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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)

CHANGE IN ACCOUNTING POLICY

This announcement is made by China Suntien Green Energy Corporation Limited (the “**Company**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

I. SUMMARY OF THE CHANGE OF ACCOUNTING POLICY

(I) Reason for change

On 30 December 2021, the Ministry of Finance of the People’s Republic of China (the “**Ministry of Finance**”) issued the Notice on Issuing Interpretation No. 15 of the Accounting Standards for Business Enterprises (Cai Kuai [2021] No. 35, “**Interpretation No. 15**”). The changes relevant to the Company are mainly related to the accounting treatment of products or by-products produced by an enterprise before the fixed assets reach the expected conditions for use or in the course of research and development for external sale. The Company has adjusted its accounting policies accordingly in accordance with the above requirements.

(II) Date of the Change

The Company has implemented Interpretation No. 15 since 1 January 2022 as mandated.

(III) The accounting policy adopted prior to the change

Prior to the changes, the Company followed the Accounting Standards for Business Enterprises – Basic Standards and various specific accounting standards, the application guidances for Accounting Standards for Business Enterprises, and the interpretation announcements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance.

(IV) Accounting policy adopted after the change

After the changes being adopted, the Company will comply with the provisions of Interpretation No. 15 issued by the Ministry of Finance in December 2021, while the other parts that remain unchanged are still subject to the Accounting Standards for Business Enterprises – Basic Standards and various specific accounting standards, the application guidances for Accounting Standards for Business Enterprises and the interpretation announcements of the Accounting Standards for Business Enterprises previously issued by the Ministry of Finance.

II. DETAILS OF THE CHANGE IN ACCOUNTING POLICY RELATING TO THE COMPANY

Interpretation No. 15 mainly clarifies the accounting treatment of products or by-products produced by an enterprise before the fixed assets reach the expected conditions for use or in the course of research and development for external sale. It mainly covers the following:

1. For products or by-products produced by an enterprise before the fixed assets reach the expected conditions for use or in the course of research and development for external sale, it shall account for revenue and costs related to sales during commissioning in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 – Revenue, Accounting Standards for Business Enterprises No. 1 – Inventories, etc., and include them in the profit or loss for the current period. The net amount of revenue after offsetting the related costs shall not be written off against the cost of fixed assets or research and development expenses.
2. The relevant products or by-products produced during commissioning shall be recognised as inventories if they meet the requirements of Accounting Standards for Business Enterprises No. 1 – Inventories, or as relevant assets if they meet the conditions for recognition of such assets in other relevant Accounting Standards for Business Enterprises, until they are sold externally.
3. Expenses incurred for testing whether a fixed asset can operate normally are necessary expenses before the fixed assets reach the expected conditions for use, and shall be included in the cost of the fixed asset in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 4 – Fixed Assets.

In accordance with the transition requirements of the change from the old standards to new ones, for sales during commissioning occurring between the beginning of the earliest period for which the Interpretation No. 15 is first applied and the effective date of the Interpretation No. 15, an enterprise shall make retrospective adjustments in accordance with the provisions of the Interpretation No. 15; if retrospective adjustments are not practicable, the enterprise shall apply the provisions of the Interpretation No. 15 from the beginning of the earliest period for which retrospective adjustments can be made and disclose in the notes the specific reasons why retrospective adjustments cannot be made.

III. IMPACT OF CHANGES IN ACCOUNTING POLICY ON THE COMPANY

The change in accounting policy is a corresponding change made by the Company in accordance with the latest accounting standards revised by the Ministry of Finance and is in compliance with the relevant laws and regulations and the actual situation of the Company. It will not have a material impact on the financial position and operating results of the Company and will not prejudice the interests of the Company and its shareholders. The impact of the implementation of Interpretation No. 15 on the various items of the Company's statements is summarised as follows:

(I) Impact on the balance sheet

- 1. The impact on each item of the consolidated balance sheet as at 1 January 2022 is summarised as follows:*

Unit: RMB

	Consolidated Balance Sheet		
	1 January 2022	31 December 2021	Affected Amount
Fixed assets	32,369,586,695.36	32,220,077,891.90	149,508,803.46
Construction in progress	13,724,320,499.93	13,714,572,817.36	9,747,682.57
Undistributed profit	6,466,749,439.53	6,316,513,894.20	150,235,545.33
Minority interests	<u>4,088,960,704.20</u>	<u>4,079,939,763.50</u>	<u>9,020,940.70</u>

2. There is no impact on the balance sheet items of the parent company as at 1 January 2022.

(II) Impact on the income statement

1. *The impact on each item in the consolidated income statement for 2021 is summarised as follows:*

	Consolidated Income Statement		
	2021 (after adjustment)	2021 (before adjustment)	Affected Amount
Operating revenue	16,137,769,830.60	15,985,268,252.01	152,501,578.59
Operating costs	11,243,375,530.93	11,233,945,477.61	9,430,053.32
Net profit	2,854,700,266.87	2,711,628,741.60	143,071,525.27
Net profit attributable to shareholders of the parent company (net losses are indicated with “-”)	2,295,057,264.37	2,160,133,969.16	134,923,295.21
Gain or loss attributable to minority interests (net losses are indicated with “-”)	<u>559,643,002.50</u>	<u>551,494,772.44</u>	<u>8,148,230.06</u>

2. There is no impact on the items of the income statement of the parent company in the 2021.

IV. PROCEDURES RELATING TO THE CHANGE IN ACCOUNTING POLICY

The change in accounting policy is an adjustment made in accordance with the latest interpretation of the Accounting Standards for Business Enterprises issued by the Ministry of Finance and is not subject to consideration or approval by the board of directors, the board of supervisors or the general meeting of the Company.

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

Shijiazhuang City, Hebei Province, the PRC, 28 April 2022

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