25
Changes in fair value of	2,500,000.00	625,000.00	2,500,000.00	625,000.00

other equity instrument investments				
Total	8,852,158.77	2,206,049.69	8,852,158.77	2,206,049.69

(2) Deferred income tax liabilities that are not offset**(3) Deferred income tax assets and deferred income tax liabilities listed after off-set**

In RMB

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		2,206,049.69		2,206,049.69

31. Other non-current assets**32. Short-term loans****(1) Category of short-term loans**

In RMB

Item	Ending balance	Opening balance
Credit loan	458,822,740.80	672,033,285.00
Accrued interest		3,495,573.48
Total	458,822,740.80	675,528,858.48

33. Trading financial liabilities**34. Derivative financial liabilities****35. Note payable**

In RMB

Category	Ending balance	Opening balance
Business acceptance bill	300,000,000.00	
Bank acceptance bill	169,635,315.93	30,467,345.48
Total	469,635,315.93	30,467,345.48

36. Account payable**(1) Account payable**

In RMB

Item	Ending balance	Opening balance
Materials	2,520,453.67	1,485,870.91
Electricity	1,354,573.38	3,198,432.35
Labor	5,642,780.00	4,622,000.00
Total	9,517,807.05	9,306,303.26

37. Accounts received in advance**38. Contractual liability****39. Wage payable****(1) Wage payable**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	68,988,399.03	51,318,181.42	77,231,976.90	43,074,603.55
II. Post-employment welfare- defined contribution plans	438,504.94	8,861,868.49	7,623,911.77	1,676,461.66
Total	69,426,903.97	60,180,049.91	84,855,888.67	44,751,065.21

(2) Short-term compensation

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wages, bonuses, allowances and subsidies	68,484,174.37	41,775,274.95	67,906,207.09	42,353,242.23
2. Welfare for workers and staff	129,361.00	252,134.00	355,695.00	25,800.00
3. Social insurance		2,566,811.36	2,467,920.07	98,891.29
Including: Medical insurance		2,448,849.04	2,360,019.90	88,829.14
Work injury		64,954.07	62,566.52	2,387.55

insurance				
Maternity insurance		53,008.25	45,333.65	7,674.60
4. Housing accumulation fund		5,809,690.74	5,605,033.86	204,656.88
5. Labor union expenditure and personnel education expense	374,863.66	914,270.37	897,120.88	392,013.15
Total	68,988,399.03	51,318,181.42	77,231,976.90	43,074,603.55

(3) Defined contribution plans

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance		6,156,375.17	5,972,699.51	183,675.66
2. Unemployment insurance		48,593.34	47,589.26	1,004.08
3. Enterprise annuity	438,504.94	2,656,899.98	1,603,623.00	1,491,781.92
Total	438,504.94	8,861,868.49	7,623,911.77	1,676,461.66

40. Taxes payable

In RMB

Item	Ending balance	Opening balance
Value-added tax	5,098,496.42	3,086,053.57
Corporation income tax		621,938.34
Individual income tax	1,728,267.21	2,726,195.98
City maintaining & construction tax	67,704.69	44,879.53
Environmental tax		32,646.98
Property tax	1,320,268.04	996,166.86
Stamp duty		33,443.10
Local education surcharge	40,004.70	16,824.46
Educational surtax	26,685.91	25,236.71
Other	97,966.60	42,872.73
Total	8,379,393.57	7,626,258.26

Other notes:

41. Other account payable

In RMB

Item	Ending balance	Opening balance
Interest payable	432,488.68	
Other accounts payable	22,428,183.55	27,020,944.95
Total	22,860,672.23	27,020,944.95

(1) Interest payable

In RMB

Item	Ending balance	Opening balance
Interest payable on short-term loans	432,488.68	
Total	432,488.68	

(2) Dividend payable**(3) Other account payable****1) Classification of other accounts payable according to nature of account**

In RMB

Item	Ending balance	Opening balance
Engineering funds	9,371,599.76	7,759,695.06
Quality assurance	4,573,766.57	6,675,270.29
Accrued expenses	2,117,718.64	6,625,316.75
Material payment	211,494.74	3,362,487.65
Other	6,153,603.84	2,598,175.20
Total	22,428,183.55	27,020,944.95

2) Significant other payable with over one year age

The ending balance of the top five other payable aggregated by the arrears party is 5,296,309.50 yuan, accounting for 23.17% of the total ending balance of other payable.

