

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA SUNTIEN GREEN ENERGY CORPORATION LIMITED*
新天綠色能源股份有限公司

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

(Stock Code: 00956)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2022:

- operating revenue was RMB18,561 million, representing an increase of 15.01% as compared with 2021
- profit before tax was RMB3,295 million, representing an increase of 0.73% as compared with 2021
- net profit attributable to shareholders of parent company was RMB2,294 million, representing a decrease of 0.04% as compared with 2021
- earnings per share was RMB0.53, representing a decrease of 7.02% as compared with 2021

The 2022 profit distribution proposal is as follows: the Company proposes to distribute a cash dividend of RMB1.93 (tax inclusive) for every 10 shares to all shareholders, and based on the total shares issued by the Company on the date of Board Meeting which is held to approve the 2022 profit distribution proposal, being 4,187,093,073.00 shares, the total cash dividend to be distributed will amount to RMB808,108,963.09 (tax inclusive). The Company expects to complete the distribution of the cash dividend by 31 July 2023. In case of any change in the above-mentioned expected time schedule and distribution arrangement, the Company will make an announcement in due course in accordance with the relevant regulations of the places where the shares are listed.

RESULTS HIGHLIGHTS

The board of directors (the “**Board**”) of China Suntien Green Energy Corporation Limited (the “**Company**”) is pleased to announce the audited results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022 (the “**Reporting Period**”) prepared in accordance with the China Accounting Standards for Business Enterprises (the “**CASBE**”). This announcement complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) regarding the information required to be annexed to and included in the preliminary announcement of annual results.

As at 31 December 2022, the Group had consolidated assets of RMB77,409 million, consolidated operating revenue of RMB18,561 million, representing a year-on-year increase of 15.01%, and net profit attributable to shareholders of parent company of RMB2,294 million, representing a year-on-year decrease of 0.04%. Earnings per share was RMB0.53.

The Board recommends the payment of a final cash dividend of RMB1.93 (tax inclusive) for every 10 shares and RMB808,108,963.09 in total (tax inclusive) to all shareholders, subject to the approval by the shareholders at the forthcoming annual general meeting for 2022 (the “**AGM**”).

For details of the Group’s financial performance, please refer to the financial information set out in the appendix to this announcement.

REVIEW OF RESULTS OF 2022

I. BUSINESS DISCUSSION AND ANALYSIS

(I) Operating Environment

In 2022, amid the turbulent international environment and the challenging and arduous tasks of reform, development and stability, the Central Committee of CPC, chaired by Xi Jinping, pulled together and led the CPC and the people of all ethnic groups to bravely and calmly addressed the difficulties both in China and in the international society, balancing development and security, enhancing macro control and effectively navigating through unexpected shocks. As a result of these efforts, China maintained a generally steady macroeconomy, delivered new achievements in promoting high-quality development, enhanced security of people's livelihood continuously and kept the economic and social landscapes stable. According to preliminary figures, the annual GDP was RMB121,020.7 billion, representing an increase of 3.0% over the previous year at constant prices. Despite this positive result, attention should be drawn to the facts that in 2022 we continued to face complicated and challenging international situations, the triple pressures added by domestic demand contraction, supply shocks and weaker expectations, and that the foundation for economic recovery was yet to be further consolidated.

In 2022, the 20th National Congress of the CPC made important arrangement and deployment, and put forward new requirements to further promote energy reform, ensure energy security, make progress towards carbon peaking and carbon neutrality, plan and build a new energy system, achieve independency and self-sufficiency in science and technology, and actively participate in the global governance of climate change. It is proposed to push ahead with energy supply revolution, comprehensively proceed with the supply-side structural reform, vigorously enhance the domestic resource production guarantee capacity, and continue to increase high-quality and effective supply. China has become a global leader in terms of the development in non-fossil energy. The multi-driver energy supply system has been further consolidated and improved, providing a strong energy guarantee for the healthy and sustainable development of the economy and society. It is preliminarily estimated that total energy consumption in 2022 increased by 2.9% as compared with last year. The proportion of non-fossil energy consumption in total energy consumption increased by 0.8 percentage points over the previous year, the proportion of coal increased by 0.2 percentage points, the proportion of oil decreased by 0.6 percentage points, while the proportion of natural gas decreased by 0.4 percentage points.

1. Operating environment for the natural gas industry

According to the statistics disclosed by the NDRC and the National Energy Administration, in 2022, 217.8 billion cubic meters of natural gas were produced, representing an increase of 6.4% as compared with 2021; 109.25 million tons of natural gas were imported, representing a decrease of 9.9% as compared with 2021. In 2022, the national apparent consumption of natural gas amounted to 366.3 billion cubic meters, representing a decrease of 1.7% as compared with 2021.

On May 20, 2022, the NDRC issued the Guiding Opinions on Improving the Pricing Mechanism of Gasification Services at Imported LNG Receiving Stations (關於完善進口液化天然氣接收站氣化服務定價機制的指導意見) (hereinafter referred to as the “Guiding Opinions”) to guide local governments to further improve the pricing mechanism for gasification services, standardize pricing practice and ensure reasonable pricing. The Guiding Opinions is the first policy document specifically formulated by the State on the price of gasification services at receiving stations, which provides policy guidance for all regions to formulate and adjust the price of gasification services, and is conducive to promoting the fair and transparent operation of receiving stations. Meanwhile, the implementation of a relatively flexible government-guided price management mode is conducive to stimulating the operation of receiving stations, and better playing the role of price leverage in regulating supply and demand.

The “Action Plan for Peak Carbon Emissions by 2030” issued by the State Council clearly states that guidance will be given on natural gas consumption in an orderly manner, and the structure of utilization will be optimized with priority being given to ensuring the gas supply for the livelihood of its people. It also states that integrated development of natural gas and various energy sources will be vigorously promoted by building power stations for adjusting the peak of natural gas consumption according to local conditions, and guidance will be given on gas consumption for industrial purposes and chemical raw materials in a reasonable manner by supporting the use of LNG as fuel for vehicles and vessels.

2. Operating environment for the wind power and photovoltaic industry

According to the statistics published by the National Energy Administration, the nationwide power consumption in 2022 was 8,637.2 billion kWh, representing an increase of 3.6% as compared with 2021. In 2022, the newly installed grid-connected capacity of wind power in China was 37.63 million kW, and total installed capacity reached 365 million kW, representing an increase of 11.2% as compared with 2021. The newly installed photovoltaic capacity was 87.41 million kW, and total installed photovoltaic capacity reached 393 million kW, representing an increase of 28.1% as compared with 2021.

In 2022, the utilization of renewable energy in China remained at a high level, of which, the wind power average utilization rate was 96.8%, representing a decrease of 0.1 percentage points as compared with 2021. The photovoltaic power utilization rate was 98.3%, represent an increase of 0.3 percentage points as compared with 2021.

On 24 March 2022, the General Office of the National Development and Reform Commission, the Department of General Affairs under the National Energy Administration and the General Office of the Ministry of Finance jointly issued a circular on self-inspection of subsidies for renewable energy generation, deciding to carry out nationwide checks on subsidies for renewable energy generation to further build up a picture of such subsidies. The self-inspection covers renewable energy generation projects that have been connected to the grid and need subsidies as at 31 December 2021, mainly including wind power projects, centralised photovoltaic power stations and biomass power generation projects. The first batch of 7,334 projects confirmed was made public on 28 October 2022, and the checks are still underway.

On 1 June 2022, the “14th Five-Year Plan for Renewable Energy Development” (“十四五”可再生能源發展規劃) was jointly released by nine authorities including the NDRC, the National Energy Administration and the Ministry of Finance, which anchors the carbon peaking, carbon neutrality and the long-term goal by 2035. The plan also proposes to promote the development and utilization of renewable energy power generation, and expand the scale of utilization of renewable energy in areas other than power generation, in accordance with the requirements for the task of increasing the proportion of non-fossil energy consumption to approximately 20% by 2025.

On 16 October 2022, the 20th National Congress of CPC was held in Beijing. The report of the 20th National Congress of CPC proposed that China will actively and steadily promote initiatives towards carbon peaking and carbon neutrality. Based on its energy and resource, and adhering to the principle of establishing the new before abolishing the old, China intends to implement the carbon peaking action in a planned and step-by-step manner, further promote the energy revolution, strengthen the clean and efficient use of coal, accelerate the planning and establishment of a new energy system, and actively participate in the global governance of climate change.

On 28 November 2022, the National Energy Administration issued the Notice of the Comprehensive Department of the National Energy Administration on Promoting the Connection of New Energy Power Generation Facilities to the Grid (國家能源局綜合司關於積極推動新能源發電項目應併盡併、能併早併有關工作的通知) (hereinafter referred to as the “Notice”). The Notice proposed that subject to ensuring the security and stability of the power grid and the orderly supply of electricity, all power grid enterprises should take effective measures to ensure the timely grid connection of wind power and photovoltaic power generation projects that meet the grid connection conditions in accordance with the principle of “connecting as many as possible and as soon as possible”. It also stipulates that grid connection in batches is permitted, and the completion of full capacity shall not be considered as a prerequisite for the grid connection of new energy projects. The Notice stressed that relevant entities should strengthen overall coordination, step up efforts in the construction of auxiliary projects for grid connection, ensure compatibility with wind power and photovoltaic power generation projects, and make the best efforts to ensure such projects are completed and put into operation simultaneously.

(II) BUSINESS OVERVIEW

1. *Business review of natural gas business*

(1) *Increase in sales volume of natural gas as compared with 2021*

During the Reporting Period, the Group's total transmission volume of the natural gas business was 4.501 billion cubic meters, representing an increase of 8.27% as compared with 2021, among which, the sales volume amounted to 3.885 billion cubic meters, representing an increase of 2.01% as compared with 2021, including (i) wholesale volume amounted to 1.957 billion cubic meters, representing a decrease of 5.9% as compared with 2021; (ii) retail sales volume amounted to 1.838 billion cubic meters, representing an increase of 12.6% as compared with 2021; (iii) sales volume of CNG amounted to 84 million cubic meters, representing an increase of 1.6% as compared with 2021; (iv) sales volume of LNG amounted to 5 million cubic meters, representing a decrease of 62.3% as compared with 2021; and the gas transmission volume amounted to 616 million cubic meters, representing an increase of 76.6% as compared with 2021.

(2) *Actively promotion of the construction of infrastructural projects*

The Group's natural gas pipelines increased by 742.49 kilometers in 2022. As at 31 December 2022, the Group operated pipelines with a total of 8,347.23 kilometers, including 1,260.67 kilometers of long-distance transmission pipelines and 7,086.56 kilometers of city gas pipelines; and the Group operated a total of 31 distribution stations and 19 gate stations.

During the Reporting Period, the Jingshihan Dual Track Pipeline Project (“京石邯”複綫項目) was put into operation; Central Hebei Pipeline Network Phase IV Project (冀中管網四期工程), Qinhuangdao-Fengnan Coastal Gas Transmission Pipeline Project (秦皇島-豐南沿海輸氣管道工程), and the South Baoding Connection Line Project of Sinopec Erdos-Anping-Cangzhou Gas Pipeline and Beijing-Handan Gas Pipeline (鄂安滄與京邯線保定南部聯絡線工程項目) were progressing smoothly. The pouring of outer tank of LNG storage tank in Beijing-Handan Pipeline LNG Gas Storage Peak Capacity Station Project Phase I Project (京邯線 LNG 儲氣調峰站一期工程) has been completed, while the inner tank construction has been completed by 96%, and the process area has been completed by 96% of the overall process.

The Tangshan LNG Phase I Project (唐山 LNG 項目一階段工程) has been substantially completed, among which the Tangshan LNG Project Phase I Auxiliary Wharf Project (wharf #3) has been completed, and the installation of 3#, 4#, 7# and 8# storage tanks of the receiving station phase I project has been completed; the phase II project in relation to topping up of 1#, 2#, 5# and 6# storage tanks has been completed, and construction of bearing platform of four storage tanks, i.e. 9#, 10#, 15# and 16#, have been completed. Outbound pipelines (Caofeidian-Baodi section) and outbound pipelines (Baodi-Yongqing section) projects of the Tangshan LNG Receiving Station have been completed substantially.

(3) Continuous exploration of midstream and downstream natural gas markets

During the Reporting Period, leveraging its newly operating pipelines, the Group vigorously developed its end user base of natural gas and resulted in an increase of 78,112 users of various types. As at 31 December 2022, the Group had an aggregate of 559,048 customers.

During the Reporting Period, the acquisition of 80% equity in Shijiazhuang Jiecheng Natural Gas Trading Co., Ltd. (石家莊市捷誠天然氣貿易有限公司) was completed, thus controlling the equity interests in the operation of some gas markets, including the eastern extended area of Shijiazhuang Economic Development Zone and Gaocheng District; the acquisition of 51% equity in Shijiazhuang Xinao Urban Gas Development Co., Ltd. (石家莊新奧城市燃氣發展有限公司) was completed; thus controlling the and operating the third-ring pipelines in Shijiazhuang, and with its gas supply covering the area of Luquan District and Luancheng District in Shijiazhuang.

(4) Further improvement of transmission network

During the Reporting Period, the Group actively participated in the construction of gas transmission pipelines and made efforts to further improve the midstream gas transmission network. Bidding of the Beijing-Handan Natural Gas Pipeline (Luancheng section) Relocation Project (京邯線天然氣管道(欒城段)遷改項目), Southeast Cangzhou Natural Gas (sourced from Erdos-Anping-Cangzhou Gas Pipeline) Utilization Project (滄州東南天然氣(鄂安滄氣源)利用工程), and Luquan-Jingxing Gas Transmission Pipeline Project (鹿泉-井陘輸氣管道工程) have been completed, and the preparatory work prior to commencement of construction is under way; approval procedures for Baoding Qingyuan-Cangzhou Suning Pipeline Project (保定清苑-滄州肅寧管線項目) and Qinfeng Pipeline Qinxi Industrial Park Branch Project (秦豐管線秦西工業園支線項目) are currently in progress.

(5) Robust operation of urban CNG and LNG businesses

During the Reporting Period, the Group operated its urban CNG and LNG businesses in a steady manner with no additional operating CNG secondary filling station. As at 31 December 2022, the Group operated a total of 6 CNG primary filling stations, 3 CNG secondary filling stations, 3 LNG refilling stations and 2 L-CNG joint filling stations.

2. Business review of wind power business

(1) Steady growth of installed capacity

In 2022, the Group's installed capacity of wind power under management increased by 203 MW, of which, the consolidated installed capacity is 138MW. A number of projects, such as Fengning Waigoumen Wind Power and Photovoltaic Power Complementation Phase I Project (豐寧外溝門風光互補一期項目), Hunan Passage Phase II Project (通道二期項目) and Korla Bailuzhou Decentralized Wind Power Project (庫爾勒白鷺洲分散式風電項目) were connected to the grid for power generation, with accumulative consolidated installed capacity of 5,811.85 MW, accumulative installed capacity under management of 6,072.45 MW, increased attributable installed capacity of wind power of 170.89 MW, and accumulated attributable installed capacity of 5,482.49 MW. The Group's commercial operation project capacity during the year increased by 304.1 MW, and its accumulated commercial operation project capacity was 5,667.25 MW.

As at 31 December 2022, total construction capacity of the Group's wind power projects under construction reached 516.4 MW. The offshore wind power 300 MW demonstration project on Puti Island, Laoting, Tangshan and Kangbao Yongfeng 200 MW wind power project, which are funded and constructed by the Group, won the 2021-2022 China Installation Works Merit Award (中國安裝工程優質獎) (China Installation Star) (中國安裝之星), which is the highest honor for engineering quality in domestic installation industry.

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

In 2022, the average utilization hours of the Group's consolidated wind farms were 2,485 hours, largely remained at the same level as in 2021, and was 264 hours higher than the national level. The Group's consolidated wind farms realized a power generation of 14.031 billion kWh, representing an increase of 4.17% as compared with 2021. The average availability rate of wind power generation units was 98.16%, mainly due to the contribution from newly operating projects.

(3) Accelerated progress in wind resources reserves

In 2022, the Group's approved capacity increased by 771.5 MW, and the accumulative approved capacity of pipeline projects yet to commence construction was 2,020 MW. New wind power projects with total capacity of 600 MW were included in the governmental development and construction plans. The Group's accumulative capacity included in the local development and construction plans of various regions reached 8,149.1 MW, locating in 16 provinces across China, including Hebei, Inner Mongolia, Heilongjiang, Xinjiang, Yunnan, Shanxi and Jiangsu.

During the Reporting Period, the Group's negotiated wind power capacity increased by 14,200 MW and the accumulated negotiated wind power capacity was 63,302.5 MW, locating across 19 provinces, such as Hebei, Heilongjiang, Xinjiang and Inner Mongolia.

3. Other businesses

During the Reporting Period, the Group's approved capacity of photovoltaic projects increased by 320.08 MW, and the accumulative approved capacity of pipeline projects yet to commence construction was 607.2 MW. The negotiated capacity of photovoltaic projects increased by 7,260 MW and the accumulated negotiated capacity of photovoltaic projects was 19,459 MW. As at the end of 2022, the Group operated photovoltaic power generation projects with accumulated capacity of 120.32 MW and accumulated installed capacity under management of 296.12 MW. The available hours for photovoltaic projects were 1,404 hours, 9 hours increasing from last year and 67 hours higher than the national average of photovoltaic power used.

The Company participated in an equity investment for the construction of Hebei Fengning Pumped Storage Power Station Project (河北豐寧抽水蓄能電站項目), the designed total installed capacity of which amounted to 3,600 MW, which will be developed in two phases with installed capacity of 1,800 MW each for pumping and water retention functions such as peak load regulation and valley filling. As at December 31, 2022, a total of 7 units had been put into operation under the Hebei Fengning Pumped Storage Power Station Project (河北豐寧抽水蓄能電站項目). During the Reporting Period, the negotiated capacity of pumped storage of the Group increased by 6,400 MW. Four projects in Hebei, including Huanghutan Pumped Storage Power Station in Laiyuan, Baoding; Qiaojahe Pumped Storage Power Station in Yixian, Baoding, Sandaogou Pumped Storage Power Station in Luanping, Chengde, and Yangjiaqiao Pumped Storage Power Station in Pingshan, Shijiazhuang, with a total of 5,800 MW, have been selected as key pioneer projects among the "14th Five-year plan" for pumped energy storage in Hebei Province.

The Group actively attempted to explore investment in new energy storage projects. During the Reporting Period, the Weichang Flywheel Energy Storage Demonstration Project (圍場飛輪儲能示範項目) and the Jingjing Flywheel Energy Storage Demonstration Project (井陘飛輪儲能示範項目) developed by the Group, namely, were included in the “2022 List of Independent Energy Storage Demonstration Projects on the Grid Side of Provincial Planning (First Batch)” issued by the Development and Reform Commission of Hebei Province, which are located in the northern grid of Hebei Province and the southern grid of Hebei Province, respectively. The Group will also continue to try to invest in new energy storage projects outside the province.

4. Progress in digital intelligence and technological innovation

During the Reporting Period, the Group increased investment in digital intelligence as well as research and development, promoted the application of new technologies, and steadily uplifted the capacity of smart production.

First, the Company constructed a data system management system framework. The Company has issued 10 digital management systems with the Data Management Regulations as the core, which has established the framework for the Company’s data management system and covered the fundamentals of the Company’s data management. The Company has built a unified portal to centrally display systems such as operation, projects, collaborative working, human resources, performance, e-learning, business emails, intelligence warehouse wind power big data platform, and data management and analysis platform.

Secondly, the Group deepened the development of multi-purpose digital scenarios. During the Reporting Period, the Company continued to develop a number of digital scenarios for production and operation management, such as production HQ, reliability management, management cockpit and knowledge warehouse, to further consolidate the digital foundation on the basis of data asset catalogues and data pools, and to provide a good support for business datafication and data businessisation.

Thirdly, the Group applied advanced technology with its production and operation. During the Reporting Period, the Company combined advanced technologies such as Beidou, fourth-generation laser analysis technology, public key encryption and digital signature with production practice, and developed advanced production management systems such as Beidou precision service-based gas leak detection devices, electronic signature system for metering certificates and safety check management system for non-resident users, which helped further enhance the AI level of the Company’s production. The Company promoted the development and application of unmanned mode and automatic distribution control system for long-distance transmission stations integrating multiple technologies across the board, and realised unmanned and automatic distribution management mode of long-distance transmission stations.

Fourthly, breakthroughs have been made in the application of relevant R&D achievements. The turbine control system based on the controller from a domestic manufacturer has been applied by the Company to many products such as the main shaft monitoring system of a foreign-brand 2MW turbine, the low-temperature starting system, and the main control system of a turbine developed by a domestic brand; protection of intellectual property rights have been strengthened, and a total of 39 authorized invention patents and 269 utility model patents have been obtained; the project “Key Technology and Large-Scale Application of Wind Turbine Unit/Field Cluster Frequency Modulation Control” was granted the second prize of Science and Technology Progress in Hebei Province 2022, and the project “Theory and Key Technology of Wind Power Primary Frequency Modulation Control” won the first prize of Science and Technology Progress Award granted by China Electrotechnical Society and the second prize of Power Technology Innovation Award granted by China Electricity Council.

(III) OPERATING PERFORMANCE DISCUSSION AND ANALYSIS

1. Overview

According to the audited and consolidated financial statements for 2022, the Group recorded net profit of RMB2.819 billion, representing a decrease of 1.25% as compared with 2021, of which, RMB2.294 billion was the net profit attributable to shareholders of the listed company, which decreased by 0.04% as compared with 2021, mainly attributable to the decrease in net profit caused by an increase in Income tax expense compared with last year.

2. Revenue

In 2022, the Group recorded operating revenue of RMB18.561 billion, representing an increase of 15.01% year-on-year, of which:

- (1) RMB6.346 billion was the operating revenue of wind/photovoltaic business segment, which increased by 0.34% as compared with 2021. The operating revenue of the wind/photovoltaic business segment accounted for 34.19% of the Group’s operating revenue. The increase in revenue was mainly attributable to the increase in operational installed capacity of the wind farms of the Group, which resulted in the increase in sales volume of electricity and revenue of electricity sales as compared with 2021.
- (2) RMB12.202 billion was the operating revenue of the natural gas business segment, which increased by 24.43% as compared with 2021. The operating revenue of the natural gas business segment accounted for 65.74% of the Group’s total revenue. The increase in revenue was mainly attributable to increases in both the sales volume and the unit price of natural gas of the Group during the Reporting Period from the last year.

3. Net profit

During the Reporting Period, the Group recorded a net profit of RMB2.819 billion, representing a year-on-year decrease of 1.25%. During the Reporting Period, the wind power/photovoltaic segment reported an increase in revenue from electricity sales and achieved a net profit of RMB2.135 billion, a decrease of 6.74% year-on-year, mainly due to a decrease in the number of utilization hours in the wind power segment compared to the same period of the previous year; the natural gas segment realized a net profit of RMB727 million, representing an increase of 4.23% year-on-year, mainly due to an increase in the volume of natural gas sold compared to the same period of the previous year, as well as an increase in the gross profit per unit of natural gas.

4. Net Profit attributable to shareholders of the listed company

During the Reporting Period, the net profit attributable to shareholders of the listed company was RMB2.294 billion, representing a decrease of RMB1 million as compared with the RMB2.295 billion for 2021, which was mainly due to a decrease in the net profit of the Group compared with 2021.

