

Ticker: 000037, 200037 Stock name: Shenzhen Nanshan Power A, Shenzhen Nanshan Power B Announcement No.: 2024-019

## **Shenzhen Nanshan Power Co., Ltd.**

### **2023 Annual Report**

**April 2024**

## 2023 Annual Report

### Section I Important, contents and definitions

The Board of Directors, the Board of Supervisors, directors, supervisors and senior officers guarantee that the contents of the annual report are true, accurate and complete, without any false records, misleading statements or major omissions, and shall bear individual and joint legal liability.

Kong Guoliang, the Principal, Chen Yuhui, the Chief Accountant, Zhang Xiaoyin, the Chief Financial Officer, and Lin Xiaojia, Head of the Finance Department (Finance Head), guarantee that the financial reports in the annual report are true, accurate and complete.

Except for the following directors, all other directors attended in person the meeting of the Board of Directors to review this annual report

Name of director who was not present in person	Position of director who was not present in person	Reasons for not attending the meeting in person	Name of the person entrusted
Sun Huirong	Director	Work related reasons	Huang Qing
Huang Xiqin	Independent director	Work related reasons	Du Wei
Chen Zetong	Independent director	Work related reasons	Du Wei

The Company plans not to distribute cash dividends, give away bonus shares, or increase share capital by capital reserves.

If there are forward-looking statements in the annual report involving the company's future development strategy, business plans, etc., they do not constitute the Company's substantive commitment to investors. Investors are advised to maintain adequate risk awareness and understand the differences between plans, forecasts and commitments, and pay attention to investment risks.

The annual report is prepared in Chinese and English respectively. If there is any ambiguity in the understanding of the two texts, the Chinese text shall prevail. Investors are requested to read the full text of the annual report carefully.

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**List of documents for inspection**

- I. The original 2023 annual report signed by the Company's legal representatives.
- II. Financial statements signed and stamped by the Company's Principal, Chief Accountant, Chief Financial Officer and Head of the Finance Department (Finance Head).
- III. The original audit report stamped by the accounting firm and signed and stamped by the certified public accountant.
- IV. All the Company's original documents and announcements publicly disclosed in designated media during the reporting period.
- V. Location for inspection: the office of Board of Directors of the Company.

## Interpretation

Item	Refer to	Content
Company, the Company, Shenzhen Nanshan Power and listed company	Refer to	Shenzhen Nanshan Power Co., Ltd.
CSRC	Refer to	China Securities Regulatory Commission
Shenzhen State-owned Assets Supervision and Administration Commission	Refer to	State-owned Assets Supervision and Administration Commission of Shenzhen People's Government
Shenzhen Nanshan Power Zhongshan Company	Refer to	Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.
Shenzhen Nanshan Power Engineering Company	Refer to	Shenzhen Nanshan Power Gas Turbine Engineering Technology (Shenzhen) Co., Ltd.
Shenzhen Nanshan Power Environmental Protection Company	Refer to	Shenzhen Nanshan Power Environmental Protection (Shenzhen) Co., Ltd.
Xie fu Company	Refer to	Shenzhen Xie fu Energy Co., Ltd.
New Power Company	Refer to	Shenzhen New Power Industrial Co., Ltd.
Nanshan Power Plant	Refer to	Shenzhen Nanshan Power Co., Ltd. Nanshan Power Plant
Zhongshan Nanlang Power Plant	Refer to	Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. Zhongshan Nanlang Power Plant
Company Law	Refer to	Company Law of the People's Republic of China
Securities Law	Refer to	Securities Law of the People's Republic of China
Stock Listing Rules	Refer to	Rules Governing the Listing of Stocks on Shenzhen Stock Exchange
Articles of Association	Refer to	Articles of Association of Shenzhen Nanshan Power Co., Ltd.
RMB, RMB 10,000, RMB 100,000,000	Refer to	Except for the specially described currency units, the remaining currency units are RMB, RMB 10,000, and RMB 100,000,000
Reporting period	Refer to	January 1, 2023 to December 31, 2023

## Section II Company profile and key financial indicators

### I. Company information

Stock name	000037、200037	Ticker	Shenzhen Nanshan Power A, Shenzhen Nanshan Power B
Stock exchange	Shenzhen Stock Exchange		
Name in Chinese	深圳南山热电股份有限公司		
Abbreviation in Chinese	深南电		
Name in English (if any)	Shenzhen Nanshan Power Co., Ltd.		
Registered address	No. 2097, Yueliangwan Avenue, Nanshan District, Shenzhen, Guangdong Province		
Postal code of registered address	518054		
Historical changes of registered address	None		
Office address	16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province		
Postal code of office address	518053		
Website	<a href="http://www.nsr.com.cn">http://www.nsr.com.cn</a>		
E-mail	public@nspower.com.cn; investor@nspower.com.cn		

### II. Contact person and contact details

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

### III. Information disclosure and preparation location

The stock exchange website where the Company discloses its annual report	Shenzhen Stock Exchange: <a href="http://www.szse.cn/">http://www.szse.cn/</a>
Name and website of the media where the Company discloses its annual report	Securities Times: <a href="http://www.stcn.com/">http://www.stcn.com/</a> , CNINFO: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Preparation location of annual report	Office of the Board of Directors, 17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province

### IV. Changes in registration

Unified social credit code	91440300618815121H
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Changes in the Company's main business since its listing (if any)	None
Previous changes in controlling shareholders (if any)	No controlling shareholder

## V. Other relevant information

The accounting firm hired by the Company

Name of the accounting firm	Lixinzhonglian CPAS (Special General Partnership)
Office address	1-1-2205-1, North District, Financial and Trade Center, No. 6865 Yazhou Road, Tianjin Pilot Free Trade Zone (Dongjiang Bonded Port Zone)
Name of signatory accountant	Cao Wei and Zou Yang

The sponsor institution hired by the Company to perform continuous supervision responsibilities during the reporting period

Applicable  Not applicable

Financial consultant hired by the Company to perform continuous supervision duties during the reporting period

Applicable  Not applicable

## VI. Key accounting data and financial indicators

Whether the Company need to retroactively adjust or restate the previous accounting data

Yes  No

	2023	2022	Change compared with the previous year	2021
Operating revenue (RMB)	589,780,190.71	694,227,657.28	-15.05%	757,175,743.41
Net profit attributable to shareholders of listed companies (RMB)	4,158,797.10	-160,163,240.67	102.60%	-439,448,712.13
Net profit attributable to shareholders of listed companies after deducting non-recurring gains and losses (RMB)	-70,789,007.91	-225,967,573.71	68.67%	-514,142,213.75
Net cash flows generated from operating activities	-100,371,976.92	207,168,402.26	-148.45%	-39,258,302.07

(RMB)				
Basic earnings per share (RMB/share)	0.0069	-0.2657	102.60%	-0.7291
Diluted earnings per share (RMB/share)	0.0069	-0.2657	102.60%	-0.7291
Weighted average rate of return on net assets	0.29%	-10.43%	+10.72 percentage points	-23.95%
	End of 2023	End of 2022	Change compared with the end of the previous year	End of 2021
Total assets (RMB)	2,049,365,388.69	2,606,216,345.99	-21.37%	2,790,002,824.41
Net assets attributable to shareholders of listed companies (RMB)	1,459,288,691.94	1,455,129,894.84	0.29%	1,615,293,135.51

The Company's net profit before and after deducting non-recurring gains and losses in the past three fiscal years, whichever is lower, is negative; meanwhile, the audit report for the most recent year shows that there is uncertainty in the Company's going-concern ability

Yes  No

The lower of net profit before and after deducting non-recurring profit or loss is negative

Yes  No

Item	2023	2022	Remark
Operating revenue (RMB)	589,780,190.71	694,227,657.28	Mainly received from power production and sale and revenue from integrated energy services
Amount after deduction of operating revenue (RMB)	1,409,620.51	1,611,967.02	Mainly received from house lease revenue
Amount after deduction of operating revenue (RMB)	588,370,570.20	692,615,690.26	Operating revenue after deduction of house rent

## VII. Differences in accounting data under domestic and foreign accounting standards

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

Applicable  Not applicable

There was no difference between net profit and net assets in the financial reports disclosed in accordance with

both international and Chinese accounting standards during the reporting period of the Company.

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

Applicable  Not applicable

There was no difference between net profit and net assets in the financial reports disclosed in accordance with both international and Chinese accounting standards during the reporting period of the Company.

## VIII. Key financial indicators by quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	111,067,616.64	160,200,568.41	182,838,205.80	135,673,799.86
Net profit attributable to shareholders of listed companies	-31,147,959.30	-6,092,780.26	8,482,149.79	32,917,386.87
Net profit attributable to shareholders of listed companies after deducting non-recurring gains and losses	-41,178,992.24	-13,698,338.39	2,109,131.54	-18,020,808.82
Net cash flows from operating activities	-36,865,225.55	-20,151,263.99	-62,363,198.51	19,007,711.13

Whether there are significant differences between the above financial indicators or their totals and the relevant financial indicators disclosed by the Company in quarterly reports and semi-annual reports or not

Yes  No

## IX. Non-recurring profit or loss and amounts

Applicable  Not applicable

Unit: RMB

Item	Amount in 2023	Amount in 2022	Amount in 2021	Remark
Profit or loss on disposal of non-current assets (including the write-off of provision for asset impairment)	1,878,391.11	-1,171,953.71	974,699.74	Mainly due to the impact of profit or loss on the disposal of various non-current assets
Government	44,431,212.00	9,333,093.72	23,396,336.60	Mainly government

subsidies included in current profit or loss (except those that are closely related to the Company's normal business, in line with national policy regulations and in accordance with defined criteria, and have a lasting impact on the Company's profit or loss)				subsidies related to income and apportionment of government subsidies related to assets, etc.
Profit or loss from changes in fair value of financial assets and liabilities held by non-financial enterprises and profit or loss from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	18,538,064.54	58,227,971.21	47,887,839.11	Mainly investment income received from financial assets held for trading
Profit or loss arising from contingencies unrelated to the Company's normal business operations	0.00	0.00	5,000,000.00	
Reversal of provision for impairment of receivables individually tested for impairment	1,235,154.68	0.00	0.00	Mainly due to the reversal of the provision for bad debts made was that the lease deposits were expected to be recovered upon surrender of the leases.

Other non-operating revenue and expenses other than those mentioned above	11,628,630.83	-635,065.42	13,652.99	Mainly due to the receipt of the compensation for power outage by Shenzhen Nanshan Power Zhongshan Company and Nanshan Power Plant this year.
Less: income tax impact	0.00	0.00	0.00	
Changes in the amount of minority interests (after tax)	2,763,648.15	-50,287.24	2,579,026.82	
Total	74,947,805.01	65,804,333.04	74,693,501.62	

Details of other profit or loss that meet the definition of non-recurring gains and losses:

Applicable  Not applicable

The Company has no other specific circumstances of profit or loss that meet the definition of non-recurring gains and losses.

Explanation on defining non-recurring profit or loss listed in the Explanatory Announcement No. 1 on Information Disclosure of Companies that Offer Securities to the Public - Non-recurring Gains and Losses as recurring profit or loss.

Applicable  Not applicable

The company does not define non-recurring profit or loss listed in the Explanation on defining non-recurring profit or loss listed in the Explanatory Announcement No. 1 on Information Disclosure of Companies that Offer Securities to the Public - Non-recurring Gains and Losses as recurring profit or loss.

## Section III Management discussion and analysis

### I. Industry status of the Company during the reporting period

The Company shall comply with the disclosure requirements for power supply industry in the Shenzhen Stock Exchange Listed Company Self-Regulatory Guidelines No. 3 - Industry Information Disclosure

According to the 2023-2024 Analysis and Forecast Report of National Power Supply and Demand released by the China Electricity Council, in 2023, the nation's total social electricity consumption was 9.22 trillion KWH, with per capita electricity consumption of 6,539 KWH; the electricity consumption of the whole society increased by 6.7% YoY, with a growth rate of 3.1 percentage points higher than 2022. The rebound of the national economy has driven the growth rate of electricity consumption to increase YoY. In each quarter, the electricity consumption of the whole society increased by 3.6%, 6.4%, 6.6% and 10.0% YoY respectively, with the YoY growth rate increasing quarter by quarter; affected by factors such as the low base in the same period of 2022 and economic recovery, the YoY growth rate of electricity consumption in the entire society increased significantly in the fourth quarter. The two-year average growth rate in the fourth quarter was 6.8%, which was close to the two-year average growth rate in the third quarter. In terms of industries, first, the electricity consumption of the primary industry continued to grow rapidly. In 2023, the electricity consumption of the primary sector was 127.8 billion KWH, a year-on-year increase of 11.5%; second, the growth rate of electricity consumption in the secondary sector increased quarter by quarter. In 2023, the secondary sector consumed 6.07 trillion KWH of electricity, a year-on-year increase of 6.5%; third, electricity consumption in the tertiary sector resumed rapid growth. In 2023, the electricity consumption of the tertiary sector was 1.67 trillion KWH, a year-on-year increase of 12.2%. Fourth, the electricity consumption of urban and rural residents increased at a slow rate. In 2023, urban and rural residents' domestic electricity consumption was 1.35 trillion KWH, a year-on-year increase of 0.9%. The high base of the previous year is an important reason for the low growth of residents' domestic electricity consumption in 2023. Electricity consumption in 31 provinces across the country all showed positive growth, with the western region leading the way.

As of the end of 2023, the installed capacity of power generation in China was 2.92 billion KW, a year-on-year increase of 13.9%; Since the per capita installed capacity of power generation historically exceeded 1 kW at the end of 2014, it historically exceeded 2 kW for the first time in 2023, reaching 2.1 kW. The installed capacity of non-fossil energy power generation exceeded thermal power for the first time in 2023, accounting for more than 50% of total installed capacity for the first time in 2023, while the installed capacity of coal power dropped below 40% for the first time. Judging from investment by type, growth rate of power generation capacity and structural changes, the trend of green and low-carbon transformation in power industry continued to advance. In 2023, the power system operated safely and stably, with the overall balance of power supply and demand in China and good results in ensuring power supply.

According to the Southern (Starting from Guangdong) Spot Power Market 2024 Annual Report, the maximum regulated load in Guangdong Province in 2023 was 145 million KW (July 27), a year-on-year increase of 2.1%; the regulated power generation and reception was 820.8 billion KWH, a year-on-year increase of 7.8%. The maximum west-to-east power transmission was 42,220,000 KW, an increase of approximately 1,990,000 KW over the annual plan; the cumulative power received from west-to-east power transmission was 178.5 billion KWH, a year-on-year decrease of 1.8%. There was no peak power rationing throughout the year. The province's installed capacity under unified dispatching was 193 million KW, including 147 million KW from provincial dispatching and 45,320,000 KW from municipal dispatching. The utilization hours of coal-fired unit under

provincial dispatching were 4,926 hours, an increase of 206 hours year-on-year; 2,875 hours for gas-fired unit, an increase of 288 hours year-on-year; 7,315 hours for nuclear power units, an increase of 198 hours year-on-year; 2,734 hours for hydropower unit, an increase of 255 hours year-on-year; 923 hours for photovoltaic unit, a decrease of 202 hours year-on-year; 2,499 hours for wind unit, an increase of 151 hours year-on-year; 4,124 hours for biomass, an increase of 623 hours year-on-year. The cumulative on-grid energy of wind power, photovoltaic, hydropower and biomass reached 90.09 billion KWH, a year-on-year increase of 11.9%; the cumulative on-grid energy of nuclear was 99.87 billion KWH, a year-on-year increase of 3.9%. On December 29, 2023, the Guangdong Power Trading Center issued the Notice of the Guangdong Provincial Development and Reform Commission and the National Energy Southern Regulatory Bureau on the Official Operation of the Guangdong Spot Power Market, indicating that the spot power market in Guangdong officially started formal operation from now on. Guangdong became the second province after Shanxi to officially operate spot power market.

According to third-party data from the natural gas industry, China's natural gas production was 229.7 billion cubic meters in 2023, a year-on-year increase of 5.8%; natural gas import volume was 177.556 billion cubic meters, a year-on-year increase of 9.9%; natural gas export volume was 6.52 billion cubic meters, a year-on-year increase of 10.1%; the apparent consumption of natural gas was 394.53 billion cubic meters, a year-on-year increase of 7.6%. In terms of LNG supply and demand, China's apparent LNG consumption in 2023 was 35.2713 million tons, a year-on-year increase of 22.80%. Among them, domestic LNG supply was 23.2593 million tons, a year-on-year increase of 12.9%; imported LNG tanker supply was 12.012 million tons, a year-on-year increase of 47.90%. In terms of LNG prices, the average ex-factory price of China's LNG in 2023 was RMB 4,911/ton, a year-on-year decrease of 27.61%. Among them, the average ex-factory price of domestic LNG was RMB 4,830/ton, a year-on-year decrease of 24.86%; the average ex-factory price of imported LNG was RMB 5,126/ton, a year-on-year decrease of 28.73%; the average delivery price of LNG delivered to China was RMB 5,164/ton, a year-on-year decrease of 26.62%. Generally speaking, against the background of the gradual normalization of the Russia-Ukraine war and the slow recovery of the global economy, the overall natural gas price declined in 2023. International natural gas spot prices fell significantly, with the average price of the Asian spot natural gas index JKM in 2023 falling by 50% compared with 2022. The Company's fuel procurement costs decreased slightly from 2022 due to lower international oil prices and natural gas spot gas prices, as well as lower domestic pipeline gas prices compared to 2022.

## **II. Main business of the Company during the reporting period**

The Company shall comply with the disclosure requirements for power supply industry in the Shenzhen Stock Exchange Listed Company Self-Regulatory Guidelines No. 3 - Industry Information Disclosure

The Company's main business includes power and heat supply for production and operation, and technical consulting and technical services related to power plants (stations). At the end of the reporting period, the Company owned two gas turbine power plants. Among them, Nanshan Power Plant had three sets of 9E gas-steam combined cycle generating units with total installed capacity of 540,000 kilowatts, located in the power load center area of Qianhai Free Trade Zone, Shenzhen. They are main peak shaving power in the region, and are currently in normal production and operation; Zhongshan Nanlang Power Plant received the Letter on Matters Regarding the Units Shutdown of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. Nanlang Power Plant from Energy Bureau of Guangdong Province on November 6, 2023 (YNDLH [2023] No. 672), in which Energy Bureau of Guangdong Province agreed to shut down two 180MW gas-fired cogeneration units of Zhongshan Nanlang Power Plant. At present, the two 9E gas-steam combined cycle power generating units

owned by Zhongshan Nanlang Power Plant have been shut down and withdrawn from dispatching operation, and the related assets of the power generating units have entered the public listing and transfer process.

During the reporting period, the Company's main power business faced challenges such as fierce competition in the power market and sustained high fuel price. In order to reduce the negative impact of the external environment on the Company's operating performance, the Company has implemented a series of business layout and management changes with innovative thinking and perseverance. The Company clarified annual business goals and policies, adopted targeted major measures, and continuously increased the efforts in economic operation management on the basis of strict work safety management. The Company, in line with the trend of accelerating the power market-oriented reform process in Guangdong Province, organized subordinate power plants to actively participate in power market marketing and achieved good results, which made contributions to the Company's turn from losses to profits.

During the reporting period, the Company paid close attention to the operational development and market expansion of its existing business. Its subsidiary Shenzhen Nanshan Power Engineering Company continued to develop technical consulting and technical services for domestic and foreign gas turbine power station construction projects while seizing strategic opportunities for the development new energy industry. It focused on exploring new energy business, tried to build a "construction, operation, management and maintenance" platform for new energy. With its professional and refined technical capabilities, Shenzhen Nanshan Power Engineering Company has signed multiple contracts to provide clients with professional technical services; Shenzhen Nanshan Power Environmental Protection Company took integrated energy service as its transformation and development direction, actively expanded comprehensive energy service projects such as industrial and commercial energy storage, distributed photovoltaic, charging pile, striving to create a new integrated energy service business model.

#### Main production and operation information

Item	The reporting period	Same period last year
Total installed capacity (10,000 KW)	54	90
Installed capacity of newly commissioned unit (10,000 KW)	0	0
Planned installed capacity of approved projects (10,000 KW)	0	0
Planned installed capacity of projects under construction (10,000 KW)	0	0
Power generation (100 million KWH)	6.57	8.60
On-grid energy or energy sold (100 million KWH)	6.54	8.58
Average power consumption rate of the power plant (%)	3.90%	3.50%
Utilization hours of the power plant (hours)	723	946

#### The Company's power sales

Applicable     Not applicable

In 2023, the Company's two power plants completed a total of 654 million KWH of actual on-grid energy, with medium- and long-term contracted power such as purchasing and market power amounting to 1.183 billion KWH. The completion of power is as follows: Nanshan Power Plant completed 597 million KWH on-grid energy, with medium- and long-term contracted power such as purchasing and market power amounting to 945 million KWH; Zhongshan Nanlang Power Plant completed 57 million KWH on-grid energy, with medium- and long-term contracted power such as purchasing and market power amounting to 237 million KWH .

Reasons for significant changes in relevant data

Applicable     Not applicable

On February 21, 2022, Board of Directors reviewed and approved the Proposal on Initiating the Shutdown and Retirement of Two Sets of 9E Gas-fired Unit of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. The Company initiated the shutdown and retirement of two 9E gas-fired units of Shenzhen Nanshan Power Zhongshan Company, and submitted an official shutdown and retirement application to Energy Bureau of Guangdong Province on November 24, 2022. On November 6, 2023, Zhongshan Nanlang Power Plant received the Letter on Matters Concerning the Shutdown of the Units of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. Nanlang Power Plant (YNDLH [2023] No. 672) from Energy Bureau of Guangdong Province. According to the Letter, Energy Bureau of Guangdong Province agreed to shut down two 180 MW gas-fired cogeneration units of Zhongshan Nanlang Power Plant. As of the end of 2023, the Company's total installed capacity has dropped to 540,000 KW.

### **III. Core competitiveness analysis**

In recent years, affected by the macroeconomic situation and common problems in the gas turbine power generation industry, the Company's main business is facing increasing difficulties and challenges. However, the basic core competitiveness formed by more than 30 years of operation and development and the strong support of the Company's major shareholders, as well as the innovative management measures taken by the Board of Directors and management team have laid the necessary foundation for the Company's continued operations and pursuit of transformation and development. During the reporting period, the Company closely focused on the core task of high-quality party building to lead high-quality development, anchored the two major goals of operation and development, and adhered to the management principles of standardization, science, pragmatism, efficiency, fairness and justice, and performed various tasks in a down-to-earth manner. These initiatives have fully promoted the Company's overall development, further consolidating and enhancing the Company's core competitiveness.

1. Management culture of hard work and innovation. The Company has a group of management personnel with a sense of innovation and the spirit of hard work. By deepening human resource reform and building a performance-oriented appraisal and incentive mechanism, the Company advocates and creates a management culture of unity, hard work, innovation and progress. At the same time, the Company attaches great importance to and vigorously promotes the construction of institutional system, management system and compliance systems. It adheres to standardized management in a legal, scientific and rigorous, efficient and orderly manner. Through refined and standardized management orientation, a good foundation has been laid for the Company to deeply explore internal potential and actively seek external opportunities.

2. Professional and enterprising technical talents. With more than 30 years of hard work and influence in the gas turbine power generation industry, the Company has attracted and trained a group of technical experts and professionals in the gas turbine industry, and has accumulated rich experience in the construction and operational management of gas turbine power plants. In order to comply with the market trend of power market-oriented reform in the Guangdong Province, the Company has established a professional power marketing team to study power trading strategies, explore and build power marketing mathematical models. The accumulative rich experience in power marketing has laid a solid foundation for the Company to participate in the construction of new power market and integrate into the wave of power market reform. In addition, Shenzhen Nanshan Power Engineering Company also provides professional services such as technical consultation, commissioning, and operation guarantee for dozens of domestic and overseas gas turbine power stations; the Company has successively undertaken technical personnel training services for dozens of power plants at home and abroad, and has become a well-known professional talent training base in the domestic gas turbine industry, establishing a good reputation and professional brand image in the peer group.