42. Liability held for sale**43. Non-current liabilities due within one year****44. Other current liabilities****45. Long-term loans****46. Bonds payable****47. Lease liability****48. Long-term account payable****49. Long-term wages payable****50. Accrual liability**

In RMB

Item	Ending balance	Opening balance	Cause of formation
Pending litigation	14,573,508.28	19,923,508.28	
Total	14,573,508.28	19,923,508.28	--

Note: On 29 November 2013, Shenzhen Server and Jiahua Building Products (Shenzhen) Co., Ltd. (Jiahua Building) signed a supplementary term aiming at equity transfer over equity attribution and division of Yapojiao Dock, which belongs to Shenzhen Server, Huidong Server, and Huidong Nianshan Town Government as well as its subordinate Nianshan Group. In order to solve this remaining historic problem, Shenzhen Server saved 12,500,000.00 yuan in condominium deposit account as guarantee. In addition, Server pledged its 20% of equity holding from Huidong Server to Jiahua Architecture with pledge duration of 2 years. The amount of collateral on loans could not exceed 15,000,000.00 yuan. Relevant losses with the event concerned predicted amounting to 27,500,000.00 yuan by the Group, the balance on June 30, 2021 was 14,573,508.28 yuan

51. Deferred income

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Cause of formation
Government grand	93,780,657.93		3,193,457.06	90,587,200.87	
Total	93,780,657.93		3,193,457.06	90,587,200.87	--

Item with Government subsidy involved:

In RMB

Item	Opening balance	New grants in the Period	Amount reckoned in non-operation revenue	Amount reckoned into other income in the period	Cost reduction in the period	Other changes	Ending balance	Assets related/Income related

Government subsidies for low-nitrogen equipment renovation	24,648,454.68			286,402.74			24,362,051.94	Assets related
Government subsidies for information construction projects	25,490.12			25,490.12				Assets related
Subsidies for the Motor Energy Efficiency Improvement Funding Scheme	367,200.00			17,280.00			349,920.00	Assets related
Support fund of recycling economy for sludge drying	6,804,271.03			323,501.46			6,480,769.57	Assets related
Treasury subsidies for sludge drying	2,571,250.00			127,500.00			2,443,750.00	Assets related
Special funds for energy conservation and emission reduction	570,185.98			47,373.66			522,812.32	Assets related
Subsidy for quality promotion of the air environment in Shenzhen	58,793,806.12			2,365,909.08			56,427,897.04	Assets related

52. Other non-current liabilities

In RMB

Item	Ending balance	Opening balance
Amounts payable to other shareholders	50,110.86	7,627.86

Total	50,110.86	7,627.86
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53. Share capital

In RMB

	Opening balance	Change during the period (+, -)					Ending balance
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Total shares	602,762,596.00						602,762,596.00

54. Other equity instrument**55. Capital public reserve**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Capital premium (Share capital premium)	233,035,439.62			233,035,439.62
Other Capital reserve	129,735,482.48			129,735,482.48
Total	362,770,922.10			362,770,922.10

56. Treasury stock**57. Other comprehensive income**

In RMB

Item	Opening balance	Current period						Ending balance
		Account before income tax in the year	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in	Less: income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	

				current period				
1. Other comprehensive income items which will not be reclassified subsequently to profit of loss	-2,500,000.00							-2,500,000.00
Change of fair value of investment in other equity instrument	-2,500,000.00							-2,500,000.00
Total other comprehensive income	-2,500,000.00							-2,500,000.00

58. Reasonable reserve

59. Surplus public reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Statutory surplus reserves	310,158,957.87			310,158,957.87
Discretionary surplus reserve	22,749,439.73			22,749,439.73
Total	332,908,397.60			332,908,397.60

60. Retained profit

In RMB

Item	Current period	Last period
Retained profits at the end of last period before adjustment	758,799,931.94	706,830,892.54
Retained profits at the beginning of the period after adjustment	758,799,931.94	706,830,892.54
Add: The net profits belong to owners of patent company of this period	1,456,269.68	52,040,498.42
Common dividend payable		12,055,251.92
Retained profit at period-end	760,256,201.62	746,816,139.04