The basic earnings per share attributable to shareholders of the Company is RMB0.53.

5. Gain or loss attributable to minority interests

During the Reporting Period, the Group recorded net profit attributable to minority interests of RMB525 million, representing an increase of RMB35 million as compared with the RMB560 million in the same period of the last year, which was mainly due to a decrease in the net profit of the Group compared with 2021.

6. External equity investments

During the Reporting Period, the Group's investment income from joint ventures and associates was RMB225 million, representing a decrease of RMB57 million as compared with RMB282 million for 2021. This was mainly due to a decrease in the profit of joint ventures and associates of the year.

During the Reporting Period, the Group's external investments amounted to RMB329 million, representing an increase of RMB22 million as compared with RMB307 million for 2021, mainly due to the increase in investments in additional associates as compared with 2021.

7. *Contingent liabilities*

As at 31 December 2022, the Group provided a guarantee for loan credit from a financial institution to a joint venture Hebei Suntien Guohua Gas Co., Ltd.*(河北新天國化燃氣有限公司), with a remaining amount of guarantee RMB137 million.

As at 31 December 2022, the Group was subject to certain pending litigations/arbitrations with its suppliers, etc., involving RMB64 million. The cases are still under trial.

8. *Cash flows*

As at 31 December 2022, the Group's net current liabilities were RMB4.124 billion, and the net decrease in cash and cash equivalents was RMB367 million. The Group has obtained credit facilities of a total amount of RMB81.839 billion from various domestic banks, of which an amount of RMB23.271 billion was utilized.

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

9. *Capital expenditure*

During the Reporting Period, capital expenditures mainly included project construction costs for new wind power projects, natural gas pipelines and acquisition of additional plants and equipment and prepayment for leased lands. Capital resources mainly included self-owned capital, bank borrowings and cash flows from the Group's operating activities. During the Reporting Period, the Group's capital expenditure was RMB7.241 billion, representing a decrease of 8.87% as compared with RMB7.946 billion of 2021. A breakdown of capital expenditure is as follows:

	2022 <i>(RMB'000)</i>	2021 <i>(RMB'000)</i>	Change <i>(%)</i>
Natural gas	4,708,156.26	4,864,515.53	-3.21
Wind power and solar energy	2,527,745.37	3,077,598.39	-17.87
Unallocated capital expenditures	5,426.60	3,915.91	33.98
Total	<u>7,241,148.23</u>	<u>7,946,029.83</u>	<u>-8.87</u>

10. Borrowings

As at 31 December 2022, the Group's long-term and short-term borrowings totaled to RMB37.203 billion, representing an increase of RMB3.615 billion as compared with the end of 2021. Among all borrowings, the short-term borrowings (including long-term borrowings due within one year) aggregated RMB6.774 billion, the long-term borrowings amounted to RMB30.429 billion.

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

11. Debt-to-asset ratio

As at 31 December 2022, the Group's debt-to-asset ratio (the ratio of total liabilities divided by total assets) was 67.46%, representing an increase of 0.65 percentage points from 66.81% as at 31 December 2021, mainly attributable to an increase in external financing for the current period.

12. Material charges on assets

The Group has no material charge on assets during the year.

13. Substantial acquisitions and disposals

The Group had no substantial acquisitions and disposals during the year.

II. CONDITION OF THE INDUSTRIES IN WHICH THE COMPANY OPERATED DURING THE REPORTING PERIOD

(I) Natural gas business

1. Natural gas consumption declined for the first time, but is expected to grow steadily in the future

According to NDRC statistics, China's apparent consumption of natural gas was 366.3 billion cubic meters in 2022, representing a decrease of 1.7% year-on-year. Due to the slowdown in economic growth and the surge of international natural gas prices, annual natural gas consumption declined for the first time in nearly a decade. China's natural gas consumption is expected to return to positive growth in 2023 as the economy recovers.

In recent years, the carbon peaking, carbon neutral “1 + N” policy system has been gradually improved to further promote transformation to clean and low-carbon energy, with the adoption of natural gas and other clean energy to replace other energy sources in industry, construction, heating, transportation and other areas. As a high-quality, efficient, green and clean low-carbon energy, natural gas will play an important role as a bridge in the dual-carbon process. In addition, China is still accelerating the reform of the oil and gas system, and continue to promote the development of the natural gas production, storage and marketing system. Natural gas is anticipated to maintain a steady growth over the next period of time.

2. *Global LNG prices shook up while energy price became a prominent risk.*

In 2022, the international environment led to a shift in geopolitical dynamics, an eruption of conflict between Russia and Ukraine, a rise in international energy prices, and a surge in the price of imported LNG. In the situation of the general sharp increase in foreign market prices, although China’s energy prices remained overall stable, but it is subject to the risk of large fluctuations in international energy prices.

3. *Natural gas system reform forged forward with increased competition seen in the end market*

In recent years, China vigorously promoted the reform of its natural gas system, with the official launch of PipeChina, and the level of fairness and openness continued to improve. Gas source enterprises, like the three major oil companies, were taking their advantage in resources to penetrate the end market in a faster pace. The future market competition will become more intense. The gas industry will transit from the “resource-based” and “supply-dominated” period into a “diversified competition” and “market-oriented” new development stage.

(II) New energy business

1. New energy industry still maintained a fast-growing trend

Since the dual carbon goal was introduced, new energy sources, such as wind power and photovoltaic power, had continued to develop at a high speed as the main energy source to achieve the dual carbon goal. According to the National Energy Administration, the installed capacity of wind power in China was about 370 million kilowatts in 2022, representing an increase of 11.2% year-on-year; and the installed capacity of solar power was approximately 390 million kW, representing an increase of 28.1% year-on-year. Meanwhile, aiming at realizing Hebei scenario of Chinese modernisation, Hebei Provincial Government formulated its strategy to strengthen the advantage in new energy of the province. The strategy proposes that by 2027, the province will strike a balance between electricity supply and demand, with the installed capacity of both wind and solar power reaching 114 million kW, the offshore installed capacity of wind power reaching 5 million kW and the connected installed capacity with pumped storage reaching 15 million kW. By 2035, the onshore installed capacity of wind and solar power will reach 166 million kW, and the offshore capacity of wind power developed will reach 15 million kW. A supply landscape of “wind, solar, hydraulic, fuel, nuclear, storage and hydrogen” being complementary to each other will be basically formed. In the future, there will be a lot of room for the development of the new energy industry.

2. National policies for new energy projects embraced new changes often

In 2022, new energy projects had entered the era of fair price. The revenue model is undergoing profound changes for new energy and energy storage projects connected to the power grid with annual guarantee. Market-based grid-connected new energy projects and pumped storage power stations of considerable scale are officially on the fast track of development.

3. Offshore Wind Power Entered a Fast Growing Period

As a core driving technology for global decarbonization, offshore wind power has the advantages of stable operation, high generation hours and proximity to coastal areas with high demand for electricity, and is one of the industries that China attaches great importance to and vigorously develops. From 2014 to 2022, the installed capacity of China’s offshore wind power industry continued to expand, and the industry had entered a period of rapid development. At present, 11 provinces and cities along the coast of China had proposed their offshore wind power development plans for the 14th Five-Year Plan period, and the total capacity of ongoing or planned offshore wind power project construction is close to 110GW, with a planned grid-connected capacity of about 51GW. China’s offshore wind power industry entered the “fast track” of development during the 14th Five-Year Plan period.

4. Large wind power and photovoltaic power generation bases were developed at a faster pace in the desert, Gobi and barren areas

In December 2022, the NDRC issued the Implementation Plan to Expand Domestic Demand during the 14th Five-Year Plan Period (the “**Implementation Plan**”). The Implementation Plan emphasizes on: “strengthening the development of energy infrastructure, ongoing improvement of the level of clean energy utilisation, construction of clean energy base with multiple energy complimentary to each other, and speeding up the development of large-scale wind and/or photovoltaic power base, particularly in desert, Gobi and barren areas”.

III. DESCRIPTION OF BUSINESS ENGAGEMENT OF THE COMPANY DURING THE REPORTING PERIOD

The Company is a leader in development and utilization of clean energy in northern China. The Company takes a deep root in Hebei and is committed to expanding across the country, by leveraging its rich wind and photovoltaic power resources, its experience in the development and management of wind and photovoltaic power projects and abundant project resource reserves in Hebei. The Company’s principal business focuses on two segments: sale of natural gas and wind power generation. The other businesses in the principal business are ancillary or extended businesses that the Company develops by making use of its resources and technical advantages in the natural gas and wind power sectors. The photovoltaic power generation business is also one of the Company’s important strategic investment and business development directions.

1. Natural gas business

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

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

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

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

(2) Sale of natural gas

Sale of natural gas mainly refers to the procurement of gas sources from upstream producers and the subsequent distribution of such sources to downstream end consumers. The revenue from sale of natural gas mainly includes pipeline transmission income and urban gas distribution income. The unit profit rate of this business is relatively stable. The increase in revenue and total profit is mainly due to an increase in sales volume of natural gas.

2. Wind power and photovoltaic business

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

(1) Construction, operation and management of wind farms and photovoltaic power stations

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

(2) Sale of electricity

At present, the Group mainly adopts the direct sale method for the sales of wind power and photovoltaic electricity. In accordance with the national policy and the grid connection commitment when a project is approved, the project company will enter into the “Agreement on the Purchase and Sale of Electricity” with a local grid company during the construction of the project to connect the electricity generated by the wind farms and photovoltaic power stations to the designated grid connection points so as to achieve electricity delivery. The amount of electricity will be confirmed by the grid company using the metering device recognized by it on a monthly basis, and the power price will be determined according to the regional power price or concession bidding price determined by the national department in charge of energy prices.

With the deepening reform of the state’s electricity system, the market-based electricity trading volume is expected to further growth. The Company will conduct in-depth study on the business rules of market-based electricity trading, carefully study the electricity sales policies promulgated by the country and various provinces, understand and master the relevant operating procedures, and increase the Company’s grid-connected power by actively participating in market-based trading, striving to maximize the interests of the Company.

IV. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

1. The Company is a leading clean energy company in North China. At present, with its main business located in Hebei Province, the Company is steadily growing its business presence across the country. Thanks to the long history and its rich experience in the field of new energy and clean energy in Hebei Province, the Company enjoys strong competitive advantages in terms of policy support, technology, customers, brand recognition and other areas. While maintaining its advantages in North China, it also continues to tap into new markets in relevant provinces.

2. The Company's management team has been engaged in the clean energy industry for many years and has extensive management experience in the wind power, photovoltaic, and natural gas fields. The Company has established a team consisting of several hundreds of production and technical service personnel with high-level professional knowledge and relevant technical qualifications, and strong professional operation and maintenance capabilities. During the Reporting Period, the Company built a smart digital production platform at group-level based on its internet of things, big data and cloud computing technology, and fully implement the management model of "remote centralized control, unattended operation (minimal manpower)" so as to continuously improve operational maintenance, cost reduction and efficiency enhancement measures and refined management capabilities.
3. The Company's wind power and photovoltaic business and the natural gas business are complementary to each other in a benign way, which can effectively reduce the volatility of the Company's profits, prevent adverse changes for a single business and diversify operational risks.
4. The Company has established a robust natural gas production, supply, storage and marketing system. The diversified supply of resources has been continuously strengthened, the construction of natural gas transmission pipeline network has been accelerated, the capacity of gas storage and peak regulation has been steadily improved, the advantages of resources, pipeline network, price and other favorable factors have been given full play to actively explore the downstream market, and research on and deployment of gas power plant projects have been carried out. Meanwhile, we also expand our high-quality natural gas urban gas projects by means of cooperation and through mergers and acquisitions to capture greater share in the end-user market.
5. The Company has established a sound and effective sustainable development management system with emphasis on environmental, social and governance management. The Company has been focusing on ESG issues since 2014 and has been disclosing ESG reports on an annual basis. The Company has established an internal control governance structure and a comprehensive risk management system. It won the Best Environmental Responsibility Award of the China ESG Golden Awards during the Reporting Period. The Company continuously promotes environmental protection and rural revitalisation to fulfill its commitment to sustainable development through practical actions.
6. The Company actively promotes technological innovation, invests in digital intelligence, and strives to build a "digital Suntien". In order to further reduce costs and increase efficiency, the Company has been continuously stepping up its efforts in "digital intelligence" research and development and technological innovation, and continuously optimized business processes based on the enterprise structure with the help of data and technology, so as to continuously improve the Company's business management and production operation, and maximize the its organizational efficiency.

V. MAJOR OPERATIONS DURING THE REPORTING PERIOD

Major operations during the Reporting Period are as follows:

(I) ANALYSIS OF PRINCIPAL BUSINESS

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

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period	Amount for the same period of last year (Restated)	Percentage of Change (%)
Operating revenue	18,560,522,731.81	16,137,769,830.60	15.01
Operating costs	13,318,562,338.06	11,243,375,530.93	18.46
Selling expenses	3,287,198.88	3,108,585.99	5.75
Administration expenses	659,800,606.76	675,455,283.69	-2.32
Finance costs	1,185,123,687.32	1,215,605,465.95	-2.51
R&D expenses	427,157,752.69	72,022,183.84	493.09
Net cash flows from operating activities	7,463,360,158.38	4,332,641,166.95	72.26
Net cash flows from investing activities	-7,648,675,576.32	-7,311,400,135.16	4.61
Net cash flows from financing activities	<u>-175,591,681.98</u>	<u>8,649,377,654.09</u>	<u>-102.03</u>

Explanation on reasons for changes in operating revenue: During the Reporting Period, the increase in revenue was mainly attributable to the increase in operational installed capacity of the wind farms under the wind power segment, which resulted in the increase in sales volume of electricity and revenue of electricity sales as compared with the same period of 2021, as well as the increase in cost of gas under the natural gas segment as compared with 2021.

Explanation on reasons for changes in operating costs: During the Reporting Period, the Group's operating costs increased by 18.46% as compared with 2021, mainly due to the increase in the operating costs as a result of the commencement of operation of new wind farms and the increase in sales volume of gas.

Explanation on reasons for changes in selling expenses: During the Reporting Period, the Group's selling expenses were RMB3.2872 million, representing an increase of 5.75% as compared with 2021, mainly due to the increase in the sales staff remuneration as compared with 2021.

Explanation on reasons for changes in administrative expenses: During the Reporting Period, the Group's administrative expenses were RMB660 million, representing a decrease of 2.32% as compared with 2021, mainly due to decrease in staff remuneration in 2022.

Explanation on reasons for changes in finance costs: During the Reporting Period, the Group's finance costs were RMB1,185 million, representing a year-on-year decrease of 2.51% from RMB1,216 million for 2021. This was mainly due to the increase in interest income from the Group's cash management of the proceeds.

Explanation on the reasons for the changes in R&D expenses: During the Reporting Period, the Group's R&D expenses were RMB427.1578 million, representing an increase of 493.09% from RMB72.0222 million for the same period of the previous year. This was mainly due to increased R&D investment during the period.

Explanation on reasons for changes in net cash flows from operating activities: In 2022 and 2021, the net cash flows from operating activities were RMB7,463 million and RMB4,333 million, respectively, representing a year-on-year increase of 72.26%. In 2022 and 2021, the net cash inflows from operating activities were mainly from cash received from sales of goods and rendering for services, accounting for 98.10% and 98.55% of the net cash inflows from operating activities, respectively. The net cash outflows from operating activities were mainly cash used in purchase of goods and services, accounting for 84.83% and 84.34% of the net cash outflows from operating activities in 2022 and 2021, respectively.

Explanation on reasons for changes in net cash flows from investing activities: In 2022 and 2021, the net cash flows from investing activities were RMB-7,649 million and RMB-7,311 million, respectively. The investment activities of the Company are mainly cash paid for the purchase and construction of fixed assets during the current period. The Company's cash inflows from investing activities were mainly cash received from recovery of investment, cash received from other investing activities and cash received from investment income, accounting for 99.67% and 99.57% of the cash inflows from investing activities in 2022 and 2021, respectively. Cash outflows were mainly cash paid for the purchase of fixed assets, intangible assets and other long-term assets cash paid for investment, accounting for 98.36% and 98.57% of the cash outflows from investing activities in 2022 and 2021, respectively.

Explanation on reasons for changes in net cash flows from financing activities: In 2022 and 2021, the net cash flows generated from the Company's financing activities were RMB-176 million and RMB8,649 million, respectively. The net cash inflows from financing activities significantly decreased as compared with 2021, which was mainly attributable to the fact that the amount generated from the issuance of shares, perpetual bonds was larger during the same period of last year while there were no such financing activities during the current period, and the increase in the cash outflows caused by repayment of debts and perpetual bonds during the current period as compared with 2021. The cash inflows from the Company's financing activities were mainly cash received from loans, accounting for 95.74% and 70.39% of the cash inflows from financing activities in 2022 and 2021, respectively; the cash outflows from the Company's financing activities were mainly debt repayment and dividend distribution, accounting for 70.01% and 20.07%, and 74.73% and 18.72% of the cash outflows from financing activities in 2022 and 2021, respectively.

Explanation on major changes in the type of business, composition or source of profit of the Company during the current period

Applicable Not applicable

2. Analysis of revenue and costs

Analysis of revenue and costs is as follows:

(1). Analysis of principal business by industry, product, region and distribution model

Unit: Yuan Currency: RMB

Principal business by product

Product	Operating revenue	Operating costs	Gross profit (%)	Increase/ (decrease) of operating revenue as compared with last year (%)	Increase/ (decrease) of operating costs as compared with last year (%)	Increase/ (decrease) of gross profit margin as compared with last year (%)
Natural gas sales business	11,850,603,245.84	10,716,572,623.62	9.57	24.49	23.58	Increase of 0.67 percentage points
Wind/Photovoltaic power generation business	6,294,904,687.69	2,420,534,388.87	61.55	-0.08	1.3	Decrease of 0.52 percentage points
Connection and construction of gas pipeline network business	191,427,130.36	108,013,558.97	43.57	-9.37	-28	Increase of 14.60 percentage points
Sales of commodities related to natural gas business	58,880,426.56	53,103,550.61	9.81	700.38	1,260.95	Decrease of 37.15 percentage points
Rental income	2,769,740.91	1,859,081.28	32.88	16.37	0.07	Increase of 10.94 percentage points
Others	161,937,500.45	18,479,134.71	88.59	66.27	-29.81	Increase of 15.62 percentage points

Analysis of principal business by industry, product, region and distribution model

During the Reporting Period, the Group recorded operating revenue of RMB11.851 billion from its natural gas sales business. In particular, the pipe wholesale business recorded sales revenue of RMB5.620 billion, accounting for 47.42% of the Group's revenue from its natural gas sales business; the Group's retail business, such as city gas, recorded sales revenue of RMB5.931 billion, accounting for 50.05% of the Group's sales revenue from its natural gas business; CNG business recorded sales revenue of RMB286 million, accounting for 2.41% of the Group's revenue from its natural gas sales business; and other revenue was RMB14 million, accounting for 0.12% of the Group's revenue from its natural gas sales business.

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

(2). Table of production and sales analysis

Applicable Not applicable

(3). Performance of material procurement contracts, material sales contracts

Applicable Not applicable

(4). Cost analysis table

Unit: Yuan Currency: RMB

By product	Costs component	Amount for the Reporting Period	By product		Year-on-year change (%)	Explanation
			Percentage of the amount for the Reporting Period in total costs (%)	Amount for 2021 (Restated)		
Natural gas	Operating costs	10,887,531,947.34	81.75	8,831,442,643.15	78.55	23.28 Nil
Wind and photovoltaic power generation	Operating costs	2,425,161,045.40	18.21	2,409,621,532.91	21.43	0.64 Nil
Others	Operating costs	5,869,345.32	0.04	2,311,354.86	0.02	153.94 Nil

Cost analysis and explanation

During the Reporting Period, the operating costs of the Group's wind power and photovoltaic business were RMB2,425 million, representing an increase of 0.64% year-on-year. This was mainly due to an increase in operating costs resulting from the wind power projects gradually being put into operation.

During the Reporting Period, the costs of the Group's natural gas business amounted to RMB10.888 billion, representing an increase of 23.28% from RMB8.831 billion of the previous year. This was mainly due to an increase in corresponding operating costs as a result of the increase in both purchase volume and unit price of gas as compared with 2021.

(5). Changes in the scope of consolidation as a result of changes in shareholdings of major subsidiaries during the Reporting Period

Applicable Not applicable

(6). Material changes or adjustments to the Company's business, products or services during the Reporting Period

Applicable Not applicable

(7). Information on major customers and major suppliers

A. Major customers of the Company

Sales to the top five customers were RMB8,024.7637 million, accounting for 43.24% of total sales for the year, of which the sales to the largest customer was RMB5,855.1993 million, accounting for 31.55% of total annual sales, and sales to related parties were RMB0.00 million among the sales to the top five customers, accounting for 0.00% of the total sales for the year.

The proportion of sales to a single customer during the Reporting Period exceeded 50% of the total amount, and there were new customers among the top five customers or there was significant reliance on a small number of customers.

Applicable Not applicable

B. Major suppliers of the Company

Purchases from the top five suppliers were RMB13,511.7936 million, accounting for 69.95% of the total purchases for the year, of which purchases from the largest supplier was RMB7,309.9604 million, accounting for 37.84% of total annual purchases, and purchases from related parties were RMB0.00 million among the purchases from the top five suppliers, accounting for 0.00% of the total purchases for the year.

Purchases from a single supplier during the Reporting Period exceeded 50% of the total amount, and there were additional suppliers in the top five suppliers or there was a heavy reliance on a small number of suppliers.

Applicable Not applicable

Other explanation

To the best of the Directors' knowledge, none of the Company's substantial shareholders (shareholders owning more than 5% of the Company's equity interest) or associates of Directors or supervisors is interested in any of the Group's top five suppliers or top five customers.

3. Expenses

- (1) During the Reporting Period, the selling expenses of the Group were RMB3,287,200, representing an increase of 5.75% as compared with 2021. This was mainly due to the increase in the sales staff remuneration as compared with 2021.
- (2) During the Reporting Period, the Group's administration expenses amounted to RMB660 million, representing a decrease of 2.32% year-on-year, mainly due to the decrease in staff remuneration in 2022.

- (3) During the Reporting Period, the finance costs of the Group were RMB1,185 million, representing a decrease of 2.51% from RMB1,216 million for the same period of the previous year. This was mainly due to the increase in interest income from the Group's cash management of the proceeds. Of which, the finance costs of the wind power and photovoltaic business amounted to RMB1,058 million, representing a decrease of 1.99% year-on-year, mainly due to the increase in capitalization of borrowing costs leading to a decrease in interest expenses included in the current period as a result of the new wind power and photovoltaic projects under construction; the finance costs of natural gas business were RMB114 million, representing an increase of 26.03% year-on-year, mainly due to the increase in interest expense on bank borrowings as compared with 2021.
- (4) During the Reporting Period, the Group's R&D expenses were RMB427.1578 million, representing an increase of 493.09% from RMB72.0222 million for the same period of the previous year. This was mainly due to increased R&D investment during the period.