3. A level of expertise that is up to date. The Company has a number of independent utility model patents and software copyrights, and jointly drafted and compiled 1 national standard. On December 23, 2021, it was recognized by the Shenzhen Municipal Certification Management Agency as the second batch of high-tech enterprise in 2021, representing that the company's scientific R&D and innovation work has been unanimously affirmed by the society. During the reporting period, the Company applied for 7 utility model patents and 1 invention patent, with 6 utility model patents having been authorized. The Company's total number of authorized patents has reached 44 (including 4 invention patents) and 8 software copyrights, which has greatly enhanced the Company's brand image and industrial competitiveness.

4. Rich experience in industrial exploration. The Company gives full play to its own advantages to accumulate experience in the construction and operation of new energy industries such as electrochemical energy storage, photovoltaic, and charging pile, and actively develop comprehensive energy business. Through the preliminary work of independent energy storage power stations and the construction and operation of photovoltaic projects, the Company has accumulated certain experience in the preliminary preparation, construction, commissioning, operation and maintenance of energy storage projects, and has trained a group of professionals. The rich talent pool and technological advantages in the traditional power industry enable the Company to tap its potential and have laid a solid technology and talents foundation for the Company to enter the new energy service field

5. Leading environmental protection level. The Company's power plants are all gas-fired generator units that use natural gas as fuel. The CO<sub>2</sub> emissions in flue gas are approximately 42% of those of coal-fired power plants, providing strong support for the national "carbon peaking and carbon neutrality" construction. In accordance with the requirements of the Shenzhen Municipal People's Government 2018 'Shenzhen Blue' Sustainable Action Plan, the Company fully completed the "Shenzhen Blue" transformation of the #3, #10 and #1 gas turbines of Nanshan Power Plant. After the transformation, the nitrogen oxide emissions of each unit were reduced to less than 15mg/m<sup>3</sup>, reaching the world's most advanced level. Nanshan Power Plant was also selected as the Top Plant Award by Power Magazine, the most authoritative magazine in the global power industry founded in 1882.

## IV. Main business analysis

### 1. Overview

2023 is the first year to fully implement the spirit of the 20th National Congress of the Communist Party of China. It is also a critical year for the Company to carry out the transformation strategy. The Company's management leads all employees to face difficulties and work hard. Focusing on the core task of high-quality party building to lead high-quality development, and anchoring the two major goals of operation and development, we make every effort to ensure the safety and stability of power production, vigorously improve the profitability of main business, and actively explore the development path of transformation and upgrade, while also comprehensively carrying out the optimization, improvement and innovation of internal management systems and mechanisms. All the initiatives have helped us to build a standardized and efficient institutional system and a long-term mechanism for compliance operations. As a result, the clean and upright corporate culture is reshaped, a vigorous atmosphere of entrepreneurship is created, achieving operating results that far exceeded expectations, and turned losses into profits.

The main work carried out by the Company during the reporting period is as follows:

(1) Strengthening the foundation by paying close attention to safety and stability. In 2023, the Company firmly established the concept of safe development, persisted in ensuring work safety, comprehensively consolidated the mechanism of main body responsibility and the foundation of work safety. We have actively carried out work safety supervision and management to ensure the safe and orderly operation of the Company's production and operations. We also maintained a stable environment for work safety and kept good records of the "Five Nos" safety goals. First, we have signed a safety responsibility list to improve target control measures. We comprehensively implemented safety management responsibilities and the work safety responsibility system for all employees, strictly and meticulously implement work safety measures, so as to build a solid work safety bottom line, and ensure the Company's sustainable development. Second, we have carried out solid safety hazard investigation to make every effort to resolve safety risks. We carried out in-depth "special action to investigate and manage major safety hazards in the Company" to fully understand and dynamically grasp the number of major work safety hazards; meanwhile, we promoted the implementation of the statutory duties of company leaders and the work safety responsibility system, so as to promote the transformation of the work safety management model to pre-emptive prevention. Third, we have strengthened technical supervision and pay close attention to the source of safety. In response to equipment failures, we organized equipment assessment work to comprehensively evaluate equipment status, grasp the technical status of production equipment. Based on the assessment, we analyzed equipment health and reliability to carry out targeted equipment rectification, so as to ensure equipment reliability, and improve the intrinsic safety of equipment.

(2) Make overall plans to improve performance by tapping potential and enhancing efficiency. In 2023, when the external market environment was not improved significantly, the Company made overall planning and coordination of internal resources to maximize the cost reduction and efficiency increase on the basis of fully ensuring the safe and stable operation of power production, resulting in a year-on-year reduction in net profit attributable to parent company by RMB 164.32 million. The first thing we have done is to optimize the gas and electricity matching mechanism. The Company's headquarters fully coordinated the fuel procurement and power marketing work of Nanshan Power Plant and Shenzhen Nanshan Power Zhongshan Company. By strengthening the matching management of gas and power, we meticulously formulated and dynamically adjusted the clearing strategy, striving for the decrease in natural gas price, and effectively avoiding unplanned downtime penalties. Under the circumstances where the fuel price did not drop significantly, the Company's

marginal contribution of main business turned losses into gains. Second, we strengthened budget control in an all-round way. On the premise of ensuring work safety, we strictly controlled all kinds of non-essential and non-urgent expenses, and at the same time, realized a significant year-on-year decline in period expenses by means of intensive procurement and suppression of variable expenses; by strengthening communication with government departments, we actively sorted out power generation-related subsidy policies, proactively explored potential subsidy funds, and followed up on the entire process of subsidy application and issuance. Finally, we successfully obtained government subsidies RMB 25.40 million. The third is to strengthen post-investment management. The dividends received from the investment on Nanjing Sunpower, Liaoyuan Environmental Protection and Yuanzhi Ruixin Asset were approximately RMB 10 million.

(3) Concentrating efforts to tackle difficulties and striving for development. At the beginning of 2023, the Company clarified the strategic direction of transformation and development as focusing on new energy industry and energy storage field, and also set annual goals. Over the past year, the Company has actively planned around the integrated energy service industry chain to actively participate in the establishment of equity fund for new energy storage industry in Shenzhen. We leveraged the energy storage fund's synergy and empowerment in terms of capital, industrial ecology, business resources, M&A opportunities, etc., so as to promote the Company's business innovation and expansion and industrial upgrading; meanwhile, we prepared the Company's five-year strategic plan to specify its strategic positioning for the next five years, including specific ideas and measures, comprehensively leading the Company's transformation and development in the next stage. All subsidiaries found their own correct path for transformation and development. In the face of difficulties and challenges, they never gave up but worked hard with perseverance. All the staff from top to bottom made joint efforts to resolutely achieve the common goal. Finally, we successfully completed the annual goal. First, we revitalized those inefficient assets. When facing difficulties such as unplanned downtime, land acquisition and storage, and employee resettlement, despite many challenges and huge pressures such as few previous lessons to draw on, great difficulty, wide involvement, urgent schedule, complex work nodes, the Shenzhen Nanshan Power Zhongshan Company still achieved significant progress and three breakthroughs. As we could see that Zhongshan Company's unit shutdown was approved, the land purchase and storage agreement was implemented, and employee placement was smoothly resolved, all these greatly reduced the Company's operating pressure and cost burden, laying a solid foundation for the Company's transformation and development of its main business. Second, we activated the existing power. With its key breakthroughs and innovative achievements in technology, engineering, and management in the field of gas turbine power plant construction for many years, Shenzhen Nanshan Power Engineering Company, previously rated as a national "high-tech enterprise", was successfully selected as the 2023 Shenzhen "specialized, refined, differential and innovation small and medium-sized enterprises"; the "construction, operation, management and maintenance" management platform established in the field of new energy and energy storage grasped the general trend to seize the maintenance service market; meanwhile, we actively developed domestic maintenance service business, and concluded multiple contracts. Third, we explored market opportunities. Shenzhen Nanshan Power Environmental Protection Company actively explored and expanded project opportunities in industrial and commercial energy storage field. It successfully developed the Zhaochi energy storage project, and at the same time obtained the trading qualification of a power sales company, achieving a new breakthrough in its transformation and development into an integrated energy service provider. Fourth, we optimized the business structure. Xiefu Company seized opportunities to carry out the property lease management service business of Shenzhen Energy Corporation. It increased its profitability by grasping this business opportunity.

(4) Focusing on strengthening management through innovation and change. In 2023, the Company adhered to the concept of "only innovators advance, only innovators are strong, and only innovators win". Aiming at the direction of the Company's strategic transformation, while comprehensively implementing the adjustment and optimization of the industrial layout, we established and improved the market-oriented institutional mechanism compatible with the transformation and development. These initiatives laid the foundation for comprehensive standardized management of the Company. Additionally, we deepened the reform with a focus on improving the vitality and efficiency of the Company's system with a mindset of innovation and pursuit of change. First, we advanced the construction of the Company's compliance management system in a scientific and orderly manner in line with state-owned assets supervision. We vigorously promoted the construction of a compliance culture, standardized working mechanisms, and optimized business processes. We also continuously carried out institutional system sorting work to optimize and improve work. During the year, 134 new systems were added and revised to comprehensively reconstruct the Company's management system and improve the standardization of the Company's operations. Second, we strengthened the foundation of the team by optimizing personnel service. We deeply promoted the reform of the personnel selection and employment mechanism, comprehensively implemented the rectification of personnel selection and employment issues. We introduced a series of management systems for the selection and appointment of middle-level cadres in order to standardize and improve related work processes such as cadre selection and appointment, employee recruitment and promotion; we scientifically formulated and assigned positions and staffing plans to strengthen the rigid restrictions on job allocation; we innovated senior management job competition and contractual management. We established an motivation & restriction assessment mechanism for senior management in order to strengthen the application of performance assessment results. These initiatives effectively stimulated the overall dynamics and vitality within the Company, and enabled the Company's transformation and development. Third, we made general reforms to fully promote the Company's systematization and informatization construction. We innovated the intelligent management model by completing the optimization and upgrade of the OA system. We successfully created an efficient and intelligent office platform that met the needs of the Company's standardization, process and fine management, significantly improving our operating efficiency; we comprehensively upgraded the financial information system, simultaneously promoted the standardization and regularization of accounting basics, so as to help the Company's financial accounting system transform to unified management and control, and improve financial management efficiency and level. Fourth, we made overall arrangements to consolidate comprehensive budget management and control capabilities. We comprehensively upgraded the budget management concept. We transformed into comprehensive and proactive budget control by using budget control tools; we carried out in-depth economic operation regulation work to enhance the economic operation regulation level and improve the operation briefing system, so as to support the achievement of operating performance.

(5) Creating a clean and upright ecosystem under the guidance of the Party. In 2023, the Company thoroughly implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 20th National Congress of the Communist Party of China. We strengthened Party leadership and Party building with a high political stance. With the goal of high-quality party building to promote high-quality development, and with the focus on strengthening the foundation of party building and reinforcing "one post & two responsibilities" system, we promoted the integration of party building and business. The first is to learn, think and practice and strengthen theoretical arming. Adhering to the guidance of party building, we conscientiously organized, studied and implemented the important instructions of General Secretary Xi Jinping's series of important speeches; adhering to the unity of learning, thinking and application, and the unity of knowledge, belief and action, we transformed the results of party building work into important measures to guide and

promote the Company's operation and development; we regularly organized theoretical study, center group study and first topic study, and carried out concentrated study and seminars. The second is to continue to consolidate the foundation of party building. We established and improved party building rules and regulations, improved the rules of procedure for party committee meetings, and strengthened the leadership role of the party committee in "guiding the direction, managing the overall situation, and ensuring implementation"; we strengthened the construction of organizational teams and recruited full-time party cadres, so as to enhance the role of grassroots party organizations as a fighting fortress. The third is to make sure the fulfillment of responsibilities to strengthen the construction of a clean and upright ecosystem for party building. We continued to promote the responsibility system for a clean and upright ecosystem for party building by strengthening work style construction and strictly implementing inner-party supervision. We conscientiously implemented the work of "eliminating the four forms of decadence" to establish new practices. We ensured the fulfillment of responsibilities to comprehensively and strictly administering the party. We consolidated the organizational foundation of discipline inspection and supervision by establishing a discipline inspection and supervision office; meanwhile, we improved relevant working mechanisms to effectively strengthen self-supervision, and purify the political ecology.

In 2023, the Company reported operating revenue of RMB 589,780,200, with net profit attributable to shareholders of the listed company of RMB 4,158,800, and basic earnings per share of RMB 0.0069.

## 2. Revenue and costs

### (1) Composition of operating revenue

Unit: RMB

	2023		2022		Year-on-year increase or decrease
	Amount	Proportion to operating revenue	Amount	Proportion to operating revenue	
Total operating revenue	589,780,190.71	100%	694,227,657.28	100%	-15.05%
By sector					
Power industry	588,370,570.20	99.76%	692,615,690.26	99.77%	-15.05%
Others	1,409,620.51	0.24%	1,611,967.02	0.23%	-12.55%
By product					
Power industry - power production and sales	562,688,722.91	95.41%	650,670,587.61	93.73%	-13.52%
Power industry -integrated energy service	25,681,847.29	4.35%	41,945,102.65	6.04%	-38.77%
Others	1,409,620.51	0.24%	1,611,967.02	0.23%	-12.55%
By region					
Domestic	589,780,190.71	100.00%	694,227,657.28	100.00%	-15.05%
Sales mode					

Direct sales	589,780,190.71	100.00%	694,227,657.28	100.00%	-15.05%
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**(2) Industries, products, regions, and sales models that account for more than 10% of the Company's operating revenue or operating profit**

Applicable     Not applicable

The Company shall comply with the disclosure requirements for power supply industry in the Shenzhen Stock Exchange Listed Company Self-Regulatory Guidelines No. 3 - Industry Information Disclosure

Unit: RMB

	Operating revenue	Operating costs	Gross margin	Year-on-year increase or decrease in operating revenue	Year-on-year increase or decrease in operating costs	Year-on-year increase or decrease in gross margin
By product						
Power industry - power production and sales	562,688,722.91	572,117,240.68	-1.68%	-13.52%	-26.63%	18.16%
By region						
Domestic	589,780,190.71	581,442,543.98	1.41%	-15.05%	-27.74%	17.32%
By sales mode						
Direct sales	589,780,190.71	581,442,543.98	1.41%	-15.05%	-27.74%	17.32%

Reasons for major changes in relevant financial indicators

Applicable     Not applicable

**(3) Whether the Company's physical sales revenue is greater than its labor service revenue**

Yes     No

Industry	Item	Unit	2023	2022	Year-on-year increase or decrease
Power industry	Sales volume	100 million KWH	6.54	8.58	-23.78%
	Production	100 million KWH	6.57	8.60	-23.60%
	Inventory	100 million KWH	0.00	0.00	-

Explanation for relevant data changed by more than 30% year-on-year

Applicable     Not applicable

**(4) Performance of the major sales contracts and major procurement contracts signed by the Company as of the reporting period**□Applicable     Not applicable**(5) Composition of operating costs**

Industry and product classification

Unit: RMB

Industry	Item	2023		2022		Year-on-year increase or decrease
		Amount	Proportion to operating costs	Amount	Proportion to operating costs	
Power industry	Fuel	470,823,746.78	80.98%	661,182,466.78	82.17%	-28.79%
Power industry	Employee compensation	39,310,209.34	6.75%	37,731,564.54	4.69%	4.18%
Power industry	Depreciation and amortization	26,880,870.06	4.62%	28,340,291.45	3.52%	-5.15%
Power industry	Others	44,166,016.19	7.60%	77,166,066.61	9.59%	-42.76%
Others	Others	261,701.61	0.05%	258,934.10	0.03%	1.07%

Unit: RMB

Product	Item	2023		2022		Year-on-year increase or decrease
		Amount	Proportion to operating costs	Amount	Proportion to operating costs	
Power industry - power production and sales	Fuel	470,823,746.78	80.98%	661,182,466.78	82.17%	-28.79%
Power industry - power production and sales	Employee compensation	37,939,920.55	6.52%	37,731,564.54	4.69%	0.55%
Power industry - power production and sales	Depreciation and amortization	26,880,870.06	4.62%	28,340,291.45	3.52%	-5.15%

Power industry - power production and sales	Others	36,472,703.29	6.27%	52,478,923.00	6.52%	-30.50%
Power industry - integrated energy service	Engineering labor	9,063,601.69	1.56%	24,687,143.61	3.07%	-63.29%
Others	Others	261,701.61	0.05%	258,934.10	0.03%	1.07%

## Remark

The Company's operating costs are mostly from natural gas. In 2023, the Company's cost of natural gas accounted for 80.98% of operating costs; in 2022, the Company's cost of natural gas accounted for 82.17% of operating costs.

**(6) Whether there are changes in the consolidation scope during the reporting period**

Yes  No

As of December 31, 2023, there were a total of 8 entities included in the Company's consolidated financial statements, one less than the beginning of the period. The main reason was that during the reporting period, the business strategy of Shenzhen Nanshan Power Zhongshan Company adjusted. In view of the fact that the Company's controlling subsidiary Shenzhen Nanshan Power (Zhongshan) Warehousing Co., Ltd. has no substantive operations, so there was no need for existence. As a result, we made the cancellation of registration for the company on December 13, 2023.

**(7) Significant changes or adjustments to the Company's business, products or services during the reporting period**

Applicable  Not applicable

**(8) Major sales customers and major suppliers**

The Company's main sales customers

Total sales amount of top five customers (RMB)	588,238,682.41
Ratio of the total sales amount of the top five customers to total annual sales	99.74%
Ratio of sales to related parties in the annual total sales of the top five customers	0.00%

Information on the Company's top 5 customers

No.	Customer name	Sales (RMB)	Ratio to total annual sales
1	Shenzhen Power Supply Bureau Co., Ltd.	499,838,060.26	84.75%
2	Guangdong Grid Co., Ltd.	62,850,661.65	10.66%
3	China Machinery Engineering Corporation	24,522,358.98	4.16%
4	Dengfeng International Engineering Co.,	767,924.52	0.13%

	Ltd.		
5	Sinohydro Engineering Bureau 8 Co., Ltd.	259,677.00	0.04%
Total	--	588,238,682.41	99.74%

Other information on major customers

Applicable  Not applicable

The Company's main suppliers

Total purchase amount of top five suppliers (RMB)	504,438,800.25
Ratio of the total purchase amount of the top five suppliers to the total annual purchase amount	99.16%
Ratio of purchase amount of related parties among the top five suppliers to the total annual purchase amount	0.00%

Information on the Company's top 5 suppliers

No.	Supplier name	Purchase amount (RMB)	Ratio to total annual purchase amount
1	Shenzhen Gas Group Co., Ltd.	284,515,538.23	55.93%
2	CNOOC Gas & Power Group Co., Ltd.	189,023,738.54	37.16%
3	Shenzhen Power Supply Bureau Co., Ltd.	21,297,990.54	4.19%
4	Shenzhen Water and Environment (Group) Co., Ltd.	6,686,147.73	1.31%
5	Zhongshan Power Supply Bureau of Guangdong Grid Co., Ltd.	2,915,385.21	0.57%
Total	--	504,438,800.25	99.16%

Other information on major suppliers

Applicable  Not applicable

### 3. Cost

Unit: RMB

	2023	2022	Year-on-year increase or decrease	Description of significant changes
Selling and distribution expenses	2,831,748.65	375,055.78	655.02%	The Company's continued strengthening of project development and vigorous expansion

				of business in the field of integrated energy service have led to a year-on-year increase in the selling and distribution expenses
G&A expenses	58,330,596.87	79,099,350.54	-26.26%	The Company strengthened comprehensive budgetary control and strictly controlled all kinds of non-essential and non-urgent expenses, which resulted in a year-on-year decrease in G&A expenses
Financial expenses	11,579,637.38	32,142,802.50	-63.97%	The optimization of asset and liability structure of the Company has led to a decrease in financing scale, and a year-on-year decrease in financial expenses
R&D expenses	26,839,912.74	25,647,534.39	4.65%	

#### 4. R&D investment

Applicable     Not applicable

Name of main R&D project	Purpose	Progress	Goals to be achieved	Expected impact on the Company's future development
R&D of intelligent fire protection device for gas turbine	The R&D of the overall upgrade of the #3 gas turbine CO2 fire protection system can effectively secure the unit's safe operation and	Completed	Complete the upgrade and transformation of the gas turbine CO2 fire protection system and created an intelligent equipment	Improve the safety and reliability of power production, effectively ensure the stable operation of the unit, and enhance the technological content and core competitiveness of the

	reliability; scientific and reasonable selection of modified products to ensure the stable operation of the unit.		management model.	Company's products and services.
R&D of built-in atomized air pipeline structure for steam turbine high-pressure bypass	We aim to optimize the structure of the atomizing steam pipe through R&D; meanwhile, it is transformed from the outside of the valve body to the inside of the valve body, so that the direction of the atomizing steam pipe is improved and safety hazards are completely eliminated.	Completed	Complete the optimization of built-in atomized air pipeline structure for steam turbine high-pressure bypass; meanwhile, new technologies are used to eliminate potential safety hazards.	Improve the performance of equipment, optimize the system structure of equipment, eliminate safety hazards, and enhance the technological content and core competitiveness of the Company's products and services.
R&D of jacking oil pump system of gas turbine based on automatic adjustment	The modification and development of the unit's jacking oil pump system and pipelines can eliminate the operational safety hazards of the jacking oil pump, so that the reliability of the equipment can be effectively improved, and at the same time the efficiency of operation, inspection and maintenance can be improved.	Completed	Complete the upgrade and transformation of the unit's jacking oil pump system and pipeline performance; meanwhile, focus on the innovative use of excellent technologies, so as to solve technical difficulties of the equipment.	Optimize and improve equipment performance, improve the operation safety and reliability of the equipment, enhance the work efficiency of inspection personnel, eliminate safety hazards, and enhance the technological content and core competitiveness of the Company's products and services.
R&D of black start	Through R&D of	Completed	Optimize the	Conduct in-depth

of gas turbine power plants based on electrochemical energy storage system	electrochemical energy storage systems, system parameter data can be optimized to further improve power supply reliability; the upgrade of energy storage system can activate black start function and auxiliary frequency modulation function.		electrochemical energy storage system; reasonably adopt new data parameters to optimize black start and auxiliary frequency regulation functions, so as to improve power supply reliability.	research to improve equipment performance, optimize energy storage systems, improve power supply reliability, and enhance the technological content and core competitiveness of the Company's products and services.
Research and development of exciter rotor armature-specific connecting piece using silver soldering technology	Apply the silver-based solder in the research and development of upgrading the exciter armature coil-specific connecting piece. This reduces the likelihood of the connecting piece breaking due to thermal stress and interference from the high-speed rotation of the exciter armature coil, thereby ensuring prolonged and stable operation of the gas turbine generator.	Completed	Application of new materials and new welding technologies to improve the service life of the exciter rotor armature-specific connecting piece.	Proactively pursue the development of new technologies aimed at improving the operational efficiency of units, extending stable operation cycles, and elevating the technological content and core competitiveness of the Company's products and services.
Research and development of circulating water cooling system for thermal power plants with two plate heat	Upgrade research and development of the gas turbine cooling water system to eliminate the risk of equipment leakage	Completed	Creation of a new parallel operation mode for gas turbine cooling water systems to improve the efficiency of circulating water	Conduct in-depth research on the technological innovation and application of equipment, use new technologies to reduce the adverse effects of

exchangers operating in parallel	and hidden dangers that may compromise the safe and stable operation of units, thereby improving the operating reliability of unit and improving the working efficiency of circulating water cooling.		cooling.	unstable equipment operation, improve equipment performance, and enhance the technological sophistication and core competitiveness of the Company's products and services.
Research and development of energy-saving devices for high-pressure feed water pumps of power plant boilers based on frequency modulation	Study the frequency modulation technique for connecting the high-pressure motor of water supply to the boiler, ensure energy-efficient operation of boiler water supply. This approach effectively reduces factory power consumption while enhancing the safety of the boiler's water supply system.	Completed	Complete upgrade and transformation of the frequency modulation technique for connecting the high-pressure motor of water supply to the boiler to reduce the power consumption of the boiler in the water supply plant.	Conduct in-depth research on the technological innovation and development of equipment to effectively reduce operating energy consumption of units, improve equipment safety, and enhance the technological sophistication and core competitiveness of the Company's products and services.