61. Operating income and cost

In RMB

Item	Current period		Last Period	
	Income	Cost	Income	Cost
Main operating	376,034,393.36	351,092,415.61	516,766,342.40	453,011,367.34
Other business	568,000.02	117,808.30	1,384,263.81	98,068.80
Total	376,602,393.38	351,210,223.91	518,150,606.21	453,109,436.14

Information related to performance obligations:

Not applicable

62. Operating tax and extras

In RMB

Item	Current period	Last Period
City maintaining & construction tax	472,057.07	1,383,140.70
Educational surtax	250,372.97	994,801.55
Property tax	324,101.18	1,208,396.49
Land use tax	150,379.56	528,926.56
Stamp duty	266,520.80	249,088.14
Environmental protection tax	15,666.44	52,684.43
Local education surcharge	166,915.38	2,070.82
Total	1,646,013.40	4,419,108.69

63. Sales expenses

In RMB

Item	Current period	Last Period
Sludge treatment costs	192,016.41	1,759,061.64
Salary, welfare and social insurance	349,797.37	483,096.28
Communication expenses	6,500.00	3,600.00
Social expenses	47,432.90	102,828.00
Fleet cost	7,000.00	14,862.00
Inspection charges	2,358.49	8,254.72
Labor insurance fee	9,137.32	12,146.33
Rental fee	3,600.00	14,400.00
Property insurance	48,684.42	55,981.53
Agency engagement fee	6,152.26	49,056.60
Other	23,757.63	24,116.56

Total	696,436.80	2,527,403.66
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64. Administrative expenses

In RMB

Item	Current period	Last Period
Wages	16,794,177.76	22,642,057.64
Rental fee	3,313,168.39	3,190,390.04
Social expenses	1,256,510.86	1,215,245.44
Intermediary agency fee	674,252.82	769,240.68
Fleet cost	1,627,388.66	1,544,894.98
Board fee	549,111.22	643,383.04
Depreciation	3,487,075.49	3,219,527.40
Amortization of intangible assets	112,174.94	438,195.11
Environmental protection fee	70,012.09	112,454.45
Food expenses	1,538,651.55	1,683,299.91
Corporate culture fee	145,089.00	466,986.30
Property management fees	485,464.34	476,391.32
Office expenses	169,218.09	451,606.20
Communication fee	551,184.44	584,900.66
Travel expenses	189,323.48	150,697.01
Fee for stock certificate	238,018.32	268,361.53
Union funds	367,422.85	296,122.92
Employee education expenses	20,380.94	25,496.98
Other	8,425,543.31	4,857,620.54
Total	40,014,168.55	43,036,872.15

65. R&D expenses

In RMB

Item	Current period	Last Period
Employee's salary	3,236,384.22	
Depreciation	106,285.00	
Other	17,960.38	
Total	3,360,629.60	

66. Financial expenses

In RMB

Item	Current period	Last Period
Interest expenses	13,028,372.76	18,800,827.68
Less: capitalized interest		-613,068.55
Expenses interest	13,028,372.76	18,187,759.13
Less: interest income	-10,344,030.33	-13,142,285.32
Gains/losses from exchange	-11,161.84	56,923.92
Other	139,530.44	76,172.31
Total	2,835,034.71	5,064,722.20

67. Other income

In RMB

Sources of income generated	Current period	Last Period
Government subsidy	3,368,979.50	8,755,536.55

68. Investment income

In RMB

Item	Current period	Last Period
Income of long-term equity investment calculated based on equity	-1,148,715.33	-243,622.43
Investment income from the disposal of long-term equity investments		33,534,881.55
Interest income from debt investment during the holding period	13,977,075.28	
Total	12,828,359.95	33,291,259.12

69. Net exposure hedging income**70. Income from change of fair value****71. Credit impairment loss****72. Assets impairment loss****73. Income from assets disposal**

In RMB

Sources	Current period	Last Period
Fixed asset disposal gains and losses	974,699.74	828,535.66

74. Non-operating income

In RMB

Item	Current period	Last Period	Amount reckoned into current non-recurring gains/losses
Reversal of expected liabilities	5,000,000.00		5,000,000.00
Other	261,868.55	4,753.84	261,868.55
Total	5,261,868.55	4,753.84	5,261,868.55

75. Non-operating expense

In RMB

Item	Current period	Last Period	Amount reckoned into current non-recurring gains/losses
Donation	10,000.00	10,000.00	10,000.00
Non-current assets disposal losses	25,388.00	1,110.00	25,388.00
Total	35,388.00	11,110.00	35,388.00