4. R&D investment

(1). Table of R&D investment

Unit: Yuan Currency: RMB

Expensed research and development expenses for the period	427,157,752.69
Capitalized research and development expenses for the period	5,730,511.43
Total R&D investment	432,888,264.12
Percentage of the total R&D investment to operating revenue (%)	2.33
Percentage of R&D expenditure capitalized (%)	1.32

(2). Research and Development Personnel

Number of research and development personnel in the Company	158
Percentage of research and development personnel in the total number of persons in the Company (%)	6.16%

Education level of research and development personnel

Education level	Number
PhD	3
Postgraduate	76
Undergraduate	78
Junior college	1
High school or below	0

Age group of research and development personnel

Age groups	Number
30 or below (excluding 30)	44
30-40 (including 30 while excluding 40)	88
40-50 (including 40 while excluding 50)	22
50-60 (including 50 while excluding 60)	4
60 or above	0

(3). Explanation

Applicable Not applicable

(4). Reasons for the material changes in the composition of the R&D personnel and the impact on the future development of the Company

During the reporting period, the Group increased its investment in R&D and R&D personnel, and will continue in the future to further enhance the level of technological R&D of the Company.

5. Cash flows

For details of cash flows during the Reporting Period, please refer to the relevant information as set out in “(I) ANALYSIS OF PRINCIPAL BUSINESS 1. Analysis of changes in relevant items of Income Statement and Statement of Cash Flows”.

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

Applicable Not applicable

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	Balance as at the end of the Reporting Period	Balance as at the end of the Reporting Period as a percentage of total assets (%)	Balance as at the end of 2021 (Restated)	Balance as at the end of 2021 as a percentage of total asset (%)	Change in balance as at the end of the Reporting Period as compared with balance as at the end of 2021 (%)	Explanation
Trading financial assets	520,000,000.00	0.67	0.00	0.00	0.00	Mainly due to the Company's purchase of structured deposits from banks
Notes receivable	235,764,112.96	0.30	0.00	0.00	0.00	Due to the presentation of outstanding banker's acceptances at the end of the period by the Group's business model for managing notes receivable and the risk classification of the accepting bank
Receivables financing	169,290,765.51	0.22	494,976,373.69	0.69	-65.80	Due to the presentation of outstanding banker's acceptances at the end of the period by the Group's business model for managing notes receivable and the risk classification of the accepting bank
Advances to suppliers	534,453,113.73	0.69	161,631,341.92	0.22	230.66	Mainly due to the increase in prepayments for purchase of natural gas
Other receivables	207,110,462.03	0.27	135,599,831.17	0.19	52.74	Mainly due to the newly added performance bonds for natural gas procurement contracts during the period
Inventories	104,531,171.77	0.14	214,186,265.69	0.30	-51.20	Mainly due to the decrease in natural gas inventories held during the period

Item	Balance as at the end of the Reporting Period	Balance as at the end of the Reporting Period as a percentage of total assets (%)	Balance as at the end of 2021 (Restated)	Balance as at the end of 2021 as a percentage of total asset (%)	Change in balance as at the end of the Reporting Period as compared with balance as at the end of 2021 (%)	Explanation
Non-current assets due within one year	22,349,480.00	0.03	0.00	0.00	0.00	Due to the additional long-term receivables due within one year during the period
Long-term receivables	1,664,186.71	0.00	41,133,817.83	0.06	-95.95	Due to the maturity of certain long-term receivables during the period
Construction in progress	19,162,911,804.71	24.76	13,724,320,499.93	19.04	39.63	Increase in investment in construction projects during the period
Goodwill	96,922,283.74	0.13	55,450,878.54	0.08	74.79	Mainly goodwill arising from new business combinations not under common control during the period
Short-term borrowings	2,698,366,568.48	3.49	1,978,114,966.89	2.74	36.41	Due to the increase in borrowings from financial institutions during the period
Advances from customers	1,161,061,946.88	1.50	778,761,061.94	1.08	49.09	Due to advances received for the costs of entrusted construction of storage tanks
Other current liabilities	1,086,927,077.13	1.40	704,107,945.21	0.98	54.37	Increase in super short-term commercial papers issued during the period
Debentures payable	1,500,000,000.00	1.94	1,000,000,000.00	1.39	50.00	Increase in medium-term notes during the period
Long-term payables	186,079,230.66	0.24	361,236,137.17	0.50	-48.49	Due to the repayment of sale-leaseback finance leases during the period

Other explanation

Nil

2. Overseas assets

(1) Asset scale

Of which: overseas assets 0.22 (Unit: Billion Yuan; Currency: RMB), accounting for 0.28% of total assets.

(2) Explanation of the high proportion of overseas assets

Applicable Not applicable

3. Restrictions on major assets as at the end of the Reporting Period

Unit: Yuan Currency: RMB

Item	Carrying amount as at the end of the period	Reasons for such restriction
Cash	160,370,310.33	Land reclamation deposit, risk margin, government guarantee and others
Accounts receivable	4,459,760,109.54	Financing pledges
Fixed assets	261,713,427.79	Financing charges
Intangible assets	3,228,776.38	Financing charges
Total	<u>4,885,072,624.04</u>	

4. Other explanation

Applicable Not applicable

(IV) Analysis on operational information in the industry

Applicable Not applicable

(V) Analysis of investment status

General analysis of external equity investments

During the Reporting Period, the Group's external investments amounted to RMB329 million, representing an increase of RMB22million as compared with RMB307 million in the same for 2021, mainly due to more investments into newly added associates than 2021.

Investment amount during the Reporting Period	Investment amount of the same period of last year	Percentage of change
32,869.96	30,703.56	7.06%

1. Material equity investments

Applicable Not applicable

2. Material non-equity investments

Applicable Not applicable

3. Financial assets measured at fair value

Asset category	Opening balance	Profit and loss	Cumulative	Provisions for	Amount	Amount	Other changes	Closing balance
		from changes in fair value for the current period	changes in fair value included in equity	impairment for the current period	of acquisition for the current period	of disposal/redemption for the current period		
Financial assets for trading					520,000,000.00			520,000,000.00
Receivable financing	494,976,373.69						-325,685,608.18	169,290,765.51
Other equity instrument investments	218,605,700.00		11,805,700.00					218,605,700.00
Total	713,582,073.69		11,805,700.00		520,000,000.00		-325,685,608.18	907,896,465.51

Security investments

Applicable Not applicable

Investments in private funds

At the Twenty-ninth Extraordinary Meeting of the Fourth Session of the Board of Directors of the Company held on 18 January, 2022, it was agreed that HECIC Huineng New Energy Co., Ltd.* (河北建投滙能新能源有限責任公司) (“**Huineng Huineng**”), a wholly-owned subsidiary of the Company would contribute RMB179 million as a limited partner to establish Hebei Suntien Green Shuifa Carbon Neutrality Equity Investment Fund (Limited Partnership)* (河北新天綠色水發碳中和股權投資基金(有限合伙)) (“**Suntien Shuifa Fund**”) with a total fund size of RMB360 million, of which Huineng Company owns 49.722%. In September 2022, the Suntien Shuifa Fund had completed the filing procedures with the Asset Management Association of China. As at 31 December 2022, Huineng Company made a capital contribution of RMB1.00 million.

Derivative investments

Applicable Not applicable

4. Particulars of the progress on the reorganization and integration of major assets during the Reporting Period

Applicable Not applicable

(VI)Material disposal of assets and equity interest

Applicable Not applicable

(VII) Analysis of major subsidiaries and investee companies

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

Unit: 10'000 yuan

Company name	Proportion of shareholding	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
HECIC New Energy Co., Ltd. (河北建投新能源有限公司)	100%	Wind power generation, wind farm investment and service consulting	519,730.00	2,534,870.28	832,858.34	364,949.94	120,862.10	107,566.54
Hebei Natural Gas Company Limited (河北省天然氣有限責任公司)	55%	Sale of natural gas and gas appliances, as well as the connection and construction of natural gas pipelines	190,000.00	1,201,461.93	407,249.80	1,220,152.68	104,153.98	81,532.43
Hebei Fengning CIC New Energy Co., Ltd. (河北豐寧建投新能源有限公司)	100%	Wind power generation	93,483.00	462,908.42	166,267.36	99,087.11	60,601.14	54,148.91

(VIII) STRUCTURED ENTITIES CONTROLLED BY THE COMPANY

Applicable Not applicable

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

(I) Industry landscape and Trend

Against the backdrop of global dual-carbon goals and energy shortage, we have seen an accelerated transition to clean energy. To date, more than 130 countries and regions around the world have put forward the climate goal of “zero carbon emission” or “carbon neutrality”, as the pursuit of green and sustainable development has become a consensus of the global community.

In 2020, China proposed the strategic goals of “striving to peak its carbon dioxide emission by 2030, and achieving carbon neutrality by 2060”, outlining the vision of green and low-carbon transformation and development. The “Development of Renewable Energy in the 14th Five-Year Plan Period” issued by the central government clearly proposes that the annual power generation of renewable energy will reach about 3.3 trillion kWh by 2025. During the “14th Five-Year Plan” period, power generation growth from renewable energy will account for more than 50% of the increase of domestic electricity consumption, and the volume of wind power and photovoltaic power generation will be doubled.

The “Modern Energy System Plan for the 14th Five-Year Plan Period” issued by the central government clearly proposes relevant direction and goals, including increasing domestic annual natural gas output to more than 230 billion cubic meters by 2025, accelerating the construction of long-distance natural gas transmission pipelines and regional natural gas pipeline networks, promoting the interconnection of pipeline networks, improving the LNG storage and transportation system, and enhancing the natural gas storage and regulation capacity. It is also anticipated that the target proportion of natural gas in the primary energy consumption structure will be increased from 8.9% in 2021 to 15.0% in 2030.

The Hebei Provincial Government proposed to build Hebei into a prominent province in terms of new energy, as one of the scenarios realizing Chinese modernization in Hebei, and put forward the goal of achieving the balance of power supply and demand in the province by 2027. “The 14th Five-Year Plan for National Economic and Social Development of Hebei Province and the Outline of the Long-term Goals for 2035” issued by the Hebei Provincial Development and Reform Commission clearly set out the proposal to establish a green and clean energy production and supply system, accelerate the construction of wind power base and photovoltaic power generation application base, develop distributed photovoltaic, accelerate the production of hydrogen from new energy, and support the production of hydrogen from renewable energy power. The installed capacity of wind power and photovoltaic power generation is expected to reach 43 million kW and 54 million kW by 2025, respectively.

The report of the 20th National Congress of the CPC proposed that China should actively and steadily move towards carbon peaking and carbon neutrality; promote clean, low-carbon and efficient use of energy, and promote clean and low-carbon transformation in industries, construction, transportation and other fields; accelerate the planning and construction of a new energy system; strengthen the construction of energy production, supply, storage and marketing system to ensure energy security. Meanwhile, in 2022, the State issued and implemented a series of important policies, including the Implementation Plan for Promoting the Transformation to Green and Low-Carbon of Energy and Initiatives to Achieve Carbon Emission Peak (推動能源綠色低碳轉型做好碳達峰工作的實施方案), the Opinions on Improving the System, Mechanism and Policy Measures for the Green and Low-Carbon Transformation of Energy (關於完善能源綠色低碳轉型體制機制和政策措施的意見), and the Implementation Plan for Promoting the High-quality Development of New Energy in the New Era (關於促進新時代新能源高質量發展的實施方案), to further promote the green and low-carbon transformation of energy in terms of policies. We will guide the adoption of clean energy alternatives such as new energy and natural gas in industries, construction, heating, transportation and other fields,

and accelerate the construction of an energy supply system dominated by clean and low-carbon energy. It also proposed the goal of increasing the total installed capacity of wind power and solar power generation to more than 1.2 billion kilowatts by 2030. The two main business segments in which the Company operates have great potential for growth as they are perfectly highlighted by such national policies.

In the new energy sector, the State continued to support the development of wind power generation projects, while offshore wind power has also entered a the stage of rapid development. A single energy resource can no longer meet the needs of energy structure transformation. It is necessary to improve the comprehensive and deep utilization of resources by means of multi-energy complementary integration, large base, centralization and distribution. Meanwhile, new energy projects have fully entered the era of fair price, and this, coupled with the accelerated investment in the new energy industry by large power groups, will lead to further intensified competition in resource development.

In the natural gas sector, China continues to promote the construction of natural gas production, supply, storage and marketing system, continuously accelerates the construction of long-distance natural gas pipelines and regional natural gas pipeline networks, coordinates the construction of LNG terminals and underground gas storage, and improves the construction of natural gas storage and transportation system. It is expected that the natural gas industry will maintain stable development in the future. Meanwhile, with the deepening of the reform of the natural gas system and mechanism, the independent operation of the natural gas pipeline network and the enhancement in the level of fairness and openness of the pipeline network, the competition in the downstream market of natural gas will further intensify in the future.

(II) Development strategies of the Company

1. Adhere to the strategy of “taking root in Hebei and expanding the presence across the country”, and continue to strengthen the development of new energy.

The Company will proceed with the deployment of wind power and photovoltaic projects within and outside Hebei Province and actively promote the integrated development of multiple energy sources in line with the proposal of regional large-scale development.

In terms of onshore wind power, the Company will continue to adhere to the strategy of “taking root in Hebei and expanding the presence across the country”, further explore new resource reserves, closely track the comprehensive energy base projects in Hebei Province, and promote the implementation of existing reserve projects and the technical transformation as well as the upgrading of existing old wind farms. Outside Hebei Province, the Company will focus on the projects that have been put into production and further expand the projects leveraging the existing and planned delivery channels. Meanwhile, the Company will step up its efforts in promoting the transformation and implementation of reserve resources, while leveraging its diversified resources and project experience to develop inter-provincial cooperation. In addition, the Company will also plan to promote a number of “gas turbine+new energy” multi-energy complementary integration

projects, give full play to the synergy between the Company's two main business segments, i.e. new energy and natural gas, and achieve the "double peak regulation" effect on the power grid and gas pipeline network.

In terms of offshore wind power, in reliance on the Puti Island Offshore Wind Power Project in Laoting, Tangshan, which has already commenced operation, the Company will integrate new business forms such as marine ranching and offshore wind power hydrogen production, and actively develop offshore wind power projects with well-developed base and better construction conditions in Hebei Province. In addition, the Company has also carried out preliminary work of offshore wind power projects in other provinces and cities, striving to make breakthroughs in offshore wind power projects in Hebei Province in the near future.

In terms of photovoltaic power generation business, on the one hand, subject to ensuring power grid transmission, we will step up our efforts in resources reserve and development, and promote the construction of large-scale centralized photovoltaic power stations, such as the agriculture-, fishery- and forestry- photovoltaic power complementary projects. On the other hand, moderately develop distributed or building-integrated photovoltaic projects. The Company will also actively explore a variety of photovoltaic development modes, such as wind-solar coupling hydrogen production, photovoltaic hydrogen storage, wind-solar-gas multi-energy complementary integration, and steadily develop its photovoltaic power generation business.

2. Improve the presence in natural gas industry chain and improve the capacity of stable gas supply.

In reliance on its own geographical advantages, the Company will actively plan to participate in the upstream market, promote and improve the construction of the midstream pipeline network, steadily develop the downstream market on a merit basis, and gradually build a domestic leading comprehensive operation mode in respect of natural gas.

In terms of the upstream markets, we will accelerate the production of Tangshan LNG terminal and supporting gas transmission pipeline project, gradually build a comprehensive operation mode that focuses on gasification and pipeline transportation services, supplemented by liquid distribution, tank capacity leasing, LNG procurement and sales and other businesses commenced at the same time, extend and improve our natural gas industry chain, and strengthen the natural gas storage and peak regulation capacity.

In the midstream markets, we will continue to promote the interconnection of existing pipelines, Tangshan LNG outbound pipeline and other newly built trunk lines with national gas source pipelines and pipelines in neighboring provinces, and speed up the construction of pipeline network in the province, form the “one network in the province” pattern as soon as possible, enhance the flexibility of natural gas resource allocation, and steadily improve the natural gas support capacity of the Company. Meanwhile, the Company will continue to increase its invest in digital intelligence, further improve the gas transmission efficiency of the pipeline network and reduce the operating costs of the pipeline network.

In the downstream markets, we will steadily promote regional market development and expand urban gas projects within the reach of pipeline network. The Company will take advantage of its sophisticated management capabilities and rich operation experience, steadily promote the M&A and integration of relevant urban natural gas enterprises, and further grow the market share on the downstream market. In addition, in the existing regional market, further tap the potential, accelerate the expansion of the scale of industrial and commercial users, public welfare users and residential users, and adopt diversified sales strategies to improve the penetration of the Company’s existing market.

3. Enter diversified energy storage business market and solve the problem of new energy consumption through multiple channels.

The Company will plan the construction of multi-energy complementary bases for wind and photovoltaic power storage integration projects, actively construct the pumped storage and the renewable energy hydrogen production projects, while exploring other new energy storage modes to promote the efficient consumption of new energy.

The Company will leverage the resources strength in Hebei Province, steadily promote the approval, construction and production of pumped storage projects while maintaining a reasonable rate of return. We will promote the construction of Fengning pumped storage power station and put it into operation on schedule, and promote the preliminary work of pumped storage power stations that have signed development agreements on a merit basis, and strive for early approval, and strive to provide strong support for the construction of a strong province of new energy.

Meanwhile, the Company will take the hydrogen business as one of the key points for diversified development, seek to further expand the advantages of wind power and photovoltaic resources to the hydrogen industry chain. The Company will make use of the experience accumulated from the wind power to hydrogen comprehensive utilization project and the scenic coupling to hydrogen project, etc. to continuously expand the renewable energy to hydrogen project and explore feasible business models and further realize the coordinated development of the Company’s renewable energy and hydrogen business.

In addition, the Company is also exploring the investment of other new energy storage projects, such as projects using all-vanadium liquid-flow battery energy storage, flywheel energy storage and other technologies, and gradually improving its diversified energy storage business presence.

4. *Steadily expand overseas business presence.*

In order to meet domestic demand for natural gas and ensure stable natural gas prices and supply, the Company will continue to seize the industry opportunities and actively explore cooperation opportunities with international natural gas suppliers, strive for overseas upstream high-quality gas sources, and expand the long-term natural gas procurement channels in the international market, securing diversified natural gas suppliers and price options for the Company. In 2021, the Company entered into a long-term LNG purchase and sales agreement with Qatar Liquefied Gas Company Limited. With the relatively flexible financing policies abroad, the Company will actively develop overseas LNG trading business by relying on the advantages of the internationalised platform of its Hong Kong subsidiary.

In addition, the Company adheres to the implementation of the national carbon peaking and carbon neutrality strategic plan. Based on domestic new energy development experience and advanced technology, it actively seeks suitable overseas investment projects and M&A targets, advances global expansion of the Company's business, and promotes the expansion of overseas projects under the principle of pragmatism and stability.

5. *Fully perform environmental, social and governance responsibilities, and continue to promote high-quality development of the society.*

The Company will continue to fully fulfill its environmental, social and governance responsibilities and strive to set a model for the industry. On the one hand, the Company will continue to focus on developing wind power, photovoltaic and other new energy in the future, and promote the initiative of the country to accelerate the transformation to clean energy and low-carbon emission. On the other hand, the Company adheres to the concept of "people-oriented and harmonious development", devotes itself to creating a diverse and equal work platform, and provides competitive benefits for its employees according to law and regulations. In addition, the Company focuses on maintaining a high level of corporate governance, constantly optimizing and increasing the internal management mechanism, improving shareholder value and protecting shareholder rights and interests. It has also been actively participating in social activities such as poverty alleviation and community caring, and continuously promoting the high-quality development of society.

(III) Business plan

1. New energy business

- (1) In terms of approved new energy projects, the Group will strive to facilitate the preparatory work for construction, promptly go through various preliminary procedures and ensure early completion of approval/filing process; we will accelerate the development of the offshore wind power projects, including the Tangshan and Qinhuangdao projects; we will also keep a close eye on the big passage and big base projects going into or through Hebei starting from East or West Inner Mongolia and Xinjiang, to drive the large-scale development of new energy projects beyond Hebei.
- (2) The Group will facilitate the pumped-storage projects steadily and in particular, selectively advance the approval procedure of those in respect of which a development agreement has been entered into.
- (3) The Group will prioritize the “integrated source-grid-load-storage projects”, and constantly promote “combustion engines + new energy” multi-energy complementary and integrated projects; actively pursue opportunities in zero-carbon and low-carbon parks, and carry out comprehensive energy businesses involving cooling, heating, gas and electricity in the parks.
- (4) In terms of integrated management and control of projects, the Group will highlight the progress of construction in a planned and step-by-step manner and ensure the control of safety, quality, progress and investment of construction projects; strive to ensure the projects would be put into production as scheduled and the quality and efficiency standards are met, including Shuangcheng Phase II wind power project in Heilongjiang, Ruoqiang Buzhuang wind power project in Xinjiang, Daxigou wind power project of Hebei Weichang and Zhangbei Zhanhai Wind Farm Project in Hebei.
- (5) The Group will focus on relevant policies associated with electricity trading, carbon emission trading market dynamics and those issued by the state, and make swift and accurate adjustments to the trading strategies responding to changes of policies to maximize the Company’s interests.

2. Natural gas business

- (1) The Group will accelerate the preparatory work and obtain relevant approvals as soon as possible of projects including Qinxi Industrial Park branch line of Qinfeng Pipeline, Qingyuan-Suning gas transmission pipeline and Yongwei Pipeline; strive to prepare the dual pipeline project of the Tangshan LNG Outbound Pipelines project for approval and obtaining the preliminary supporting document from competent authorities for 2# wharf.

- (2) The Group will accurately and timely obtain knowledge of the international LNG market dynamics, cautiously study and calculate the price tolerance of the downstream markets and the timing of international procurement, selecting suppliers with competitive prices, steady resources and flexible supply terms, and further expand and optimize the LNG resource pool of the Company.
- (3) The Group will facilitate the operation of Jinghan Pipeline LNG Gas Storage Peak Capacity Station Project Phase I and Southeast Cangzhou Natural Gas (sourced from Erdos-Anping-Cangzhou Gas Pipeline) Utilization Project, while achieving the connection of Central Hebei Pipeline Network Phase IV project, South Baoding Connection Line Project of Sinopec Erdos-Anping-Cangzhou Gas Pipeline and Beijing-Handan Gas Pipeline, and Luquan-Jingxing Gas Transmission Pipeline Project.
- (4) The Group will expand the natural gas downstream markets continuously, facilitate the acquisition of premium urban gas projects, to improve our share in the end market.

3. Leveraging the advantage of industrial synergy

By leveraging its advantage of the internal complementary synergy between the two principal business segments of the Company, namely the new energy business segment and natural gas business segment, the Group plans to develop multi-energy complementary and integrated projects for wind power + photovoltaic + energy (gas and electricity) storage, thereby creating an integrated intelligent energy system to further promote a high proportion of new energy consumption and ensure the safe and steady supply of electricity.

4. Constantly diversifying financing methods

In 2023, the Group will continue to explore channels for financing and innovative financing means and to obtain capital at low cost for project construction in order to ensure the stability and security of the Group's capital chain by:

- (1) closely tracking the monetary market dynamics, fully leveraging the concept of “double carbon” and the allocation demands of financial institutions for green financial products to strive to reduce the financing costs.
- (2) making concrete efforts to enhance fund management, properly arrange and use the subsidies associated with renewable energy and proceeds in place.
- (3) doing the utmost to properly proceed with the issue of Global Depositary Receipts (GDR), to ensure tasks of all stages to be performed smoothly based on the general schedule.