## R&amp;D staff

	2023	2022	Change ratio
Number of R&D staff	87	71	22.54%
Proportion of number of R&D staff	30.63%	18.59%	12.04%
Educational structure of R&D staff			
Undergraduate	47	34	38.24%
Postgraduate	1	1	0.00%
Age composition of R&D staff			
Under 30 years old	16	6	166.67%
30-40 years old	10	8	25.00%
Over 40 years old	61	57	7.02%

## R&amp;D investment of the Company

	2023	2022	Change ratio
Amount of R&D investment (RMB)	26,839,912.74	25,647,534.39	4.65%
Ratio of R&D investment in the operating revenue	4.55%	3.69%	0.86%
Amount of R&D investment (RMB)	0.00	0.00	0.00%
Ratio of capitalized R&D investment in R&D investment	0.00%	0.00%	0.00%

Reasons and impacts of major changes in the Company's R&D staff composition

Applicable     Not applicable

The number of R&D staff holding bachelor's degree increased by 38.24% compared with 2022, and the number of personnel under 30 years old grew by 166.67% compared with 2022. This is mainly due to factors such as personnel changes related to entry, resignation, and retirement, as well as adjustments to R&D staff based on the needs of R&D projects. The Company's number of R&D staff meets the ratio requirements of national high-tech enterprise.

Reasons for the significant change in the proportion of total R&D investment in operating revenue compared with the previous year

Applicable     Not applicable

Reasons for substantial changes R&D investment capitalization rates and their rationale

Applicable     Not applicable

## 5. Cash flow

Unit: RMB

Item	2023	2022	Year-on-year increase or decrease
Sub-total of cash inflows from operating activities	739,641,073.57	1,141,649,432.06	-35.21%
Sub-total of cash outflows from operating activities	840,013,050.49	934,481,029.80	-10.11%
Net cash flows from operating activities	-100,371,976.92	207,168,402.26	-148.45%
Sub-total of cash inflows from investing activities	749,228,184.97	178,535,035.18	319.65%
Sub-total of cash outflows from investing activities	456,538,387.59	283,315,286.80	61.14%
Net cash flows from investing activities	292,689,797.38	-104,780,251.62	379.34%
Sub-total of cash inflows	421,093,926.90	1,089,969,316.66	-61.37%

from financing activities			
Sub-total of cash outflows from financing activities	950,780,554.86	1,234,410,158.23	-22.98%
Net cash flows from financing activities	-529,686,627.96	-144,440,841.57	-266.72%
Net increase in cash and cash equivalents	-337,286,752.50	-41,582,961.53	-711.12%

Explanation of the main factors affecting significant year-on-year changes in relevant data

Applicable     Not applicable

(1) During the reporting period, cash inflows from operating activities decreased by 35.21% year-on-year, mainly due to the receipt of refunds for VAT retained for future offsetting, RMB 330 million, in the same period last year. There was no such cash inflow this year, and cash inflows from operating activities decreased year-on-year.

(2) During the reporting period, net cash flows generated from operating activities decreased by 148.45% year-on-year, mainly due to the receipt of refunds for VAT retained for future offsetting in the same period last year. There was no such cash inflow this year, and net cash flows from operating activities decreased year-on-year.

(3) During the reporting period, cash inflows from investing activities increased by 319.65% year-on-year, mainly due to the recovery of financial assets held for trading the current period, and cash inflows from investing activities increased year-on-year.

(4) During the reporting period, cash outflows from investing activities increased by 61.14% year-on-year, mainly due to the increase in large-amount negotiable certificates of deposit for the current period, resulting in a year-on-year increase in cash outflows from investing activities.

(5) During the reporting period, net cash flows from investing activities increased by 379.34% year-on-year, mainly due to the recovery of financial assets held for trading during the current period, and net cash flows from investing activities increased year-on-year.

(6) During the reporting period, cash inflows from financing activities decreased by 61.37% year-on-year. This was mainly due to the optimization of asset and liability structure during the current period, the reduction in financing scale, and the year-on-year decrease in cash inflows from financing activities.

(7) During the reporting period, net cash flows from financing activities decreased by 266.72% year-on-year, mainly due to the optimization asset and liability structure and the reduction of financing scale the current period, resulting in a year-on-year decrease in net cash flows from financing activities.

(8) During the reporting period, net increase in cash equivalents decreased by 711.12% year-on-year, mainly due to the receipt of refunds for VAT retained for future offsetting in the same period last year. There was no such cash inflow this year, which affected the decrease in net cash flows from operating activities; The Company optimized its asset and liability structure and reduced financing scale, which led to the decrease in net cash flows financing activities.

Explanation of the reasons for the significant difference between the net cash flow generated by the Company's operating activities during the reporting period and net profit for the year

Applicable     Not applicable

During the reporting period, there was a significant difference between the Company's net cash flows from operating activities of RMB -100,372,000 and the net profit of RMB -2,005,700 for the year, which was mainly due to the combined effect of investment income, amortization of deferred income, changes in operating receivables and payables, depreciation and amortization and other non-cash expenses, and financial expenses, of which the major items were: (1) investment income of RMB 34,997,900, which was included in net profit for the year but did not affect the net cash flows from operating activities; (2) new advances to suppliers amounting to RMB 22,546,200 were made during the year, which reduced net cash flows from operating activities but did not affect net profit for the year; (3) government subsidies related to assets received in previous years amounting to RMB 17,043,700 were allocated from other income and included in net profit for the current year but did not affect the net cash flows from operating activities.

#### V. Analysis of non-main business

Applicable     Not applicable

Unit: RMB

	Amount	Ratio in total profit	Explanation of causes	Sustainability
Investment income	34,997,898.47	-1,744.93%	Mainly due to investment income and dividend income obtained from financial assets held for trading, as well as investment income accounted for under the equity method and recognized by joint-stock companies	Recognized investment income accounted for under the equity method is sustainable
Asset impairment	-162,985.78	8.13%	Mainly due to provision for inventory depreciation	No
Non-operating revenue	11,687,001.25	-582.69%	Mainly due to the receipt of the compensation for power outage by Shenzhen Nanshan Power Zhongshan Company and Nanshan Power Plant this year	No
Non-operating expenses	66,116.23	-3.30%	Mainly due to losses, damage and	No

			scrapping of non-current assets, etc.	
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## VI. Analysis of assets and liabilities

### 1. Major changes in asset composition

Unit: RMB

	End of 2023		Beginning of 2023		Increase or decrease in proportion	Description of significant changes
	Amount	Ratio of total assets	Amount	Ratio of total assets		
Monetary funds	316,188,782.49	15.43%	675,496,266.40	25.92%	-10.49%	Mainly due to the increase in debt repayment and large-amount negotiable certificate of deposit
Accounts receivable	111,975,251.10	5.46%	135,833,492.64	5.21%	0.25%	
Contract assets	88,000.00	0.00%	217,009.58	0.01%	-0.01%	
Inventories	86,158,251.16	4.20%	85,279,298.35	3.27%	0.93%	
Investment properties	1,664,566.60	0.08%	1,833,344.20	0.07%	0.01%	
Long-term equity investments	90,001,176.04	4.39%	83,496,098.24	3.20%	1.19%	
Fixed assets	571,482,734.35	27.89%	591,290,204.31	22.69%	5.20%	
Construction in progress	3,448,855.10	0.17%	4,861,062.16	0.19%	-0.02%	
Right-of-use assets	2,266,946.42	0.11%	7,707,617.90	0.30%	-0.19%	
Short-term borrowings	341,237,886.72	16.65%	879,957,857.44	33.76%	-17.11%	Mainly due to the optimization asset and liability structure and the repayment of short-term borrowings in the current period
Long-term borrowings	58,829,426.30	2.87%	28,019,758.68	1.08%	1.79%	
Lease liabilities		0.00%	2,262,160.03	0.09%	-0.09%	

Financial assets held for trading	226,000,000.00	11.03%	440,013,571.10	16.88%	-5.85%	Mainly due to the redemption of trading financial products purchased with existing funds of the current period
Other current assets	232,865,968.63	11.36%	188,248,840.44	7.22%	4.14%	Mainly due to the increase in large-amount negotiable certificate of deposit
Other non-current assets	36,157,735.24	1.76%	5,371,398.18	0.21%	1.55%	Mainly due to the increase in land acquisition and storage of the current period in Shenzhen Nanshan Power Zhongshan Company, suspension of production and business, payment of employee compensation and relocation expenses
Other investments in equity instruments	300,615,000.00	14.67%	300,615,000.00	11.53%	3.14%	
Other non-current liabilities	104,045,112.54	5.08%	47,511.72	0.00%	5.08%	Mainly due to the receipt of land acquisition and storage progress payment by Shenzhen Nanshan Power Zhongshan Company

Overseas assets account for a high proportion

Applicable  Not applicable

## 2. Assets and liabilities measured at fair value

Applicable  Not applicable

Unit: RMB

Item	Beginning balance	Profit or loss from	Cumulative fair	Provision for	Purchase amount	Sales amount	Other changes	Ending balance
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		changes in fair value of the current period	value changes included in equity	impairme nt of the current period	of the current period	the current period		
Financial assets								
1. Financial assets held for trading (excludin g derivative financial assets)	440,013,5 71.10				931,000,0 00.00	1,145,013 ,571.10		226,000,0 00.00
2. Derivativ e financial assets								
3. Other debt investme nts								
4. Other investme nts in equity instrumen ts	300,615,0 00.00							300,615,0 00.00
Total	740,628,5 71.10				931,000,0 00.00	1,145,013 ,571.10		526,615,0 00.00
Financial liabilities	0.00				0.00	0.00	0.00	0.00

Other changes

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

Yes  No

**3. Restrictions of asset rights as of the end of the reporting period**

Item	Ending balance (RMB)	Balance at the end of the previous year (RMB)
Deposit for bank acceptance bills	0.00	27,474,594.34
L/G deposit	5,453,862.93	0.00
Total	5,453,862.93	27,474,594.34

**VII. Investment status analysis****1. Overall situation**

Applicable     Not applicable

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

**2. Major equity investments acquired during the reporting period**

Applicable  Not applicable

**3. Major ongoing non- equity investments during the reporting period**

Applicable  Not applicable

**4. Financial assets investment****(1) Securities investment situation**

Applicable  Not applicable

The Company had no securities investments during the reporting period.

**(2) Derivatives investment situation**

Applicable  Not applicable

The Company had no derivative investments during the reporting period.

**5. Usage of raised funds**

Applicable  Not applicable

The Company has not used the raised funds during the reporting period.

**VIII. Major asset and equity sales****1. Sale of major assets**

Applicable     Not applicable

Counterparty	Assets sold	Date of sale	Transaction price (RMB 10,000)	Net profit contributed by the asset to the listed company from the beginning of the current period to the date of sale (RMB 10,000)	Impact of the sale on the Company (Note 3)	Ratio of net profit contributed by asset sales to the listed company in the total net profit	Pricing principles of asset sale	Whether it is related transactions	Relationship with the counterparty (applicable to related transactions)	Whether have all the property rights of the assets involved been transferred	Whether all the claims and debts involved have been transferred	Whether it is implemented as planned and as scheduled. If it is not implemented as planned, the reasons and the measures the Company has taken should be explained.	Disclosure date	Disclosure index
Zhongshan Cuiheng New Distr	Shenzhen Nanshan Power Zho	December 12, 2023	58,453.5	0.00	This land acquisition and storage matter may revitalize	0.00%	It is based on the Asset Appraisal Report	No		No	Not applicable	Yes	November 8, 2023	Announcement No.: 2023-048; Announcement

ict Man age ment Com mitt ee	ngsh an Com pany has three state - own ed land use right locat ed in Hen gme n Indu strial Zon e, Nanl ang Stre et, Cuih eng New Distr ict, Zho ngsh an City				the Company 's assets in stock, improve the Company 's cash flows, reduce the Company 's operating pressure, and enable the Company to better focus on transform ation and develop ment. This is in line with the Company 's strategic develop ment plan, and will have no major impact on the Company 's productio n and operation s.		issued by Guangd ong Zhixin Land and Real Estate Apprais al Co., Ltd. (YZXP BZ No. [2023] 1175) and determi ned after consulta tion between the two parties.						nt name: Annou nceme nt on matter s related to land acquis ition and storag e subsidi aries held Shenz hen Nansh an Power (Zhon gshan) Power Co., Ltd.
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**2. Sale of major equity interests**

Applicable  Not applicable

**IX. Analysis of major holding and joint-stock companies**

Applicable  Not applicable

Information about major subsidiary and joint-stock companies that affect the Company's net profit by more than 10%

Unit: RMB 10,000

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	Subsidiary	Gas turbine power generation, waste heat power generation, power supply and heating, lease of terminals, oil depots (excluding refined oil, excluding hazardous chemicals, excluding flammable and explosive materials) and power equipment facilities; Land use rights lease; Nonresidential real estate lease.	RMB 746.8 million	26,831.82	- 53,199.64	6,290.86	-3,537.15	-3,119.81
Shenzhen New Power Industrial Co., Ltd.	Subsidiary	Technology development for waste heat utilization (excluding restricted projects); electricity generation through waste heat utilization;	RMB 113.85 million	11,292.65	8,223.56	23,514.79	-3,073.99	-3,030.02

		electricity generation through gas turbines.						
Shennan Energy (Singapore) Co., Ltd.	Subsidiary	Oil products trading and gas turbine spare parts agency.	USD 900,000	11,797.03	11,732.18		1,580.29	1,627.84
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	Subsidiary	Equity investments, venture capital	RMB 141,478,000	14,150.77	14,150.77		793.35	793.35
Shenzhen Nanshan Power Gas Turbine Engineering Technology (Shenzhen) Co., Ltd.	Subsidiary	Technical consulting services of construction engineering for gas-steam combined cycle power plant (stations), maintenance and overhaul of operating equipment for gas-steam combined cycle power plant (stations); Engineering management services, technical services of engineering, power generation, solar power generation, and energy storage, as well as repairs of electrical equipment and	RMB 10 million	9,537.79	3,553.39	4,229.95	-394.47	-354.34

		general equipment, etc.						
Shenzhen Xie fu Energy Co., Ltd.	Subsidiary	Import and export of goods and technology, domestic trade (excluding specialized, exclusively controlled, and exclusively sold goods); real estate agency, etc.	RMB 53.3 million	9,241.04	7,668.08	110.11	-238.22	-63.34
Shenzhen Nanshan Power Environmental Protection (Shenzhen) Co., Ltd.	Subsidiary	Energy storage technology services; Energy saving management services; contract energy management; technical services of solar power generation technology; centralized fast charging stations; engage in investing activities with self-owned funds.	RMB 79 million	5,029.18	4,297.17		4.95	20.19
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	Participating companies	Chemical raw materials, chemicals and energy	RMB 40.75 million	96,558.01	74,054.06	66,040.43	7,386.62	8,593.73

Situation of acquiring and disposing subsidiary during the reporting period

Applicable     Not applicable

Company name	Methods of acquiring and disposing subsidiary during the reporting period	Impact on overall production operations and performance
Shenzhen Nanshan Power (Zhongshan) Warehousing Co., Ltd.	Cancellation during the current period	No substantial operational impact

#### Situation description

During the reporting period, business strategy of Shenzhen Nanshan Power Zhongshan Company was adjusted. In view of the fact that the Company's controlling subsidiary Shenzhen Nanshan Power (Zhongshan) Warehousing Co., Ltd. has no substantive operations and there is no need for its existence. The cancellation of registration was completed on December 13, 2023.

#### X. Structured entities controlled by the company

Applicable  Not applicable

#### XI. Prospects for the Company's future development

##### 1. Analysis of the Company's operating situation in 2024

In 2024, the company's main power business will still face an extremely severe operating situation. First, natural gas price will remain high. Although the Russia-Ukraine conflict has simmered, the global natural gas supply situation has shown signs of relaxation as long as there are no new geopolitical emergencies or other emergencies. Nevertheless, with the domestic economy steadily rebounding and demand gradually rising, it is less probable for natural gas prices to witness a significant drop. Despite both the long-term contract price and the anticipated spot-node electricity price in 2024 being low, the potential for cost-revenue inversion in power generation production persists. Second, the Company still faces a challenging responsibility to ensure the continuity of power supply. According to the National Electricity Supply and Demand Situation Analysis and Forecast Report in 2023 and 2024 released by the China Electricity Council, a steady growth in national electricity consumption is anticipated for 2024. Considering macroeconomic factors and the electrification of end-use energy, and based on results of forecasting societal electricity consumption through diverse prediction methodologies, it is projected that the total electricity usage in 2024 will reach 9,800 billion KWH. This represents a growth of approximately 6% compared to the consumption levels in 2023. It is estimated that the national maximum power load will be 1.45 billion KW in 2024, an increase of about 100 million KW from 2023. During peak periods in the summer and winter, the national electricity supply and demand situation will maintain a tight balance. As far as Guangdong Province is concerned, considering economic factors, the scale of new large-scale users before the summer and the influence of temperature, the maximum regulated load demand during the summer is expected to be 158,000 MW, a year-on-year increase of 9.2%. The maximum power planned to receive Western Power is 38,732 MW, a year-on-year decrease of 3.7%. The Shenzhen area where the Company is located has a predicted maximum load of 24,000 MW in 2024, a year-on-year increase of 8.76%. While power load demand continues to rise, according to the planning arrangements of the Shenzhen Municipal Government, Nanshan Power Plant may be reduced from dual gas sources to a single gas source. This will further increase the difficulty of ensuring fuel supply and further increase the pressure on the Company to ensure power supply. Third, competition in the spot power market has become increasingly fierce. On December 29, 2023, the Guangdong spot power market commenced official operations, making Guangdong the second province after Shanxi to officially operate spot power market. At this stage, spot power market in

Guangdong Province has established a power market system of "medium and long-term plus spot and ancillary services", which has clarified the goals of developing a clean, low-carbon, safe and efficient market. As a large number of new unit with higher energy efficiency and larger capacity come into operation, the Company's existing 9E unit will be subject to an increasingly unfavorable situation in spot power market.

Although the Company faces difficulties and challenges in operation, management and development, its clear strategic development direction is highly consistent with the country's requirements to accelerate the planning and construction of a new energy system, deepen the energy revolution, and achieve the "dual carbon" goals. Simultaneously, the Company boasts extensive business expertise in the energy and power sectors, and has nurtured a cadre of proficient technical professionals, establishing a solid foundation for the expansion of integrated energy services and energy storage operations. The ongoing industrial and commercial energy storage initiatives, alongside the "construction, operation, management, and maintenance" platforms, as well as the implementation of photovoltaic and other new energy industry upgrade projects by the Company align closely with the latest national, provincial, and municipal policy directives. Firmly grasping the pivotal momentum of new energy's rapid advancement, the Company is transitioning from passive survival to proactive development, committing wholeheartedly to foster high-quality growth and advancement.

## **2. Summary of the Company's business plan in 2024**

The year 2024 marks the first year for the Company to officially implement its five-year strategic development plan, and it is also a critical year for the Company to achieve breakthrough progress in its transformation and development journey. The Company will uphold the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adhering to the guidance of high-quality Party building to ensure high-quality development, actively implementing the important decisions and arrangements of the Party Central Committee on deepening and improving the reform of state-owned enterprises and the "technological capital" development strategy of shareholder's agencies. The Company will deepen market-oriented reform, firmly adhere to the annual overall goal of "achieving fundamental breakthroughs in strategic transformation", make full efforts to drive the revitalization of the Company's main business.

(1) Stick to the bottom line and make every effort to ensure work safety and stable operations. First, firmly establish the concept of safe development, further improve the political position, comprehensively consolidate the main responsibilities, consolidate the foundation of work safety, and make every effort to resolve various safety risks. Second, combine the Company's transformation and development needs to build a work safety and technical supervision and management system that is compatible with new businesses and new formats to protect the Company's diversified business development. Third, comprehensively sort out the Company's safety management and technical supervision practices, improve the management process, and gradually realize the standardization, standardization and informatization of safety management and technical supervision. Fourth, comprehensively collate the Company's emergency plan based on the current situation of the Company's safety management, organize and complete the revision of the emergency plan, strengthen emergency drills, and effectively improve the company's emergency management level.

(2) Optimize the layout and continue to promote the revitalization of the main business and strategic transformation. First, seize policy opportunities, focus on new energy and energy storage, energy utilities, high-end power equipment and other industrial fields to invest in new projects, and fully promote the implementation of projects that support the Company's sustainable development. Second, create a professional operation platform for "investment, construction, operation, management and maintenance" in the field of energy storage, gradually build a integrated energy service business model, give full play to the advantages of listed companies'

capital operation platforms and energy storage funds, and increase the layout of energy storage business expansion. Third, develop an implementation plan for power sales that aligns with the Company's integrated energy service transformation strategy, ensuring a clear path forward in executing the Company's power sales initiatives. Carry out power sales based on the implementation plan, and finalize the establishment of an institutional system related to management of the Company's power sales. Fourth, strive to promote the transformation and development of non-power enterprises, bolster the development of comprehensive energy management projects, and establish a sustainable business model; give full play to the role of revitalizing the system's assets in stock and effectively absorbing and utilizing personnel, actively explore new business domains and scale them up effectively.

(3) Innovate while staying true to tradition, turning loss into profit through the management of assets in stock. First, execute the comprehensive shutdown of units and the disposal of assets at Shenzhen Nanshan Power Zhongshan Company, make every effort to advance the decommissioning process to ensure the thorough disposal of all assets; finalize the transfer of land assets and other tasks as stipulated in the relevant land acquisition and storage agreements. Second, continuously enhance the efficiency of the power trading mechanism while maintaining comprehensive control over transaction risks. Amidst the upcoming transition to a single gas source model in 2024, proactive measures will be implemented to reinforce fuel supply assurance and ensure comprehensive coordination. Prioritizing the maximization of the Company's interests, meticulous attention will be given to gas and electricity alignment. This approach will effectively fulfill the responsibility of guaranteeing power supply while simultaneously enhancing the profitability of the power business. Third, bolster economic operations, intensify unit equipment maintenance, and systematically enhance the marginal contribution and profitability of power production. This will be achieved through targeted and refined technical measures and management methodologies. Fourth, make more scientifically sound, reasonable, and adaptable overall strategies for fuel supply, monthly medium and long-term transactions, and unit maintenance. These strategies will be tailored to accommodate changes in capacity price policies, with a primary focus on maximizing the company's interests. Fifth, enhance research in technological innovation, drive the transformation and practical application of findings, and cultivate a synergistic environment for value creation. Sixth, strength comprehensive budget management, rigorously monitor all expenses and expenditures, and proactively explore diverse financing avenues to fulfill funding requirements for transformation and development. Concurrently, efforts will be made to minimize financing costs wherever feasible; closely track and deeply explore government policy dividends or preferential policies to increase revenue and reduce expenditure.