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

In RMB

Item	Current period	Last Period
Payable tax in current period		610,366.52
Total		610,366.52

(2) Adjustment on accounting profit and income tax expenses

In RMB

Item	Current period
Total profit	-761,593.85

77. Other comprehensive income

See notes

78. Items of ash flow statement**(1) Other cash received in relation to operation activities**

In RMB

Item	Current period	Last Period
Interest income	12,142,721.92	10,929,678.85
Government subsidy	679,508.93	4,688,786.13
Other	3,055,829.97	6,887,829.91
Total	15,878,060.82	22,506,294.89

(2) Other cash paid in relation to operation activities

In RMB

Item	Current period	Last Period
Cash cost	24,840,140.78	20,655,739.80
Other	467,804.70	499,732.95
Total	25,307,945.48	21,155,472.75

(3) Cash received from other investment activities

In RMB

Item	Current period	Last Period
Intercourse funds received from Huidong Server	5,000,000.00	800,000.00
Total	5,000,000.00	800,000.00

(4) Cash paid related with investment activities

In RMB

Item	Current period	Last Period
Difference between the cash balance and cash received on disposal of the equity from Shen Nan Dian (Dongguan) Weimei Power Co., Ltd on disposal day		12,577,163.02
Total		12,577,163.02

(5) Other cash received in relation to financing activities

In RMB

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

79. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

In RMB

Supplementary information	Current period	Last Period
1. Net profit adjusted to cash flow of operation activities:	--	--
Net profit	-761,593.85	52,251,672.02
Add: Assets impairment provision		
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	24,944,215.60	25,805,403.49
Depreciation of right-of-use assets		
Amortization of intangible assets	420,194.42	485,983.65
Amortization of Long-term expenses to be apportioned	-683,491.47	125,971.38
Loss from disposal of fixed assets, intangible assets and other long-term assets (gain is listed with "-")	-974,699.74	-828,535.66
Losses on scrapping of fixed assets (gain is listed with "-")	25,388.00	
Gain/loss of fair value changes (gain is listed with "-")		
Financial expenses (gain is listed with "-")	10,341,998.05	18,800,827.68
Investment loss (gain is listed with "-")	-12,828,359.95	-33,291,259.12
Decrease of deferred income tax asset ((increase is listed with "-")		
Increase of deferred income tax liability (decrease is listed with "-")		
Decrease of inventory (increase is listed with "-")	-962,540.21	16,132,545.39

Decrease of operating receivable accounts (increase is listed with “-”)	-376,080,479.26	-18,919,356.89
Increase of operating payable accounts (decrease is listed with “-”)	425,480,081.40	9,373,309.52
Other		
Net cash flows arising from operating activities	68,920,712.99	69,936,561.46
2. Material investment and financing not involved in cash flow	--	--
Conversion of debt into capital		
Switching Company bonds due within one year		
financing lease of fixed assets		
3. Net change of cash and cash equivalents:	--	--
Balance of cash at period end	436,470,238.63	467,403,966.81
Less: Balance of cash equivalent at period-begin	397,101,272.21	381,490,000.96
Add: Balance at period-end of cash equivalents	15,353,018.84	617,500,000.00
Less: Balance at period-begin of cash equivalents	367,500,000.00	390,000,000.00
Net increase of cash and cash equivalents	-312,778,014.74	313,413,965.85

(2) Net cash payment for the acquisition of a subsidiary in the period**(3) Net cash received from the disposal of subsidiaries****(4) Constitution of cash and cash equivalent**

In RMB

Item	Ending balance	Opening balance
I. Cash	436,470,238.63	397,101,272.21
Including: Cash on hand	66,399.71	101,163.11
Bank deposit available for payment at any time	436,403,838.92	397,000,109.10
II. Cash equivalent	15,353,018.84	367,500,000.00
III. Balance of cash and cash equivalents at	451,823,257.47	764,601,272.21

the period-end		
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80. Note of the changes of owners' equity**81. Assets with ownership or use right restricted****82. Item of foreign currency****(1) Item of foreign currency**