5. *Enhancing safety production*

- (1) In 2023, the operation of HSE shall be put into practice. The construction and special examination of material management units and the typical management units under the HSE system shall be prioritized; the research and development of HSE management information-based system will unfold comprehensively, to give full play of digitalization and thoroughly screen safety hazards.
- (2) The Group will improve the safety production accountability system among all employees, focusing on detailed and robust risk management and control and hidden hazard elimination and governance, organize emergency drills for major hazardous source accidents in key projects such as the Tangshan LNG project, and comprehensively enhance the capabilities of the Company's systems in dealing with emergencies.

(IV) Potential risks

1. *Wind power/photovoltaic business*

(1) *Uncertain wind resources*

The major climatic risk faced by the wind power industry is the fluctuation of wind resources between years, as the power generation is at a higher level in years of greater wind resources and at a lower level in years of fewer wind resources, as compared to normal years. Due to the randomness and uncontrollability of wind resources, there might be a risk of decreasing wind speed in 2023 as compared to 2022. During the project planning phase and before the construction of wind farms, the Group will conduct a comprehensive wind resources test to evaluate the potential installed capacity of such locations in order to reduce the climatic risks.

(2) *Remaining concern of power constraints*

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

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

(3) Increase in management difficulty of project construction

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

(4) Risk of market-based electricity trading

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

(5) Surge in project investment due to energy storage requirements

Many provinces across the country successively introduced energy storage solutions for new energy since the start of the 14th Five-Year Plan, with the energy storage installations ancillary to wind power and photovoltaic projects gradually becoming the industry norm, which will inevitably lead to an increase in the initial investment cost for new energy operators. The excessive requirements on the ratio and duration of energy storage in some regions may make it difficult for projects to achieve a reasonable rate of return.

2. Natural gas business

(1) Risks of decline in pipeline transmission fees and urban gas charges

In recent years, the state has continued to promote natural gas price reforms in accordance with the general idea of “enhancing control in the middle and deregulating on both ends”. With the deepening reform, transmission fees and urban gas charges are subject to the risk of declining.

The Company will seize the favorable opportunity of promoting clean energy in China, fully utilize the government’s policy guidance of promoting clean energy and strengthening pollution control, give full play to its resources and service advantages, continue to expand the development of natural gas customers, and strive to expand the scope of the Company’s operating regions and increase its market share.

(2) Risk of further increased difficulty for market expansion

With the gradual availability of the national pipeline network infrastructure in a fair manner, the Group will face direct competition from major upstream enterprises as the major upstream gas source suppliers continue to expand into downstream business, making it more difficult to expand the market in the future.

The Group will firmly adhere to the market-oriented philosophy, further optimize its resource mix, explore cooperation with resources units, improve market layout, formulate sales strategies, continue to broaden market reach, deeply tap the market potential, make full use of its resource and synergy advantages, open up new channels amid fierce market competition, and take multiple measures to ensure the continuous growth of gas volume.

(3) The risk of incomplete recovery of original accounts receivable

Due to the downturn in the glass industry in previous years, the business of sale of natural gas of the Company has historically incurred certain receivables for natural gas from customers in the downstream glass industry. In recent years, through the Group’s relentless efforts, most of the relevant outstanding amounts have been recovered, but it will still take some time to recover the remaining amounts.

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

(4) Risk of natural gas price rise

In 2022, subject to the effects of geopolitical tensions and elevated international energy prices, the natural gas price saw a significant rise over last year, which dragged on the terminal demand to some extent.

The Group will continuously enhance its efforts in downstream market exploration, and actively employ flexible resources and low-cost gas sources, improving its competitiveness and striving to safeguard the growth of the sales volume of gas.

3. Interest rate risk

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

4. Risk of safety

- (1) As for the new energy sector, the operating condition of equipment such as wind turbines in old wind farms that have been in operation for a long time is a major factor that directly affects the sustainable and stable operation of the Company's safety production, and good operations and maintenance work is required in advance for reducing the risk of safety in the new energy sector.
- (2) As for the gas sector, the existing pipeline network has been in operation for a long period of time, and the equipment and facilities of gas stations and gas pipelines are aging to varying degrees, coupled with the impact of possible damage caused by third parties, the risk of safety in the gas sector has been increased from an objective perspective, which has brought greater pressure and difficulty to the safety management of the Company.

(V) Others

Applicable Not applicable

VII.EXPLANATION ON THE COMPANY’S FAILURE TO MAKE DISCLOSURE IN ACCORDANCE WITH THE STANDARDS DUE TO INAPPLICABILITY OF STANDARDS OR SPECIAL REASONS SUCH AS NATIONAL SECRETS OR BUSINESS SECRETS, AND THE REASONS THEREOF

Applicable Not applicable

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

For the significant events after the end of the Reporting Period of the Group, please refer to Note V “Events after the Balance Sheet Date” to the financial statements in the Appendix to this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Except for the A Share Offering and related issuance of corporate bonds as disclosed in this announcement, neither the Company nor its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

In order to enhance the profitability and sustainable development capabilities, lower debt-to-asset ratio and enhance risk resistance capacity, the Company kicked off a non-public issuance of A shares in 2021 (the “**A Share Issuance**”). Issuance and allotment of A Shares were completed on 29 December 2021 and the update of share registration with regard to the new A Shares was completed on 6 January 2022. The issue price was RMB13.63 per share. The number of shares issued was 337,182,677, raising total proceeds of RMB4,595,799,887.51. The actual net proceeds raised were RMB4,545,055,183.47 after deducting the expenses related to the offering. For details of the A Share Issuance, please refer to the circular of the Company dated 1 April 2021 and the announcements dated 5 March 2021, 23 April 2021, 7 May 2021, 18 May 2021, 28 June 2021, 15 July 2021, 26 July 2021, 24 August 2021, 6 January 2022 and 9 January 2022.

Based on the actual amount of proceeds, the Company will use the proceeds as follows:

Unit: Yuan Currency: RMB

No.	Item	Proceeds to be invested	Actual amount of proceeds used		Expected timetable
			during the Reporting Period ⁽¹⁾	Unutilized net proceeds as at 31 December 2022 ⁽¹⁾	
1	Tangshan LNG Project (Phase I and Phase II)	2,397,971,114.80	1,462,085,356.27	935,885,758.53	By the end of 2027
2	Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section)	699,029,487.22	221,117,372.50	477,912,114.72	December 2023
3	Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section)	236,797,375.06	171,353,805.77	65,443,569.29	December 2023
4	Replenishment of liquidity and repayment of bank loans	1,211,257,206.39	699,999,400.00	-1,269,555.76	–
Total		<u>4,545,055,183.47</u>	<u>2,554,555,934.54</u>	<u>1,477,971,886.78</u>	–

Note:

- (1) The amounts set out in these columns are the proceeds and the accrued bank interest (including wealth management income) generated therefrom. The related bank interest was also applied to the corresponding use of the proceeds in accordance with the regulations.
- (2) The net unused proceeds as at 31 December 2022 were negative, mainly due to the Company's use of interest income from bank deposits, gain on wealth management and the amount of paid but unreplaced issuance expense to replenish liquidity.
- (3) As at 31 December 2022, interest income (including wealth management income) accrued on the proceeds amounted to RMB50,466,400.

Furthermore, in order to further promote the Company's internationalization strategy, further supplement the Company's capital strength, seek external growth opportunities, promote the transformation of internal growth momentum, and comprehensively improve the Company's operating level, on 5 January 2023, the Company announced its plan for the GDRs issuance, and application for listing on the SIX Swiss Exchange. The new A Shares represented by the GDRs as underlying securities to be issued by the Company shall be no more than 334,967,446 Shares (including the exercise of any over-allotment option, if any) and shall not account for more than 8.00% of the total share capital of ordinary Shares and 14.27% of the A Shares of the Company prior to the issuance. The GDR issuance plan was approved by the Board and the extraordinary general meeting of the Company held on 14 February 2023. Further details of the GDR issuance are set out in the relevant announcements of the Company on the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

PARTICULARS OF CORPORATE BONDS

I. DEBENTURE, CORPORATE BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

(I) Debenture

Applicable Not Applicable

(II) Corporate Bonds

1. Basic Information on Corporate Bonds

Unit: 100,000,000 Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate (%)	Means to repay principal and interest	Trading place	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Risk of termination of listing and trading
2021 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G21 New Y1	175805	8 March 2021 – 9 March 2021	10 March 2021	9 March 2024	10.4	5.15	3+N, interest to be paid annually	SSE	For professional investors	Listed	No
2019 renewable green corporate bonds (first tranche) publicly issued by China Suntien Green Energy Corporation Limited	G19 New Y1	155956	1 March 2019 – 5 March 2019	5 March 2019	5 March 2022	0	4.70	3+N, interest to be paid annually	SSE	For eligible investors	Listed	No

The response of the Company to the risk of termination of trading of the bonds

Applicable Not Applicable

Overdue bonds

Applicable Not Applicable

Settlement of principal and interest payment for bonds during the Reporting Period

Name of bond	Explanation on settlement of principal and interest payment
G19 New Y1	The principal and interest were fully settled when due on 7 March 2022. For details, please refer to the “Announcement on Settlement of Payment for Principal and Interest in 2022 for, and Delisting of, 2019 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited” available on the website of the Shanghai Stock Exchange (www.sse.com.cn).
G21 New Y1	Not yet matured, and no payment of principal made; the interest was fully paid when due as follows: Interest for the period from 10 March 2021 to 9 March 2022 was paid on 10 March 2022. For details, please refer to the “Announcement on Payment for Interest in 2022 for 2021 Renewable Green Corporate Bonds (First Tranche) Publicly Issued by China Suntien Green Energy Corporation Limited” available on the website of the Shanghai Stock Exchange (www.sse.com.cn).

2. The triggering and execution of option terms of issuers or investors and investors' protection terms

- (1) G19 New Y1: taking every 3 interest accruing years as a cycle, the Company has the right to choose to extend the term of the bonds by 1 cycle (that is, to extend it by 3 years) at the end of each cycle, or choose to settle the payment for the bonds in full at the end of the cycle. The bonds were issued with an option for the issuer to defer the payment of interest. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, choose to defer the payment for the interest payable for the current period, and all the interest and yields that were deferred according to this term, to the next interest payment date, and there is no limit on the number of times of interest payment deferral. The aforementioned interest deferral is not a failure of the Company to pay the full amount of interest in accordance with the agreement. The Company elected and settled the payment for the principal and interest in full and the delisting of the bonds on 7 March 2022.
- (2) G21 New Y1: taking every 3 interest accruing years as a cycle, the Company has the right to choose to extend the term of the bonds by 1 cycle (that is, to extend it by 3 years) at the end of each cycle, or choose to settle the payment for the bonds in full at the end of the cycle. The bonds were issued with an option for the issuer to defer the payment of interest. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, choose to defer the payment for the interest payable for the current period, and all the interest and yields that were deferred according to this term, to the next interest payment date, and there is no limit on the number of times of interest payment deferral. The aforementioned interest deferral is not a failure of the Company to pay the full amount of interest in accordance with the agreement. As at the end of the Reporting Period, this tranche of bonds was not due yet, and no option term was triggered. The payment for principal was not settled yet.

3. Intermediaries providing services for business in relation to bond issuance and terms

Name of intermediary	Office address	Contact person	Contact telephone number
China Galaxy Securities Co., Ltd.	2-6/F, No. 35 Financial Street, Xicheng District, Beijing	Yu Junqin,	010-80927152
China Chengxin International Credit Rating Co., Ltd.	Building 6, Galaxy SOHO, No. 2 Nanzhugan Hutong, Chaoyangmennei Avenue, Dongcheng District, Beijing	Hu Guangzhao Wang Ying	010-66428877

Explanation on the changes in the aforesaid intermediaries

Applicable Not Applicable

4. Use of proceeds as at the end of the Reporting Period

Name of bond	Total amount of proceeds	Utilized amount	Unutilized amount	Operation of the designated account for the proceeds (if any)	Rectification of non-compliant utilization of proceeds (if any)	Whether the proceeds were used for the purposes committed and according to the plan of use and other agreements stated in the prospectus
G19 New Y1	9.1	9.1	0	Normal	No	Yes
G21 New Y1	10.4	10.4	0	Normal	No	Yes

Progress and operation efficiency of the use of proceeds for the construction of projects

- (1) G19 New Y1: The aggregate proceeds from the issuance of bonds amounted to RMB910.00 million, and after deducting the issuance expenses, the net proceeds amounted to RMB906.36 million. Among the 24 green projects that are intended to be invested with the proceeds from the issuance of bonds, except for the construction of the wind farm at Mayi Mountain in Jianshui County, Honghe Prefecture, Yunnan Province, Suntien’s 30MW wind farm in Wulongshan, Junan, and the wind farm in Daxigou, Weichang, Chengde, which have not yet commenced, all other projects commenced production and became operational as at the end of the Reporting Period. The net proceeds from the issuance of “G19 New Y1” Renewable Green Corporate Bonds have been fully utilised to meet the capital needs for the construction of green projects.

(2) G21 New Y1: The aggregate proceeds from the issuance of bonds amounted to RMB1,040 million, and after deducting the issuance expenses, the net proceeds amounted to RMB1,039.3760 million. The proceeds from the issuance of the bonds are intended to be used for the payment for the principal and interest of the renewable green corporate bonds of the Company at maturity as well as for the construction, operation and acquisition of green projects. As the Company is a green issuer, and in accordance with the provisions of the prospectus of the bonds, the Company may adjust the relevant funding of project in accordance with the progress of the green projects and the actual capital requirements. According to the Company's capital utilisation plan, the scope of projects for which the proceeds from the bonds will be extended from those of the prospectus for "G21 New Y1" to include eight more projects, i.e. the Hebei Construction and Investment Wind Power Hydrogen Production Project (hydrogen production part), Kangbao Wolongshan 100 MW Wind Farm Project, Kangbao Yongfeng 200 MW Wind Farm Project, Shangyi Dadongshan 49.5 MW Wind Farm Project, Chengde Yuyuan Weichang Dahuanqi Wind Farm, Julu County Laozhang River 50 MW Wind Farm, Wuchuan Dayuanshan (Desheng) 50 MW Wind Power Clean Heating Project and Maniba Wind Farm Project, which will make use of the proceeds from the bonds to replace RMB103.00 million of its own funds invested after the registration date of the bonds (27 November 2020). For details, please refer to the "Announcement of China Suntien Green Energy Corporation Limited and China Galaxy Securities Co., Ltd. on the Adjustment of the Use of Proceeds of "G21 New Y1" dated 6 June 2022. As at the end of the Reporting Period, of the net proceeds from the issuance of "G21 New Y1" Renewable Green Corporate Bonds, RMB625 million has been utilised for the repayment for the principal and payment for the interest of the "G18 New Y1" bonds, and RMB415 million has been fully utilised to meet the capital needs for the construction of green projects.

Explanation on the change of aforesaid use of proceeds from bonds during the Reporting Period

Applicable Not Applicable

Other explanation

Applicable Not Applicable

5. Adjustment to credit rating result

Applicable Not Applicable

Other explanation

Applicable Not Applicable

6. The execution and changes and the effect of guarantees, debt repayment scheme and other debt repayment protection practices during the Reporting Period

Current status	Implementation	Whether changes occur	After change	Reason for change	Whether the changes have been approved by competent authorities	Impact of the changes on the rights and interests of bond investors
Joint liability guarantee by Hebei Construction & Investment Group Co., Ltd.	Under implementation	No	Nil	Nil	No	Not applicable

- Notes:
- (1) HECIC provides a guarantee for the renewable green corporate bonds (G19 New Y1) of RMB910 million publicly issued by the Company in March 2019, and accepts guarantee liability during the duration of the bonds and for a period of two years after the maturity date of the bonds. The Company elected and settled the payment for the principal and interest in full and the delisting of the bonds on 7 March 2022.
 - (2) HECIC provides a guarantee for the renewable green corporate bonds (G18 New Y1) of RMB590 million publicly issued by the Company in March 2018, and accepts guarantee liability during the duration of the bonds and for a period of two years after the maturity date of the bonds. The Company elected and settled the payment for the principal and interest in full and the delisting of the bonds on 15 March 2021.

7. Description of other information of corporate bonds

Progress and environmental benefits of green projects for which funds were raised: During the Reporting Period, the Company generated green power 14.198 billion kWh, which is equivalent to avoidance of 11,755,944 tons of carbon dioxide emissions (approximately 828 g of carbon dioxide per kWh of thermal power generation nationwide), approximately 1,434.00 tons of sulphur dioxide emissions (approximately 0.101 g of sulphur dioxide per kWh of thermal power generation nationwide), approximately 2,158.10 tons of nitrogen oxide emissions (approximately 0.152 g of nitrogen oxide per kWh of thermal power generation nationwide) and 312.36 tons of dust emissions (approximately 0.022 g of soot per kWh of thermal power generation nationwide).

During the Reporting Period, projects including Kangbao-Dayingtu project and Chongli wind-to-hydrogen project were put into commercial operation. The first phase of the Tangshan LNG project and outbound pipelines projects (Caofeidian-Baodi section) and (Baodi-Yongqing section) projects were basically completed. Other green projects were progressing smoothly.

(III) Debt Financing Instruments of Non-Financial Enterprises in the Inter-bank Bond Market

1. Basic information of Debt financing instruments of non-financial enterprises

Unit: 100,000,000 Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate (%)	Means to repay principal and interest	Trading place	Trading mechanism	Risk of termination of listing and trading
2020 First Tranche of Medium-Term Notes of China Green Energy Corporation Limited	20 Suntien Green MTN001	102001005	13 May 2020 – 14 May 2020	15 May 2020	15 May 2025	10	3.86	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No
2022 First Tranche of Super Short-Term Commercial Papers of China Green Energy Corporation Limited	22 Suntien Green SCP001 (Green)	012280740	25 February 2022	28 February 2022	25 November 2022	0	2.40	Interest and principal payable at maturity	Inter-bank Market	Listed	No
2021 First Tranche of Super Short-Term Commercial Papers of HCIG New-energy Co., Ltd.	21 HCIG New-energy SCP001	012103855	21 October 2021 – 22 October 2021	25 October 2021	22 July 2022	0	3.15	Interest and principal payable at maturity	Inter-bank Market	Listed	No
2017 First Tranche of Medium-Term Notes of HCIG New-energy Co., Ltd.	17 HCIG New-energy MTN001	101754128	22 November 2017 – 23 November 2017	24 November 2017	24 November 2022	0	6.2	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No
2019 First Tranche of Medium-Term Notes of HCIG New-energy Co., Ltd.	19 HCIG New-energy MTN001	101901220	3 September 2019 – 4 September 2019	5 September 2019	5 September 2022	0	4.43	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No
2022 First Tranche of Medium-Term Notes of HCIG New-energy Co., Ltd.	22 HCIG New-energy MTN001	102282558	18 November 2022	21 November 2022	20 November 2024	5	3.37	Interest to be paid annually and principal payable at maturity	Inter-bank Market	Listed	No
2022 First Tranche of Super Short-Term Commercial Papers of HCIG New-energy Co., Ltd.	22 HCIG New-energy SCP001	012282461	14 July 2022	15 July 2022	11 April 2023	7	2.45	Interest and principal payable at maturity	Inter-bank Market	Listed	No

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Balance	Interest rate (%)	Means to repay principal and interest	Trading place	Trading mechanism	Risk of termination of listing and trading
2022 Second Tranche of Super Short-Term Commercial Papers of HCIG New-energy Co., Ltd.	22 HCIG New-energy SCP002	012283059	26 August 2022	29 August 2022	25 February 2023	3	2.1	Interest and principal payable at maturity	Inter-bank Market	Listed	No

The response of the Company to the risk of termination of trading of the bonds

Applicable Not Applicable

Overdue bonds

Applicable Not Applicable

Settlement of principal and interest payment for bonds during the Reporting Period

Name of bond	Explanation on settlement of principal and interest payment
20 Suntien Green MTN001	Not yet matured, with outstanding principal to be settled while interest payment being fully settled on time on 16 May 2022.
22 Suntien Green SCP001 (Green)	Matured, with principal and interest payment being settled on 25 November 2022.
17 HCIG New-energy MTN001	Matured, with principal and interest payment being settled on 24 November 2022.
19 HCIG New-energy MTN001	Matured, with principal and interest payment being settled on 5 September 2022.
21 HCIG New-energy SCP001	Matured, with principal and interest payment being settled on 22 July 2022.
22 HCIG New-energy MTN001	Not yet matured, and no payment of principal made.
22 HCIG New-energy SCP001	Not yet matured, and no payment of principal made.
22 HCIG New-energy SCP002	Matured, with principal and interest payment being settled on 26 February 2023.