(4) Establish a solid foundation and elevate standardized management to a new level. First, strengthen corporate governance, keep up with the latest requirements of national laws, regulations and securities supervision regulations, and continuously optimize and improve the institutional system of corporate governance; According to the actual development needs of the Company and market conditions, the functions of the capital operation platform of listed companies will be fully utilized to assist the implementation of the Company's transformation and development tasks. Second, enhance standardized management practices, deepen compliance protocols, and further refine the Company's institutional system and operational mechanisms of compliance management. Execute specialized compliance initiatives in key areas, and extend the reach of the compliance management system to subsidiary enterprises. Third, strengthen the management of affiliated enterprises. All functional departments of the Company must efficiently fulfill their service roles and collaborate across all business chains to elevate the institutionalization, standardization, and refinement of management practices within affiliated enterprises. Fourth, Intensify financial management by anchoring on

comprehensive budgeting as the lever. Establish a budget management organizational framework fostering cross-departmental collaboration and multifaceted coordination. Reinforce budget performance management, leveraging comprehensive budgeting as a vital instrument to propel the reform of market-oriented mechanisms and bolster the implementation of the Company's strategic planning. Fifth, enhance audit risk control management by reinforcing internal audit oversight and compliance with risk control measures. Vigilantly monitor and implement the audit rectifications and spearhead efforts to elevate the Company's standardized management practices and enhance levels of risk prevention and control.

(5) Deepen reforms and continuously enhance corporate vitality and competitiveness. First, explore and implement a more flexible and efficient market-based salary management mechanism reform and establish a performance-linked salary revenue distribution system. Second, continuously advance a performance-driven culture by instituting a mid- to long-term incentive mechanism for the management team, incorporating both annual objectives and the goals associated with employees' tenures. Develop a scientifically sound, reasonable, and challenging system of differentiated performance indicator assessment, adhering to the principle of 'one enterprise, one policy'; Further strengthen the evaluation of operating performance indicators for affiliated enterprises and the performance assessment of the Company's management cadre. Implement rigorous constraints of evaluation. Third, continue to facilitate the integration and optimization of human resources within the system, while actively attracting exceptional external talents to cultivate a skilled team aligned with the company's transformation and development objectives. Fourth, develop the targeted and professional training plans tailored to the Company's transition towards an integrated energy service industry. Enhance training programs to nurture skilled talents of different skills aligned with the Company's strategic positioning; deploy internal competition mechanisms and job rotation exchange programs to actively foster and identify exceptional young cadres, while proactively building a talent reservoir. This initiative aims to cultivate a high-caliber talent pool tailored to meet the Company's evolving transformation and development requirements.

(6) Unite hearts and minds, emphasizing the importance of Party leadership and Party building. First, enhance political guidance, uphold comprehensive and rigorous governance within the Party, ensuring the effective manifestation of the Party's core role through the "six unifications". This will enable the leading and supporting role of Party building efforts in enterprise reform, transformation, and development. Second, continue to strengthen consolidating grassroots Party building, give full play to the role of grassroots Party Branches as frontline bastions, and take the Company's reform, transformation and development as the starting point and goal of Party building efforts. Third, adhere to the Party's oversight of talent and cadre management, endeavoring to nurture a team of proficient management professionals versed in politics, adept in administration, and skilled in operations. This effort aims to provide robust organizational and talent support for the Company's transformation and development. Fourth, commit to fostering a culture of integrity within the Party to ensure high-quality development. Unwaveringly reinforce the cultivation of a clean and honest party ethos, conscientiously implementing anti-corruption measures. Consolidate and deepen the outcomes of inspections and rectifications, utilizing the promotion of a clean and honest party culture to safeguard the Company's transformation and development.

**The business plan and related situation analysis described in this annual report do not constitute the Company's commitment to investors. The Company reminds investors to maintain due risk awareness, understand the differences between the business plan and actual operating conditions, and make prudent decisions of investment.**

### **3. Potential major risks and countermeasures**

(1) Main business: since 2023, the Company's power plants have encountered significant challenges due to various factors, including the continuous increase in fuel prices and outdated unit energy efficiency. With the official commencement of Guangdong Province's power marketization, the 9E unit faces profitability difficulties in competing with more efficient and cost-effective units. The operational outlook for the Company's core business is expected to become increasingly challenging. The Company will persist in enhancing the operation and management of assets in stocks, proactively adapting to the demands and dynamics of the power market, and striving to optimize the profitability of its core operations and overall operational efficiency. Simultaneously, the Company will prioritize integrated energy services, actively investigating diverse business models and opportunities to transition from a traditional power generation entity to a comprehensive energy service provider. These efforts aim to foster favorable conditions for the Company's sustained operations and robust growth.

(2) Safety management: under the market-oriented power production model, power plants will face more flexible scheduling methods and stricter assessment policies, which entail heightened demands on the operation and maintenance of existing aging power generation equipment. The Company will continuously improve the maintenance and management level of equipment by formulating scientific and reasonable maintenance and technical transformation plans, investing corresponding funds and technical forces, implementing primary responsibility for work safety, and ensuring the safe and stable operation of production facilities; Simultaneously, the Company will enhance training and emergency preparedness, ensuring the implementation of work safety responsibilities across five key areas: responsibility of work safety, management, investment, training, and emergency response. Doing so aims to prevent any human-induced work safety accidents within the Company's system while maintaining the supporting role of the main peak-shaving power supply point.

(3) Fuel procurement: in 2024, the Company's natural gas purchase price will mainly depend on changes in the international fuel market and the sales prices set by the Company's existing suppliers. Amidst the backdrop of a sluggish global economic recovery and the alleviation of tensions in the Russia-Ukraine conflict, it is anticipated that international energy prices will persist in their decline throughout 2024. However, geopolitical risks remain a factor of consideration. As a result, the Company's natural gas procurement costs in 2024 may continue to decrease compared to 2023. However, despite this decline, the overall price level remains elevated, with the potential for increased fluctuation. Furthermore, the Company may transition from a dual gas source structure to a single gas source structure. This transition may have a negative impact on gas supply stability, flexibility in coordinating gas volumes, and the economic aspect of gas prices. At the same time, the operation of electricity spot trading rules and the introduction of capacity price policies have put forward higher requirements for the stability and flexibility of natural gas supply. The Company will continue to optimize upstream cooperation relationships, coordinate gas supply work under a single gas source, and do its best to minimize natural gas procurement costs while ensuring gas demand for power production.

(4) Land of Nanshan Power Plant: in June 2023, the company learned about the Notice of Shenzhen Municipal Bureau of Planning and Natural Resources on Issuing the 2023 Shenzhen City Urban Renewal and Land Preparation Plan on the official website of the Shenzhen Municipal Planning and Natural Resources Bureau, according to the relevant content in its appendix, 2023 Shenzhen City Urban Renewal and Land Preparation Plan still includes the Land of Nanshan Power Plant and related content. The Company will maintain close communication with relevant departments of Shenzhen, actively follow up on the implementation progress of relevant government plans, and work with legal advisors to carefully study Land of Nanshan Power Plant, study and formulate response strategies and work plans, and make every effort to protect the listed company and all the legitimate rights and interests of shareholders.

The Company advises investors to take note of the aforementioned major risks as well as other potential risks that may affect the Company, and to make prudent and informed investment decisions accordingly.

## XII. Reception of visitors intended for research, communication, interviews and other activities during the reporting period

Applicable     Not applicable

Reception date	Reception location	Means of reception	Visitor type	Visitor	Main content discussed and information provided	Basic information index of the survey
January - December 2023	Headquarters office area of the Company	Field research	Individuals	4	Participate in General Meetings, receive visits from individual investors, etc.	The Company welcomes visitors in accordance with laws and regulations
January - December 2023	Interactive platform and email of the Company	Written Inquiry	Individuals	57	Inquire about the Company's future development direction, the updates of the Company's investment matters and land-related matters, etc.	The Company offers prompt response in writing.
January - December 2023	Telephone communication	Telephone communication	Individuals	69	Inquire about the Company's performance, market performance, land-related matters, and the update of the Company's investment matters, etc.	The Company responded in accordance with the law

**XIII. Implementation of the action plan entitled Double Improvement of Quality and Return**

Whether the Company has disclosed the action plan entitled Double Improvement of Quality and Return

Yes  No

## Section IV Corporate governance

### I. Basic situation of corporate governance

During the reporting period, the Company continued to enhance its corporate governance structure and improve the modern corporate governance structure in accordance with the relevant laws, regulations, normative documents such as the Company Law, Securities Law, Code of Governance of Listed Companies, Stock Listing Rules, and the Company's Articles of Association. The Company improved the level of standardized governance and refined management, and effectively protected the legitimate rights and interests of listed companies, investors and employees.

1. General Meeting: the Company convened General Meetings in strict accordance with legal procedures to ensure that shareholders exercise their rights in accordance with the law. During the reporting period, the Company held one regular General Meeting and four Extraordinary General Meetings to carefully study and deliberate on major matters requiring decision-making by the shareholders' meeting. The convening and calling procedures of the Company's General Meetings, the attendees and the subject qualifications of the convener, voting procedures and voting results were all in compliance with the Company Law, Securities Law, Rules for General Meetings of Listed Companies and other laws, regulations, normative documents and relevant provisions of the Company's Articles of Association. The Company had neither major shareholder nor related parties involved in the appropriation or transfer of the Company's funds, assets and other resources in any form.

2. Board of Directors: the Board of Directors of the Company adheres to standardized operation and management, implementing various measures to enhance its own development, and elevate the standardization and scientific decision-making capabilities of the Board. During the reporting period, Board of Directors of the Company held 2 regular meetings and 10 extraordinary meetings to meticulously deliberate and review major matters within its scope of authority. The four special committees under the Board of Directors, namely the Strategy and Investment Management Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, meticulously deliberate and review relevant matters according to their respective responsibilities. They provided opinions and suggestions to fully leverage the role of each committee in addressing major issues. These committees actively contributed to investment decision-making, key personnel adjustments, standardized management, internal auditing, and risk control, ensuring the scientific nature of the company's decision-making processes and management standardization.

3. Board of Supervisors: the Company's Board of Supervisors conscientiously performs its supervisory duties in accordance with relevant laws and regulations, demonstrating a responsible attitude toward the Company and shareholders. During the reporting period, the Company's Board of Supervisors held 2 regular meetings and 7 extraordinary meetings to supervise and inspect important matters such as the Company's financial situation, major decision-making matters, internal control, and standardized management, and expressed opinions. At the same time, the Board of Supervisors also performed its supervisory duties by attending General Meetings and the meetings of Board of Directors and organizing on-site inspections of the Company's subsidiaries to gain an in-depth understanding of the Company's operations and management.

4. Managers: during the reporting period, the Company's managers strictly followed relevant laws and regulations and the requirements of the Company's Articles of Association, conscientiously implemented the decisions of the General Meeting and Board of Directors, actively organized and carried out the Company's production, operation and management activities. They consistently refined the office meeting system and

internal control system, consistently optimized work processes and decision-making procedures, followed the working principles of reasonable division of labor, enhanced cooperation and the purpose of collective decision-making on major matters, continuously improved the Company's management level, striving to achieve annual operating goals.

5. Information disclosure and investor relations management: board of Directors of the Company strictly complies with the requirements of the Measures for the Administration of Information Disclosure of Listed Companies, the Stock Listing Rules and other regulations and normative documents, and conscientiously performs its information disclosure obligations. During the reporting period, the Company diligently prepared and disclosed regular and ad-hoc reports in compliance with relevant laws and regulations. A total of 122 announcements were issued over the year, aiming to provide investors with comprehensive insights into the Company's production, operations, management, and significant developments. The Company rigorously adheres to stipulations outlined in normative documents such as the Guidelines for the Management of Investor Relations of Listed Companies and the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operations of Main Board Listed Companies to effectively manage investor relations. The Company has facilitated investor engagement through on-site visits, email correspondence, investor hotlines, the Shenzhen Stock Exchange's interactive platform, and other communication channels, so as to enhance investors' understanding of the Company.

6. Insider information management: the Company strictly follows the requirements of regulations and normative documents such as the Information Disclosure Management Measures for Listed Companies and the Guidelines for the Supervision of Listed Companies No. 5 - Registration and Management System for Insiders of Listed Companies' Insider Information, standardizes the Company's insider information management, and conscientiously submits memoranda on updates of major event and insider information files in accordance with relevant regulations. During the reporting period, the Company neither leaked any inside information, nor violated information disclosure regulations by providing undisclosed information to major shareholders.

7. Internal control and standardized management: during the reporting period, the Company meticulously carried out internal control self-evaluation, internal audit and other aspects, and took active and effective measures to correct existing problems and deficiencies. Meanwhile, the Company strengthened business training and compliance education for directors, supervisors, senior officers and middle-level management cadres at all levels, increased assessments, rewards and punishments, further improved standardized management levels, and strive to prevent operational management risks.

Whether the Company's actual situation of corporate governance is significantly different from the laws, administrative regulations and the provisions on listed company governance issued by CSRC

Yes  No

There is no significant difference between the actual situation of the Company's corporate governance and the laws, administrative regulations and regulations on the governance of listed companies issued by the CSRC.

## **II. The Company's independent possession of assets, personnel, finance, organization, and business, etc. from its controlling shareholders and actual controllers.**

The Company has no controlling shareholder. The Company is completely independent of its major shareholders in terms of personnel, assets, finance, business, and institutions, and has the ability to make independent decisions and operate effectively.

1. Personnel independence: the Company has an independent human resources management system, salary and welfare system; All senior officers of the Company are full-time managers of the Company and do not hold other administrative positions other than directors and supervisors in shareholder entities; The Company recruits and fires employees on its own within the scope approved by Board of Directors and based on operational and management needs. The Company has established a comprehensive human resources management system and has independent management rights.

2. Asset independence: the Company has independent production facilities and auxiliary systems, land use right and housing property rights, office facilities and equipment. Within the scope of authorization by the General Meeting and Board of Directors, it has the power to independently purchase and dispose of assets.

3. Financial independence: the Company has an independent Financial Management Department and accounting system, has equipped with independent financial management and accounting personnel, has established a more complete financial management system, and has independent bank accounts and tax accounts. The Company has independent financial decision-making power within the scope authorized by the General Meeting and the Board of Directors, and there is no situation in which major shareholders interfere with financial management or misappropriation of funds, etc.

4. Business independence: the Company independently carries out production and operating activities, and has established independent and complete production, procurement and sales channels and management system. Within the scope authorized by the General Meeting and the Board of Directors, the Company operates independently, manages itself and is responsible for its own profits and losses.

5. Institutional independence: based on the needs of production, operation, and management, the Company has established a more perfect organizational structure and management structure in accordance with modern enterprise management standards. There is no situation in which shareholders interfere with the establishment and operation of the Company's institutions, and there is no situation in which they share the organizational structure with shareholders.

### III. Horizontal competition

Applicable  Not applicable

### IV. Relevant information on the Annual General Meeting and Extraordinary General Meeting held during the reporting period

#### 1. Information on the General Meeting during the reporting period

Session	Type	Investor participation ratio	Convening date	Disclosure date	Resolution
The First Extraordinary General Meeting for 2023	Extraordinary General Meeting	38.36%	March 23, 2023	March 23, 2023	The Proposal on By-election of non-employee supervisors of the Ninth Board of Supervisors of the Company was reviewed and approved
2022 Annual	Annual	38.40%	May 5, 2023	May 5, 2023	13 proposals including

General Meeting	General Meeting					2022 Work Report of the Board of Directors and 2022 Work Report of Board of Supervisors were reviewed and approved
The Second Extraordinary General Meeting for 2023	Extraordinary General Meeting	38.32%	September 15, 2023	September 15, 2023		The Proposal on Hiring an Auditor for 2023 and Determining Its Remuneration was reviewed and approved
The Third Extraordinary General Meeting for 2023	Extraordinary General Meeting	12.23%	November 3, 2023	November 3, 2023		The Proposal on Investment in Shenzhen New Energy Storage Industry Equity Funds and Related Transactions was reviewed and approved
The Fourth Extraordinary General Meeting for 2023	Extraordinary General Meeting	38.36%	November 24, 2023	November 24, 2023		The Proposal on Land Acquisition and Storage of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. was reviewed and approved

## 2. Preferred shareholders whose voting rights have been restored request the convening of an Extraordinary General Meeting of Shareholders

Applicable  Not applicable

## V. Directors, supervisors and senior officers

### I. Basic information

Name	Gender	Age	Position	Incumbency status	Commencement of term	Expiration of term	Number of shares held at the beginning of the period (shares)	Number of shares increased in the current period	Number of shares reduced in the current period (shares)	Other increases/decreases (shares)	Number of shares held at the end of the period (shares)	Reasons for increase or decrease in shares
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							es)	(sha res)				
Kong Guolia ng	Male	40	Chairman	Incumbent	September 13, 2022	April 26, 2024	0	0	0	0	0	
Hu Ming	Male	53	Vice Chairman	Incumbent	September 13, 2021	April 26, 2024	0	0	0	0	0	
Huang Qing	Male	52	Director	Incumbent	June 3, 2019	April 26, 2024	0	0	0	0	0	
Chen Yuhui	Male	58	Director	Incumbent	August 28, 2017	April 26, 2024	0	0	0	0	0	
			General Manager	Incumbent	August 11, 2017	April 26, 2024	0	0	0	0	0	
Wu Guowen	Male	58	Director	Incumbent	April 25, 2016	April 26, 2024	0	0	0	0	0	
			Executive Deputy General Manager	Incumbent	April 1, 2016	April 26, 2024	0	0	0	0	0	
Sun Huirong	Male	40	Director	Incumbent	April 26, 2021	April 26, 2024	0	0	0	0	0	
Huang Xiqin	Female	52	Independent director	Incumbent	August 2, 2022	April 26, 2024	0	0	0	0	0	
Chen Zetong	Male	53	Independent director	Incumbent	November 17, 2017	April 26, 2024	0	0	0	0	0	

Du Wei	Male	68	Independent director	Incumbent	November 11, 2019	April 26, 2024	0	0	0	0	0	
Zhai Baojun	Male	52	Chairman of the Board of Supervisors	Incumbent	March 23, 2023	April 26, 2024	0	0	0	0	0	
Li Caijun	Male	45	Supervisor	Incumbent	April 26, 2021	April 26, 2024	0	0	0	0	0	
Liao Junkai	Male	35	Supervisor	Incumbent	June 3, 2019	April 26, 2024	0	0	0	0	0	
Qian Wenhui	Male	55	Employee representative supervisor	Incumbent	April 26, 2021	April 26, 2024	0	0	0	0	0	
Lu Yindi	Female	41	Employee representative supervisor	Incumbent	April 26, 2021	April 26, 2024	0	0	0	0	0	
Li Chao	Male	52	Deputy general	Incumbent	September 18, 2023	April 26, 2024	0	0	0	0	0	

			man ager									
Tao Lin	Mal e	56	Dep uty gene ral man ager	Incu mbent	Septemb er 18, 2023	April 26, 2024	0	0	0	0	0	
Zhang Xiaoyi n	Mal e	36	Chie f Fina ncial Offi cer	Incu mbent	June 13, 2022	April 26, 2024	0	0	0	0	0	
Zou Yi	Mal e	50	Secr etary of the Boar d of Dire ctors	Incu mbent	April 26, 2021	April 26, 2024	0	0	0	0	0	
Ye Qiliang	Mal e	60	Chai rman of the Boar d of Sup ervis ors	Leave office	Novemb er 17, 2017	Februa ry 27, 2023	0	0	0	0	0	
Zhang Jie	Fem ale	55	Dep uty gene ral man ager	Leave office	Decemb er 30, 2006	March 20, 2023	17,32 5	0	0	0	17,32 5	
Total	--	--	--	--	--	--	17,32 5	0	0	0	17,32 5	

Whether there was any departure of directors and supervisors and dismissal of senior officers during their term of office during the reporting period

Yes  No

On February 27, 2023, the Board of Supervisors of the Company received a written resignation report submitted by Mr. Ye Qiliang, the Chairman of the Board of Supervisors. Mr. Ye Qiliang resigned from his position as the supervisor of the Ninth Session of the Board of Supervisors and Chairman of the Board of Supervisors of the Company due to reaching the statutory retirement age, and his resignation took effect from the date on which his resignation report was delivered to the Company's Board of Supervisors.

On March 20, 2023, the Board of Directors of the Company received a written resignation report submitted by Ms. Zhang Jie, the Deputy General Manager. Ms. Zhang Jie resigned from her position as Deputy General Manager of the Company due to reaching the statutory retirement age, and her resignation took effect from the date on which his resignation report was delivered to the Board of Directors of the Company.

Changes in directors, supervisors and senior officers of the Company

Applicable  Not applicable

Name	Position held	Type	Date	Reason
Li Chao	Deputy general manager	Appointed	September 18, 2023	
Tao Lin	Deputy general manager	Appointed	September 18, 2023	
Ye Qiliang	Chairman of the Board of Supervisors	Leave office	February 27, 2023	Retired
Zhang Jie	Deputy general manager	Leave office	March 20, 2023	Retired

## 2. Position

The professional background and main work experience of the Company's incumbent directors, supervisors and senior officers, as well as their main responsibilities currently

### (1) Members of the Board of Directors of the Company:

Mr. Kong Guoliang: was born in 1983, is a member of the CPC, has obtained a master's degree in finance from Central University of Finance and Economics, and is a Certified Public Accountant and Economist. He has successively served as Warrant Services Manager and Securities Representative of Shenzhen Zhenye (Group) Co., Ltd., Senior Manager and Deputy Minister of the Investment Department of Shenzhen Yuanzhi Investment Co., Ltd., Minister of Capital Operations Department, Minister of Investment and Development II, Minister (Director) of the Department of Strategic Studies (Office of the Board of Directors) and Secretary of the Board of Directors of Shenzhen Capital Holdings Co., Ltd., a director of Shenzhen Zhenye (Group) Co., Ltd., a director of China International Marine Containers (Group) Co., Ltd., General Manager of Shenzhen Pingwen Development Investment Co., Ltd., and Chairman of Shenzhen Yuanzhi Culture Holding Co., Ltd. Currently, he is the Chairman of Shenzhen Energy Corporation, the director of Shenzhen Energy (Hong Kong) International Limited, and the director of HONG KONG NAM HOI (INTERNATIONAL) LTD. From September 2022 to the present, he has served as the Chairman of the Company, and from November 2022 to the present, he has served as the Secretary of the Party Committee of the Company.

Mr. Hu Ming: was born in 1970, is a member of China National Democratic Construction Association, has obtained a master's degree, and is a Senior Engineer. From March 2003 to December 2019, he served in

government-related agencies such as Nanshan District Housing and Construction Bureau, Audit Bureau, etc.; from January 2020 to August 2021, he served as the Managing Director of Shenzhen Dashaha Construction Investment Co., Ltd. and the Managing Director of Shenzhen Nanshan Anju Construction and Development Co., Ltd.; from August 2021 to present, he has served as the Managing Director of Shenzhen Guangju Energy Co., Ltd., and from September 2021 to present, he has served as the Vice Chairman of the Company.