In RMB

Item	Closing balance of foreign currency	Rate of conversion	Ending RMB balance converted
Monetary funds	--	--	
Including: USD	838,171.45	6.46	5,414,671.38
EUR	1,017.87	7.69	7,823.55
HKD	398,254.42	0.83	331,379.59
SGD	4,668.03	4.80	22,419.15
Account receivable	--	--	
Including: USD			
EUR			
HKD			
Long-term borrowings	--	--	
Including: USD			
EUR			
HKD			

(2) Explanation on foreign operational entity, including as for the major foreign operational entity, disclosed main operation place, book-keeping currency and basis for selection; if the book-keeping currency changed, explain reasons

Applicable Not applicable

83. Hedging**84. Government subsidy****(1) Government subsidy**

In RMB

Category	Amount	Item	Amount reckoned in current gain/loss
Subsidy for low-nitrogen transformation	43,032,780.00	Deferred income	276,757.74
Information construction	520,000.00	Deferred income	25,490.12
Support fund of recycling economy for sludge drying	10,000,000.00	Deferred income	323,501.46
Treasury subsidies for sludge drying	5,100,000.00	Deferred income	127,500.00
Special funds for energy conservation and emission reduction	1,530,000.00	Deferred income	57,018.66
Funded of energy efficiency improvement for electric machine	518,400.00	Deferred income	17,280.00
Subsidy for quality promotion of the air environment in Shenzhen	70,977,273.00	Deferred income	2,365,909.08

(2) Government subsidy rebate

Applicable Not applicable

85. Other

VIII. Changes of consolidation scope

1. Enterprise combines not under the same control

2. Enterprise combines under the same control

3. Reverse purchase

4. Disposal of subsidiaries

Whether there is a single disposal of an investment in a subsidiary that resulted in a loss of control

Yes No

Whether there is a step-by-step disposal of investment in a subsidiary through multiple transactions and loss of control during the period

Yes No

5. Other reasons for consolidation range changed

6. Other

IX. Equity in other entity

1. Equity in subsidiary

(1) Constitute of enterprise group

Subsidiary	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shennandian (Zhongshan) Power Co., Ltd. ("Zhongshan Power")	Zhongshan	Zhongshan	Power generation	55.00%	25.00%	Establishment
Shenzhen Shennandian Gas Turbine Engineering Technology Co., Ltd. ("Engineering Company")	Shenzhen	Shenzhen	Project consultancy	60.00%	40.00%	Establishment
Shenzhen Shennandian Environmental Protection Co., Ltd. ("Environmental Protection Company")	Shenzhen	Shenzhen	Sludge drying	70.00%	30.00%	Establishment
Shenzhen Server Petrochemical Supplying Co., Ltd. ("Shenzhen Server")	Shenzhen	Shenzhen	Trade	50.00%		Establishment
Shenzhen New Power Industry Co., Ltd. ("New Power")	Shenzhen	Shenzhen	Power generation	75.00%	25.00%	Establishment
Shennan Energy	Singapore	Singapore	Trade	100.00%		Establishment

(Singapore) Co., Ltd. ("Singapore Company")						
Hong Kong Syndisome Co., Ltd. ("Syndisome")	Hong Kong	Hong Kong	Trade		100.00%	Establishment
Zhongshan Shennandian Storage Co., Ltd. ("Shenzhen Storage")	Zhongshan	Zhongshan	Warehousing		80.00%	Establishment
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	Fund		99.96%	Establishment

The basis for holding half of the voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:

The Company holds 50% equity of Shenzhen Server, and holds a majority of voting rights in the company's board of directors at the same time. Therefore, the Company has substantive control over it, and it is included in the consolidation scope of the consolidated financial statements.

(2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shennandian (Zhongshan) Power Co., Ltd. ("Zhongshan Power")	20.00%	-3,650,982.63	-15,380,595.65	

(3) Main finance of the important non-wholly-owned subsidiary

In RMB

Subsidiary	Ending balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities

Shennandian (Zhongshan) Power Co., Ltd. (“Zhongshan Power”)	49,808,404.10	475,249,273.10	525,057,677.20	596,599,319.54	5,361,335.92	601,960,655.46	63,887,511.26	486,793,086.63	550,680,597.89	603,862,934.78	5,465,728.24	609,328,663.02
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In RMB

Subsidiary	Current period				Last Period			
	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity
Shennandian (Zhongshan) Power Co., Ltd. (“Zhongshan Power”)	70,054,400.77	-18,254,913.13	-18,254,913.13	-3,240,430.86	85,765,596.92	13,942,405.29	13,942,405.29	31,248,237.34

