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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 POLICIES**

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**

(I) Reason for the Change

On 30 November 2022, the Ministry of Finance of the People's Republic of China (the “**Ministry of Finance**”) issued the Notice on Issuing Interpretation No. 16 of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) (the “**Interpretation No. 16**”). The key change (the “**Change**”) affecting Company as a result of the Interpretation No. 16 is that the accounting treatment of exemption of initial recognition will no longer apply to the deferred tax related to assets and liabilities arising from a Single Transaction (as defined below). The Company will change its accounting policies related to the Change accordingly.

(II) Date of Implementation of the Change

The Company has applied the Interpretation No. 16 to its accounting policies with effect from 1 January 2023, as mandated by Interpretation 16.

### (III) Accounting policies prior to the Change

Prior to the Change, the Company's accounting policies complied with the "Accounting Standards for Business Enterprises – Basic Standards" and various specific accounting standards, application guidance for and interpretation circulars of the Accounting Standards for Business Enterprises issued by the Ministry of Finance.

### (IV) Accounting policies after the Change

After the Change being implemented, the Company shall apply the rules under the Interpretation No. 16, while the accounting policies outside the scope of Interpretation No. 16 shall still comply with the "Accounting Standards for Business Enterprises – Basic Standards" and various specific accounting standards, application guidance for and interpretation circulars of the Accounting Standards for Business Enterprises previously issued by the Ministry of Finance.

## II. DETAILS OF THE CHANGE RELATING TO THE COMPANY

Interpretation No. 16 is intended principally to clarify that the accounting treatment of exemption of initial recognition will no longer apply to the deferred tax related to assets and liabilities arising from a Single Transaction, mainly covering the followings:

1. For (1) lease transactions in which lease liabilities are initially recognized by an enterprise as a lessee on the initial date of the lease term and recorded as a right-of-use asset, and (2) transactions in which accrued liabilities are recognized and included in the relevant asset costs due to the disposal obligations of fixed assets (the "**Single Transaction(s)**"), Rule 11(2) and Rule 13 of the "Accounting Standards for Business Enterprises No. 18 – Income Tax" on the exemption from the initial recognition of deferred tax liabilities and deferred tax assets shall not apply.
2. For the taxable temporary differences and deductible temporary differences incurred from the initial recognition of assets and liabilities for a Single Transaction, an enterprise shall recognize the corresponding deferred tax liabilities and deferred tax assets upon the occurrence of such Single Transaction pursuant to the relevant provisions of "Accounting Standards for Business Enterprises No. 18 – Income Tax".

Pursuant to the rules for the transition from the old standards to new ones, an enterprise shall make retrospective adjustments in accordance with the Interpretation No. 16 as to the Single Transactions occurred during the period between the beginning of the earliest period presented in the financial statements to which the Interpretation No. 16 apply and the implementation date of the Interpretation No. 16; and shall adjust the beginning retained earnings and other related items on financial statements with the accumulative effect amount for the earliest period presented in such financial statements in accordance with the Interpretation No. 16 and the “Accounting Standards for Business Enterprises No. 18 – Income Tax”.

### **III. IMPACT OF THE CHANGE**

The Change increased the Company’s deferred tax assets on consolidated financial report by RMB3,882,326.59 and deferred tax liabilities by RMB7,864,577.87, and decreased undistributed profits by RMB3,538,439.14 and minority interests by RMB443,812.14 as at the end of 2022; increased in deferred income tax liabilities of RMB616,246.29 and decrease in undistributed profit of RMB616,246.29 at the end of 2022 in the financial statements of the parent company (the aforesaid financial data are unaudited).

The Change is reasonably made by the Company in accordance with the relevant requirements under the Interpretation No. 16. The changed accounting policies will reflect the Company’s financial position and results of operations in a more objective and fair manner, but it will not have a material impact on the Company’s financial position, results of operations or cash flows, or be detrimental to the interests of the Company and its shareholders.

### **IV. PROCEDURES RELATING TO THE CHANGE**

The Change 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 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