Mr. Huang Qing: was born in 1971, is a member of the CPC, is an Economist with a master's degree in economics, and graduated from Wuhan University majoring in National Economic Planning and Management. He has successively served as a Clerk, Deputy Chief Clerk and Chief Clerk of the General Office of Shenzhen Municipal Government, Deputy Director of the Comprehensive Department of the General Office of Shenzhen Municipal Government, Director of the Comprehensive Department of the General Office of Shenzhen Municipal Government, Deputy Secretary of the General Office of Shanxi Provincial Government, Deputy Director of the Shanxi Provincial Government Office in Guangzhou, member of the Party Group, etc. Currently, he is the Deputy General Manager of Shenzhen Capital Holdings Co., Ltd., and also serves as a Director of Shenzhen Energy Corporation, a Director of Shenzhen Environment and Water Investment Group Co., Ltd., a Director of Shenzhen High-tech Investment Group Co., Ltd., and a Director of Xiong'an Green Research Think Tank Co., Ltd., a Director of Shenzhen Institute of Building Research Co., Ltd., and Chairman of Shenzhen Yixin Investment Co., Ltd.; from June 2019 to present, he has served as a director of the Company.

Mr. Chen Yuhui: was born in 1965, is a member of the CPC, is a Senior Engineer, graduated from Shanghai Jiaotong University, and has obtained a bachelor's degree in ship power (undergraduate degree) and a master's degree in vibration, impact and noise (graduate degree). In 1989, he worked in the Maintenance Department of Shenyang Liming Gas Turbine Co., Ltd.; From December 1989 to June 2006, he worked at the Yueliangwan Power Plant of Shenzhen Energy Group, where he served as the Duty Officer of the Operation Department, a Specialist in the Chief Engineer's Office, Deputy Director of the Maintenance Department, Deputy Plant Director, Plant Director, etc; from June 2006 to July 2014, he worked at the Eastern Power Plant of Shenzhen Energy Group, where he served as Deputy General Manager and Operations Director; from July 2014 to August 2017, he served as Chairman, General Manager and Party Branch Secretary of Zuhai Shenzhen Energy Hongwan Power Co., Ltd.; from August 2017 to present, he has served as the director and General Manager of the Company, and from May 2019 to present, he has served as Deputy Secretary of the Party Committee of the Company.

Mr. Wu Guowen: was born in 1965, and has obtained a bachelor's degree. Since 1994, he has worked in Shenzhen Guangju Energy Co., Ltd. From 2008 to November 2010, he worked in Shenzhen Yisheng Liquid Warehousing Co., Ltd. as Deputy General Manager; from December 2010 to March 2016, he worked in Shenzhen Guangju Real Estate Co., Ltd., and served successively as Executive Deputy General Manager, legal representative, executive director, and General Manager; from August 2013 to March 2018, he served as employee supervisor of Shenzhen Guangju Energy Co., Ltd.; from March 2018 to September 2021, he also served as the Chairman of Shenzhen Xiefu Energy Co., Ltd.; since January 2022, he has also served as a director of Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.; from April 2016 to present, he has served as a director and Executive Deputy General Manager of the Company.

Mr. Sun Huirong: was born in 1983, is a member of the CPC, has obtained a master's degree, and is an Engineer. He has successively served as Senior Staff and Project Manager of Shenzhen Geotechnical Investigation & Surveying Institute Co., Ltd., Chief Investment Officer of Shenzhen Dipingxian Investment Management Co., Ltd., and Senior Manager and Deputy Minister of Research Department and Deputy Minister of Strategic

Research and M&A and Restructuring Department, etc. of Shenzhen Capital Holdings Co., Ltd. He is currently the Minister of Asset Management Department of Shenzhen Capital Holdings Co., Ltd., and he also serves as a director of China International Marine Containers (Group) Co., Ltd., a director of Shenzhen Institute of Building Research Co., Ltd., a director of Shenzhen Zhenye (Group) Co., Ltd., and a director of Shenzhen MTC Co., Ltd., etc. he has served as a director of the Company since April 2021.

Ms. Huang Xiqin: was born in 1971, has obtained a bachelor's degree in law and a master's degree in economics from the Party School of the Central Committee of the CPC, and a master's degree in business administration for senior officers from Guanghua School of Management, Peking University. She started working in September 1992. From September 1992 to May 1998, she served as Appraiser, Manager, etc. of Shenzhen International Real Estate Consulting Co., Ltd.; from May 1998 to date, she has served as executive director of Guozhonglian Asset Appraisal Land and Real Estate Valuation Co., Ltd.; from December 2000 to date, he has served as Chairman of Guozhonglian Construction Engineering Management Consulting Co., Ltd.; from November 2001 to present, she serves as Chairman of Guangdong Guozhonglianxing Asset Appraisal Land and Real Estate Valuation, Planning and Consulting Co., Ltd.; from February 2015 to date, she has served as a director of Beijing Guozhonglian Auction Co., Ltd.; from January 2022 to present, she has also served as an External director of Guangdong Construction Engineering Group Co., Ltd. She has served as an independent director of the Company since August 2022.

Mr. Chen Zetong: was born in 1970, has obtained a bachelor's degree in law from Southwest University of Political Science and Law, a master's degree in law from the University of Hong Kong, and a doctorate in law from Jilin University. From 1994 to 2003, he served as a Clerk, Assistant Judge and Judge in the Real Estate Tribunal of Shenzhen Intermediate People's Court; from 2003 to 2006, he served as the Presiding Judge of the Economic Tribunal; from July to August 2002, he interned in the High Court of Hong Kong as a Judicial Assistant; from 2006 to 2010, he served as the Deputy Chief Judge of the Seventh Civil Tribunal (Corporate Liquidation and Bankruptcy Tribunal). From 2010 to 2012, he served as a Consultant and Partner of King & Wood Mallesons in Beijing. From 2012 to present, he has served as a Senior Partner of Beijing Junzejun Law Offices. He is currently an Arbitrator of China International Economic and Trade Arbitration Commission, an Arbitrator of Shenzhen Court of International Arbitration (also known as South China International Economic and Trade Arbitration Commission and Shenzhen Arbitration Commission) and an Arbitrator of Huizhou Arbitration Commission. He is also an independent director of CALB Group Co., Ltd., and an independent director of unlisted companies, Fude Insurance Holdings Co., Ltd., Fude Sino-Life Insurance Co., Ltd. and Sino Life Asset Management Co., Ltd. He has served as an independent director of the Company from November 2017 to date.

Mr. Du Wei: was born in 1955, is a member of the CPC, is a Senior Engineer, has obtained doctorate, and graduated from Institute of Plasma Physics Chinese Academy of Sciences, majoring in Nuclear Fusion and Plasma Physics. He has served as a Cadre of the National Energy Commission, Assistant Engineer and Chief Clerk of Yangtze River Basin Planning Office, Engineer and Deputy Department Manager of China Nanshan Development Co., Ltd., Deputy General Manager and General Manager of Shenzhen Changjiang Computer Industry Co., Ltd., Deputy Minister (Deputy Division Director) and Minister (Division Director) of the Evaluation and Recommendation Center for Senior Managers of the Organization Department of Shenzhen Municipal Party Committee, Deputy General Manager of Shenzhen Expressway Development Co., Ltd., Chairman of Shenzhen International Western Logistics Co., Ltd., General Manager of Shenzhen International Qianhai Industrial (Shenzhen) Co., Ltd., Senior Consultant of Shenzhen International Business Management (Shenzhen) Co., Ltd., and executive director and General Manager of Shenzhen Tianyu Freight Forwarding Co.,

Ltd. Currently, he is the executive director and General Manager of Shenzhen Borun Investment Co., Ltd. He has served as an independent director of the Company from November 2019 to present.

## **(2) Members of the Board of Supervisors of the Company:**

Mr. Zhai Baojun: was born in August 1971, is a member of the CPC, and has obtained a bachelor's degree. From May 1993 to August 2001, he served as the Manager of Sales Department of Zhaobao Real Estate Company in Baoan District, Shenzhen; from August 2001 to November 2013, he worked at Shenzhen Guangju Energy Co., Ltd., where he served successively as Secretary of the Youth League Committee, Armed Officer, Office Director, Director of the Party Office, and Vice Chairman of the Trade Union of the Company; from December 2013 to April 2015, he served as Deputy General Manager of Shenzhen Guangju Yida Hazardous Chemicals Storage Co., Ltd.; from May 2015 to April 2020, he served as Deputy General Manager of Shenzhen Xie fu Energy Co., Ltd.; from May 2020 to March 2023, he served as Acting General Manager of Xie fu Company; from March 2023 to present, he has served as Chairman of Board of Supervisors of the Company.

Mr. Li Caijun: was born in 1978, is a member of the CPC, and has obtained a master's degree. He once served as an Accounting Teacher in Chongqing Beibei Vocational High School, Manager of Finance Department of Chongqing Yanlong Property Development Co., Ltd., Manager of Investment Banking Department of Shenzhen Energy Finance Co., Ltd., Head of Financial Management Department and Deputy Minister of Financial Management Department of Shenzhen SEZ Construction and Development Group Co., Ltd., Deputy Minister of Strategic Research and M&A and Restructuring Department of Shenzhen Capital Holdings Co., Ltd., Chief Financial Officer of Shenzhen Environment and Water Investment Group Co., Ltd., and Minister of Planning and Finance Department of Shenzhen Capital Holdings Co., Ltd., etc. He is currently serves as the General Manager of Shenzhen Yuanzhi Culture Holding Co., Ltd. He has served as the supervisor of the Company from April 2021 to present.

Mr. Liao Junkai: was born in 1988, is a member of the CPC, has obtained a master's degree in law, and graduated from South China University of Technology, majoring in Master of Laws. He served successively as Assistant, Supervisor, Manager, etc. of the Risk Control Department of Shenzhen Capital Holdings Co., Ltd.; from November 2020 to November 2021, he also served as a supervisor of Shenzhen Institute of Building Research Co., Ltd.; from June 2021, he has served as the General Manager of Asset Management Center of Shenzhen CLOU Electronics Co., Ltd. He has served as the supervisor of the Company from June 2019 to present.

Mr. Qian Wenhui: was born in 1968, is an Accountant, has obtained a bachelor's degree, and graduated from Changsha Normal University of Water Resources and Electric Engineering in 1990, majoring in Financial Accounting. From July to October 1990, he worked at Yangluo Power Plant in Wuhan. From October 1990 to August 2003, he worked in the Finance Department the Company; from August 2003 to October 2011, he served as Chief Financial Officer of Zhongshan Zhongfa Electric Power Co., Ltd.; from March 2014 to December 2016, he served as a supervisor of Zhongshan Shenzhong Real Estate Development Co., Ltd. and Zhongshan Shenzhong Real Estate Investment and Property Co., Ltd.; from November 2010 to present, he has served as the Director of Audit and Risk Control Department the Company; from May 2014 to present, he has served as a supervisor of Xie fu Company. From April 2021 to present, he has served as employee representative supervisor of the Company.

Ms. Lu Yindi: was born in 1982, is a member of the CPC, has obtained a master's degree, and graduated from School of Management, Huazhong University of Science & Technology in 2008, majoring in Management

Science and Engineering. In July 2008, she joined the Global Supply Chain Management Division of Foxconn Technology Group's iDSBG Business Group, where he served successively as Deputy Section Chief, Section Chief and Specialist of the Supply Chain Management Division. She joined the Company in August 2018, and has successively served as Supervisor of Contracts and Bidding Management of the Safety and Technology Department, Deputy Director of the Supply Department and Director of the Supply Department of Nanshan Power Plant (a subsidiary of the Company), and Deputy Director of the Company's Fuel Management Department; from June 2021 to present, she has served as the Director and Deputy Director of the Office of the Board of Directors of the Company. From April 2021 to present, he has served as employee representative supervisor of the Company.

### **(3) senior officers of the Company:**

For information about Chen Yuhui, the General Manager, and Wu Guowen, the Executive Deputy General Manager, please refer to the aforementioned directors' resumes.

Mr. Li Chao: was born in 1971, graduated from the Department of Finance of Shanxi University of Finance and Economics, has obtained a master's degree in Business Administration of Macau University of Science and Technology, and is a Senior Accountant. He started working in July 1994 and has once served as Project Manager of the Audit Department of Shenzhen Dahua Certified Public Accountants, Finance Manager of Compaq Computer Technology (China) Co., Ltd., and Chief Financial Officer of China Electricity Finance (Hong Kong) Limited; he joined Shenzhen Nanshan Power Co., Ltd. in February 2001, and he served successively as Assistant Minister, Minister, Deputy Chief Economist, Manager, and Assistant to the General Manager of the Corporate Development Department of the Company. He is currently the Chairman of Xiefu Company. From September 2023 to present, he has served as Deputy General Manager of the Company.

Mr. Tao Lin: was born in 1967, graduated from Shanghai Jiaotong University, majoring in Power System and Automation, has obtained a master's degree in Business Administration from the School of Economics and Management, Tsinghua University, and is an Economist. He started working in July 1989, and has once served as Production Officer of the Youth League Committee of Dalian Electric Power Bureau and the On-site Secretary of the Office of Shenzhen Huaneng Economic Development Company. In January 1992, he joined Shenzhen Nanshan Power Co., Ltd., and served successively as Office Secretary, Director, Secretary of the Board of Directors, General Manager of Shenzhen Xiefu Oil Supply Co., Ltd., General Manager of Zhongshan Power Co., Ltd. and Zhongshan Zhongfa Power Co., Ltd., and Deputy Chief Economist of the Company, and Assistant to the General Manager. He currently serves as Vice Chairman of Shenzhen Nanshan Power Zhongshan Company, Chairman of Shenzhen Nanshan Power Environmental Protection Company, and executive director of New Power Company. From September 2023 to present, he has served as Deputy General Manager of the Company.

Mr. Zhang Xiaoyin: was born in 1987, is a member of the CPC, with a master's degree, has obtained a bachelor's degree in Economics from Xiamen University and a master's degree in Business Administration from Wuhan University, and has obtained professional qualifications such as Senior Accountant, Certified Public Accountant, Certified Tax Agent, Asset Appraiser, Financial Risk Manager (FRM), etc. He started working in October 2008, and has served as an Auditor of the Financial Services Group of Shenzhen Branch of Ernst & Young Huaming Certified Public Accountants, a Financial Accountant of the Planning and Finance Department of Wanlian Securities Co., Ltd., a Senior Manager of the Financial Management Department of China Resources SZITIC Trust Co., Ltd. and Head of Accounting and supervisor of China Resources Energy Services Company Limited, and an Investment Director (Deputy Minister) of Yuanzhi Venture Capital (Investment

Development Department II) of Shenzhen Capital Holdings Co., Ltd. From June 2022 to present, he has served as Chief Financial Officer of the Company.

Mr. Zou Yi: was born in 1973, is a member of the CPC, is an Economist, has obtained a master's degree in economics. From July 1994 to September 2007, he worked at the Headquarters of Shenzhen Energy Group Co., Ltd., and served as Business Manager of the Finance Department, Deputy Director of the Business of the Capital Office, and Business Director of the Secretariat of the Board of Directors; from September 2007 to December 2017, he served as the Minister of Fund Department of Shenzhen Energy Finance Co., Ltd.; from December 2017 to July 2019, he served as Deputy General Manager of Shenzhen Energy Finance Co., Ltd.; from August 2017 to November 2018, he also served as a director of Huizhou SEC Fengda Electric Power Co., Ltd.; from August 2019 to April 2021, he served as the Director of the Office of the Board of Directors of the Company, and from July 2020 to April 2021, he also served as the Director of the Administration Department of the Company. From April 2021 to the present, he has served as Secretary of the Board of Directors of the Company, and from December 2023 to the present, he has also served as the Director of the Office of the Board of Directors.

Incumbency status in the shareholder entity

Applicable     Not applicable

Name of incumbent	Entity name	Positions held in the shareholder entity	Commencement of term	Expiration of term	Whether to receive remuneration allowance in the shareholder entity
Kong Guoliang	Shenzhen Energy Corporation	Chairman	November 2, 2022		No
Huang Qing	Shenzhen Energy Corporation	Director	April 24, 2019		No
Kong Guoliang	HONG KONG NAM HOI (INTERNATIONAL) LTD	Director	September 9, 2022		No

Incumbency status in other entities

Applicable     Not applicable

Name of incumbent	Other entity name	Positions held in other entities	Commencement of term	Expiration of term	Whether to receive remuneration allowance in other entities
Kong Guoliang	Shenzhen Energy (Hong Kong) International Limited	Director	April 24, 2023		No

Hu Ming	Shenzhen Guangju Energy Co., Ltd.	Director	August 20, 2021		Yes
		General Manager	August 4, 2021		
Huang Qing	Shenzhen Capital Holdings Co., Ltd.	Deputy general manager	September 1, 2016		Yes
	Shenzhen Environment and Water Investment Group Co., Ltd.	Director	December 4, 2020		No
	Shenzhen High-tech Investment Group Co., Ltd.	Director	March 9, 2018		No
	Xiong'an Green Research Think Tank Co., Ltd.	Director	November 9, 2017		No
	Shenzhen Institute of Building Research Co., Ltd.	Director	January 31, 2018		No
	Shenzhen Yixin Investment Co., Ltd.	Chairman	October 10, 2022		No
Wu Guowen	Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	Director	January 28, 2022		No
Sun Huirong	Shenzhen Capital Holdings Co., Ltd.	Minister of Asset Management Department	April 18, 2021		Yes
	China International Marine Containers (Group) Co., Ltd.	Director	November 14, 2022		No
	Shenzhen Institute of Building Research Co., Ltd.	Director	April 18, 2021		No
	Shenzhen Zhenye (Group) Co., Ltd.	Director	November 24, 2022		No
	Shenzhen MTC Co., Ltd.	Director	November 9, 2022		No
Huang Xiqin	Guozhonglian Asset Appraisal Land and Real Estate Valuation Co., Ltd.	Executive Director	May 26, 2005		Yes

	Guozhonglian Construction Engineering Management Consulting Co., Ltd.	Chairman	December 13, 2000		Yes
	Guangdong Guozhonglianxing Asset Appraisal Land and Real Estate Valuation, Planning and Consulting Co., Ltd.	Chairman	November 26, 2001		Yes
	Beijing Guozhonglian Auction Co., Ltd.	Director	February 28, 2015		No
	Guangdong Construction Engineering Group Co., Ltd.	External director	January 2022		Yes
Chen Zetong	Beijing Junzejun Law Offices	Senior Partner	September 1, 2012		Yes
	CALB Group Co., Ltd.	Independent director	October 6, 2022		Yes
Du Wei	Shenzhen Borun Investment Co., Ltd.	Director, General Manager	February 1, 2020		No
Li Caijun	Shenzhen Yuanzhi Culture Holding Co., Ltd.	General Manager	December 17, 2022		Yes
Liao Junkai	Shenzhen CLOU Electronics Co., Ltd.	General Manager of Asset Management Center	June 7, 2021		Yes

Punishments by Securities Regulatory Authorities in the past three years on the Company's directors, supervisors and senior officers who are currently in office and leave office during the reporting period

Applicable  Not applicable

### 3. Remuneration of directors, supervisors and senior officers

Decision-making procedures, basis for determination and actual payment of remuneration of directors, supervisors and senior officers

(1) Decision-making procedures: according to the relevant provisions of the Company's Articles of Association, the remuneration of directors and supervisors shall be determined by the General Meeting, and the remuneration of senior officers shall be determined by the Board of Directors.

(2) Basis for determination: at present, the Company has not yet implemented a remuneration system for non-independent directors and supervisors, and directors and employee supervisors who serve in the Company only receive remuneration for the administrative positions they hold in the Company. The Board of Directors of the Company determines the annual remuneration standards for the Company's senior officers based on factors such as annual operating efficiency, job rank, etc. as well as taking into account the remuneration levels in the industry, and determines the actual remuneration standards that can be paid based on the assessment and audit of the annual operating performance indicators.

(3) Actual payment: the Company pays remuneration in strict accordance with the decision-making procedures and the basis for determining the remuneration of directors, supervisors and senior officers, and the expenses related to transportation, accommodation, research, inspection and attendance at meetings, etc. incurred by directors and supervisors due to the performance of their duties shall be borne by the Company.

Remuneration of directors, supervisors and senior officers of the Company during the reporting period:

Unit: RMB 10,000

Name	Gender	Age	Position	Incumbency status	Total pre-tax remuneration received from the Company	Whether to receive remuneration from related parties of the Company
Kong Guoliang	Male	40	Chairman	Incumbent	85.67	No
Hu Ming	Male	53	Vice Chairman	Incumbent	0.00	Yes
Huang Qing	Male	52	Director	Incumbent	0.00	Yes
Chen Yuhui	Male	58	Director, General Manager	Incumbent	77.66	No
Wu Guowen	Male	58	Director, Executive Deputy General Manager	Incumbent	72.17	No
Sun Huirong	Male	40	Director	Incumbent	0.00	Yes
Huang Xiqin	Female	52	Independent director	Incumbent	12.98	No
Chen Zetong	Male	53	Independent director	Incumbent	13.33	No
Du Wei	Male	68	Independent director	Incumbent	14.40	No
Zhai Baojun	Male	52	Chairman of the Board of Supervisors	Incumbent	62.07	No
Li Caijun	Male	45	Supervisor	Incumbent	0.00	Yes
Liao Junkai	Male	35	Supervisor	Incumbent	0.00	Yes
Qian Wenhui	Male	55	Employee Supervisor	Incumbent	36.43	No
Lu Yindi	Female	41	Employee Supervisor	Incumbent	28.78	No
Li Chao	Male	52	Deputy general manager	Incumbent	44.81	No
Tao Lin	Male	56	Deputy general manager	Incumbent	46.10	No

Zhang Xiaoyin	Male	36	Chief Financial Officer	Incumbent	0.00	Yes
Zou Yi	Male	50	Secretary of the Board of Directors	Incumbent	69.66	No
Ye Qiliang	Male	60	Chairman of the Board of Supervisors	Leave office	18.14	No
Zhang Jie	Female	55	Deputy general manager	Leave office	17.64	No
Total	-	-	-	-	599.84	-

Other information

Applicable  Not applicable

## VI. Directors' performance of duties during the reporting period

### 1. Information of the Board of Directors during the reporting period

Session	Convening date	Disclosure date	Resolution
The 12th Extraordinary Meeting of the Ninth Board of Directors	January 16, 2023	January 18, 2023	The Proposal on Matters Related to Fixed Assets Inventory, the Proposal on Amending the Provisions on the Management of Fixed Assets and the Proposal on Using Temporarily Idle Self-owned Funds for the Deposit of Structured Deposits were reviewed and approved
The 13th Extraordinary Meeting of the Ninth Board of Directors	March 6, 2023	March 7, 2023	The Proposal on Convening the First Extraordinary General Meeting for 2023 was reviewed and approved
The 5th Meeting of the Ninth Board of Directors	April 4, 2023	April 7, 2023	14 proposals, including the 2022 Work Report of the Board of Directors and the 2022 Work Report of the General Manager, were reviewed and approved
The 14th Extraordinary Meeting of the Ninth Board of Directors	April 24, 2023	April 26, 2024	The 2023 First Quarter Report was reviewed and approved
The 15th Extraordinary Meeting of the Ninth Board of Directors	June 29, 2023	July 1, 2023	The Proposal on Formulating and Amending 14 Systems, including the Compliance Management Measures and the General Manager's Working Rules, was reviewed and approved

The 6th Meeting of the Ninth Board of Directors	August 23, 2023	August 25, 2023	The full text and summary of the 2023 Semi-annual Report, the Proposal on the Establishment of the Company's Discipline Inspection and Supervision Office, the Proposal on the Engagement of an Auditor for 2023 and the Determination of Its Remuneration and the Proposal on Convening the Second Extraordinary General Meeting for 2023 were reviewed and approved
The 16th Extraordinary Meeting of the Ninth Board of Directors	September 18, 2023	September 19, 2023	The Proposal on the Appointment of Mr. Li Chao as the Company's Deputy General Manager, the Proposal on the Appointment of Mr. Tao Lin as the Company's Deputy General Manager and the Proposal on the Review of 2023 Operating Performance Responsibility Letter of the Company's Deputy General Manager were reviewed and approved
The 17th Extraordinary Meeting of the Ninth Board of Directors	October 17, 2023	October 18, 2023	The Proposal on Investment in Shenzhen New Energy Storage Industry Equity Fund and Related Transactions and the Proposal on Convening the Third Extraordinary General Meeting for 2023 were reviewed and approved
The 18th Extraordinary Meeting of the Ninth Board of Directors	October 25, 2023	October 27, 2023	The Proposal on Formulating the Internal Audit Management Regulations, the Proposal on Formulating the Comprehensive Risk and Internal Control Management Measures and the Authorization of Relevant Responsibilities, the Proposal on Amending the Financial Management System, the Proposal on Amending the Development Strategy and Planning Management Regulations, and the 2023 Third Quarter Report were reviewed and

			approved
The 19th Extraordinary Meeting of the Ninth Board of Directors	November 7, 2023	November 8, 2023	The Proposal on Land Acquisition and Storage of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. and the Proposal on Convening the Fourth Extraordinary General Meeting for 2023 were reviewed and approved
The 20th Extraordinary Meeting of the Ninth Board of Directors	November 21, 2023		The Proposal on Applying for Credit Lines from Financial Institutions by Pledge of Patents was reviewed and approved
The 21st Extraordinary Meeting of the Ninth Board of Directors	December 21, 2023	December 23, 2023	9 proposals, including the Proposal on Amending the Articles of Association of Shenzhen Nanshan Power Co., Ltd. and the Proposal on Amending the Rules of Procedure of the Board of Directors of Shenzhen Nanshan Power Co., Ltd. were reviewed and approved

## 2. Attendance of directors at the Board of Directors and the General Meeting

Attendance of directors at the Board of Directors and the General Meeting of Shareholders							
Name of Director	Number of times of attendance at the Board of Directors during the reporting period	Number of times of on-site attendance at the Board of Directors	Number of times of attendance at the Board of Directors by correspondence	Number of times of attendance at the Board of Directors by proxy	Number of times of absences from the Board of Directors	Have you failed to attend the meetings of Board of Directors in person for two consecutive times	Number of times of attendance at the General Meeting
Kong Guoliang	12	3	9	0	0	No	5
Hu Ming	12	2	9	1	0	No	0
Huang Qing	12	3	9	0	0	No	5
Chen Yuhui	12	3	9	0	0	No	5
Wu Guowen	12	3	9	0	0	No	5
Sun Huirong	12	2	9	1	0	No	4

Huang Xiqin	12	3	9	0	0	No	3
Chen Zetong	12	2	9	1	0	No	2
Du Wei	12	3	9	0	0	No	5

Note on failure to attend the Board of Directors in person for two consecutive times

During the reporting period, there is no failure to attend the Board of Directors in person for two consecutive times.