Other notes:

2. Transaction that has owners' equity shares changed in subsidiary but still with controlling rights

3. Equity in joint venture and associated enterprise

(1) Important joint venture and associated enterprise

Joint venture or associated enterprise	Main operation place	Registered place	Business nature	Share-holding ratio		Accounting treatment on investment for joint venture and associated enterprise
				Directly	Indirectly	
Huidong Server Port Comprehensive Development Co., Ltd.	Renshan Town, Huidong County	Huidong County	Wharf operation	40.00%		Equity method

(2) Main financial information of the important joint venture

In RMB

	Ending balance/Current period	Opening balance/Last Period
Book value of equity investment in joint ventures	7,744,693.53	8,893,408.86
Net profit	-1,148,715.33	-243,622.43
Total comprehensive income	-1,148,715.33	-243,622.43

4. Major conduct joint operation**5. Structured body excluding in consolidate financial statement****6. Other****X. Risk related with financial instrument**

The Company's main financial instruments include equity investment, notes receivable, long-term and short-term loans, accounts receivable, accounts payable, other payable, etc., see details of each financial instrument in related items of this annotation III (x). The risks associated with these financial instruments and the risk management policies adopted by the Company to reduce these risks are described as below. The management of the Company manages and monitors these risk exposures to ensure that the above risks are controlled within the limit range.

The Company uses the sensitivity analysis technique to analyze the possible impact of the risk variable on the current profit and loss or the shareholders' equity. Since any risk variable rarely changes in isolation, and the correlation existing among the variables shall have a significant effect on the final amount of changes about a certain risk variable, therefore, the following proceeds by assuming that the change in each variable is independent.

1. Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to perform its obligations, causing the other party to suffer financial losses. The Company is mainly faced with customer credit risk caused by credit sales. Before signing a new contract, the Company will evaluate the credit risk of the new customer, including the external credit rating and, in some cases, the bank credit certificate (when this information is available). The company has set a credit limit for each customer, which is the maximum amount without additional approval.

The company ensures that the company's overall credit risk is within a controllable range through quarterly monitoring of existing customer credit ratings and monthly review of accounts receivable aging analysis. When monitoring the credit risk of customers, they are grouped according to their credit characteristics. Customers rated as "high risk" will be placed on the restricted customer list, and only with additional approval, the company can sell them on credit in the future, otherwise they must be required to pay the corresponding amount in advance.

2. Market risk

Market risks of financial instruments refers to the risks that the fair value or future cash flow of such financial instruments will fluctuate due to the changes in market prices, including FX risks, interest rate risks and other price risks.

(1) Interest rate risk

The Company's cash flow change risk of financial instruments arising from interest rate change is mainly related to the floating interest rate bank loans (see details in Note V (16); Note V(35)).

Interest rate risk sensitivity analysis:

The interest rate risk sensitivity analysis is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of financial instruments with variable interest rate; For financial instruments with fixed rate by fair value measurement, the changes in market interest rates only affect their interest income or expense; For derivative financial instruments designated as hedging instruments, the changes in market interest rates affect their fair value, and all interest rate hedging prediction is highly effective; Calculate the changes in fair value of derivative financial instruments and other financial assets and liabilities by using the cash flow discount method at the market interest rate at the balance sheet date.

On the basis of above assumptions, in case that other variables keep unchanged, the pre-tax effect of possible reasonable changes in interest rates on current profits and losses and shareholders' equity is as follows:

Rate changes	Current year		Last year	
	Impact on profit	Impact on shareholders' equity	Impact on profit	Impact on shareholders' equity
5% increased	-651,409.17	-643,610.18	-878,221.61	-800,563.02
5% decreased	651,409.17	643,610.18	878,221.61	800,563.02

(2) FX risks

Foreign exchange risk refers to the risk of losses due to exchange rate changes. The Company's foreign exchange risk is mainly related to the US dollar. On June 30, 2021, except for the balance of foreign currency monetary items of 44, foreign currency monetary in Note V, the assets and liabilities of the Company are RMB balance. The foreign exchange risk arising from the assets and liabilities of such foreign currency balances may have an impact on the Company's operating results.

3. Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when an enterprise fulfills its obligation of settlement by means of cash or other financial assets. The Company's policy is to ensure that it has sufficient cash to repay the debts due. Liquidity risk is centrally controlled by the Company's financial department. The financial department monitors cash balances, marketable securities that can be cashed at any time, and rolling forecasts of cash flows in the next 12 months to ensure that the company has sufficient funds to repay debts under all reasonable forecasts.

XI. Disclosure of fair value**XII. Related party and related party transactions****1. Parent company of the enterprise****2. Subsidiary of the enterprise**

Found more in Note IX. 1. "Equity in subsidiary"

3. Joint venture and associated enterprise

Found more in Note IX.3. "Equity in joint venture and associated enterprise"

4. Other related party

Other Related party	Relationship with the Enterprise
Shenzhen Energy Group Co., Ltd. ("Shenzhen Energy Group" for short)	Legal person holding more than 5% of the company's shares
Shenzhen Guangju Industrial Co., Ltd.	Legal person holding more than 5% of the company's shares
HONG KONG NAM HOI (INTERNATIONAL) LTD.	Legal person holding more than 5% of the company's shares
Shenzhen Capital Holdings Co., Ltd.	Legal person indirectly holding more than 5% of the company's shares through Shenzhen Energy Group
Wanhe Securities Co., Ltd.	Other related parties
Shenzhen Energy Group Co., Ltd.	Other related parties

5. Related transaction**6. Receivable/payable items of related parties****(1) Receivable item**

In RMB

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Other account receivables					
	Huidong Server	14,911,484.45		14,740,501.44	
	Huidong Server managed account	1,264,429.70		6,634,071.38	

XIII. Share-based payment

1. Overall situation of share-based payment

Applicable Not applicable

2. Share-based payment settled by equity

Applicable Not applicable

3. Share-based payment settled by cash

Applicable Not applicable

XIV. Undertakings or contingency

1. Important undertakings

2. Contingency

(1) Contingency on balance sheet date

(2) For the important contingency not necessary to disclosed by the Company, explained reasons

The Company has no important contingency that need to disclosed

3. Other**XV. Events after balance sheet date****XVI. Other important events****1. Previous accounting errors collection****2. Debt restructuring****3. Assets replacement****4. Pension plan****5. Termination of operation****6. Segment****(1) Recognition basis and accounting policy for reportable segment**

According to the Company's internal organizational structure, management requirements and internal reporting system, the Company's operating business is divided into three business divisions, i.e. power supply and heating, fuel trading, and other businesses. The Company's management regularly evaluates the business performance of these divisions in order to determine the allocation of resources and evaluate the performance.

Divisional reporting information is disclosed in accordance with the accounting policies and measurement standards adopted when each division reports to the management. These measurement bases are consistent with the accounting and measurement bases used when preparing financial statements.

(2) Financial information for reportable segment

In RMB

Item	Power supply & heating	Fuel trading	Other	Fuel trading	Total
Operating revenue	392,772,510.06	544,000.02	19,063,169.39	35,777,286.09	376,602,393.38
Operating cost	369,839,628.83	117,808.30	16,772,415.12	35,519,628.34	351,210,223.91
Total profit	3,895,743,951.05	250,238,928.58	323,770,822.50	1,263,594,959.59	3,206,158,742.54
Total liabilities	1,882,258,700.53	19,671,798.29	31,021,620.66	813,774,304.68	1,119,177,814.80

XVII. Principal notes of financial statements of parent company**1. Account receivable****(1) Classification of account receivable**

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Including:										
Account receivable with bad debt provision accrual on portfolio	48,374,534.89				48,374,534.89	24,673,115.32				24,673,115.32
Total	48,374,534.89				48,374,534.89	24,673,115.32				24,673,115.32

Bad debt provision accrual on portfolio: 0

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual proportion
Low credit risk portfolio	48,374,534.89		
Total	48,374,534.89		--

If the provision for bad debts of accounts receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose related information about bad-debt provisions:

Applicable Not applicable

By account age

In RMB

Account age	Ending balance
Within 1 year (including 1 year)	48,371,645.89
Over 3 years	2,889.00
3-4 years	2,889.00
Total	48,374,534.89

2. Other account receivables

In RMB

Item	Ending balance	Opening balance
Other account receivables	595,045,866.53	598,044,417.89
Total	595,045,866.53	598,044,417.89

(1) Interest receivable**(2) Dividend receivable****(3) Other account receivables****1) Other account receivables classification by nature**