2. *The triggering and execution of option terms of issuers or investors and investors' protection terms*

Applicable Not Applicable

3. *Intermediaries providing services for business in relation to bond issuance and terms*

Name of intermediary	Office address	Contact person	Contact telephone number
Bank of China Limited	No. 1 Fuxingmennei Avenue, Beijing	Wang Xi'nan,	010-66592497
		Xun Yamei	010-66592749
China Construction Bank Corporation	No. 25 Financial Street, Xicheng District, Beijing	Li Guoliang	010-67595447
China Chengxin International Credit Rating Co., Ltd.	Building 6, Galaxy SOHO, No. 2 Nanzhugan Hutong, Chaoyangmennei Avenue, Dongcheng District, Beijing	Wang Ying	010-66428877

Explanation on the changes in the aforesaid intermediaries

Applicable Not Applicable

4. Use of proceeds as at the end of the Reporting Period

Unit: 100,000,000 Yuan Currency: RMB

Name of bond	Total amount of proceeds	Utilized amount	Unutilized amount	Operation of the designated account for the proceeds (if any)	Rectification of non-compliant utilization of proceeds (if any)	Whether the proceeds were used for the purposes committed and according to the
						plan of use and other agreements stated in the prospectus
2020 First Tranche of Medium-Term Notes of China Suntien Green Energy Corporation Limited	10	10	0	Normal	Nil	Yes
2022 First Tranche of Super Short-Term Commercial Papers of China Suntien Green Energy Corporation Limited	5	5	0	Normal	Nil	Yes
2021 First Tranche of Super Short-Term Commercial Papers of HCIG New-energy Co., Ltd.	7	7	0	Normal	Nil	Yes
2017 First Tranche of Medium-Term Notes of HCIG New-energy Co., Ltd.	5	5	0	Normal	Nil	Yes
2019 First Tranche of Medium-Term Notes of HCIG New-energy Co., Ltd.	3	3	0	Normal	Nil	Yes

Name of bond	Total amount of proceeds	Utilized amount	Unutilized amount (if any)	Operation of the designated account for the proceeds (if any)	Rectification of non-compliant utilization of proceeds (if any)	Whether the proceeds were used for the purposes committed and according to the
						plan of use and other agreements stated in the prospectus
2022 First Tranche of Medium-Term Notes of HCIG New-energy Co., Ltd.	5	5	0	Normal	Nil	Yes
2022 First Tranche of Super Short-Term Commercial Papers of HCIG New-energy Co., Ltd.	7	7	0	Normal	Nil	Yes
2022 Second Tranche of Super Short-Term Commercial Papers of HCIG New-energy Co., Ltd.	3	3	0	Normal	Nil	Yes

Progress and operation efficiency of the use of proceeds for the construction of projects

Applicable Not Applicable

Explanation on the change of aforesaid use of proceeds from bonds during the Reporting Period

Applicable Not Applicable

Other explanation

Applicable Not Applicable

5. Adjustment to credit rating result

Applicable Not Applicable

Other explanation

Applicable Not Applicable

6. The execution and changes and the effect of guarantees, debt repayment scheme and other debt repayment protection practices during the Reporting Period

Applicable Not Applicable

7. Description of other information of debt financing instruments of non-financial enterprises

Applicable Not Applicable

(IV) Consolidated statement of comprehensive loss exceeds 10% of the Company's net assets at the end of the previous year during the Reporting Period

Applicable Not Applicable

(V) Interest-bearing Debts Other Than Bonds Due at the End of the Reporting Period

Applicable Not Applicable

(VI) Impact on the Rights and Interests of Bond Investors of Violations of the Laws and Regulations, the Articles of Association and the Requirements of the Management System for Information Disclosure as well as the Agreements or Commitments Stated in the Prospectus of Bonds during the Reporting Period

Applicable Not Applicable

(VII) Accounting Data and Financial Indicators of the Company for the Recent Two Years as at the End of the Reporting Period

Major indicators	2022	2021 (Restated)	Increase/decrease for the period as compared to the same period last year (%)	Reason for changes
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	2,268,592,374.75	2,289,621,485.27	-0.92	Mainly due to the increase in non-recurring gains and losses such as investment income from financial assets held for trading for the period.
Current ratio	78.53%	93.81%	-16.29	Mainly due to increase in external financing and increase in investment in construction projects for the period.
Quick Ratio	71.86%	87.54%	-17.91	Mainly due to increase in external financing and increase in investment in construction projects for the period.
Gearing ratio (%)	67.46	66.81	0.97	Mainly due to increase in external financing for the period.
Total debt to EBITDA ratio	0.131	0.138	-5.07	Mainly due to the increase in aggregate liabilities as a result of the rise in external financing due to the Company's continuous business development.
Interest coverage ratio	2.98	3.13	-4.79	Mainly due to the increase in the size of interest-bearing liabilities.
Cash interest coverage ratio	5.22	3.30	57.96	Mainly due to the increase in net cash inflow from operating activities as a result of electricity subsidy granted during the period.
EBITDA interest coverage ratio	4.51	4.61	-2.17	Mainly due to the increase in the size of interest-bearing liabilities.
Loan repayment ratio (%)	100.00	100.00		
Interest coverage (%)	100.00	100.00		

II. CONVERTIBLE CORPORATE BONDS

Applicable Not Applicable

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company focuses on high standards of corporate governance, so as to enhance value for shareholders and protect their interests. The Company has established a modern corporate governance structure and set up shareholders meeting, the Board, the board of supervisors, Board committees and senior management in accordance with the PRC Company Law, the Mandatory Provisions for the Articles of Association of Companies Listed Overseas and the Corporate Governance Code (“**CG Code**”) set out in Appendix 14 to the Hong Kong Listing Rules. During the Reporting Period, the Company has complied with all provisions set out in the CG Code, except for code provision F.2.2 of Part 2 of the CG Code. In accordance with the requirements of provision F.2.2 of Part 2 of the CG Code, the chairman of the Board shall attend the annual general meeting. Mr. Cao Xin, the Chairman of the Company, did not attend the 2021 annual general meeting of the Company due to other business engagement. According to relevant requirements, the meeting was chaired by Mr. Mei Chun Xiao, an executive director, as jointly recommended by more than half of all the directors of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct and rules on trading of securities of the Company by all directors and supervisors of the Company.

After making specific enquiries to all of the directors and supervisors of the Company, all directors and supervisors confirmed that during the Reporting Period, they had fully complied with the obligations under the Model Code, and no breaches were found by the Company.

2022 Profit Distribution Proposal

As audited, the Company recorded the net profit attributable to shareholders of parent company of RMB2,294,116,322.38 in 2022. The 2022 profit distribution proposal is as follows: the Company proposes to distribute a cash dividend of RMB1.93 (tax inclusive) for every 10 shares to all shareholders, and based on the total of 4,187,093,073 shares of the Company in issue, the total cash dividend to be distributed will amount to RMB808,108,963.09 (tax inclusive). Should the total number of share on the record date for the dividend distribution differs, the Company shall keep the total distribution amount unchanged and make adjustment to the distribution portion per share ratably. The above profit distribution proposal is subject to consideration and approval at the AGM.

Subject to the approval of the 2022 profit distribution proposal at the AGM, the Company shall distribute cash dividends within two months upon conclusion of the annual general meeting in accordance with the Articles of Association. As per current work plan, the Company expects to complete the distribution of cash dividends by 31 July 2023. In case of any change in the above-mentioned expected distribution schedule and arrangements, the Company will make an announcement in due course in accordance with the relevant regulations of the places where the shares are listed.

REVIEW OF ACCOUNTS

The Audit Committee under the Board has reviewed the 2022 annual results of the Group and the financial statements for the year ended 31 December 2022 prepared in accordance with the CASBE.

PUBLICATION OF ANNUAL REPORT

The Company will despatch to its shareholders the 2022 annual report in due course by 30 April 2023 in compliance with the Listing Rules, the full text of which will be published on the Company's website (<http://www.suntien.com>) and the HKExnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>).

By order of the Board
China Suntien Green Energy Corporation Limited*
Mei Chun Xiao
Executive Director/President

Shijiazhuang City, Hebei Province, the PRC, 23 March 2023

As at the date of this announcement, the non-executive Directors of the Company are Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang; the executive directors of the Company are Mr. Mei Chun Xiao and Mr. Wang Hong Jun; and the independent non-executive directors of the Company are Mr. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao.

* For identification purpose only

APPENDIX – FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEET

31 December 2022

RMB

Assets	31 December 2022	31 December 2021 (Restated)
Current assets		
Cash	7,326,059,327.77	7,648,396,983.55
Including: deposits with finance companies	3,510,955,880.39	3,115,853,047.06
Financial assets for trading	520,000,000.00	–
Notes receivable	235,764,112.96	–
Accounts receivable	5,345,149,228.28	6,657,415,202.23
Receivable financing	169,290,765.51	494,976,373.69
Advances to suppliers	534,453,113.73	161,631,341.92
Other receivables	207,110,462.03	135,599,831.17
Inventories	104,531,171.77	214,186,265.69
Assets held for sale	12,416,736.35	12,373,484.60
Non-current assets due within one year	22,349,480.00	–
Other current assets	608,218,206.11	681,347,576.94
	15,085,342,604.51	16,005,927,059.79
Total current assets		
Non-current assets		
Long-term receivables	1,664,186.71	41,133,817.83
Long-term equity investments	3,393,719,280.52	3,058,088,144.23
Other investments in equity instruments	218,605,700.00	218,605,700.00
Investment properties	24,927,033.04	26,032,201.48
Fixed assets	32,773,611,789.39	32,369,586,695.36
Construction in progress	19,162,911,804.71	13,724,320,499.93
Right-of-use assets	1,839,279,154.79	2,017,852,925.66
Intangible assets	2,121,212,538.58	2,151,290,713.14
Development costs	28,425,706.04	27,227,806.35
Goodwill	96,922,283.74	55,450,878.54
Long-term deferred expenses	41,926,286.06	37,147,692.06
Deferred income tax assets	190,809,767.50	186,877,995.35
Other non-current assets	2,429,308,472.48	2,157,471,147.28
	62,323,324,003.56	56,071,086,217.21
Total non-current assets	62,323,324,003.56	56,071,086,217.21
Total assets	77,408,666,608.07	72,077,013,277.00

Liabilities and shareholders' equity	31 December 2022	31 December 2021 (Restated)
Current liabilities		
Short-term borrowings	2,698,366,568.48	1,978,114,966.89
Notes payable	13,649,747.04	14,738,449.62
Accounts payable	402,815,261.78	458,031,776.88
Contract liabilities	1,539,750,992.89	1,654,191,386.15
Advances from customers	1,161,061,946.88	778,761,061.94
Salaries payable	68,100,777.09	79,033,920.95
Tax payable	203,392,348.56	159,169,763.37
Other payables	7,719,969,496.64	7,016,558,174.65
Liabilities held for sale	6,811,269.63	7,859,895.72
Non-current liabilities due within one year	4,308,241,110.09	4,211,344,922.30
Other current liabilities	1,086,927,077.13	704,107,945.21
Total current liabilities	<u>19,209,086,596.21</u>	<u>17,061,912,263.68</u>
Non-current liabilities		
Long-term borrowings	30,429,352,611.21	28,705,566,379.15
Debentures payables	1,500,000,000.00	1,000,000,000.00
Lease liabilities	644,603,458.18	784,769,810.01
Long-term payables	186,079,230.66	361,236,137.17
Accrued liabilities	77,531,149.68	77,531,149.68
Deferred income	118,408,005.13	106,249,255.16
Deferred income tax liabilities	58,366,245.54	56,187,755.68
Total non-current liabilities	<u>33,014,340,700.40</u>	<u>31,091,540,486.85</u>
Total liabilities	<u>52,223,427,296.61</u>	<u>48,153,452,750.53</u>
Shareholders' equity		
Share capital	4,187,093,073.00	4,187,093,073.00
Other equity instruments	1,039,376,000.00	1,945,736,000.00
Including: Perpetual bonds	1,039,376,000.00	1,945,736,000.00
Capital surplus	6,581,326,328.75	6,590,287,168.26
Other comprehensive income	6,493,135.00	6,493,135.00
Special reserves	4,380,136.92	–
Surplus reserves	822,928,444.78	638,241,006.48
Undistributed profit	7,823,373,780.42	6,466,749,439.53
Total equity attributable to shareholders of the parent company	<u>20,464,970,898.87</u>	<u>19,834,599,822.27</u>
Minority interests	<u>4,720,268,412.59</u>	<u>4,088,960,704.20</u>
Total shareholders' equity	<u>25,185,239,311.46</u>	<u>23,923,560,526.47</u>
Total liabilities and shareholders' equity	<u>77,408,666,608.07</u>	<u>72,077,013,277.00</u>

CONSOLIDATED INCOME STATEMENT

31 December 2022

RMB

	2022	2021 (Restated)
Operating revenue	18,560,522,731.81	16,137,769,830.60
Less: Operating costs	13,318,562,338.06	11,243,375,530.93
Taxes and surcharges	62,911,189.91	53,779,961.58
Selling expenses	3,287,198.88	3,108,585.99
Administration expenses	659,800,606.76	675,455,283.69
R&D expenses	427,157,752.69	72,022,183.84
Finance costs	1,185,123,687.32	1,215,605,465.95
Including: Interest expenses	1,235,261,192.77	1,228,640,406.46
Interest income	61,989,622.06	24,269,705.78
Add: other gains	169,304,589.80	119,637,593.45
Investment gains	258,405,528.93	295,942,038.83
Including: Gains from investment in associates and joint ventures	224,635,114.20	281,785,663.87
Credit impairment losses	(3,982,590.97)	(22,297,770.78)
Asset impairment losses	(41,834,139.58)	(7,040,492.38)
Gains on disposal of assets	291,320.32	236,353.08
Operating profit	3,285,864,666.69	3,260,900,540.82
Add: Non-operating income	16,585,059.05	25,991,330.46
Less: Non-operating expenses	7,380,582.78	15,580,472.94
Total profit	3,295,069,142.96	3,271,311,398.34
Less: Income tax expenses	476,105,066.56	416,611,131.47
Net profit	<u>2,818,964,076.40</u>	<u>2,854,700,266.87</u>
By continuity as a going concern		
Net profit from continuing operations	2,818,964,076.40	2,854,700,266.87
By ownership		
Net profit attributable to shareholders of parent company	2,294,116,322.38	2,295,057,264.37
Gain or loss attributable to minority interests	524,847,754.02	559,643,002.50
Total comprehensive income	<u>2,818,964,076.40</u>	<u>2,854,700,266.87</u>
Total comprehensive income attributable to shareholders of the parent company	2,294,116,322.38	2,295,057,264.37
Total comprehensive income attributable to minority interests	524,847,754.02	559,643,002.50
Earnings per share		
Basic earnings per share	<u>0.53</u>	<u>0.57</u>
Diluted earnings per share	<u>0.53</u>	<u>0.57</u>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

31 December 2022

RMB

2022

	Equity attributable to shareholders of parent company								Total shareholders' equity	
	Share Capital	Other equity instruments – Perpetual bonds	Capital surplus	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Sub-total		
I. Balance at the end of the prior year	4,187,093,073.00	1,945,736,000.00	6,590,287,168.26	6,493,135.00	-	638,241,006.48	6,316,513,894.20	19,684,364,276.94	4,079,939,763.50	23,764,304,040.44
Add: Changes in accounting policies	-	-	-	-	-	-	150,235,545.33	150,235,545.33	9,020,940.70	159,256,486.03
II. Balance at the beginning of the current year	4,187,093,073.00	1,945,736,000.00	6,590,287,168.26	6,493,135.00	-	638,241,006.48	6,466,749,439.53	19,834,599,822.27	4,088,960,704.20	23,923,560,526.47
III. Changes for the current year										
(I) Total comprehensive income	-	-	-	-	-	-	2,294,116,322.38	2,294,116,322.38	524,847,754.02	2,818,964,076.40
(II) Share capital contributed or reduced by shareholders	-	-	-	-	-	-	-	-	-	-
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	503,188,171.30	503,188,171.30
2. Capital reduced by holders of other equity instruments	-	(906,360,000.00)	(3,640,000.00)	-	-	-	-	(910,000,000.00)	-	(910,000,000.00)
3. Business combination involving enterprises not under common control	-	-	-	-	-	-	-	-	83,657,069.99	83,657,069.99
4. Disposal of subsidiaries	-	-	-	-	-	-	-	-	(2,537,437.12)	(2,537,437.12)
5. Acquisition of minority interests	-	-	(6,010,100.00)	-	-	-	-	(6,010,100.00)	(49,000,000.00)	(55,010,100.00)
6. Others	-	-	689,260.49	-	-	-	-	689,260.49	(1,259,717.80)	(570,457.31)
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-
1. Withdrawn from surplus reserves	-	-	-	-	-	184,687,438.30	(184,687,438.30)	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	(699,244,543.19)	(699,244,543.19)	(428,028,132.69)	(1,127,272,675.88)
3. Distribution to holders of other equity instruments	-	-	-	-	-	-	(53,560,000.00)	(53,560,000.00)	-	(53,560,000.00)
(IV) Special reserves	-	-	-	-	-	-	-	-	-	-
1. Withdrawn within the current year	-	-	-	-	58,216,325.84	-	-	58,216,325.84	50,871,130.34	109,087,456.18
2. Utilized within the current year	-	-	-	-	(53,836,188.92)	-	-	(53,836,188.92)	(50,431,129.65)	(104,267,318.57)
IV. Balance at the end of the current year	4,187,093,073.00	1,039,376,000.00	6,581,326,328.75	6,493,135.00	4,380,136.92	822,928,444.78	7,823,373,780.42	20,464,970,898.87	4,720,268,412.59	25,185,239,311.46

	Equity attributable to shareholders of parent company									Total shareholders' equity
	Other equity instruments –			Other comprehensive income		Undistributed		Sub-total	Minority interests	
	Share Capital	Perpetual bonds	Capital surplus	Special reserves	Surplus reserves	profit				
I. Balance at the end of the prior year	3,849,910,396.00	1,494,000,000.00	2,400,024,673.73	6,493,135.00	–	486,035,679.01	4,928,503,066.37	13,164,966,950.11	3,530,522,147.30	16,695,489,097.41
Add: Changes in accounting policies	–	–	–	–	–	–	15,312,250.12	15,312,250.12	872,710.64	16,184,960.76
II. Balance at the beginning of the current year	3,849,910,396.00	1,494,000,000.00	2,400,024,673.73	6,493,135.00	–	486,035,679.01	4,943,815,316.49	13,180,279,200.23	3,531,394,857.94	16,711,674,058.17
III. Changes for the current year										
(I) Total comprehensive income	–	–	–	–	–	–	2,295,057,264.37	2,295,057,264.37	559,643,002.50	2,854,700,266.87
(II) Share capital contributed or reduced by shareholders	–									
1. Ordinary shares contributed by shareholders	337,182,677.00	–	4,207,872,506.47	–	–	–	–	4,545,055,183.47	381,200,000.00	4,926,255,183.47
2. Capital invested by owners of other equity instruments	–	1,039,376,000.00	–	–	–	–	–	1,039,376,000.00	–	1,039,376,000.00
3. Capital reduced by holders of other equity instruments	–	(587,640,000.00)	(2,360,000.00)	–	–	–	–	(590,000,000.00)	–	(590,000,000.00)
4. Business combination involving enterprises not under common control	–	–	–	–	–	–	–	–	683,998.74	683,998.74
5. Disposal subsidiaries	–	–	–	–	–	–	–	–	(164,783,336.15)	(164,783,336.15)
6. Other reasons for changes in the scope of consolidation	–	–	–	–	–	–	–	–	(2,951,695.00)	(2,951,695.00)
7. Acquisition of minority interests	–	–	(15,977,088.42)	–	–	–	–	(15,977,088.42)	15,762,439.11	(214,649.31)
8. Others	–	–	727,076.48	–	–	–	–	727,076.48	189,658.25	916,734.73
(III) Profit distribution										
1. Withdrawn from surplus reserves	–	–	–	–	–	152,205,327.47	(152,205,327.47)	–	–	–
2. Distribution to shareholders	–	–	–	–	–	–	(523,587,813.86)	(523,587,813.86)	(232,178,221.19)	(755,766,035.05)
3. Distribution to holders of other equity instruments	–	–	–	–	–	–	(96,330,000.00)	(96,330,000.00)	–	(96,330,000.00)
(IV) Special reserves										
1. Withdrawn within the current year	–	–	–	–	65,018,027.74	–	–	65,018,027.74	–	65,018,027.74
2. Utilized within the current year	–	–	–	–	(65,018,027.74)	–	–	(65,018,027.74)	–	(65,018,027.74)
IV. Balance at the end of the current year	<u>4,187,093,073.00</u>	<u>1,945,736,000.00</u>	<u>6,590,287,168.26</u>	<u>6,493,135.00</u>	<u>–</u>	<u>638,241,006.48</u>	<u>6,466,749,439.53</u>	<u>19,834,599,822.27</u>	<u>4,088,960,704.20</u>	<u>23,923,560,526.47</u>

CONSOLIDATED CASH FLOW STATEMENT

31 December 2022

RMB

	2022	2021
I. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	21,460,234,852.53	14,730,432,054.60
Cash received from tax refund	304,842,691.63	114,324,263.77
Cash received from other operating activities	64 110,007,953.75	102,379,824.05
	<u>21,875,085,497.91</u>	<u>14,947,136,142.42</u>
Subtotal of cash inflows from operating activities		
Cash paid for purchase of goods and receipt of services	(12,225,412,567.71)	(8,952,146,341.83)
Cash paid to and on behalf of employees	(831,860,051.87)	(702,328,303.25)
Payments of taxes and surcharges	(1,026,277,801.07)	(759,878,620.75)
Cash paid relating to other operating activities	64 (328,174,918.88)	(200,141,709.64)
	<u>(14,411,725,339.53)</u>	<u>(10,614,494,975.47)</u>
Subtotal of cash outflows from operating activities		
Net cash flows from operating activities	65 7,463,360,158.38	4,332,641,166.95
II. Cash flows from investing activities		
Cash received from investment	2,289,000,000.00	–
Cash received from investment income	269,020,503.35	176,556,122.74
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	9,843,342.65	675,641.30
Net cash received from disposal of subsidiaries, joint ventures and associates	–	3,921,600.00
Cash received from other investing activities	64 382,300,884.94	880,000,000.00
	<u>2,950,164,730.94</u>	<u>1,061,153,364.04</u>
Subtotal of cash inflows from investing activities		
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(7,287,640,552.66)	(7,946,029,826.58)
Cash paid for investments	(3,137,699,600.00)	(307,035,600.00)
Net cash paid for acquisition of subsidiaries	65 (128,442,112.26)	(19,372,859.56)
Increased pledged bank deposits and other restricted cash	(45,058,042.34)	(80,260,928.59)
Cash paid relating to other investing activities	64 –	(19,854,284.47)
	<u>(10,598,840,307.26)</u>	<u>(8,372,553,499.20)</u>
Subtotal of cash outflows from investing activities		
Net cash flows from investing activities	<u>(7,648,675,576.32)</u>	<u>(7,311,400,135.16)</u>

	2022	2021
III. Cash flows from financing activities		
Proceeds from share issuance	–	4,545,055,183.47
Cash received from investment absorbed	522,788,171.30	381,200,000.00
Including: Cash received from minority shareholders’ investment absorbed by subsidiaries	522,788,171.30	381,200,000.00
Cash received from issuance of other equity instruments	–	1,039,376,000.00
Cash received from borrowings	12,685,678,710.79	14,277,699,084.39
Cash received from other financing activities	42,280,000.00	40,527,754.65
	<u>13,250,746,882.09</u>	<u>20,283,858,022.51</u>
Subtotal of cash inflows from financing activities		
Cash paid for debt repayments	(9,400,215,653.17)	(8,694,833,622.52)
Cash paid for distribution of dividends and profits or interest payments	(2,694,675,095.87)	(2,178,113,096.39)
Including: Dividends and profits paid by subsidiaries to minority shareholders	(412,984,265.12)	(212,909,741.47)
Cash paid for redemption of other equity instruments	(910,000,000.00)	(590,000,000.00)
Cash paid for other financing activities	(421,447,815.03)	(171,533,649.51)
	<u>(13,426,338,564.07)</u>	<u>(11,634,480,368.42)</u>
Subtotal of cash outflows from financing activities		
Net cash flows from financing activities	<u>(175,591,681.98)</u>	<u>8,649,377,654.09</u>
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	<u>(6,488,598.20)</u>	<u>(975,417.05)</u>
V. Net (decrease)/increase in cash and cash equivalents	(367,395,698.12)	5,669,643,268.83
Add: Balance of cash and cash equivalents at the beginning of the year	<u>7,533,084,715.56</u>	<u>1,863,441,446.73</u>
VI. Balance of cash and cash equivalents at the end of the year	<u><u>7,165,689,017.44</u></u>	<u><u>7,533,084,715.56</u></u>

BALANCE SHEET

31 December 2022

RMB

Assets	31 December 2022	31 December 2021 (Restated)
Current assets		
Cash	1,775,168,909.70	4,955,847,636.66
Including: deposits with finance companies	164,126,197.80	894,798,008.36
Financial assets for trading	520,000,000.00	–
Accounts receivable	46,307,994.06	–
Advances to suppliers	757,471.54	1,635,332.15
Other receivables	2,207,594,279.34	1,350,583,043.68
Classified as held for sale	2,174,706.49	2,174,706.49
Non-current assets due within one year	19,171,506.48	19,834,399.46
Other current assets	4,172,162.36	5,422,603.07
Total current assets	<u>4,575,347,029.97</u>	<u>6,335,497,721.51</u>
Non-current assets		
Long-term equity investments	13,034,433,071.23	11,911,865,694.69
Other investments in equity instruments	200,000,000.00	200,000,000.00
Fixed assets	8,291,575.14	6,154,825.70
Construction in progress	14,993,464.46	12,258,459.14
Right-of-use assets	17,864,441.51	–
Intangible assets	6,285,576.40	3,898,427.16
Long-term deferred expenses	420,531.84	139,723.22
Other non-current assets	3,589,564,600.00	2,827,369,600.00
Total non-current assets	<u>16,871,853,260.58</u>	<u>14,961,686,729.91</u>
Total assets	<u><u>21,447,200,290.55</u></u>	<u><u>21,297,184,451.42</u></u>