### 3. Directors' objections to matters relating to the Company

Whether the directors have raised any objections to matters relating to the Company

Yes  No

During the reporting period, the directors did not raise any objection to matters relating to the Company.

### 4. Other notes on directors' performance of duties

Whether the directors' recommendations to the Company have been adopted

Yes  No

The statement that the directors' proposals relating to the Company have or have not been adopted

During the reporting period, all directors of the company have been diligent and conscientious in carrying out their work in strict accordance with the relevant regulations of CSRC and Shenzhen Stock Exchange, as well as the Company's Articles of Association, Rules of Procedure of the Board of Directors and other systems, paid close attention to the Company's standardized operation and business situation, and carefully studied the various proposals submitted to the Board of Directors for review based on the Company's actual situation, so as to ensure scientific decision-making and safeguard the legitimate rights and interests of the Company and all shareholders.

## VII. Information of Special Committees under the Board of Directors during the reporting period

Name of the Committee	Members	Number of meetings held	Convening date	Content of the meeting	Important comments and suggestions put forward	Other performance of duties	Details of the objections (if any)
Strategy and Investment Management Committee	Kong Guoliang, Hu Ming, Huang Qing, Chen Yuhui, Wu	5	January 16, 2023	Reviewing the Proposal on Using Temporarily Idle Self-owned Funds for the Deposit of Structured Deposits	All the members present agreed to the proposal without objection		
			April 4,	Reviewing the 2022	All the		

Guowen	2023	Annual Performance Report of the Strategy and Investment Management Committee of the Board of Directors	members present agreed to the proposal without objection		
	October 17, 2023	Reviewing the Proposal on Investment in Shenzhen New Energy Storage Industry Equity Fund and Related Transactions	All the members present agreed to the proposal without objection	1. Affiliated committee members, Kong Guoliang, Huang Qing and Chen Yuhui abstained from voting; 2. Since the number of non-affiliated committee members attending the meeting was less than 3, the Proposal was directly submitted to the Board of Directors of the Company for review.	
	November 7, 2023	Reviewing the Proposal on Land Acquisition and Storage of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	All the members present agreed to the proposal without objection		
	December 21, 2023	Reviewing the Proposal on the Adjustment of the Partnership Agreement of Zhuhai Hengqin Zhuozhi Investment Partnership	All the members present agreed to the proposal without		

				(Limited Partnership) and the Signing of the Supplemental Agreement to the Entrusted Management Agreement	objection		
Nomination Committee	Chen Zetong, Hu Ming, Du Wei	2	April 4, 2023	Reviewing the 2022 Annual Performance Report of the Nomination Committee of the Board of Directors	All the members present agreed to the proposal without objection		
			September 18, 2023	1. Reviewing the Proposal on the Appointment of Mr. Li Chao as the Company's Deputy General Manager 2. Reviewing the Proposal on the Appointment of Mr. Tao Lin as the Company's Deputy General Manager	All members present at the meeting agreed to all the proposals without objection		
Remuneration and Assessment Committee	Huang Xiqin, Wu Guowen, Du Wei	2	April 4, 2023	1. Reviewing the 2022 Annual Performance Report of the Remuneration and Assessment Committee of the Board of Directors 2. Reviewing the Proposal on the 2023 Annual Remuneration Plan	All members present at the meeting agreed to all the proposals without objection		
			September 18, 2023	Reviewing the Proposal on the Review of 2023 Operating Performance Responsibility Letter of the Company's Deputy General Manager	All the members present agreed to the proposal without objection		
Audit Committee	Huang Xiqin, Sun	7	January 18, 2023	Listening to and discussing the Communication Letter	All the members present at		

Huirong, Chen Zetong			between Certified Public Accountants and Those Charged with Governance submitted by Lixinzhonglian CPAS	the meeting have no objection		
	April 4, 2023		1. Reviewing the 2022 Annual Financial Report 2. Reviewing the 2022 Annual Audit Report on Internal Control 3. Reviewing the Proposal on the 2022 Annual Financial Final Report 4. Reviewing the Proposal on Provision for Impairment of Assets for 2022 5. Reviewing the Proposal on the Profit Distribution Plan for 2022 6. Reviewing the Proposal on Submitting for Review the 2022 Evaluation Report on Internal Control 7. Reviewing the 2022 Annual Performance Report of the Audit Committee of the Board of Directors	All members present at the meeting agreed to all the proposals without objection		
	April 24, 2023		1. Reviewing the 2023 First Quarter Report 2. Listening to the Financial Settlement Report for the First Quarter of 2023 3. Listening to the Work Report of Audit and Risk Control Department for the First Quarter of 2023	All members present at the meeting agreed to all the proposals without objection		
	August 23, 2023		1. Reviewing the full text and summary of the	All members		

				<p>2023 Semi-annual Report 2. Reviewing the Proposal on the Engagement of an Auditor for 2023 and the Determination of Its Remuneration 3. Listening to the 2023 Semi-annual Financial Performance Report 4. Listening to the Work Report of Audit and Risk Control Department in the Second Quarter of 2023</p>	<p>present at the meeting agreed to all the proposals without objection</p>		
			<p>October 17, 2023</p>	<p>Reviewing the Proposal on Investment in Shenzhen New Energy Storage Industry Equity Fund and Related Transactions</p>	<p>All the members present agreed to the proposal without objection</p>		
			<p>October 25, 2023</p>	<p>1. Reviewing the Proposal on Formulating the Internal Audit Management Regulations 2. Reviewing the Proposal on Formulating the Comprehensive Risk and Internal Control Management Measures and the Authorization of Relevant Responsibilities 3. Reviewing the Proposal on Amending the Financial Management System 4. Reviewing the 2023 Third Quarter Report 5. Listening to the Financial Performance Report for</p>	<p>All members present at the meeting agreed to all the proposals without objection</p>		

				the Third Quarter of 2023 6. Listening to the Work Report of Audit and Risk Control Department for the Third Quarter of 2023			
			November 6, 2023	Listening to the 2023 Audit Plan of Shenzhen Nanshan Power Co., Ltd.	All the members present at the meeting have no objection		

## 8. Work of the Board of Supervisors

Whether the Board of Supervisors has identified any risks to the Company in its supervisory activities during the reporting period

Yes  No

The Board of Supervisors has no objection to the supervision matters during the reporting period.

## 9. Employees

### 1. Number of employees, professional composition and education background

Number of active employees of parent company at the end of the reporting period	239
Number of active employees of major subsidiaries at the end of the reporting period	45
Total number of active employees at the end of the reporting period	284
Total number of employees receiving remuneration in the current period	281
Number of retired employees whose the parent company and major subsidiaries have to bear the expenses	0
<b>Professional composition</b>	
Category	Number
Production staff	71
Salesperson	7
Technical staff	45
Financial staff	14
Administrative staff	147
Total	284
<b>Education background</b>	
Category	Number

High school and below	28
Junior college and technical secondary school education	94
Bachelor's degree	137
Master's degree or above	25
Total	284

## 2. Remuneration policy

The Board of Directors implements the principle of annual remuneration quota accrual for the company based on fixed basic remuneration. The remuneration of the Chairman shall be submitted to the General Meeting for approval and determination after being reviewed and approved by the Board of Directors; The remuneration of senior officers at the level of General Manager and Deputy General Manager shall be formulated by the Remuneration and Assessment Committee of the Board of Directors and submitted to the Board of Directors for approval and determination. The remuneration of other personnel is authorized to be managed by the Company's management team based on the principles of "fixing salary based on position" and "getting paid according to work". Within the annual remuneration quota approved by the Board of Directors, the Company strictly controls the remuneration costs, establishes a remuneration incentive mechanism linked to the performance of the employees, formulates the remuneration standards, distribution plans, assessment and rewards and punishment methods for the personnel at all levels, and is responsible for organizing and implementing them, so as to give full play to the role of the incentive role of the remuneration.

## 3. Training plan

The Company attaches great importance to employee training and has established a more complete training system. By strengthening employee training, it improves the job skills and comprehensive quality of the employees, better meets the needs of the Company's operation and management for talent, and at the same time cultivates reserve talents for the Company's sustainable development. During the reporting period, in terms of safety training, the Company has organized safety education and training, emergency rescue drills, emergency response capability training, etc. at all levels of the Company in accordance with the Work Safety Law and other laws and regulations in respect of safety training, so as to improve the safety awareness, accident prevention capabilities and business level of cadres and employees at all levels. In terms of on-the-job training, the Company has adopted a combination of expatriate learning and internal training, carried out certified on-the-job training for key business and technical positions to improve the capabilities of employees to perform their duties, and also relied on the gas turbine simulation training base to improve the practical operation and adaptability of power plant operators. In terms of training and learning in Party members, the Company's Party Committee and Party Branch have strictly followed the requirements of the higher Party organizations, continued to strengthen education and learning in Party members through a combination of online and offline methods, and implemented daily personal self-study through the distribution of books and materials. At the same time, they have strictly implemented the "Three Meetings and One Lesson" system, enriched the form of learning and education through diversified forms such as organizing visits to red bases, special trainings, study tours, and "Party lectures given by the Secretaries", etc., so as to ensure that the Party organization plays the role of strong backing and reliable support, and leads the majority of the Party members to play a vanguard and exemplary role.

**4. Outsourcing of labor**

Applicable  Not applicable

**X. Profit distribution and capitalization of capital reserve of the Company**

The formulation, implementation or adjustment of profit distribution policies, especially cash dividend policies, during the reporting period

Applicable  Not applicable

During the reporting period, the Company are profitable and the parent company's profits available for distribution to shareholders are positive, but no cash dividend distribution plan has been put forward

Applicable  Not applicable

In view of the fact that the Company is still facing tremendous operating pressure and is in a critical period of simultaneous promotion of operation and transformation and development work of assets in stock, it is difficult to meet the requirements for profit distribution conditions in the Company's Articles of Association. Therefore, the Company proposes not to make any profit distribution in 2023. The undistributed profits of the parent company will be mainly used to supplement the working capital and meet operational needs to ensure the achievement of operating objectives.

Profit distribution and capitalization of capital reserve during the reporting period

Applicable  Not applicable

The Company plans not to distribute cash dividends, issue bonus shares, or convert capital reserves into share capital during the year.

**XI. Implementation of the Company's equity incentive plan, employee stock ownership plan or other employee incentive measures**

Applicable  Not applicable

The company has no equity incentive plan, employee stock ownership plan or other employee incentive measures and their implementation during the reporting period.

**XII. Construction and implementation of the internal control system during the reporting period****1. Construction and implementation of internal control**

In accordance with the provisions of the Basic Standards Internal Control of Enterprises and its supporting guidelines, the Company timely updates and improves the Company's internal control system, establishes a set of scientifically designed and applicable internal control system, and supervises and evaluates the Company's internal control management by the Audit Committee and the Internal Audit Department, which together form the Company's risk-based internal control management organization system. Through the operation, analysis and evaluation of the internal control system, the Company has effectively prevented risks in operation and management and promoted the realization of internal control objectives.

**2. Details of major defects in internal control identified during the reporting period**

Yes  No

**XIII. Management and control of subsidiaries by the Company during the reporting period**

The Company has formulated the Regulations on Property Rights Management, which clarifies the relationship between responsibilities, rights and benefits in the property rights management of affiliated enterprises, ensures that assets are clearly attributed, rights and responsibilities are clearly defined, promotes the further scientific, standardized and legalized management of property rights, and meets the needs of the Company's overall development strategy.

**XIV. Evaluation Report on Internal Control or Audit Report on Internal Control****1. Evaluation Report on Internal Control**

Date of disclosure of full text of Evaluation Report on Internal Control	April 12, 2024	
Full-text disclosure index of Evaluation Report on Internal Control	2023 Evaluation Report on Internal Control, cninfo.com.cn <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>	
Ratio of the total assets of the unit included in the evaluation scope to the total assets of the Company's consolidated financial statements	93.10%	
Ratio of operating revenue of the unit included in the evaluation scope to operating revenue of the Company's consolidated financial statements	100.00%	
<b>Defect identification standards</b>		
<b>Category</b>	<b>Financial report</b>	<b>Non-financial report</b>
Qualitative standards	Major defects: under major business activities, many consolidated statements companies have serious defects; or a few consolidated statements companies have serious defects, but the companies with serious defects are the main participant in the major business activities; Great defects: under major business activities, a few consolidated statements companies have serious defects, and the companies with serious defects are not the main participants in the major business activities; or multiple consolidated statements	Major defects: under major business activities, many consolidated statements companies have serious defects; or a few consolidated statements companies have serious defects, but the companies with serious defects are the main participant in the major business activities; Great defects: under major business activities, a few consolidated statements companies have serious defects, and the companies with serious defects are not the main participants in the major business activities; or multiple consolidated statements

	<p>companies have moderate defects; or a few consolidated statements companies have moderate defects, but the companies with moderate defects are the main participants in the major business activities; General defect: in major business activities, a few companies sharing consolidated statements have moderate defect, and these companies with moderate defect are not the main participants in the major business activities; or companies share consolidated statements only have common defects; or there are no defects in internal control in major business activities, with only defects in internal control in non-major business activities.</p>	<p>companies have moderate defects; or a few consolidated statements companies have moderate defects, but the companies with moderate defects are the main participants in the major business activities; General defect: in major business activities, a few companies sharing consolidated statements have moderate defect, and these companies with moderate defect are not the main participants in the major business activities; or companies share consolidated statements only have common defects; or there are no defects in internal control in major business activities, with only defects in internal control in non-major business activities.</p>
Quantitative standards	<p>Major defects: misstated amount is <math>\geq 0.5\%</math> of total assets in the consolidated statements; great defect: 0.2% of total assets in the consolidated statements <math>\leq</math> misstated amount <math>&lt; 0.5\%</math> of total assets in the consolidated statements; general defect: misstated amount <math>&lt; 0.2\%</math> of total assets in the consolidated statements.</p>	<p>Major defect: amount of direct loss <math>\geq 0.5\%</math> of total assets in the consolidated statements; great defect: 0.2% of total assets in the consolidated statements <math>\leq</math> amount of direct loss <math>&lt; 0.5\%</math> of total assets in the consolidated statements; general defect: amount of direct losses <math>&lt; 0.2\%</math> of total assets in the consolidated statements.</p>
Number of major defects in financial reports		0
Number of major defects in non-financial reports		0
Number of great defects in financial reports		0
Number of great defects in non-financial reports		0

## 2. Audit Report on Internal Control

Applicable     Not applicable

Considerations in Audit Report on Internal Control

The accounting firm believes that Shenzhen Nanshan Power Co., Ltd. has maintained effective financial report on internal control in all material aspects in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.	
Disclosure of Audit Report on Internal Control	Disclosed
Full-text disclosure date of the Audit Report on Internal Control	April 12, 2024
Full-text disclosure index of the Audit Report on Internal Control	2023 Audit Report on Internal Control can be found on <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Opinion type of the internal audit report	Standard unqualified opinion
Whether there are major defects in the non-financial report	No

Whether the accounting firm issues an Audit Report on Internal Control with non-standard opinions

Yes  No

Whether the Audit Report on Internal Control issued by the accounting firm is consistent with the self-evaluation report of Board of Directors

Yes  No

#### **XV. Rectification of issues found in the self-examination of the special action on corporate governance of the listed company**

The self-examination and rectification of the special action on corporate governance of the listed company has been completed in 2021. During the reporting period, the Company strictly followed the relevant laws and regulations, closely focused on the Company's development strategy, diligently performed its obligations and exercised its powers, conscientiously implemented various resolutions of the General Meeting, actively and effectively carried out various tasks of Board of Directors, and effectively safeguarded the legitimate rights and interests of the Company and all its shareholders.

## Section V Environmental and social responsibilities

### I. Major environmental protection issues

Whether the listed company and its subsidiaries are key pollutant-discharging units announced by the environmental protection department

Yes  No

#### 1. Policies and industry standards related to environmental protection

The Company belongs to the thermal power generation industry under the national economic classification 4411, and is currently implementing the Emission Standards of Air Pollutants for Thermal Power Plants GB-13223-2011. At the same time, its affiliated Nanshan Power Plant strictly controls nitrogen oxide emissions in accordance with the 2018 "Shenzhen Blue" Sustainable Action Plan.

#### 2. Administrative licenses for environmental protection

Nanshan Power Plant, the Company's subsidiary, has obtained a pollutant discharge license issued by the Nanshan Administration Bureau of Shenzhen Ecological Environment Bureau, with license No. of: 91440300764983799T001P. The subsidiary Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. has obtained a pollutant discharge license issued by the Zhongshan Ecological Environment Bureau, with license No. of: 914420007564567614001P.

#### 3. Industry emission standards and specific information on the pollutant emissions involved in production and operating activities

Name of the company or name of its subsidiary	Types of main pollutants and specific pollutants	Names of main pollutants and specific pollutants	Emission mode	Number of discharge outlets	Distribution of discharge outlets	Emission concentration/intensity	Pollutant emission standards	Total emissions	Total approved emissions	Excessive emission
Shenzhen Nanshan Power Co., Ltd.	Nitrogen oxides	Nitrogen oxides	Concentrated emission of boiler and chimney	2	Inside the Nanshan Power Plant	<15 mg/m <sup>3</sup>	"Shenzhen Blue" emission standard <15mg/m <sup>3</sup>	46.59 tons	457.5 tons	None
Shenzhen New Power Industri	Nitrogen oxides	Nitrogen oxides	Concentrated emission of	1	Inside the Nanshan	<15 mg/m <sup>3</sup>	"Shenzhen Blue" emission	20.37 tons	228.75 tons	None

al Co., Ltd.			boiler and chimney		Power Plant		n standar d <15mg/ m <sup>3</sup>			
Shenzh en Nansha n Power (Zhong shan) Power Co., Ltd.	Nitroge n oxides	Nitroge n oxides	Concen trated emissio n of boiler and chimne y	2	Inside the Zhongs han Nanlan g Power Plant	<50 mg/m <sup>3</sup>	GB132 23	9.65 tons	803.06 tons	None

#### 4. Treatment of pollutants

Shenzhen Nanshan Power Co., Ltd. has two sets of 9E units and Shenzhen New Power Industrial Co., Ltd. has one set of 9E unit, both of which use General Electric's DLN1.0+ low-nitrogen combustion system. Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. has two sets of 9E units, which adopt General Electric's DLN1.0 low-nitrogen combustion system. During the reporting period, the Company and its subsidiaries strictly complied with national environmental protection laws and regulations, with all pollutants discharged meeting the national emission standards. There were no environmental pollution accidents, nor were there any penalties imposed by relevant departments due to major environmental problems.

#### 5. Emergency plan for environmental emergencies

The emergency plan for sudden environmental incidents has been filed with the Guangdong Provincial Environmental Protection Department and the corresponding municipal environmental protection bureau.

#### 6. Environmental self-monitoring plan

An environmental self-monitoring plan has been prepared and reviewed by the environmental protection department; the monitoring data was disclosed timely on the environmental protection department's website.

#### 7. Information on investment in environmental governance and protection and payment of environmental protection tax

The Company attaches great importance to environmental protection and strengthens on-site management by carrying out special tasks such as the investigation of potential environmental risks and standardized management of hazardous waste; in addition, the Company continues to increase investment on the maintenance of environmental protection facilities and improves environmental protection infrastructure. All these initiatives have greatly improved the level of pollution prevention and control. The Company pays environmental protection tax in strict accordance with the Presidential Order No. 61 of the Environmental Protection Tax Law of the People's Republic of China and other relevant laws and regulations.

#### 8. Measures taken to reduce carbon emissions during the reporting period and the results

Applicable     Not applicable

During the reporting period, the Company's affiliated power plants continued to improve unit efficiency and reduce carbon emissions by taking technical transformation measures such as unit condenser technical and turbine high-pressure bypass valve technology.

9. Administrative penalties for environmental issues during the reporting period

None

10. Other environmental information that shall be disclosed

None

11. Other environmental protection related information

None

12. The Company shall comply with the disclosure requirements of power supply industry stipulated in the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3 - Industry Information Disclosure.

None

13. Information on environmental accidents occurring in the listed company

None

## **II. Social responsibilities**

In 2023, although the Company faced many challenges in production, operation and management, the Company had the courage to assume social responsibilities, actively ensured power supply when the cost and price of power generation were seriously inverted, and conscientiously performed its social responsibilities to the best of its ability. In terms of work safety, the Company attached great importance to work safety by identifying the main disparities. We vigorously promoted the improvement of employees' safety responsibility awareness and safety skills, effectively enhanced their work initiative, and maintained the "Five Nos" goal of work safety. In terms of environmental protection, the Company strictly complied with national and local environmental protection regulations, and always adhered to the concept of clean power generation and circular economy development. All environmental protection work was effectively implemented, with environmental protection emission meeting the requirement and no environmental pollution accidents. In terms of charity assistance, the Company actively implemented Shenzhen's consumption poverty alleviation policy, participating in consumption poverty alleviation with a total contribution of RMB 142,200. We fulfilled social responsibilities to the best of our ability.