In RMB

Nature	Ending book balance	Opening book balance
Related party transactions	586,648,518.74	596,066,327.13
Dormitory receivable	2,083,698.16	2,083,698.16
Deposit receivable	1,658,796.73	1,658,753.42
Personal money	9,969,037.63	9,969,037.63
Other	22,015,458.71	15,596,244.99
Less:Bad debt provision	-27,329,643.44	-27,329,643.44
Total	595,045,866.53	598,044,417.89

2) Accrual of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2021			27,329,643.44	27,329,643.44
Balance of Jan. 1, 2021 in the period	—	—	—	—
Balance on Jun. 30, 2021			27,329,643.44	27,329,643.44

Change of book balance of loss provision with amount has major changes in the period

 Applicable Not applicable

By account age

In RMB

Account age	Ending balance
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Within 1 year (including 1 year)	30,034,098.87
1-2 years	12,420,134.13
Over 3 years	579,921,276.97
3-4 years	579,921,276.97
Total	622,375,509.97

3. Long-term equity investments

In RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment for subsidiary	716,893,717.00	347,745,035.00	369,148,682.00	597,936,200.00	347,745,035.00	250,191,165.00
Total	716,893,717.00	347,745,035.00	369,148,682.00	597,936,200.00	347,745,035.00	250,191,165.00

(1) Investment for subsidiary

In RMB

The invested entity	Opening balance (book value)	Changes in Current Period				Ending balance (book value)	Ending balance of depreciation reserves
		Additional Investment	Negative Investment	Provision for impairment loss	Other		
Shenzhen Server Oil Supply Company	26,650,000.00					26,650,000.00	
Shennan Energy Singapore Company	6,703,800.00					6,703,800.00	
Shenzhen New Power Industry Co., Ltd.	71,270,000.00					71,270,000.00	
Shennandian (Zhongshan) Power Co., Ltd.	62,994,965.00					62,994,965.00	347,745,035.00
Shenzhen Shennandian Gas Turbine Engineering	6,000,000.00					6,000,000.00	

Technology Co., Ltd.							
Shenzhen Shennandian Environmental Protection Co., Ltd.	55,300,000.00					55,300,000.00	
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	21,272,400.00	118,957,517.00				140,229,917.00	
Total	250,191,165.00	118,957,517.00				369,148,682.00	347,745,035.00

(2) Investment for associates and joint venture**(3) Other notes****4. Operating income and cost**

In RMB

Item	Current period		Last Period	
	Income	Cost	Income	Cost
Main business	149,153,876.16	170,891,694.03	118,119,714.73	133,626,167.32
Other business	35,777,286.09	491,345.55	27,647,300.61	4,310,751.77
Total	184,931,162.25	171,383,039.58	145,767,015.34	137,936,919.09

5. Investment income

In RMB

Item	Current period	Last Period
Interest income from debt investment during the holding period	13,977,075.28	
Investment income from the disposal of other debt investments		-14,432,400.00
Total	13,977,075.28	-14,432,400.00

6. Other

XVIII. Supplementary Information

1. Current non-recurring gains/losses

√ Applicable Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset	974,699.74	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	3,368,979.50	The government subsidy related to assets are being amortized
Gains and losses arising from contingent proceedings irrelevant to normal operation of the Company	5,000,000.00	Reversal of expected liabilities
Held transaction financial asset, gains/losses of changes of fair values from transaction financial liabilities, and investment gains from disposal of transaction financial asset, transaction financial liabilities and financial asset available for sales, exclude the effective hedging business relevant with normal operations of the Company	13,977,075.28	Mainly financial income
Other non-operating income and expenditure except for the aforementioned items	226,480.55	
Impact on minority shareholders' equity	2,573,349.88	
Total	20,973,885.19	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

 Applicable Not applicable

2. ROE and earnings per share (EPS)

Profits during report period	Weighted average ROE	Earnings per share(EPS)	
		Basic earnings per share	Diluted earnings per

		(RMB/Share)	share (RMB/Share)
Net profits belong to common stock stockholders of the Company	0.07%	0.002	0.002
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	-0.95%	-0.0324	-0.0324

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

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

Applicable Not applicable

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

Applicable Not applicable

(3) Explanation on data differences under the accounting standards in and out of China; as for the differences adjustment audited by foreign auditing institute, listed name of the institute

4. Other