Liabilities and shareholders' equity	31 December 2022	31 December 2021 (Restated)
Current liabilities		
Short-term borrowings	400,354,444.45	700,724,166.66
Salaries payable	2,046,832.26	2,575,017.87
Tax payable	1,282,866.59	3,025,635.06
Other payables	102,374,411.19	140,550,247.75
Non-current liabilities due within one year	529,426,321.89	485,834,490.35
	<hr/>	<hr/>
Total current liabilities	1,035,484,876.38	1,332,709,557.69
Non-current liabilities		
Long-term borrowings	3,090,990,600.00	2,841,770,600.00
Debentures payables	1,000,000,000.00	1,000,000,000.00
Deferred income	524,639.76	2,400,000.00
Lease liabilities	13,750,528.83	–
	<hr/>	<hr/>
Total non-current liabilities	4,105,265,768.59	3,844,170,600.00
	<hr/>	<hr/>
Total liabilities	5,140,750,644.97	5,176,880,157.69
Shareholders' equity		
Share capital	4,187,093,073.00	4,187,093,073.00
Other equity instruments	1,039,376,000.00	1,945,736,000.00
Including: Perpetual bonds	1,039,376,000.00	1,945,736,000.00
Capital surplus	6,672,081,610.44	6,673,646,098.38
Surplus reserves	822,928,444.78	638,241,006.48
Undistributed profit	3,584,970,517.36	2,675,588,115.87
	<hr/>	<hr/>
Total shareholders' equity	16,306,449,645.58	16,120,304,293.73
	<hr/>	<hr/>
Total liabilities and shareholders' equity	21,447,200,290.55	21,297,184,451.42
	<hr/> <hr/>	<hr/> <hr/>

INCOME STATEMENT

31 December 2022

RMB

	2022	2021 (Restated)
Operating revenue	45,078,414.92	3,952,144.33
Less: Operating costs	3,991,399.13	508,803.36
Taxes and surcharges	117,907.05	73,268.00
Administration expenses	76,565,061.77	92,415,524.01
R&D expenses	24,146,646.99	17,460,836.55
Finance costs	(6,898,802.09)	44,447,061.12
Including: Interest expenses	40,682,498.63	45,586,739.63
Interest income	51,368,858.13	4,179,090.18
Add: other gains	3,381,503.61	205,551.60
Investment gains	1,898,177,411.87	1,702,325,421.02
Including: Gains from investment in associates and joint ventures	26,741,671.49	23,410,639.53
Credit impairment losses	(2,031,010.37)	1,130,060.12
Asset impairment losses	–	(35,396,668.65)
Gains on disposal of assets	214,430.54	–
Operating profit	1,846,898,537.72	1,517,311,015.38
Add: Non-operating income	11,979.40	5,029,392.60
Less: Non-operating expenses	36,134.14	287,133.32
Total profit	1,846,874,382.98	1,522,053,274.66
Less: Income tax expenses	–	–
Net profit	<u>1,846,874,382.98</u>	<u>1,522,053,274.66</u>
Including: Net profit from continuing operations	<u>1,846,874,382.98</u>	<u>1,522,053,274.66</u>

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2022

	Share Capital	Other equity instruments – Perpetual bonds	Capital surplus	Surplus reserves	Undistributed profit	Total shareholders' equity
I. Balance at the beginning of the current year	4,187,093,073.00	1,945,736,000.00	6,673,646,098.38	638,241,006.48	2,675,588,115.87	16,120,304,293.73
II. Changes for the current year						
(I) Total comprehensive income	-	-	-	-	1,846,874,382.98	1,846,874,382.98
(II) Share capital contributed or reduced by shareholders	-	-	-	-	-	-
1 Share capital reduced by shareholders	-	(906,360,000.00)	(3,640,000.00)	-	-	(910,000,000.00)
2 Others	-	-	2,075,512.06	-	-	2,075,512.06
(III) Profit distribution						
1. Withdrawn from surplus reserves	-	-	-	184,687,438.30	(184,687,438.30)	-
2. Distribution to shareholders	-	-	-	-	(699,244,543.19)	(699,244,543.19)
3. Distribution to holders of other equity instruments	-	-	-	-	(53,560,000.00)	(53,560,000.00)
III. Balance at the end of the current year	<u>4,187,093,073.00</u>	<u>1,039,376,000.00</u>	<u>6,672,081,610.44</u>	<u>822,928,444.78</u>	<u>3,584,970,517.36</u>	<u>16,306,449,645.58</u>

	Share Capital	Other equity instruments – Perpetual bonds	Capital surplus	Surplus reserves	Undistributed profit	Total shareholders' equity
I. Balance at the beginning of the current year	3,849,910,396.00	1,494,000,000.00	2,467,638,320.02	486,035,679.01	1,925,657,982.54	10,223,242,377.57
II. Changes for the current year						
(I) Total comprehensive income	-	-	-	-	1,522,053,274.66	1,522,053,274.66
(II) Share capital contributed or reduced by shareholders						
1. Ordinary shares contributed by shareholders	337,182,677.00	-	4,207,872,506.47	-	-	4,545,055,183.47
2. Capital invested by owners of other equity instruments	-	1,039,376,000.00	-	-	-	1,039,376,000.00
3. Capital reduced by holders of other equity instruments	-	(587,640,000.00)	(2,360,000.00)	-	-	(590,000,000.00)
4. Others	-	-	495,271.89	-	-	495,271.89
(III) Profit distribution						
1. Withdrawn from surplus reserves	-	-	-	152,205,327.47	(152,205,327.47)	-
2. Distribution to shareholders	-	-	-	-	(523,587,813.86)	(523,587,813.86)
3. Distribution to holders of other equity instruments	-	-	-	-	(96,330,000.00)	(96,330,000.00)
III. Balance at the end of the current year	<u>4,187,093,073.00</u>	<u>1,945,736,000.00</u>	<u>6,673,646,098.38</u>	<u>638,241,006.48</u>	<u>2,675,588,115.87</u>	<u>16,120,304,293.73</u>

CASH FLOW STATEMENT

2022

RMB

	2022	2021
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	1,123,591.08	5,707,438.57
Cash received from other operating activities	1,428,578,153.35	1,159,288,603.19
Subtotal of cash inflows from operating activities	1,429,701,744.43	1,164,996,041.76
Cash paid to and on behalf of employees	(57,960,271.13)	(64,552,760.33)
Payments of taxes and surcharges	(1,299,493.58)	(421,294.95)
Cash paid relating to other operating activities	(3,089,211,673.13)	(887,212,465.60)
Subtotal of cash outflows from operating activities	(3,148,471,437.84)	(952,186,520.88)
Net cash flows from operating activities	(1,718,769,693.41)	212,809,520.88
II. Cash flows from investing activities:		
Cash received from disposal of subsidiaries	–	3,921,600.00
Cash received from investment	2,296,807,272.86	–
Cash received from investment income	2,048,973,420.58	1,124,241,823.06
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,726,281.00	–
Subtotal of cash inflows from investing activities	4,349,506,974.44	1,128,163,423.06
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(5,171,702.67)	(3,817,955.54)
Cash paid for investments	(3,928,717,700.00)	(949,218,700.00)
Subtotal of cash outflows from investing activities	(3,933,889,402.67)	(953,036,655.54)
Net cash flows from investing activities	415,617,571.77	175,126,767.52

	2022	2021
III. Cash flows from financing activities:		
Proceeds from share issuance	– 4,545,055,183.47	
Cash received from issuance of other equity instruments	– 1,039,376,000.00	
Cash received from borrowings	2,215,285,000.00	2,236,070,000.00
Cash received from other financing activities	–	4,149,225.23
	<u>2,215,285,000.00</u>	<u>7,824,650,408.70</u>
Subtotal of cash inflows from financing activities	2,215,285,000.00	7,824,650,408.70
Cash paid for debt repayments	(2,225,460,000.00)	(1,987,750,000.00)
Cash paid for distribution of dividends and profits or interest payments	(954,592,033.77)	(816,895,943.40)
Cash paid for other financing activities	(912,849,865.68)	(592,237,899.68)
Subtotal of cash outflows from financing activities	(4,092,901,899.45)	(3,396,883,843.08)
Net cash flows from financing activities	(1,877,616,899.45)	4,427,766,565.62
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	90,294.13	(29,047.60)
V. Net increase in cash and cash equivalents	(3,180,678,726.96)	4,815,673,806.42
Add: Balance of cash and cash equivalents at the beginning of the year	4,955,847,636.66	140,173,830.24
VI. Balance of cash and cash equivalents at the end of the year	1,775,168,909.70	4,955,847,636.66

NOTES TO THE FINANCIAL STATEMENTS

I. GENERAL INFORMATION

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

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

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

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

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

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

On 19 August 2021, as approved by the Zheng Jian Xu Ke [2021] No. 2730 issued by the China Securities Regulatory Commission, the Company conducted the non-public issuance of A shares, under which, 337,182,677 shares were issued to specific subscribers at the issue price of RMB13.63 per share, raising total proceeds of RMB4,595,799,887.51.

As at 31 December 2022, the total accumulated issued share capital of the Company amounted to RMB4,187,093,073.00, of which 49.17% was held by HECIC, 43.92% was held by H shareholders and 6.91% was held by A shareholders.

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

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

The financial statements have been approved and authorized for issue by the Company’s Board of Directors on 23 March 2023.

The consolidation scope of these consolidated financial statements shall be determined on the basis of control.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance and the specific accounting standards, application guide, interpretation and other relevant provisions promulgated and revised thereafter (the “Accounting Standards for Business Enterprises”).

The financial statements are prepared on a going concern basis.

As at 31 December 2022, the Group’s current liabilities exceeded its current assets by approximately RMB4,124 million. Management has considered the following sources of funding available for the next 12 months:

- (1) expected net cash inflows from operating activities;
- (2) unutilised banking facilities as at 31 December 2022 of approximately RMB58.568 billion;
- (3) The Company registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in March 2021. Such facilities were approved for revolving use before March 2023. As at 31 December 2022, the unutilised facilities amounted to RMB1.0 billion.
- (4) The Company registered super short-term commercial papers of RMB2.0 billion with the National Association of Financial Market Institutional Investors in October 2022. Such facilities were approved for revolving use before October 2024. As at 31 December 2022, the unutilised facilities amounted to RMB2.0 billion.

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

These financial statements have been prepared under the historical cost convention, except for certain financial instruments. Disposal groups held for sale are stated at the lower of book value or fair value less costs to sell. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant rules.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group has developed specific accounting policies and accounting estimates based on the characteristics of its actual production and operation, mainly reflected in the provision for impairment of financial assets, depreciation of fixed assets, amortization of intangible assets, capitalization conditions for research and development expenses, and revenue recognition and measurement.

1. Declaration following Accounting Standards for Business Enterprises (ASBE)

The financial statements have been prepared in accordance with ASBE, and presented the Company’s and the Group’s financial position as at 31 December 2022, and the operating results and cash flows for 2022 truly and completely.

2. Accounting period

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

3. Functional currency

The Group adopts Renminbi as its functional currency and to prepare its financial statements. Unless otherwise stated, the financial statements are all presented in RMB.

The Group's subsidiaries determine their own functional currency based on the major economic environment in which they operate and translate such currency into RMB for the preparation of financial statements.

4. Changes in Accounting Policies and Accounting Estimates

Changes in accounting policies

Accounting treatment for trial sales

In accordance with ASBE No. 15, the Group shall account for revenues and costs related to the external sale of products or by-products produced before the fixed assets reach their intended useable state (hereinafter collectively referred to as trial run sales) separately in profit or loss for the current period (those belonging to ordinary activities are included in "operating income" and "operating costs", and in "gain on disposal of assets" for those that are not ordinary activities) starting from 1 January 2022. The products or by-products from the trial run which are qualified for asset recognition conditions are recognized as inventories or other related assets until they are sold externally. For trial run sales occurred in 2021, the Group makes retrospective adjustments in accordance with the provisions of ASBE Interpretation No. 15.

The main impact of the retrospective adjustments arising from the above change in accounting policy on the consolidated financial statements of the Group are as follows:

2022

	Before accounting policy changes Opening balance	Changes in accounting policies Increase in trial sales adjustment	After accounting policy changes Opening balance
Fixed assets	32,220,077,891.90	149,508,803.46	32,369,586,695.36
Construction in progress	13,714,572,817.36	9,747,682.57	13,724,320,499.93
Undistributed profit	6,316,513,894.20	150,235,545.33	6,466,749,439.53
Minority interests	4,079,939,763.50	9,020,940.70	4,088,960,704.20

	Before accounting policy changes Balance at the beginning of the year/current year	<u>Changes in accounting policies</u> Increase in trial sales adjustment	After accounting policy changes Balance at the beginning of the year/current year
Undistributed profits	4,928,503,066.37	15,312,250.12	4,943,815,316.49
Minority interests	3,530,522,147.30	872,710.64	3,531,394,857.94
Construction in progress	13,983,364,988.28	16,184,960.76	13,999,549,949.04
Operating revenue	15,985,268,252.01	152,501,578.59	16,137,769,830.60
Operating costs	11,233,945,477.61	9,430,053.32	11,243,375,530.93
Net profit	2,711,628,741.60	143,071,525.27	2,854,700,266.87
Net profit attributable to shareholders of parent company	2,160,133,969.16	134,923,295.21	2,295,057,264.37
Gain or loss attributable to minority interests	551,494,772.44	8,148,230.06	559,643,002.50

Changes in accounting policies had no impact on the balance sheet items of the Company as at 1 January 2021 and 1 January 2022.

Changes in accounting estimates

Upon approval and resolution by the seventh extraordinary meeting of the fifth session of the Board and the third extraordinary meeting of the fifth session of the supervisory committee of the Group on 30 November 2022, the Group decided to change the depreciation period for long-distance natural gas transmission pipelines from 30 years to 40 years, with effect from that month, after taking into account the actual situation of construction, operation, management and maintenance of the long-distance natural gas transmission pipelines, and announced in public.

In accordance with the relevant provisions of ASBE No. 28 – Accounting Policies, Changes in Accounting Estimates and Corrections of Errors”, the change in accounting estimate was accounted for using the future applicable method without retrospective adjustment and will not have any impact on the Group’s previously disclosed financial position and results of operations for each period.

After the change in accounting estimate, the impact on the Group’s consolidated financial statements for the year 2022, after estimation, was as follows: the reduction in depreciation provision amounted to approximately RMB3,180,482.33 (the amount of depreciation impact from 1 November 2022 to 31 December 2022), and assuming that the above depreciation amount was fully carried forward to the current profit and loss, and excluding the Group’s increase or decrease in fixed assets from November to December 2022, the increase in the Group’s total profit for the year 2022 was approximately RMB3,180,482.33, and the increase in net profit attributable to the parent company is RMB1,304,355.09.

IV. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash

	2022	2021
Cash on hand	–	–
Bank deposits	7,186,243,490.65	7,533,084,715.56
Other cash	<u>139,815,837.12</u>	<u>115,312,267.99</u>
	<u><u>7,326,059,327.77</u></u>	<u><u>7,648,396,983.55</u></u>
Including: Restricted amount due to mortgages, pledges or freezes	<u><u>160,370,310.33</u></u>	<u><u>115,312,267.99</u></u>

Demand deposits bear interest at the bank demand deposit interest rate. Short-term bank deposits are deposited for a period of six months and earn interest income at the respective banks' time deposit rates.

2. Financial assets for trading

	2022 years	2021 years
Financial assets at fair value through profit or loss		
Structured deposits	<u>520,000,000.00</u>	<u>–</u>

3. Notes receivable

	2022 years	2021 years
Bank acceptance bills	<u>235,764,112.96</u>	<u>–</u>
Less: Provision for bad debts on bills receivable	<u>–</u>	<u>–</u>
	<u><u>235,764,112.96</u></u>	<u><u>–</u></u>

Bills receivable that have been endorsed or discounted but not yet due at the balance sheet date are as follows:

	20212 years		2021 years	
	Derecognised	Not yet derecognised	Derecognised	Not yet derecognised
Bank acceptance bills	<u>–</u>	<u>70,598,746.96</u>	<u>–</u>	<u>–</u>

4. Accounts receivable

The Group's accounts receivable are mainly accounts receivable from wind power generation and natural gas sales, and the aging is calculated from the date of recognition of the accounts receivable. The credit period for accounts receivable is usually one month. The accounts receivable are not interest-bearing.

The aging analysis of accounts receivable is as follows:

	2022	2021
Within 6 months	1,870,169,496.71	1,925,119,390.33
6 months to 1 year	1,401,181,448.89	1,394,547,868.83
1 year to 2 years	1,279,283,889.64	1,682,479,051.62
2 to 3 years	595,936,928.29	1,190,622,812.03
Over 3 years	668,683,825.65	945,438,196.81
	5,815,255,589.18	7,138,207,319.62
Less: Provision for bad debts of accounts receivable	470,106,360.90	480,792,117.39
	<u>5,345,149,228.28</u>	<u>6,657,415,202.23</u>

	31 December 2022				Carrying value Amount
	Carrying balance		Provision for bad debts Provisions		
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts made on individual basis	399,037,330.81	6.86	(399,037,330.81)	100.00	–
Provision for bad debts made on credit risk characteristics grouping basis	5,416,218,258.37	93.14	(71,069,030.09)	1.31	5,345,149,228.28
	<u>5,815,255,589.18</u>	<u>100.00</u>	<u>(470,106,360.90)</u>		<u>5,345,149,228.28</u>

	31 December 2021				Carrying value Amount
	Carrying balance		Provision for bad debts Provisions		
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts made on individual basis	399,037,330.81	5.59	(399,037,330.81)	100.00	–
Provision for bad debts made on credit risk characteristics grouping basis	6,739,169,988.81	94.41	(81,754,786.58)	1.21	6,657,415,202.23
	<u>7,138,207,319.62</u>	<u>100.00</u>	<u>(480,792,117.39)</u>		<u>6,657,415,202.23</u>

As at 31 December 2022, the accounts receivable for which bad debt provision on an individual basis are as follows:

	Carrying balance	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Hebei Yuanhua Glass Co., Ltd.	218,172,501.77	218,172,501.77	100.00	Expected unrecoverable
Hebei Daguangming Industrial Group Jiajing Glass Co., Ltd.	163,716,204.33	163,716,204.33	100.00	Expected unrecoverable
Receivables for carbon emission reduction Hebei Daguangming Industrial Group Juwuba Tanhei Co., Ltd.	11,149,907.12 5,998,717.59	11,149,907.12 5,998,717.59	100.00 100.00	Expected unrecoverable Expected unrecoverable
	<u>399,037,330.81</u>	<u>399,037,330.81</u>		

At each balance sheet date, the accounts receivable with provision for bad debts made on the credit risk characteristics grouping basis are as follows:

The accounts receivable of the combination with extremely low recovery risk are as follows:

	2022			
	Carrying balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Renewable energy subsidies and benchmark electricity prices	<u>5,310,679,586.55</u>	<u>100.00</u>	<u>53,106,795.89</u>	<u>1.00</u>

	2021			
	Carrying balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Renewable energy subsidies and benchmark electricity prices	<u>6,676,028,535.50</u>	<u>100.00</u>	<u>66,760,285.36</u>	<u>1.00</u>

Other accounts receivable with provision for bad debts made on the credit risk characteristics grouping basis are as follows:

	2022		
	Estimated carrying balance of default	Expected credit losses (%)	Lifetime expected credit loss
Within 6 months	61,415,314.59	5.00	3,070,765.76
6 months to 1 year	23,041,847.65	10.00	2,304,184.77
1 year to 2 years	11,829,489.63	30.00	3,548,846.89
2 to 3 years	427,166.35	50.00	213,583.18
Over 3 years	<u>8,824,853.60</u>	<u>100.00</u>	<u>8,824,853.60</u>
	<u>105,538,671.82</u>	<u>17.02</u>	<u>17,962,234.20</u>

	2021		
	Estimated carrying balance of default	Expected credit losses (%)	Lifetime expected credit loss
Within 6 months	37,844,190.32	5.00	1,892,209.52
6 months to 1 year	11,323,545.71	10.00	1,132,354.57
1 year to 2 years	2,476,415.04	30.00	742,924.51
2 to 3 years	540,579.25	50.00	270,289.63
Over 3 years	<u>10,956,722.99</u>	<u>100.00</u>	<u>10,956,722.99</u>
	<u>63,141,453.31</u>	<u>23.75</u>	<u>14,994,501.22</u>

The changes in the provision for bad debts of accounts receivable are as follows:

	2022	2021
Opening balance	480,792,117.39	466,020,390.63
Business combinations not involving enterprises under common control	–	620,149.70
Provision for the year	16,620,677.38	29,121,552.27
Provision recovered or reversed during the year	(26,590,394.48)	(7,198,594.47)
Disposal of subsidiaries	–	(1,443,417.50)
Written off during the year	(716,039.39)	–
Classified as held for sale	–	(6,327,963.24)
	<u>470,106,360.90</u>	<u>480,792,117.39</u>
Closing balance	<u>470,106,360.90</u>	<u>480,792,117.39</u>

As at 31 December 2022, accounts receivable with the top five amount are as follows:

	Relation with the Group	Closing balance	Percentage of the closing balance of total accounts receivable (%)	Bad debt provision balance
State Grid Jibei Electric Power Co., Ltd. (國網冀北電力有限公司)	Third party	2,760,032,310.43	47.46	27,600,323.10
State Grid Hebei Electric Power Co., Ltd. (國網河北省電力有限公司)	Third party	586,190,420.00	10.08	5,861,904.20
Yunnan Power Grid Co., Ltd. (雲南電網有限責任公司)	Third party	503,405,851.32	8.66	5,034,058.51
State Grid East Inner Mongolia Power Co. Ltd. (國網內蒙古東部電力有限公司)	Third party	270,195,444.12	4.65	2,701,954.44
State Grid Xinjiang Electric Power Co., Ltd. Bazhou Branch (國網新疆電力有限公司巴州 供電公司)	Third party	252,575,123.03	4.34	2,525,751.23
		<u>4,372,399,148.90</u>	<u>75.19</u>	<u>43,723,991.48</u>

As at 31 December 2021, accounts receivable with the top five amount are as follows:

	Relation with the Group	Closing balance	Percentage of the closing balance of total accounts receivable (%)	Bad debt provision balance
State Grid Jibei Electric Power Co., Ltd. (國網冀北電力有限公司)	Third party	3,985,969,288.33	55.84	39,859,692.88
State Grid Hebei Electric Power Co., Ltd. (國網河北省電力有限公司)	Third party	911,822,137.99	12.77	9,118,221.38
Yunnan Power Grid Co., Ltd. (雲南電網有限責任公司)	Third party	493,161,153.22	6.91	4,931,611.53
State Grid Shanxi Electric Power Co., Ltd. (國網山西省電力有限公司)	Third party	315,890,797.07	4.43	3,158,907.97
State Grid Xinjiang Electric Power Co., Ltd. Bazhou Branch (國網新疆電力有限公司巴州供電公司)	Third party	275,007,167.57	3.85	2,750,071.68
		<u>5,981,850,544.18</u>	<u>83.80</u>	<u>59,818,505.44</u>

As at 31 December 2022, the corresponding accounts receivable in relation to the Group's long-term borrowings secured by part of the right of collection of future electricity fees amounted to RMB4,459,760,109.54 (31 December 2021: RMB4,965,601,619.65).