## **III. Consolidation and enhancing of the results of poverty eradication and rural revitalization**

In 2023, the Company actively responded to the calls of the Party Central Committee and the State Council on poverty alleviation and rural revitalization. According to Shenzhen's consumption poverty alleviation policy, we actively participated in consumption poverty alleviation despite the difficulties encountered in the Company's production and operation. The total amount of contribution regarding consumption poverty alleviation was RMB 142,200.



## Section VI Important matters

### I. Fulfillment of commitments

#### 1. Commitments made by the Company's actual controller, shareholders, related parties, acquirers and the Company that have been fulfilled during the reporting period and have not yet been fulfilled by the end of the reporting period

Applicable  Not applicable

During the reporting period, there were no commitments made by the Company's actual controller, shareholders, related parties, acquirers and the Company that were fulfilled during the reporting period and had not yet been fulfilled by the end of the reporting period.

#### 2. If there is a profit forecast for the Company's assets or projects and the reporting period is still in the profit forecast period, the company shall explain that the assets or projects have met the original profit forecast and the reasons for that.

Applicable  Not applicable

### II. Non-operating capital occupation of the listed company by controlling shareholders and other related parties

Applicable  Not applicable

There was no non-operational occupation of funds by the controlling shareholder or other related parties of the listed company during the reporting period.

### III. Illegal external guarantees

Applicable  Not applicable

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

### IV. Statement of the Board of Directors on the latest "Non-standard Audit Report"

Applicable  Not applicable

### V. Explanation of the "Non-standard Audit Report" issued by the accounting firm for the reporting period by the Board of Directors, Board of Supervisors and independent directors (if any)

Applicable  Not applicable

### VI. Description of changes in accounting policies, accounting estimates or correction of major accounting errors compared with the previous year's financial report

Applicable  Not applicable

The company had no changes in accounting policies, accounting estimates or correction of major accounting errors during the reporting period.

**VII. Explanation of changes in the scope of consolidated statements compared with the previous year's financial report**

Applicable     Not applicable

As of December 31, 2023, there were a total of 8 entities included in the Company's consolidated financial statements, one less than at the beginning of the period. The main reason was that during the reporting period, the business strategy of Shenzhen Nanshan Power Zhongshan Company adjusted. From the perspective of the Company's subsequent business strategy, Shenzhen Nanshan Power (Zhongshan) Warehousing Co., Ltd., the Company's controlling subsidiary, no longer has the necessity to survive. As a result, we applied for the cancellation of registration for the company on December 13, 2023.

**VIII. Appointment and dismissal of the accounting firm**

Currently employed accounting firm

Name of the domestic accounting firm	Lixinzhonglian CPAS (Special General Partnership)
Remuneration of the domestic accounting firm (RMB 10,000)	73
Length of audit services provided by the domestic accounting firm	5
Name of certified public accountant of domestic accounting firm	Cao Wei and Zou Yang
Length of audit services provided by certified public accountant of the domestic accounting firm	5

Whether to hire a new accounting firm during the current period

Yes     No

Recruitment of accounting firm, financial consultants or sponsors for internal control audit

Applicable     Not applicable

During the reporting period, the Company hired Lixinzhonglian CPAS (Special General Partnership) as the Company's accounting firm for internal control audit, and paid an audit fee of RMB 230,000.

**IX. Possible delisting after the disclosure of the annual report**

Applicable     Not applicable

**X. Matters related to bankruptcy and reorganization**

Applicable     Not applicable

The Company had no bankruptcy or reorganization related matters during the reporting period.

**XI. Major litigation and arbitration matters**

Applicable     Not applicable

The Company had no major litigation or arbitration matters during the reporting period.

**XII. Punishment and rectification**

Applicable  Not applicable

The Company had no penalties or rectifications during the reporting period.

**XIII. Integrity of the Company, its controlling shareholders and actual controllers**

Applicable  Not applicable

During the reporting period, the Company and the its largest shareholder did not fail to fulfill the effective court judgments, or had large amounts of debts that were not repaid at maturity, and were in good standing in terms of integrity. The company had no controlling shareholder or actual controller during the reporting period.

**XIV. Major related transactions****1. Related transactions related to daily operations**

Applicable  Not applicable

The Company had no related transactions related to daily operations during the reporting period.

**2. Related transactions involving acquisition or sale of assets or equity**

Applicable  Not applicable

The Company had no related transactions involving acquisition or sale of assets or equity during the reporting period.

**3. Related transactions involving joint external investment**

Applicable  Not applicable

Co-investors	Relationship	Name of the investee	Main business of the investee	Registered capital of the investee (RMB 10,000)	Total assets of the investee (RMB 10,000)	Net assets of the investee (RMB 10,000)	Net profit of the investee (RMB 10,000)
Shenzhen Capital Holdings Co., Ltd., Shenzhen Yuanzhi Energy Storage Private Equity Fund Management Co.,	Related legal person	Shenzhen New Energy Storage Industry Equity Fund Partnership (Limited Partnership)	Use private equity funds to engage in equity investments, investment management, asset management and other	621,000	310,227.16	310,227.16	-272.84

Ltd., etc.			activities (operating activities can only be carried out after registering with the Asset Manageme nt Associatio n of China)				
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#### 4. Related credit and debt accounts

Applicable  Not applicable

The Company had no related credit and debt accounts during the reporting period.

#### 5. Transactions with financial companies that have relationship with the Company

Applicable  Not applicable

There were no deposits, loans, credit or other financial business between the Company and financial companies with relationship and related parties.

#### 6. The transactions between financial companies controlled by the Company and related parties

Applicable  Not applicable

There were no deposits, loans, credit or other financial business between financial companies controlled by the Company and related parties.

#### 7. Other major related transactions

Applicable  Not applicable

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

### XV. Major contracts and their performance

#### 1. Custody, contracting and lease matters

##### (1) Custody

Applicable  Not applicable

The Company had no custody during the reporting period.

##### (2) Contracting

Applicable  Not applicable

The Company had no contracting during the reporting period.

### (3) Lease

Applicable  Not applicable

The Company had no lease during the reporting period.

## 2. Material guarantee

Applicable  Not applicable

The Company had no material guarantee during the reporting period.

## 3. Entrusting others to asset management

### (1) Entrusted wealth management

Applicable  Not applicable

Overview of entrusted wealth management during the reporting period

Unit: RMB 10,000

Type	Sources of funds for entrusted wealth management	Amount of entrusted wealth management	Outstanding balance	Overdue amount not recovered	Overdue recovery of the amount of impairment accrued
Bank financial products	Self-owned funds	21,001.37	0.00	0.00	0.00
Total		21,001.37	0.00	0.00	0.00

Specific cases of high-risk entrusted wealth management with a large single amount or low security and poor liquidity

Applicable  Not applicable

The principal of entrusted wealth management is unlikely to be recovered or other cases that may lead to impairment

Applicable  Not applicable

### (2) Entrusted loans

Applicable  Not applicable

The Company had no entrusted loans during the reporting period.

## 4. Other major contracts

Applicable  Not applicable

**XVI. Description of other major matters**

Applicable    Not applicable

1. Land of Nanshan Power Plant: in June 2023, the Company learned about the Notice of Shenzhen Municipal Bureau of Planning and Natural Resources on Issuing the 2023 Shenzhen Urban Renewal and Land Preparation Plan on the official website of the Shenzhen Planning and Natural Resources Bureau. According to the relevant content in its appendix, 2023 Shenzhen Urban Renewal and Land Preparation Plan still includes the Land of Nanshan Power Plant and related content. (For details, please see the Announcement on Shenzhen Municipal Bureau of Planning and Natural Resources Issuing the 2023 Shenzhen Urban Renewal and Land Integration Plan disclosed by the Company in the Securities Times and Jcninfo.com.cn, with announcement No. of: 2023-023)

2. Matters of obtaining government subsidies: on November 21, 2023, the Company received a financial relief subsidy of RMB 25.4 million from the Shenzhen Municipal Government dedicated for gas-fired thermal power plants. (For details, please refer to the Announcement on Obtaining Government Subsidies disclosed by the Company in the Securities Times and cninfo.com.cn, with announcement No. of: 2023-050)

Except for the above matters, the refunds due to the Company's "Project Technical Transformation Benefit Fund" had no progress or change during the reporting period.

**XVII. Major events of the Company's subsidiaries**

Applicable    Not applicable

1. Matters concerning the shutdown of two sets of 9E gas-fired units of Shenzhen Nanshan Power Zhongshan Company: on November 6, 2023, the Company received Energy Bureau of Guangdong Province's Letter on Matters Related to the Shutdown of the Unit of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. Nanlang Power Plant (YNDLH [2023] No. 672). According to the Letter, Energy Bureau of Guangdong Province agreed to shut down two sets of 180MW gas-fired cogeneration units of the Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. Nanlang Power Plant. (For details, please see the Announcement on the Progress of the Shutdown and Retirement of Two Sets of 9E Gas-fired Units of the Company's Subsidiary Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. disclosed by the Company in Securities Times and cninfo.com.cn, with announcement No. of: 2023-045)

2. Land acquisition and storage matters of Shenzhen Nanshan Power Zhongshan Company: the Company held the 19th Extraordinary Meeting of the Ninth Board of Directors, the 10th Extraordinary Meeting of the Ninth Board of Supervisors on November 7, 2023, and the Fourth Extraordinary General Meeting of 2023 on November 24, 2023. These meetings reviewed and adopted the Proposal on Land Acquisition and Storage of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd., and agreed the State-owned Land Use Right Requisition Agreement and Relocation Compensation Agreement signed by Shenzhen Nanshan Power Zhongshan Company and Zhongshan Cuiheng New District Management Committee. On December 15, 2023, the company disclosed the "Progress Announcement on Land Acquisition and Storage Related Matters of the Controlling Subsidiary Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. " Shenzhen Nanshan Power Zhongshan Company and Cuiheng New District Management Committee formally signed the " state-owned land use right Requisition Agreement" and " relocation compensation agreement ". On December 20, 2023, the Company disclosed the Announcement on the Progress of Matters Related to Land Acquisition and Storage of the Company's Subsidiary Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd., indicating that Shenzhen

Nanshan Power Zhongshan Company received the first payment of the first phase of compensation in the amount of RMB 104,000,000. (For details, please refer to the Announcement on Resolutions of the 19th Extraordinary Meeting of the Ninth Board of Directors, the Announcement on Resolutions of the 10th Extraordinary Meeting of the Ninth Board of Supervisors, Announcement on Matters Related to Land Acquisition and Storage of the Company's Subsidiary Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd., Announcement on Resolutions of the Fourth Extraordinary General Meeting in 2023, and Announcement on the Progress of Matters Related to Land Acquisition and Storage of the Company's Subsidiary Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. disclosed by the Company in Securities Times and cninfo.com.cn, with announcement No. of: 2023-046, 047, 048, 051, 52, 53)

## Section VII Changes in shares and shareholders

### I. Changes in shares

#### 1. Changes in shares

Unit: share

	Before the change		Increase or decrease in the change (+, -)					After the change	
	Quantity	Ratio	Issuance of new shares	Bonus shares	Provident fund conversion	Others	Subtotal	Quantity	Ratio
I. Shares subject to selling restrictions	12,994	0.0022 %						12,994	0.0022 %
1. State shareholding									
2. State-owned legal person shareholding									
3. Other domestic shareholdings	12,994	0.0022 %						12,994	0.0022 %
Including: domestic legal person shareholding									
Domestic natural person shareholding	12,994	0.0022 %						12,994	0.0022 %
4. Foreign shareholding									
Including: foreign									

legal person shareholding									
Foreign natural person shareholding									
II. Shares without selling restrictions	602,749,602	99.9978%						602,749,602	99.9978%
1. RMB ordinary shares	338,895,156	56.2236%						338,895,156	56.2236%
2. Domestic-listed foreign shares	263,854,446	43.7742%						263,854,446	43.7742%
3. Overseas-listed foreign shares									
4. Others									
III. Total number of shares	602,762,596	100.00%						602,762,596	100.00%

Reasons for changes in shares

Applicable  Not applicable

Approval status of changes in shares

Applicable  Not applicable

Transfer status of changes in shares

Applicable  Not applicable

The impact of changes in shares on basic earnings per share and diluted earnings per share, net assets per share attributable to the Company's ordinary shareholders, and other financial indicators in the most recent year and the most recent period

Applicable  Not applicable

Other information that the Company deems necessary or that securities regulators require to be disclosed

Applicable  Not applicable

## 2. Changes in shares with selling restrictions

Applicable  Not applicable

## II. Issuance and listing of securities

### 1. Securities issuance (excluding preferred shares) during the reporting period

Applicable  Not applicable

### 2. Explanation of changes in the Company's total number of shares and shareholder structure, and changes in the Company's asset and liability structure

Applicable  Not applicable

### 3. Existing internal employee shares

Applicable  Not applicable

## III. Shareholders and actual controllers

### 1. Number of the Company's shareholders and shareholding status

Unit: share

Total number of ordinary shareholders at the end of the reporting period	48,884	Total number of ordinary shareholders at the end of the previous month before the annual report disclosure date	54,471	Total number of preferred shareholders whose voting right were restored at the end of the reporting period (if any) (see Note 8)	0	Total number of preferred shareholders whose voting right were restored at the end of the previous month before the annual report disclosure date (if any) (see Note 8)	0	
Shareholding status of shareholders holding more than 5% of the shares or the top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting	Increases and decreases during the reporting	Number of shares held with selling restrictions	Number of shares with selling restrictions	Pledge, marking or freezing	
							Share status	Quantity

			period	period				
HONG KONG NAM HOI (INTERNATIONAL) LTD	Overseas legal person	15.28%	92,123,248			92,123,248		
Shenzhen Guangju Industrial Co., Ltd.	State-owned legal person	12.22%	73,666,824			73,666,824		
Shenzhen Energy Corporation	State-owned legal person	10.80%	65,106,130			65,106,130		
BOCI SECURITIES LIMITED	Overseas legal person	1.91%	11,522,048	-2,586,990		11,522,048		
Zeng Ying	Domestic natural person	1.19%	7,159,600			7,159,600		
China Merchants Securities (Hong Kong) Co., Ltd.	Overseas legal person	0.88%	5,330,854	-99,874		5,330,854		
Meiyi Investment Real Estate Co., Ltd.	Domestic non-state-owned legal persons	0.87%	5,223,200			5,223,200		
LISHER YNZHANMING	Overseas natural person	0.66%	4,005,959	1,441,759		4,005,959		
Haitong International Securities Company	Overseas legal person	0.65%	3,908,357			3,908,357		

Limited-Account Client								
Huang Yilong	Domestic natural person	0.64%	3,866,500			3,866,500		
Strategic investors or general legal persons becoming the top 10 shareholders due to allotment of new shares (if any) (see Note 3)	None							
Explanation of the above-mentioned shareholders' relationship or concerted actions	1. Shenzhen Energy Corporation holds 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LTD 2. The Company does not know whether the other above-mentioned public shareholders are in relationship or are persons in concerted actions							
Explanation of the circumstances in which the above-mentioned shareholders involve entrusted voting right and abstention from voting right	None							
Special note on the existence of a special repurchase account among the top 10 shareholders (if any) (see Note 10)	None							
Shareholding status of the top 10 shareholders without selling restrictions								
Name of shareholder	Number of shares without selling restrictions held at the end of the reporting period	Type of shares						
		Type of shares	Quantity					
HONG KONG NAM HOI (INTERNATIONAL) LTD	92,123,248	Domestic listed foreign shares	92,123,248					
Shenzhen Guangju Industrial Co., Ltd.	73,666,824	RMB ordinary shares	73,666,824					
Shenzhen Energy	65,106,130	RMB	65,106,130					

Corporation		ordinary shares	0
BOCI SECURITIES LIMITED	11,522,048	Domestic listed foreign shares	11,522,048
Zeng Ying	7,159,600	Domestic listed foreign shares	7,159,600
China Merchants Securities (Hong Kong) Co., Ltd.	5,330,854	Domestic listed foreign shares	5,330,854
Meiyi Investment Real Estate Co., Ltd.	5,223,200	RMB ordinary shares	5,223,200
LISHERYNZHANMING	4,005,959	Domestic listed foreign shares	4,005,959
Haitong International Securities Company Limited-Account Client	3,908,357	Domestic listed foreign shares	3,908,357
Huang Yilong	3,866,500	RMB ordinary shares	3,866,500
Explanation of relationship or concerted action among the top 10 shareholders of tradable shares without selling restrictions, and between the top 10 shareholders of tradable shares without selling restrictions and the top 10 shareholders	<p>1. Shenzhen Energy Corporation holds 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LTD</p> <p>2. The Company does not know whether the other above-mentioned public shareholders are in relationship or are persons in concerted actions</p>		
Description of the top 10 ordinary	None		

shareholders' participation in margin trading and securities lending business (if any) (see Note 4)	
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The top ten shareholders participating share lending through refinancing

Applicable  Not applicable

Changes in the top 10 shareholders compared with the previous period

Applicable  Not applicable

Unit: share

Changes in the top 10 shareholders compared with the end of the previous period					
Shareholder name (full name)	New/withdrawal during the reporting period	Number of shares lent through refinancing and not yet returned at the end of the period		Number of shares held in shareholders' general accounts and credit accounts, and shares lent through refinancing and not yet returned at the end of the period	
		Total quantity	Ratio to total share capital	Total quantity	Ratio to total share capital
Li Baoqin	Withdrawal			3,048,150	0.51%
LISHERYNZHANMING	New			4,005,959	0.66%

Whether the Company's top 10 ordinary shareholders and the top 10 ordinary shareholders without selling restrictions conducted agreed repurchase transactions during the reporting period

Yes  No

The the Company's top 10 ordinary shareholders and the top 10 ordinary shareholders without selling restrictions did not engage in any agreed repurchase transactions during the reporting period.

## 2. Information on the Company's controlling shareholder

Nature of controlling shareholder: none

Type of controlling shareholders: none

Explanation that the Company has no controlling shareholder

Currently, the Company has no controlling shareholder as defined in the Company Law and Stock Listing Rules.

Changes in controlling shareholders during the reporting period

Applicable  Not applicable

The Company's controlling shareholder did not change during the reporting period.

### 3. The Company's actual controller and its persons acting in concert

Nature of actual controller: no actual controller

Type of actual controller: do not exist

Explanation of the fact that the Company has no actual controller

At present, the Company does not meet the criteria for identifying actual controller of a listed company as stipulated in the Company Law, the Measures for the Administration of Acquisition of Listed Companies and the Stock Listing Rules.

Whether there are shareholders with a shareholding ratio of more than 10% at the Company's ultimate controlling level

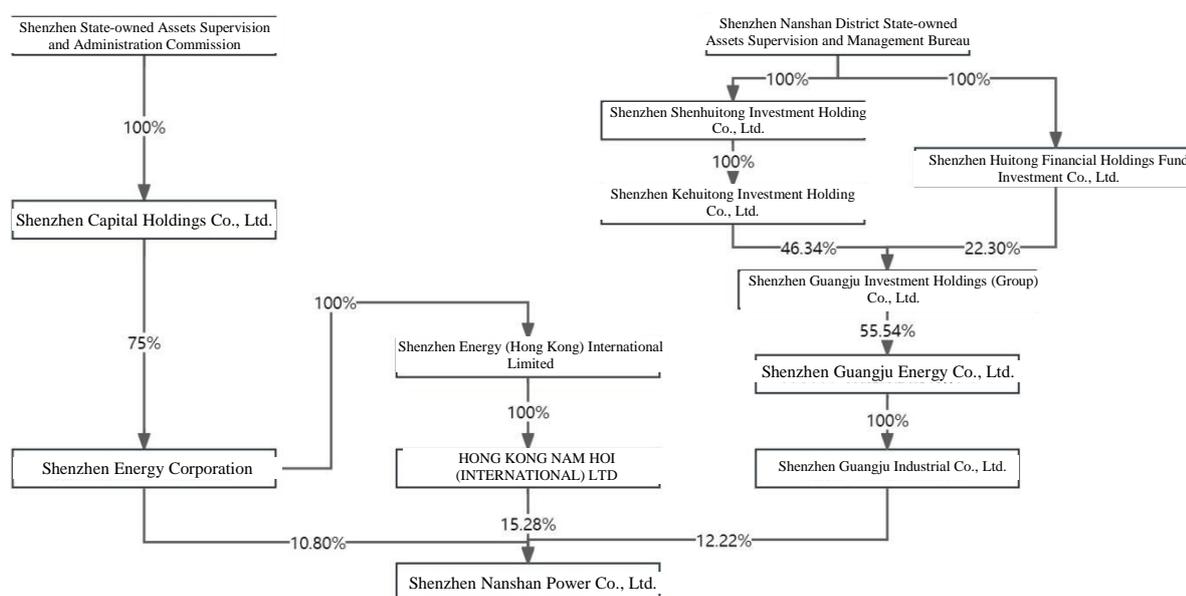
Yes  No

Changes in actual controller during the reporting period

Applicable  Not applicable

The Company's actual controller did not change during the reporting period.

Block diagram of the Company's property rights and control relationship



Actual controller controls the Company through trust or other asset management methods

Applicable  Not applicable

**4. Cumulative number of pledged shares by the Company's controlling shareholder or largest shareholder and persons acting in concert accounts for 80% of the Company's shares held by them.**

Applicable  Not applicable

**5. Other legal person shareholders holding more than 10% of the shares**

Applicable     Not applicable

Name of legal person shareholder	Legal representative/company principal	Date of establishment	Registered capital	Main business or management activities
HONG KONG NAM HOI (INTERNATIONAL) LTD	Kong Guoliang	May 14, 1985	HKD 15.33 million	Investment holdings
Shenzhen Guangju Industrial Co., Ltd.	Deng Zhenwu	May 31, 1989	RMB 111.11 million	Establishing industries and investing in power (specific projects will be declared separately), etc.
Shenzhen Energy Corporation	Kong Guoliang	July 15, 1985	RMB 230,971,224	Development, production, purchase and sale of various conventional energy sources (including electricity, heat, coal, oil and gas) and new energy sources

**6. Shareholding restrictions and reductions of controlling shareholders, actual controllers, reorganizers and other commitment entities**

Applicable     Not applicable

**IV. Specific implementation of share repurchases during the reporting period**

Progress of implementation in share repurchase

Applicable     Not applicable

Implementation progress of reducing repurchased shares in centralized bidding transaction method

Applicable     Not applicable

## **Section VIII Preferred shares**

Applicable  Not applicable

There were no preferred shares in the Company during the reporting period.

## Section IX Bonds

Applicable  Not applicable

**Section X Financial report**

Type of audit opinion	Unqualified opinion
Signing date of audit report	April 10, 2024
Name of audit agency	Lixinzhonglian CPAS (Special General Partnership)
Audit Report No.	LXZLSZ [2024] No.D-0139
Name of certified public accountant	Cao Wei and Zou Yang

(See the attached audit report for details)

## Audit Report

LXZLSZ [2024] No.D-0139

**To the Shareholders of Shenzhen Nanshan Power Co., Ltd.,**

### I. Audit opinions

We have audited the accompanying financial statements of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as Shenzhen Nanshan Power), which comprise the consolidated and parent company's balance sheet as at December 31, 2023, the consolidated and parent company's income statement, the consolidated and parent company's statement of cash flows, the consolidated and parent company's statement of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the financial statements attached are prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and present fairly the consolidated and parent company's financial positions as at December 31, 2023 and the consolidated and parent company's operating results and cash flows for the year then ended.