As at 31 December 2021, the Group utilised accounts receivable with the carrying amount of RMB332,103,388.61 as the fundamental assets for the establishment of Ping An-HECIC New-energy No. 1 Asset-backed Special Program. As at 31 December 2022, the program had expired.

5. Receivable financing

	2022	2021
Bank acceptance bills	<u>169,290,765.51</u>	<u>494,976,373.69</u>

The Group's bills receivable that have been endorsed or discounted but not yet due as at the balance sheet date are as follows:

	2022		2021	
	Derecognised	Not yet derecognised	Derecognised	Not yet derecognised
Bank acceptance bills	<u>494,313,731.87</u>	<u>–</u>	<u>458,699,902.82</u>	<u>66,595,054.65</u>

As at 31 December 2022 and 31 December 2021, the Company had no bank acceptance bills transferred to accounts receivable due to non-performance of drawers.

The Group had no pledged notes as at 31 December 2022. As at 31 December 2021, the Group's long-term borrowings are secured by part of the right of collection of future electricity fees and the corresponding accounts receivable amounted to RMB590,000.00, respectively.

6. Advances to suppliers

Aging analysis of advances to suppliers is as follows:

	2022		2021	
	Carrying balance	Percentage (%)	Carrying balance	Percentage (%)
Within 6 months	516,112,978.07	96.57	150,813,437.04	93.30
6 to 12 months	8,430,667.65	1.58	7,511,699.12	4.65
1 year to 2 years	6,884,078.51	1.29	735,783.99	0.46
2 to 3 years	725,408.20	0.13	1,118,271.64	0.69
3 to 4 years	1,084,743.97	0.20	195,467.05	0.12
4 to 5 years	98,802.56	0.02	98,648.08	0.06
Over 5 years	1,116,434.77	0.21	1,158,035.00	0.72
	534,453,113.73	100.00	161,631,341.92	100.00

On 31 December 2022 and 31 December 2021, the Group had no significant advances to suppliers aged over 1 year.

7. Other receivables

Other receivables by nature are as follows:

	2022	2021
Dividends receivable	71,598,016.20	94,765,961.18
Other receivables	135,512,445.83	40,833,869.99
	207,110,462.03	135,599,831.17

Dividends receivable

	31 December 2021	31 December 2022
Longyuan CIC (Chengde) Wind Energy Generation Co., Ltd. (龍源建投(承德)風力發電有限公司)(“ Chengde Wind Energy ”)	23,171,956.55	24,960,437.72
Zhangbei CIC Huashi Wind Energy Co., Ltd. (張北建投華實風能有限公司) (“ Zhangbei CIC ”)	22,117,561.12	27,727,561.12
Hebei Weichang Longyuan CIC Wind Energy Generation Co., Ltd. (河北圍場龍源建投風力發電有限公司) (“ Hebei Weichang ”)	21,576,317.17	25,577,001.61
Chongli CIC Huashi Wind Energy Co., Ltd. (崇禮建投華實風能有限公司) (“ Chongli CIC ”)	2,578,509.22	3,598,509.22
Huihai Financing and Leasing Co., Ltd. (滙海融資租賃股份有限公司) (“ Huihai Leasing ”)	2,153,672.14	–
Chengde Dayuan New Energy Co., Ltd. (承德大元新能源有限公司) (“ Chengde Dayuan ”)	–	12,902,451.51
	<u>71,598,016.20</u>	<u>94,765,961.18</u>

Other receivables

The ageing of other receivables is analyzed as follows:

	2022	2021
Within 6 months	97,619,658.58	22,414,334.85
6 months to 1 year	24,674,652.42	13,022,285.34
1 year to 2 years	26,213,207.29	6,290,109.98
2 to 3 years	4,434,675.82	6,834,236.19
Over 3 years	55,891,496.41	51,658,375.47
	<u>208,833,690.52</u>	100,219,341.83
Less: Provision for bad debts of other receivables	<u>73,321,244.69</u>	59,385,471.84
	<u>135,512,445.83</u>	<u>40,833,869.99</u>

Other receivables by nature are as follows:

	31 December 2022	31 December 2021
Deposits	135,928,823.25	60,165,311.14
Advances	25,218,740.27	23,806,856.40
Reserves	819,174.52	1,191,594.17
Others	46,866,952.48	15,055,580.12
	208,833,690.52	100,219,341.83
Less: provision for bad debts	73,321,244.69	59,385,471.84
Other receivables	135,512,445.83	40,833,869.99

The changes in the provisions for expected credit losses over the next 12 months and lifetime expected credit losses are as follows:

2022

	The first stage Expected credit losses over the next 12 months	The second stage Lifetime expected credit losses	The third stage Financial assets with credit impairment occurred (Lifetime expected credit losses)	Total
Opening balance	7,727,096.37	37,224,036.23	14,434,339.24	59,385,471.84
Opening balance transferred during the year	(3,215,534.73)	3,215,534.73	-	-
Provision for the year	14,251,951.95	3,207,662.37	-	17,459,614.32
Provision recovered or reversed during the year	(1,333,264.13)	(2,174,042.12)	-	(3,507,306.25)
Transferral during the year	-	(11,787.00)	-	(11,787.00)
Classified as held for sale	(501.18)	(2,747.04)	-	(3,248.22)
Disposal of subsidiaries	-	-	(1,500.00)	(1,500.00)
Closing balance	17,429,748.28	41,458,657.17	14,432,839.24	73,321,244.69

2021

	The first stage Expected credit losses over the next 12 months	The second stage (Lifetime expected credit losses)	The third stage Financial assets with credit impairment occurred Lifetime expected credit losses	Total
Opening balance	14,351,765.71	30,133,537.17	17,498,734.98	61,984,037.86
Opening balance transferred during the year	(8,093,115.87)	8,093,115.87	–	–
Provision for the year	4,577,689.92	8,001,491.67	–	12,579,181.59
Provision recovered or reversed during the year	(2,988,559.06)	(9,004,108.48)	(211,701.07)	(12,204,368.61)
Classified as held for sale	(5,191.09)	–	(2,852,694.67)	(2,857,885.76)
Disposal of subsidiaries	(115,493.24)	–	–	(115,493.24)
Closing balance	<u>7,727,096.37</u>	<u>37,224,036.23</u>	<u>14,434,339.24</u>	<u>59,385,471.84</u>

The changes in the provision for bad debts of other receivables are as follows:

	2022	2021
Opening balance	59,385,471.84	61,984,037.86
Provision for the year	17,459,614.32	12,579,181.59
Reversal during the year	(3,507,306.25)	(12,204,368.61)
Transferral during the year	(11,787.00)	–
Disposal of subsidiaries	(1,500.00)	(115,493.24)
Classified as held for sale	(3,248.22)	(2,857,885.76)
Closing balance	<u>73,321,244.69</u>	<u>59,385,471.84</u>

The changes in the provisions for expected credit losses over the next 12 months and lifetime expected credit losses are as follows: (continued)

	31 December 2022				Carrying value
	Carrying balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision made for bad debts for individual assessment of expected credit losses	14,432,839.24	6.91	14,432,839.24	100.00	–
Provision for bad debts for expected credit losses based on credit risk characteristics grouping	<u>194,400,851.28</u>	<u>93.09</u>	<u>58,888,405.45</u>	<u>30.29</u>	<u>135,512,445.83</u>
	<u>208,833,690.52</u>	<u>100.00</u>	<u>73,321,244.69</u>		<u>135,512,445.83</u>

31 December 2021

	Carrying balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision made for bad debts for individual assessment of expected credit losses	14,434,339.24	14.40	14,434,339.24	100.00	–
Provision for bad debts for expected credit losses based on credit risk characteristics grouping	85,785,002.59	85.60	44,951,132.60	52.40	40,833,869.99
	<u>100,219,341.83</u>	<u>100.00</u>	<u>59,385,471.84</u>		<u>40,833,869.99</u>

As at 31 December 2022, other receivables with provision made for bad debts on an individual basis are as follows:

	Carrying balance	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	13,421,959.24	13,421,959.24	100.00	Expected unrecoverable
Gamesa Wind Power (Tianjian) Co., Ltd. (歌美颯風電(天津)有限公司)	1,010,880.00	1,010,880.00	100.00	Expected unrecoverable
	<u>14,432,839.24</u>	<u>14,432,839.24</u>		

As at 31 December 2021, other receivables with provision made for bad debts on an individual basis are as follows:

	Carrying balance	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	13,421,959.24	13,421,959.24	100.00	Expected unrecoverable
Gamesa Wind Power (Tianjian) Co., Ltd. (歌美颯風電(天津)有限公司)	1,010,880.00	1,010,880.00	100.00	Expected unrecoverable
Yunnan Yuwang Economic and Trade Co., Ltd. (雲南渝旺經貿有限公司)	1,500.00	1,500.00	100.00	Expected unrecoverable
	<u>14,434,339.24</u>	<u>14,434,339.24</u>		

At each balance sheet date, the other receivables with provision for bad debts made on credit risk characteristics grouping basis are as follows:

Other receivables for which the provision for bad debts was made using an aging analysis on a grouping basis are as follows:

	31 December 2022		
	Estimated carrying balance of default	Expected credit losses (%)	Lifetime expected credit loss
Within 6 months	97,619,658.58	5.00	4,880,982.94
6 months to 1 year	24,674,652.42	10.00	2,467,465.24
1 to 2 years	26,213,207.29	30.00	7,863,962.19
2 to 3 years	4,434,675.82	50.00	2,217,337.91
Over 3 years	<u>41,458,657.17</u>	<u>100.00</u>	<u>41,458,657.17</u>
	<u>194,400,851.28</u>		<u>58,888,405.45</u>
		31 December 2021	
	Estimated		
	carrying	Expected	Lifetime
	balance of	credit	expected
	default	losses (%)	credit loss
Within 6 months	22,414,334.85	5.00	1,120,716.74
6 months to 1 year	13,022,285.34	10.00	1,302,228.53
1 to 2 years	6,290,109.98	30.00	1,887,033.00
2 to 3 years	6,834,236.19	50.00	3,417,118.10
Over 3 years	<u>37,224,036.23</u>	<u>100.00</u>	<u>37,224,036.23</u>
	<u>85,785,002.59</u>		<u>44,951,132.60</u>

As at 31 December 2022, other receivables with the top five amount are as follows:

	Closing balance	Percentage of the total closing balance of other	Nature	Aging	Provision for bad debts Closing balance
	Closing balance	receivables (%)			
CNOOC Hebei Sales Branch (中海石油氣電集團有限責任公司河北銷售分公司)	72,430,000.00	34.68	Deposits	Within 6 months	3,621,500.00
Chongli CIC Huashi Wind Energy Co., Ltd.	18,044,687.12	8.64	Others	Within 1 year	1,302,234.36
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	13,421,959.24	6.43	Advances	Over 3 years	13,421,959.24
Shanghai LPG Trading Center Co. Ltd. (上海石油天然氣交易中心有限公司)	12,019,478.43	5.76	Deposits	Within 1 year and 1-2 years	1,756,643.53
Shuangqiao District Land Acquisition and Reserve Center (雙橋區土地收購儲備中心)	10,014,277.25	4.80	Others	Within 1 year, 1-2 years and more than 3 years	4,915,907.79
	<u>125,930,402.04</u>	<u>60.31</u>			<u>25,018,244.92</u>

As at 31 December 2021, other receivables with the top five amount are as follows:

	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature	Aging	Provision for bad debts Closing balance
Datang Hunyuan Mimazongliang New Energy Co., Ltd. (大唐渾源密馬鬃梁新能源有限公司)	13,421,959.24	13.39	Advances	Over 3 years	13,421,959.24
Bank of Communications Financial Leasing Co., Ltd.(交銀金融租賃有限責任公司)	9,540,000.00	9.52	Deposits	Within 1 year	742,000.00
Fengning Manchu Autonomous County Wind Power and Thermal Power Project Construction Office(豐寧滿族自治縣風電火電項目建設辦公室)	8,000,000.00	7.98	Deposits	Over 3 years	8,000,000.00
Shuangqiao District Land Acquisition and Reserve Center (雙橋區土地收購儲備中心)	7,972,001.79	7.95	Others	Within 1 year and more than 3 years	4,474,162.38
Weichang Manchu and Mongolian Autonomous County Development and Reform Bureau(圍場滿族蒙古族自治縣發展改革局)	6,157,000.00	6.14	Deposits	Over 3 years	6,157,000.00
	<u>45,090,961.03</u>	<u>44.98</u>			<u>32,795,121.62</u>

8. Inventories

	2022			2021		
	Carrying balance	Allowance for decline in value/ allowance for impairment	Carrying value	Carrying balance	Allowance for decline in value/ allowance for impairment	Carrying value
Raw materials	46,222,266.82	–	46,222,266.82	35,036,428.32	–	35,036,428.32
Goods in stock (note)	58,308,904.95	–	58,308,904.95	178,930,669.22	–	178,930,669.22
Circulating materials	–	–	–	219,168.15	–	219,168.15
	<u>104,531,171.77</u>	<u>–</u>	<u>104,531,171.77</u>	<u>214,186,265.69</u>	<u>–</u>	<u>214,186,265.69</u>

Note: Goods in stock represent the balance of natural gas inventories, which have all been sold out subsequent to the period.

9. Classified as held for sale

On 10 August 2021, the Group entered into the Equity Transfer Agreement with Longkou Hongkong and China Gas Company Limited and agreed to transfer 10% of equity interests held by the Group in Huludao Liaohe Oil Field Gas Co., Ltd. (葫蘆島遼河油田燃氣有限公司) (“**Huludao Gas**”). Upon the close of the equity transfer, the Group will hold 41% of equity interests of Huludao Gas, and based on the revised Articles of Association and the arrangement for the dispatch of directors, the Group will lose its control over Huludao Gas. Thus, as at 31 December 2021 and 31 December 2022, the Group classified Huludao Gas as assets to be held. Huludao Gas has completed the relevant closing procedures in 2023.

The carrying value of assets and liabilities of Huludao Gas is as follows:

	31 December 2022	31 December 2021
Cash	649,254.90	57,083.86
Advances to suppliers	36,200.00	36,200.00
Other receivables	1,252.96	4,501.18
Other current assets	197,301.49	742,972.56
Fixed assets	7,857,306.74	7,857,306.74
Construction in progress	3,675,420.26	3,675,420.26
Assets held for sale	<u>12,416,736.35</u>	<u>12,373,484.60</u>
Accounts payable	2,536,439.86	2,536,439.86
Advances from customers	190,608.10	190,608.10
Other payables	3,093,430.38	3,925,247.17
Salaries payable	367,767.08	367,767.08
Long-term borrowings due within one year	229,998.79	216,246.00
Long-term borrowings	393,025.42	623,587.51
Liabilities held for sale	<u>6,811,269.63</u>	<u>7,859,895.72</u>

10. Notes payable

	2022	2021
Bank acceptance bills	<u>13,649,747.04</u>	<u>14,738,449.62</u>
	<u>13,649,747.04</u>	<u>14,738,449.62</u>

As at 31 December 2022 and 31 December 2021, the Group had no bills payables that are due but unpaid.

11. Accounts payable

Accounts payable are not interest-bearing and the aging is calculated from the date of recognition of the accounts payable and are usually settled within the agreed period.

	2022	2021
Within 6 months	327,976,682.79	374,483,668.83
6 months to 1 year	25,254,025.99	40,796,953.58
1 year to 2 years	47,826,185.58	39,729,252.33
2 to 3 years	1,011,027.94	1,734,575.69
Over 3 years	747,339.48	1,287,326.45
	<u>402,815,261.78</u>	<u>458,031,776.88</u>

On 31 December 2022 and 31 December 2021, the Group had no significant accounts payable aged over 1 year.

12. Contract liabilities

	2022年	2021年
Advance receipts for natural gas sales	832,070,761.03	974,854,970.07
Advances receipts for services during the window period	396,460,176.98	389,380,530.96
Advance receipts for pipeline construction	250,942,673.55	261,769,841.77
Advance receipt for pipeline transmission fees	7,431,567.96	7,075,036.96
Other advances received	52,845,813.37	21,111,006.39
	<u>1,539,750,992.89</u>	<u>1,654,191,386.15</u>

13. Other payables

	2022	2021
Dividends payables	142,109,925.35	169,836,057.78
Other payables	7,577,859,571.29	6,846,722,116.87
	<u>7,719,969,496.64</u>	<u>7,016,558,174.65</u>

Dividends payables

	2022	2021
Dividends payable to other equity holders	53,560,000.00	96,330,000.00
Dividends payable to other minority shareholders	88,549,925.35	73,506,057.78
	<u>142,109,925.35</u>	<u>169,836,057.78</u>

Other payables

	2022	2021
Payables for equipment	1,644,889,680.13	2,142,254,198.17
Payables for engineering and materials	5,610,586,027.49	4,454,660,496.90
Others	322,383,863.67	249,807,421.80
	<u>7,577,859,571.29</u>	<u>6,846,722,116.87</u>

14. Debentures payable

	2022	2021
Medium-term notes	1,526,321,780.79	1,832,210,160.56
Ping An-HECIC New-energy No. 1 Asset-backed Special Program	-	285,000,000.00
	<u>1,526,321,780.79</u>	<u>2,117,210,160.56</u>
Less: Debentures payables due within one year	26,321,780.79	1,117,210,160.56
	<u>1,500,000,000.00</u>	<u>1,000,000,000.00</u>

15. Long-term payables

	2022	2021
Long-term payables	<u>186,079,230.66</u>	<u>361,236,137.17</u>
	2022	2021
Compensation for woodlands	86,207,981.67	86,207,981.67
Sale-leaseback borrowings	169,155,675.01	350,223,718.91
	<u>255,363,656.68</u>	<u>436,431,700.58</u>
Less: Long-term payables due within one year	69,284,426.02	75,195,563.41
	<u>186,079,230.66</u>	<u>361,236,137.17</u>

16. Share Capital

2022

	Opening balance	Changes for the current year	Closing balance
		Issuance of new shares	
HECIC	2,058,841,253.00	–	2,058,841,253.00
Overseas listed foreign H shareholders	1,839,004,396.00	–	1,839,004,396.00
Domestic A shareholders	289,247,424.00	–	289,247,424.00
	<u>4,187,093,073.00</u>	<u>–</u>	<u>4,187,093,073.00</u>

17. Other equity instruments

As at 31 December 2022, the Group's outstanding perpetual bonds are detailed as follows:

	Timing of issuance	Accounting categories	Dividend rate or interest rate	Issue price	Number	Amount	Maturity date or renewal
2021 Renewable Green Corporate Bonds (First Tranche)	10 March 2021	Equity instrument	5.15%	RMB1.04 billion	10,400,000.00	1,039,376,000.00	Bonds with issuer renewal option
						<u>1,039,376,000.00</u>	

As at 31 December 2021, the Group's outstanding perpetual bonds are detailed as follows:

	Timing of issuance	Accounting categories	Dividend rate or interest rate	Issue price	Number	Amount	Maturity date or renewal
2021 Renewable Green Corporate Bonds (First Tranche)	10 March 2021	Equity instrument	5.15%	RMB1.04 billion	10,400,000.00	1,039,376,000.00	Bonds with issuer renewal option
2019 Renewable Green Corporate Bonds (First Tranche)	5 March 2019	Equity instrument	4.70%	RMB0.91 billion	9,100,000.00	906,360,000.00	Bonds with issuer renewal option
						<u>1,945,736,000.00</u>	

On 5 March 2019, the Company issued 2019 Renewable Green Corporate Bonds (First Tranche) with an initial interest rate of 4.70% per annum in the aggregate offering amount of RMB910 million, and after deducting the underwriting expense and other related trading fees, the Company actually received cash of RMB906,360,000.00;

On 10 March 2021, the Company issued 2021 Renewable Green Corporate Bonds (First Tranche) with an initial interest rate of 5.15% in the aggregate offering amount of RMB1,040 million, and after deducting the underwriting expense and other related trading fees, the Company actually received cash of RMB1,039,376,000.

On 15 March 2021, the Company redeemed 2018 Renewable Green Corporate Bonds (First Tranche). The difference between the redemption price of RMB590 million and the carrying value of the investment in equity instruments of RMB587,640,000.00, being RMB2,360,000.00, was offset against capital surplus;

On 7 March 2022, the Company redeemed 2019 Renewable Green Corporate Bonds (First Tranche). The difference between the redemption price of RMB910 million and the carrying value of the investment in equity instruments of RMB906,360,000.00, being RMB3,640,000.00, was offset against capital surplus;

According to the terms of issuance of the above two tranches of renewable green corporate bonds, the issuer has the option to renew the bonds, and the Company has the right to choose to extend the maturity of the bonds by three years at the end of every three years or to redeem the bonds in full at the end of that period and there is no limit on the number of times of extension; the annual interest rate is reset every three years, and the coupon rate of the subsequent cycle is the current benchmark interest rate plus the initial spread plus 300 basis points, and the initial spread is the coupon rate of the first cycle minus the initial benchmark interest rate. There is an option available to defer the payment of interests. Save for the occurrence of any mandatory interest payment events, on every interest payment date of the bonds, the Company may, at its sole discretion, defer the interest payment for the current period, and all the interests and yields deferred to the next interest payment date, and there is no limit on the number of times of deferring interest payment. There is a redemption option of the issuer. The issuer has the right to exercise the redemption option on the first interest payment date or at the end of the year due to changes in tax policies or changes in accounting standards. Except for these two cases, the Company has no right and no obligation to redeem the bonds. The Company classified it as other equity instruments.

18. Other comprehensive income

The accumulated balance of other comprehensive income attributable to shareholders of parent company stated in the consolidated statement of financial position:

	2022 Opening and closing balance	2021 Opening and closing balance
Changes in fair value of investment in other equity instruments	<u>6,493,135.00</u>	<u>6,493,135.00</u>

19. Undistributed profit

	2022	2021 (Restated)
Undistributed profit at the end of the prior year before adjustment	6,316,513,894.20	4,928,503,066.37
Changes in accounting policies	150,235,545.33	15,312,250.12
Undistributed profit at the beginning of the year after adjustment	6,466,749,439.53	4,943,815,316.49
Net profit attributable to shareholders of parent company	2,294,116,322.38	2,295,057,264.37
Less: Withdrawn from statutory surplus reserves	184,687,438.30	152,205,327.47
Cash dividends payable for ordinary shares	699,244,543.19	523,587,813.86
Dividends payable to holders of other equity instruments	<u>53,560,000.00</u>	<u>96,330,000.00</u>
Undistributed profit at the end of the year	<u>7,823,373,780.42</u>	<u>6,466,749,439.53</u>

Pursuant to the resolution passed by the shareholders of the Company on 14 June 2022, it was agreed that the Company to declare of a cash dividend of RMB0.167 per share for the year 2021, including tax, totaling RMB699,244,543.19.

Pursuant to the resolution passed by the shareholders of the Company on 14 May 2021, it was agreed that the Company to declare of a cash dividend of RMB0.136 per share for the year 2020, including tax, totaling RMB523,587,813.86.

According to the prospectus of 2019 Renewable Green Corporate Bonds (First Tranche) and 2021 Renewable Green Corporate Bonds (First Tranche) of the Company, the Company declared a dividend to ordinary shareholders on 14 June 2022, which triggered a mandatory interest payment and no current interest shall be deferred. The principal of 2021 Renewable Green Corporate Bonds (First Tranche) was RMB1,040,000,000.00 with an initial interest rate of 5.15% per annum and accrued interest of RMB53,560,000.00 for the current interest payment period (10 March 2022 to 9 March 2023).

According to the prospectus of 2019 Renewable Green Corporate Bonds (First Tranche) and 2021 Renewable Green Corporate Bonds (First Tranche) of the Company, the Company declared a dividend to ordinary shareholders on 14 May 2021, which triggered a mandatory interest payment and no current interest shall be deferred. The principal of 2019 Renewable Green Corporate Bonds (First Tranche) was RMB910,000,000.00 with an initial interest rate of 4.70% per annum and accrued interest of RMB42,770,000.00 for the current interest payment period (6 March 2020 to 5 March 2021); the principal of 2021 Renewable Green Corporate Bonds (First Tranche) was RMB1,040,000,000.00 with an initial interest rate of 5.15% per annum and accrued interest of RMB53,560,000.00 for the current interest payment period (10 March 2021 to 9 March 2022).

20. Operating income and costs

Operating income is presented as follows:

	2022	2021 (Restated)
Principal business	18,466,584,291.67	16,103,590,312.74
Other business	<u>93,938,440.14</u>	<u>34,179,517.86</u>
	<u>18,560,522,731.81</u>	<u>16,137,769,830.60</u>

Operating costs are presented as follows:

	2022	2021 (Restated)
Principal business	13,246,979,652.74	11,228,303,565.19
Other business	<u>71,582,685.32</u>	<u>15,071,965.74</u>
	<u>13,318,562,338.06</u>	<u>11,243,375,530.93</u>

Operating income by segments is presented as follows:

	2022	2021 (Restated)
Revenue from natural gas sales	11,850,603,245.84	9,519,273,994.93
Revenue from wind/photovoltaic power generation	6,294,904,687.69	6,300,152,603.14
Connection and construction of gas pipeline network revenue	191,427,130.36	211,211,261.38
Sales of commodities related to natural gas business	58,880,426.56	7,356,595.66
Rental income	2,769,740.91	2,380,078.17
Others	161,937,500.45	97,395,297.32
	<u>18,560,522,731.81</u>	<u>16,137,769,830.60</u>

	2022	2021 (Restated)
Operating income from contracts with customers	18,557,752,990.90	16,135,389,752.43
Rental income	2,769,740.91	2,380,078.17
	<u>18,560,522,731.81</u>	<u>16,137,769,830.60</u>

The breakdown of operating revenue from contracts with customers is as follows:

2022

Reportable segments	Wind and photovoltaic power generation	Natural gas	Others	Total
Operating revenue from contracts with customers				
Transferred at a point in time	6,290,116,594.04	11,909,483,672.40	4,788,093.65	18,204,388,360.09
Rendered over time	56,107,587.48	289,273,378.56	7,983,664.77	353,364,630.81
	<u>6,346,224,181.52</u>	<u>12,198,757,050.96</u>	<u>12,771,758.42</u>	<u>18,557,752,990.90</u>

2021(Restated)

Reportable segments	Wind and photovoltaic power generation	Natural gas	Others	Total
Operating revenue from contracts with customers				
Transferred at a point in time	6,297,937,533.57	9,526,630,590.59	2,215,069.57	15,826,783,193.73
Rendered over time	35,845,038.89	267,026,239.61	5,735,280.20	308,606,558.70
	<u>6,333,782,572.46</u>	<u>9,793,656,830.20</u>	<u>7,950,349.77</u>	<u>16,135,389,752.43</u>

Revenue recognised in the current year and included in the carrying amount of contract liabilities at the beginning of the year is as follows:

	2022	2021
Advance receipts for natural gas sales	974,854,970.07	916,108,116.60
Advance receipts for pipeline construction	159,700,588.98	103,940,882.33
Other advances received	<u>20,542,463.35</u>	<u>7,058,715.16</u>
	<u>1,155,098,022.40</u>	<u>1,027,107,714.09</u>

Information relating to the Group's performance obligations is as follows:

Wind and photovoltaic power generation business

The performance obligation of the electricity sales contract is completed when the power is supplied to the provincial power grid company where each electric field is located. The benchmark price part of the contract price will be recovered within 30 days after settlement. The renewable energy subsidy will be paid in batches from the renewable energy fund by the Ministry of Finance and there is no fixed collection period. There are no sales returns and variable consideration.

Natural gas sales business

The natural gas sales contract usually requires the receipt of advances from clients, and performance obligations are fulfilled when the natural gas enters the customer's natural gas pipeline through the grounding point. There are no sales returns and variable consideration.

Services for the construction and connection of natural gas pipelines

Performance obligations are met within the time period for which the services are provided. Service contracts are for a period of one year (or less) or are billed as incurred, with advance payment usually required by the customer prior to the provision of services.

Natural gas-related commodities sales business

Performance obligations for sales of natural gas-related commodities are completed at the point of transfer of ownership of the commodities to the customer, with no sales returns or variable consideration.

21. Taxes and surcharges

	2022	2021
Urban maintenance construction tax	16,869,874.57	17,800,261.87
Educational surcharge	10,042,756.05	7,798,753.35
Local educational surcharge	6,695,106.76	5,199,168.94
Stamp duty	12,460,848.61	9,201,918.89
Property tax	5,241,920.63	3,683,709.51
Land use tax	9,059,669.40	8,908,646.95
Others	<u>2,541,013.89</u>	<u>1,187,502.07</u>
	<u>62,911,189.91</u>	<u>53,779,961.58</u>

22. Selling expenses

	2022	2021
Salaries	2,593,084.11	1,876,866.68
Advertising and promotion fees	313,213.67	810,845.12
Others	380,901.10	420,874.19
	<u>3,287,198.88</u>	<u>3,108,585.99</u>

23. Administration expenses

	2022	2021
Salaries	337,729,056.80	373,052,527.06
Audit and evaluation consulting fees	45,625,069.46	33,882,731.86
Office expenses	37,323,171.34	26,524,499.43
Amortization of intangible assets	27,611,701.86	25,052,823.84
Vehicle, transportation and travelling expenses	15,483,544.94	18,477,271.35
Rental expenses	17,412,258.63	17,343,934.82
Depreciation of fixed assets	12,591,817.36	17,266,295.34
Depreciation of right-of-use assets	19,751,620.72	12,396,360.90
Business entertainment fees	12,314,517.83	11,611,343.98
Amortization of long-term deferred expenses	6,722,162.45	8,513,368.66
Others	127,235,685.37	131,334,126.45
	<u>659,800,606.76</u>	<u>675,455,283.69</u>

24. R&D expenses

	2022	2021
Depreciation and amortisation	156,775,970.31	457,578.89
Labor costs	88,388,060.47	25,396,312.53
Outsourced development costs	62,542,072.40	39,162,668.95
Others	119,451,649.51	7,005,623.47
	<u>427,157,752.69</u>	<u>72,022,183.84</u>

25. Finance costs

	2022	2021
Interest expenses	1,519,285,268.09	1,436,915,673.29
Less: Interest income	61,989,622.06	24,269,705.78
Less: Capitalized interests	284,024,075.32	208,275,266.83
Exchange gain/loss	6,488,598.20	(465,709.14)
Bank charges	1,810,419.38	2,713,885.92
Others	3,553,099.03	8,986,588.49
	<u>1,185,123,687.32</u>	<u>1,215,605,465.95</u>

26. Other income

	2022	2021
Government grants relating to daily activities	162,474,145.70	119,637,593.45
Provision of additional credit for input tax	5,544,778.32	–
Income tax handling fee refund	1,285,665.78	–
	<u>169,304,589.80</u>	<u>119,637,593.45</u>

27. Investment gains

	2022	2021
Gains on long-term equity investment accounted for under the equity method	224,635,114.20	281,785,663.87
Investment gains on disposal of long-term equity investment	1,886,586.26	–
Dividend income on other equity instrument investments held	14,744,642.19	11,943,006.92
Investment gain of held-for-trading financial assets obtained	17,139,186.28	–
Gains on fair value remeasurement of remaining equity after loss of control	–	2,213,368.04
	<u>258,405,528.93</u>	<u>295,942,038.83</u>

28. Credit impairment losses

	2022	2021
Losses on bad debts of accounts receivable	9,969,717.10	(21,922,957.80)
Losses on bad debts of other receivables	(13,952,308.07)	(374,812.98)
	<u>(3,982,590.97)</u>	<u>(22,297,770.78)</u>

29. Asset impairment losses

	2022	2021
Impairment losses on long-term equity investments	(3,164,390.70)	–
Impairment losses on fixed assets	(38,669,748.88)	–
Impairment losses on construction in progress	–	(7,040,492.38)
	<u>(41,834,139.58)</u>	<u>(7,040,492.38)</u>

30. Gains on disposal of assets

	2022	2021
Gains on disposal of fixed assets	241,788.61	236,353.08
Others	49,531.71	–
	<u>291,320.32</u>	<u>236,353.08</u>

31. Non-operating income

	2022	2021	Included in 2022 Non-recurring profit or loss
Gains from penalties on projects	–	18,000,000.00	–
Government grants not relating to daily activities	5,039,096.35	5,709,370.06	5,039,096.35
Income from resale of carbon emission entitlements	9,628,082.77	1,256,546.14	–
Unpayable amounts	784,524.84	102,096.24	784,524.84
Gains on scrapping of fixed assets	117,433.90	301,231.40	117,433.90
Net gain from penalties	24,400.00	101,662.28	24,400.00
Others	991,521.19	520,424.34	991,521.19
	<u>16,585,059.05</u>	<u>25,991,330.46</u>	<u>6,956,976.28</u>

32. Non-operating expenses

	2022	2021	Included in 2022 Non-recurring profit or loss
Loss on scrapping of fixed assets	2,977,734.16	12,289,772.27	2,977,734.16
Expenses on compensation, penalties and others	3,537.00	533,015.03	3,537.00
Expenses on penalty	49,000.80	–	49,000.80
Expenses on donation	10,800.00	9,000.00	10,800.00
Other expenses	4,339,510.82	2,748,685.64	4,339,510.82
	<u>7,380,582.78</u>	<u>15,580,472.94</u>	<u>7,380,582.78</u>

33. Income tax expense

	2022	2021
Current income tax expense	476,693,304.70	426,709,988.07
Deferred income tax expense	(588,238.14)	(10,098,856.60)
	<u>476,105,066.56</u>	<u>416,611,131.47</u>

The reconciliation between income tax expenses and total profit is listed as below:

	2022	2021
Total profit	3,295,069,142.96	3,271,311,398.34
Income tax expense calculated at statutory tax rates (<i>Note</i>)	823,767,285.74	817,827,849.59
Effect of different tax rates applicable to certain subsidiaries	(350,330,347.13)	(401,529,897.11)
Adjustment to current income tax for prior periods	(4,939,023.97)	2,690,932.46
Profit or loss attributable to joint ventures and associates	(56,158,778.55)	(70,446,415.97)
Non-taxable income	(3,686,160.55)	(2,985,751.73)
Expenses not deductible for tax purposes	6,555,795.24	3,198,861.54
Utilization of deductible losses from prior years	(3,208,470.43)	(4,687,666.49)
Unrecognized deductible losses	56,425,538.59	90,722,068.31
Effect of unrecognized deductible temporary difference and others	7,679,227.62	(18,178,849.13)
Income tax expense calculated at the Group's effective tax rate	<u>476,105,066.56</u>	<u>416,611,131.47</u>

Note: The PRC income tax of the Group is calculated based on the estimated taxable income gained in the PRC and applicable tax rate. Tax arising from the taxable income in other regions is calculated at applicable tax rate according to existing laws, interpretations and practices of the jurisdiction in which the Group operates.

34. Dividends

As audited, the Company recorded the net profit attributable to shareholders of parent company of RMB2,294,116,322.38 in 2022. The 2022 profit distribution proposal is as follows: the Company proposes to distribute a cash dividend of RMB1.93 (tax inclusive) for every 10 shares to all shareholders, and calculated based on the total number of issued shares of the Company on the date of the Board meeting at which the 2022 profit distribution proposal was approved, being 4,187,093,073 shares, the total cash dividend to be distributed will amount to RMB808,108,963.09 (tax inclusive). Should there be any change to the total share capital registered on the registration date for the subsequent implementation of the interest distribution, the Company intends to keep the total distribution amount unchanged and make corresponding adjustment to the distribution ratio for each share.

At 2021 annual general meeting held on 14 June 2022, the shareholders of the Company approved an annual dividend of RMB0.167 per share for the year ended 31 December 2021, amounting to RMB699,244,543.19, which was fully settled in August 2022.

Pursuant to the State Administration of Taxation Circular Guoshuihan [2008] No. 897, the Company is required to withhold a 10% enterprise income tax when it distributes dividends to its non-resident enterprise shareholders out of profit earned in 2008 and beyond. In respect of all shareholders whose names appear on the Company's register of members who are not individuals, which are considered as non-resident enterprise shareholders, the Company will distribute the dividend after deducting enterprise income tax of 10%.

35. Earnings per share

	2022 RMB/Share	2021 RMB/Share (Restated)
Basic earnings per share		
Continuing operations	<u><u>0.53</u></u>	<u><u>0.57</u></u>
Diluted earnings per share		
Continuing operations	<u><u>0.53</u></u>	<u><u>0.57</u></u>

The basic earnings per share was calculated by dividing the net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares. The number of newly issued ordinary shares is determined according to the specific terms of the issue contract and calculated from the date of consideration receivable (normally the stock issue date).

The calculation of basic earnings per share and diluted earnings per share is detailed as follows:

	2022	2021 (Restated)
Earnings		
Net profit for the current period attributable to ordinary shareholders of the Company		
Continuing operations	<u>2,294,116,322.38</u>	<u>2,295,057,264.37</u>
	<u>2,294,116,322.38</u>	<u>2,295,057,264.37</u>
Less: Distribution related to the first tranche of perpetual bonds in 2018	–	6,935,122.22
Less: Distribution related to the first tranche of perpetual bonds in 2019	7,484,750.00	42,770,000.00
Less: Distribution related to the first tranche of perpetual bonds in 2021	<u>53,560,000.00</u>	<u>44,187,000.00</u>
Adjusted net profit for the current period attributable to ordinary shareholders of the Company	<u>2,233,071,572.38</u>	<u>2,201,165,142.15</u>
Shares		
Weighted average number of outstanding ordinary shares of the Company	<u>4,187,093,073.00</u>	<u>3,849,910,396.00</u>
Adjusted weighted average number of ordinary shares in issue by the Company	<u>4,187,093,073.00</u>	<u>3,849,910,396.00</u>

The Group has no dilutive potential ordinary shares.

V. EVENTS AFTER THE BALANCE SHEET DATE

On 23 March 2023, the Company convened the fourth meeting of the fifth session of the Board, at which, the Resolution on the 2022 Profit Distribution Proposal was approved after the consideration by all directors. The Company proposes to distribute a cash dividend of RMB1.93 (tax inclusive) for every 10 shares to all shareholders. Based on the total number of issued shares of the Company on the date of the Board meeting at which the 2022 profit distribution proposal was approved, being 4,187,093,073 shares, the total cash dividend proposed for distribution will amount to RMB808,108,963.09 (tax inclusive). The profit distribution proposal shall be submitted to the general meeting for consideration.

On 5 January 2023, the Company held the ninth extraordinary meeting of the fifth session of the Board and considered and approved a resolution regarding the issuance of Global Depositary Receipts (“GDRs”) by the Company and their listing on the SIX Swiss Exchange. On 9 February 2023, the Company received the Approval for the Issuance of Global Depositary Receipts by China Suntien Green Energy Corporation Limited (Ji Jian Investment Ben Zi [2023] No. 1) issued by HECIC, which approved the issuance of GDRs by the Company on the SIX Swiss Exchange and the number of A shares of the additional base securities represented by the GDRs issued shall not exceed 334,967,446 shares. On 14 February 2023, the Company held an extraordinary general meeting to consider and approve the relevant resolution regarding the issuance of GDRs by the Company and their listing on the SIX Swiss Exchange.

As at 23 March 2023, the issuance of GDRs and their listing on the SIX Swiss Exchange are subject to the approval, endorsement or filing by the China Securities Regulatory Commission, the relevant Swiss securities regulatory authorities and other domestic and foreign authorities.

VI. SIGNIFICANT EVENTS

1. Segment reporting

Operating segments

For management purposes, the Group organizes its business units by product and service and has 3 reportable segments as follows:

- (1) The natural gas segment mainly provides the sale of natural gas and natural gas appliances and the provision of services for the construction and connection of natural gas pipelines.
- (2) The wind power and solar energy segment is mainly engaged in the development, management and operation of wind farms, solar power plants and the sale of electricity to external grid companies.
- (3) Other segments are mainly engaged in investment management and property leasing business, etc.

Management monitors the results of operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment results are evaluated based on reported segment profit after tax.

The transfer price among segments is determined with reference to the price used for labor services sold by the third parties or providing labor services for partners.

	Natural gas	Wind and photovoltaic power generation	Others	Total
Revenue from external customers	<u>12,201,526,791.87</u>	<u>6,345,521,941.51</u>	<u>13,473,998.43</u>	<u>18,560,522,731.81</u>
Investment income from joint ventures and associates	139,365,582.05	49,118,285.18	36,151,246.97	224,635,114.20
Credit impairment loss/(reversal)	8,254,334.49	(6,580,972.46)	2,309,228.94	3,982,590.97
Asset impairment losses	3,164,390.70	38,669,748.88	–	41,834,139.58
Depreciation and amortisation expense	243,010,448.21	2,079,026,582.05	6,973,402.18	2,329,010,432.44
Total profit/(loss)	955,148,087.28	2,381,798,966.07	(41,877,910.39)	3,295,069,142.96
Income tax expense	228,301,337.64	246,359,978.59	1,443,750.33	476,105,066.56
Total assets	<u>27,158,145,739.00</u>	<u>46,043,057,617.19</u>	<u>4,207,463,251.88</u>	<u>77,408,666,608.07</u>
Total liabilities	<u>18,888,441,669.84</u>	<u>28,498,328,934.37</u>	<u>4,836,656,692.40</u>	<u>52,223,427,296.61</u>
Other disclosures				
Non-cash expenses other than depreciation and amortisation expenses	<u>11,418,725.19</u>	<u>32,088,776.42</u>	<u>2,309,228.94</u>	<u>45,816,730.55</u>
Capital expenditure (<i>Note</i>)	<u>4,708,156,256.85</u>	<u>2,527,745,367.06</u>	<u>5,246,607.64</u>	<u>7,241,148,231.55</u>

2021 (Restated)

	Natural gas	Wind and photovoltaic power generation	Others	Total
Revenue from external customers	<u>9,806,077,445.77</u>	<u>6,323,742,035.06</u>	<u>7,950,349.77</u>	<u>16,137,769,830.60</u>
Investment income from joint ventures and associates	217,692,697.94	54,521,089.73	9,571,876.20	281,785,663.87
Credit impairment losses	4,435,494.79	18,992,267.65	(1,129,991.66)	22,297,770.78
Asset impairment losses/(reversal)	–	7,040,492.38	–	7,040,492.38
Depreciation and amortisation expense	201,198,567.81	1,920,303,437.02	7,320,592.50	2,128,822,597.33
Total profit/(loss)	874,043,710.36	2,529,403,472.55	(132,135,784.57)	3,271,311,398.34
Income tax expense	<u>176,672,597.01</u>	<u>239,575,558.90</u>	<u>362,975.56</u>	<u>416,611,131.47</u>
Total assets	<u>20,514,723,309.84</u>	<u>44,758,635,843.56</u>	<u>6,803,654,123.60</u>	<u>72,077,013,277.00</u>
Total liabilities	<u>14,960,116,286.81</u>	<u>27,921,193,837.71</u>	<u>5,272,142,626.01</u>	<u>48,153,452,750.53</u>
Other disclosures				
Non-cash expenses other than depreciation and amortization expenses	<u>4,435,494.79</u>	<u>26,032,760.03</u>	<u>(1,129,991.66)</u>	<u>29,338,263.16</u>
Capital expenditure (<i>Note</i>)	<u>4,864,515,531.86</u>	<u>3,077,598,389.18</u>	<u>3,915,905.54</u>	<u>7,946,029,826.58</u>

Note: Capital expenditures include the increase in investment property, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditures and long-term deferred expenses this year.

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

Geographical information

Revenue from external customers

	2022	2021 (Restated)
Mainland China	<u>18,560,522,731.81</u>	<u>16,137,769,830.60</u>

Revenue from external customers was attributable to the regions where the customers were located, and all customers were located in Mainland China.

Total non-current assets

	2022	2021
China (excluding Hong Kong, Macao and Taiwan regions)	59,637,410,531.86	52,520,464,442.81
Other countries or regions	4,962,067.31	87,049,934.82
	<u>59,642,372,599.17</u>	<u>52,607,514,377.63</u>

The non-current assets information above is based on the locations of the assets and excludes financial assets, other equity instrument investment, long-term equity investment and deferred tax assets.

Information about major customers

Operating income of RMB4,156,785,204.92 (2021: RMB3,921,103,139.19) was the income generated from State Grid Jibei Electric Power Company Limited (including all entities known to be under the control of the customer) under the operating segments.

2. Lease

(1) As lessor

The Group leases out certain of its houses and buildings for a lease term of 2-4 years, which constitute operating leases. In 2022, the income generated from the leased buildings amounted to RMB702,240.00 (2021: RMB1,535,563.19). Leased houses and buildings are presented under investment properties.

Operating leases

Gains or losses related to operating leases are presented as follows:

	2022	2021
Rental income	<u>702,240.00</u>	<u>1,535,563.19</u>

Pursuant to the lease contracts entered into with the lessees, the minimum lease receivables under non-cancellable leases are as follows:

	2022	2021
Within 1 year (inclusive)	709,920.00	709,920.00
1 to 2 years (inclusive)	709,920.00	709,920.00
2 to 3 years (inclusive)	–	709,920.00
3 to 4 years (inclusive)	–	–
	<u>1,419,840.00</u>	<u>2,129,760.00</u>

(2) *As lessee*

	2022	2021
Interest expense on lease liabilities	30,917,496.70	47,026,512.69
Expenses on short-term leases and leases of low-value assets included in profit or loss accounted for under the simplified approach	17,412,258.63	17,233,090.06
Total cash outflows relating to leases	194,546,354.21	172,278,346.80
Relevant profit or loss arisen from leaseback transactions	<u>7,509,136.49</u>	<u>14,484,633.81</u>

The Group leases various land, wind turbines and related equipment, buildings and transportation equipment. Right-of-use assets are depreciated on a straight-line basis.

Leaseback transactions

	2022	2021
Cash inflows from leaseback transactions	–	211,000,000.00
Cash outflows from leaseback transactions	<u>188,553,619.45</u>	<u>110,078,082.54</u>

The lease assets leased by the Group include the houses and buildings, machinery and equipment, transportation equipment and other equipment used during the course of operation. The houses and buildings and machinery and equipment are usually leased for a term of 2-20 years, while the transportation equipment and other equipment are usually leased for a term of 2-5 years. Lease contracts usually stipulate that the Group cannot sublease the lease assets, and some lease contracts require the Group to maintain a certain level of financial indicators.

In order to meet its capital requirements, the Group obtains loans for some of its wind turbine equipment on a sale-and-leaseback basis. The lease terms are usually 5-8 years, with contractual interest rates ranging from 2% to 5.3%, and some of the lease contracts stipulate that the interest rates will be adjusted once a year. The Group will purchase the relevant equipment at a nominal price of \$1 upon expiration of the lease period, and is required to maintain financial indicators to a certain extent.