### II. Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Certified Public Accountants in China. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" of this audit report. According to the Code of Ethics for Certified Public Accountants of China, we are independent of Shenzhen Nanshan Power, and we have fulfilled other responsibilities in the aspect of code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### III. Key audit matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How these matters were addressed in the audit
(I) Revenue recognition	
For details accounting policies for revenue recognition and analysis of revenue, please consolidated financial statements to accounting policies described in Note (XXV) of "III. Significant accounting policies and accounting estimates" of the Notes to the Consolidated Financial	The audit procedures related to the recognition of operating revenue include the following procedures: 1. Evaluating the design and operating effectiveness of key internal control related to revenue recognition; 2. For power production and sales revenue, we obtained and checked the electricity sales contract

<p>Statements and Note (XXXIX) of "V. Notes to consolidated financial statements".</p> <p>In 2023, Shenzhen Nanshan Power consolidated operating revenue of RMB 589,780,190.71, with a decrease of 15.05% from the previous period.</p> <p>As operating revenue is one of the Company's key performance indicators and there is an inherent risk that the time point of revenue recognition may be manipulated to meet specific goals or expectations, we identified recognition of operating revenue as a key audit matter.</p>	<p>and settlement statements, and confirmed the balance of accounts receivable at the end of the period and the current operating revenue, and confirmed the authenticity of the electricity sales revenue in combination with the post-period accounts receivable;</p> <p>3. For revenue from integrated energy services, we obtained and reviewed the Company's accounting policies, understood and evaluated the management's method of determining the completion progress, evaluated the rationality of time point of revenue recognition, and determined the rationality of the project completion progress by checking external evidence such as project contracts, project delivery, acceptance settlement, etc., and confirmed the authenticity and completeness of revenue from integrated energy services in combination with the confirmation reply and post-period collection;</p> <p>4. Performing substantive analysis procedures on operating revenue and gross margin to determine the rationality of changes in operating revenue and gross margin the current period;</p> <p>5. Performing a cut-off testing on operating revenue to evaluate whether operating revenue has been included in the appropriate accounting period.</p> <p>6. Checking whether information related to operating revenue has been properly reported in the financial statements</p>
(II) Asset impairment	
<p>Please refer to accounting policies described in Note (XX) of "III. Significant accounting policies and accounting estimates " in the notes to the financial statements.</p> <p>As of December 31, 2023, the book value of inventories, fixed assets and construction in progress in consolidated financial statements of Shenzhen Nanshan Power totaled RMB 661,089,840.61, accounting for 32.26% of the consolidated total assets, which is an important part of Shenzhen Nanshan Power's assets.</p>	<p>Our audit procedures regarding asset impairment include:</p> <ol style="list-style-type: none"> <li>1. Evaluating and testing the design and implementation effectiveness of internal control related to asset impairment;</li> <li>2. Obtaining accounting policies for asset impairment, check whether the provision method of asset impairment complies with regulations, and obtain and review the details of provision for asset impairment made by the management;</li> <li>3. Supervising the inventory taking to check the quantity and status of inventories, and implement</li> </ol>

<p>Shenzhen Nanshan Power's management has evaluated whether there are indications of impairment of the above assets. If indications of impairment are identified, the management calculates recoverable amount of the individual asset or the asset group to which it belongs, and conducts impairment test on it by comparing recoverable amount with book value.</p> <p>Since Shenzhen Nanshan Power's management needs to use significant accounting estimates and judgments when determining the estimated recoverable amount of assets, which have significant affected amount, we determine the asset impairment loss as a key audit matter.</p>	<p>inventory supervision procedures for long-term assets on sample basis to understand whether the assets are facing problems such as backward technology, long-term idleness, and low load rate;</p> <p>4. Using the work of external appraiser experts to conduct a comprehensive evaluation of the external appraiser's qualifications, competencies, assessment methods and various parameters used in the assessment.</p>
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#### **IV. Other information**

Shenzhen Nanshan Power's management (hereinafter referred to as the management) is responsible for other information. Other information includes information included in the relevant documents constituting the 2023 Annual Report, but excludes the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we determine, based on the work we have performed, that other information is materially misstated, we should report that fact. We have nothing to report in this regard.

#### **V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements**

The management is responsible for preparing the financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, the Management is responsible for assessing the Shenzhen Nanshan Power's going-concern ability, disclosing the matters related to going concern and using the going-concern assumption unless the Management either intends to liquidate Shenzhen Nanshan Power or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Shenzhen Nanshan Power's financial reporting process.

#### **VI. Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are generally considered material if separate or aggregated misstatements are reasonably expected to possibly influence the economic decisions made by the users of financial statements on the basis of these financial statements.

In the process of performing audit work in accordance with the auditing standards, we use professional judgment and maintain professional skepticism. Meanwhile, we also:

(1) Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Understanding internal control related to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluating the appropriateness of accounting policies used by and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Drawing conclusions on the appropriateness of the management's use of going concern basis. Meanwhile, according to the audit evidence acquired, the management comes to conclusion on matters which may cause significant misgiving against the going-concern ability of Shenzhen Nanshan Power or whether the said situation exists material uncertainty or not. If we conclude that a material uncertainty exists, auditing standards require us to draw the attention of users of the financial statements to the related disclosures in financial statements in our audit report; If such disclosures are inadequate, we should modify our opinion. Our conclusions are based on the information available as of the date of our audit report. However, future events or conditions may cause Shenzhen Nanshan Power to cease to continue as a going concern.

(5) Evaluating the overall presentation, structure and content of financial statements, and evaluate whether financial statements fairly reflect relevant transactions and events.

(6) Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Shenzhen Nanshan Power to express an opinion on the financial statements. We are responsible for directing, supervising and performing group audits and take full responsibility for our audit opinions.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit

matters. We describe these matters in our auditor's report, unless these matters are forbidden by laws and regulations to be disclosed or in extremely rare circumstances, when the negative impact arising from the reasonable and expected communication about a certain matter in a audit report exceeds the public interest benefits arising therefrom, we determine that such matter should not be communicated in the auditors' report.

Lixinzhonglian CPAS (Special General Partnership)

Certified Public Accountant of China:Cao Wei

(Engagement Partner)

Certified Public Accountant of China:Zou Yang

Tianjin, China

April 10, 2024

## Financial Statements

### 1. Consolidated Balance Sheet

Prepared by: Shenzhen Nanshan Power Co., Ltd.

Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Monetary funds	316,188,782.49	675,496,266.40
Balances with clearing companies		
Loans to banks and other financial institutions		
Financial assets held for trading	226,000,000.00	440,013,571.10
Derivative financial assets		
Notes receivable		
Accounts receivable	111,975,251.10	135,833,492.64
Receivables financing		
Advances to suppliers	26,869,175.59	45,448,287.86
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	19,233,117.52	18,314,003.84
Including: interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	86,158,251.16	85,279,298.35
Contract assets	88,000.00	217,009.58
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	232,865,968.63	188,248,840.44
Total current assets	1,019,378,546.49	1,588,850,770.21
Non-current assets:		
Disbursement of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	90,001,176.04	83,496,098.24
Other investments in equity instruments	300,615,000.00	300,615,000.00
Other non-current financial assets		
Investment properties	1,664,566.60	1,833,344.20
Fixed assets	571,482,734.35	591,290,204.31
Construction in progress	3,448,855.10	4,861,062.16
Productive biological assets		

Oil and gas assets		
Right-of-use assets	2,266,946.42	7,707,617.90
Intangible assets	19,285,629.03	19,799,355.12
Development expenses		
Goodwill		
Long-term deferred expenses	3,891,832.93	1,219,129.18
Deferred tax assets	1,172,366.49	1,172,366.49
Other non-current assets	36,157,735.24	5,371,398.18
Total non-current assets	1,029,986,842.20	1,017,365,575.78
Total assets	2,049,365,388.69	2,606,216,345.99
Current liabilities:		
Short-term borrowings	341,237,886.72	879,957,857.44
Borrowing from the central bank		
Loans from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		137,298,902.17
Accounts payable	4,342,166.50	5,227,836.22
Advances from customers		
Contract liabilities		
Financial assets sold under repurchase agreements		
Absorption of deposits and interbank deposits		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee compensation payable	46,238,982.57	29,296,815.07
Taxes payable	3,089,330.47	5,107,666.73
Other payables	13,973,447.42	22,997,466.80
Including: interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	3,926,326.45	6,014,119.95
Other current liabilities		21,600.00
Total current liabilities	412,808,140.13	1,085,922,264.38
Non-current liabilities:		
Reserves for insurance contract		
Long-term borrowings	58,829,426.30	28,019,758.68
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities		2,262,160.03

Long-term payables		
Long-term employee compensations payable		
Estimated liabilities	15,000,000.00	15,000,000.00
Deferred income	67,869,348.07	82,145,596.60
Deferred tax liabilities		
Other non-current liabilities	104,045,112.54	47,511.72
Total non-current liabilities	245,743,886.91	127,475,027.03
Total liabilities	658,552,027.04	1,213,397,291.41
Owners' equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	362,770,922.10	362,770,922.10
Less: treasury shares		
Other comprehensive income	-2,500,000.00	-2,500,000.00
Special reserves		
Surplus reserves	332,908,397.60	332,908,397.60
General risk reserves		
Undistributed profits	163,346,776.24	159,187,979.14
Total of owners' equity attributable to the parent company	1,459,288,691.94	1,455,129,894.84
Minority interests	-68,475,330.29	-62,310,840.26
Owners' equity	1,390,813,361.65	1,392,819,054.58
Total Liabilities and owners' equity	2,049,365,388.69	2,606,216,345.99

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin  
Head of the Finance Department: Lin Xiaojia

## 2. Parent Company's Balance Sheet

Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Monetary funds	288,209,271.60	652,703,545.21
Financial assets held for trading	226,000,000.00	440,013,571.10
Derivative financial assets		
Notes receivable		
Accounts receivable	26,981,407.91	47,995,982.82
Receivables financing		
Advances to suppliers	15,384,546.45	29,715,650.29
Other receivables	714,553,901.02	851,189,111.89
Including: interest receivable		
Dividends receivable		
Inventories	79,966,182.19	79,504,053.32

Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	225,282,791.79	180,501,049.31
Total current assets	1,576,378,100.96	2,281,622,963.94
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	495,642,748.40	352,171,153.27
Other investments in equity instruments	160,615,000.00	160,615,000.00
Other non-current financial assets		
Investment properties		
Fixed assets	270,785,343.05	279,587,315.87
Construction in progress	2,267,334.95	1,976,173.28
Productive biological assets		
Oil and gas assets		
Right-of-use assets	2,266,946.42	7,707,617.90
Intangible assets	159,361.27	193,607.19
Development expenses		
Goodwill		
Long-term deferred expenses	699,249.25	1,106,385.13
Deferred tax assets		
Other non-current assets	857,135.84	
Total non-current assets	933,293,119.18	803,357,252.64
Total assets	2,509,671,220.14	3,084,980,216.58
Current liabilities:		
Short-term borrowings	341,237,886.72	285,705,357.36
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		737,298,902.17
Accounts payable	896,652.87	3,759,009.04
Advances from customers		
Contract liabilities		
Employee compensation payable	7,012,680.38	18,905,560.54
Taxes payable	1,413,720.40	1,203,569.67
Other payables	203,625,916.75	170,451,537.10
Including: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	3,926,326.45	6,014,119.95
Other current liabilities		
Total current liabilities	558,113,183.57	1,223,338,055.83

Non-current liabilities:		
Long-term borrowings	58,829,426.30	28,019,758.68
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities		2,262,160.03
Long-term payables		
Long-term employee compensations payable		
Estimated liabilities		
Deferred income	48,280,623.30	48,978,528.78
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	107,110,049.60	79,260,447.49
Total liabilities	665,223,233.17	1,302,598,503.32
Owners' equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	289,963,039.70	289,963,039.70
Less: treasury shares		
Other comprehensive income		
Special reserves		
Surplus reserves	332,908,397.60	332,908,397.60
Undistributed profits	618,813,953.67	556,747,679.96
Owners' equity	1,844,447,986.97	1,782,381,713.26
Total Liabilities and owners' equity	2,509,671,220.14	3,084,980,216.58

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin  
Head of the Finance Department: Lin Xiaojia

### 3. Consolidated Income Statement

Unit: RMB

Item	2023	2022
I. Total operating revenue	<b>589,780,190.71</b>	<b>694,227,657.28</b>
Including: operating revenue	589,780,190.71	694,227,657.28
Interest income		
Premiums earned		
Revenue from handling charges and commissions		
II. Total operating costs	<b>685,824,056.18</b>	<b>947,345,416.89</b>
Including: operating costs	581,442,543.98	804,679,323.48
Interest expenses		
Expenses from handling charges and		

commissions		
Surrender deposit		
Net amount of compensation payout		
Net amount withdrawn for insurance contract reserves		
Policy dividends		
Reinsurance costs		
Taxes and surcharges	4,799,616.56	5,401,350.20
Selling and distribution expenses	2,831,748.65	375,055.78
G&A expenses	58,330,596.87	79,099,350.54
R&D expenses	26,839,912.74	25,647,534.39
Financial expenses	11,579,637.38	32,142,802.50
Including: interest expenses	18,400,119.58	40,218,036.98
Interest income	7,358,119.93	8,790,975.96
Plus: other income	44,505,889.51	9,333,093.72
Investment income (losses expressed with "-")	34,997,898.47	70,717,321.61
Including: investment income from associates and joint ventures	7,719,627.80	3,635,763.05
Gains from derecognition of financial assets measured at amortized costs		
Exchange gains (losses expressed with "-")		
Net exposure hedging gains (losses expressed with "-")		
Gains from fair value changes (losses expressed with "-")		
Losses from credit impairment (losses expressed with "-")	1,190,348.40	-1,711,964.42
Asset impairment loss (losses expressed with "-")	-162,985.78	-8,946,433.92
Gains from disposal of assets (losses expressed with "-")	1,886,136.92	291,985.88
III. Operating profit (losses expressed with "-")	<b>-13,626,577.95</b>	<b>-183,433,756.74</b>
Plus: non-operating revenue	11,687,001.25	39,600.00
Less: non-operating expenses	66,116.23	2,191,784.23
IV. Total profit (total losses expressed with "-")	<b>-2,005,692.93</b>	<b>-185,585,940.97</b>
Less: income tax expenses		-63,080.11
V. Net profit (net losses expressed with "-")	<b>-2,005,692.93</b>	<b>-185,522,860.86</b>
(I) Classification by operations continuity	<b>-2,005,692.93</b>	<b>-185,522,860.86</b>
1. Net profit from continued operations (net losses expressed with "-")	-2,005,692.93	-185,522,860.86
2. Net profit from discontinued operations (net losses expressed with "-")		
(II) Classification by ownership	<b>-2,005,692.93</b>	<b>-185,522,860.86</b>

1. Net profit attributable to shareholders of the parent company	4,158,797.10	-160,163,240.67
2. Minority interest income	-6,164,490.03	-25,359,620.19
VI. Net of tax of other comprehensive income		
Net of tax of other comprehensive income attributable to shareholders of the parent company		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Remeasure changes in benefit plans		
2. Other comprehensive income that cannot be converted into profit or loss under the equity method		
3. Fair value changes of other investments in equity instruments		
4. Fair value changes of the enterprise's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be converted into profit or loss under the equity method		
2. Fair value changes of other debt investments		
3. Amounts reclassified from financial assets into other comprehensive income		
4. Credit loss provisions for other debt investments		
5. Cash flows hedging reserve		
6. Difference in translation of foreign-currency financial statements		
7. Others		
Net of tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	<b>-2,005,692.93</b>	<b>-185,522,860.86</b>
Total comprehensive income attributable to shareholders of the parent company	4,158,797.10	-160,163,240.67
Total comprehensive income attributable to minority shareholders	-6,164,490.03	-25,359,620.19
VIII. Earnings per share		
(I) Basic earnings per share	0.0069	-0.2657
(II) Diluted earnings per share	0.0069	-0.2657

If a business combination under common control occurs in the current period, the net profit reported by the combined party before the combination is: RMB X, and the net profit reported by the combined party in the previous period is: RMB X.

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin  
Head of the Finance Department: Lin Xiaojia

#### 4. Parent company's income statement

Unit: RMB

Item	2023	2022
I. Operating revenue	391,649,949.09	423,083,901.93
Less: operating costs	363,689,532.32	454,563,835.47
Taxes and surcharges	2,280,457.39	2,377,366.77
Selling and distribution expenses	963,163.50	-
G&A expenses	33,986,762.85	25,040,490.15
R&D expenses	13,244,617.52	14,071,545.66
Financial expenses	14,764,469.81	7,205,301.51
Including: interest expenses	14,182,249.86	29,858,590.98
Interest income	29,605,337.48	38,552,729.42
Plus: other income	30,169,947.71	5,553,834.58
Investment income (losses expressed with "-")	32,562,187.79	72,910,517.66
Including: investment income from associates and joint ventures	6,966,316.30	6,208,396.44
Income from derecognition of financial assets measured at amortized costs (losses expressed with "-")		
Net exposure hedging gains (losses expressed with "-")		
Gains from fair value changes (losses expressed with "-")		
Losses from credit impairment (losses expressed with "-")	1,105,348.40	-
Asset impairment loss (losses expressed with "-")	-	16,871,485.12
Gains from disposal of assets (losses expressed with "-")	1,749,289.52	-291,564.09

II. Operating profit (losses expressed with "-")	<b>57,836,658.74</b>	<b>-</b> <b>4,462,731.58</b>
Plus: non-operating revenue	4,287,730.08	10,000.00
Less: non-operating expenses	58,115.11	1,539,264.83
III. Total profit (total losses expressed with "-")	<b>62,066,273.71</b>	<b>-</b> <b>5,991,996.41</b>
Less: income tax expenses		-
IV. Net profit (net losses expressed with "-")	<b>62,066,273.71</b>	<b>-</b> <b>5,991,996.41</b>
(I) Net profit from continued operations (net losses expressed with "-")	<b>62,066,273.71</b>	<b>-</b> <b>5,991,996.41</b>
(II) Net profit from discontinued operations (net losses expressed with "-")		
V. Net of tax of other comprehensive income		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Remeasure changes in benefit plans		
2. Other comprehensive income that cannot be converted into profit or loss under the equity method		
3. Fair value changes of other investments in equity instruments		
4. Fair value changes of the enterprise's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be converted into profit or loss under the equity method		
2. Fair value changes of other debt investments		
3. Amounts reclassified from financial assets into other comprehensive income		
4. Credit loss provisions for other debt investments		
5. Cash flows hedging reserve		
6. Difference in translation of foreign-currency financial statements		
7. Others		
VI. Total comprehensive income	<b>62,066,273.71</b>	<b>-</b> <b>5,991,996.41</b>
VII. Earnings per share		
(I) Basic earnings per share		

	0.1030	-0.0099
(II) Diluted earnings per share	0.1030	-0.0099

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin  
Head of the Finance Department: Lin Xiaojia

## 5. Consolidated statement of cash flows

Unit: RMB

Item	2023	2022
<b>I. Cash flows generated from operating activities:</b>		
Cash received from selling goods and providing services	693,869,206.44	757,303,689.96
Net increase in customer deposits and inter-bank deposits		
Net increase in borrowing from the central bank		
Net increase in borrowings from banks and other financial institutions		
Cash received from premiums from original insurance contract		
Net cash received from reinsurance business		
Net increase in policyholders' savings and investment funds		
Cash collected from interest, handling charges and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase in funds from repurchase business		
Net cash received from securities trading agency		
Tax refunds received		330,262,197.76
Other cash related to operating activities received	45,771,867.13	54,083,544.34
<b>Sub-total of cash inflows from operating activities</b>	<b>739,641,073.57</b>	<b>1,141,649,432.06</b>
Cash paid for purchasing goods or receiving services	661,135,671.43	746,137,912.91
Increase in loans and advances to customers		
Net increase in central-bank deposits and inter-bank deposits		
Cash paid for indemnity payment of original insurance contract		
Net increase in lending funds		
Cash paid for interest, handling charges and commissions		
Cash paid for policy dividends		

Cash paid to and for employees	110,624,945.12	130,590,587.11
Various taxes paid	31,928,707.60	31,947,280.10
Other cash related to operating activities paid	36,323,726.34	25,805,249.68
Sub-total of cash outflows from operating activities	<b>840,013,050.49</b>	<b>934,481,029.80</b>
Net cash flows from operating activities	<b>-100,371,976.92</b>	<b>207,168,402.26</b>
II. Cash flows generated from investing activities:		
Cash received from recovery of investments	620,010,220.37	120,000,725.39
Cash received from investment income	24,318,744.60	57,197,267.13
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	104,554,420.00	1,337,042.66
Net cash received from disposal of subsidiary and other business institutions		
Other cash related to investing activities received	344,800.00	
Sub-total of cash inflows from investing activities	<b>749,228,184.97</b>	<b>178,535,035.18</b>
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	10,145,320.80	3,306,286.80
Cash paid for investment		100,000,000.00
Net increase in pledge loans		
Net cash paid for acquisition of subsidiary and other business institutions		
Other cash related to investing activities paid	446,393,066.79	180,009,000.00
Sub-total of cash outflows from investing activities	<b>456,538,387.59</b>	<b>283,315,286.80</b>
Net cash flows from investing activities	<b>292,689,797.38</b>	<b>-104,780,251.62</b>
III. Cash flows generated from financing activities:		
Cash received from investment absorption		199.92
Including: cash received from absorption of minority investments by subsidiaries		199.92
Cash received from acquisition of borrowings	421,093,926.90	1,089,969,116.74
Other cash related to financing activities received		
Sub-total of cash inflows from financing activities	<b>421,093,926.90</b>	<b>1,089,969,316.66</b>
Cash paid to repay debt	933,281,007.65	1,191,887,723.08
Cash paid to distribute dividend, profits or repay interest	11,184,721.21	15,047,840.81
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other cash related to financing activities paid	6,314,826.00	27,474,594.34
Sub-total of cash outflows from financing activities	<b>950,780,554.86</b>	<b>1,234,410,158.23</b>
Net cash flows from financing activities	<b>-529,686,627.96</b>	<b>-144,440,841.57</b>
IV. The impact of fluctuation in exchange rate on cash and cash equivalents	82,055.00	469,729.40
V. Cash and net increase in cash equivalents	-337,286,752.50	-41,582,961.53
Plus: beginning cash and balance of cash equivalents	<b>648,021,672.06</b>	<b>689,604,633.59</b>
VI. Closing cash and balance of cash equivalents	<b>310,734,919.56</b>	<b>648,021,672.06</b>

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin  
Head of the Finance Department: Lin Xiaojia

## 6. Parent company's statement of cash flows

Unit: RMB

Item	2023	2022
<b>I. Cash flows generated from operating activities:</b>		
Cash received from selling goods and providing services	585,940,800.94	719,471,315.94
Tax refunds received	-	321,424,443.28
Other cash related to operating activities received	101,359,126.91	266,804,943.28
<b>Sub-total of cash inflows from operating activities</b>	<b>687,299,927.85</b>	<b>1,307,700,702.50</b>
Cash paid for purchasing goods or receiving services	466,366,789.52	356,279,013.18
Cash paid to and for employees	66,128,967.09	85,583,891.95
Various taxes paid	16,336,435.27	13,597,429.91
Other cash related to operating activities paid	232,370,081.08	17,608,551.99
<b>Sub-total of cash outflows from operating activities</b>	<b>781,202,272.96</b>	<b>473,068,887.03</b>
<b>Net cash flows from operating activities</b>	<b>93,902,345.11</b>	<b>834,631,815.47</b>
<b>II. Cash flows generated from investing activities:</b>		
Cash received from recovery of investments	620,010,220.37	110,000,725.39
Cash received from investment income	22,636,345.42	57,194,268.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,770.62	1,337,042.66
Net cash received from disposal of subsidiary and other business institutions		
Other cash related to investing activities received	126,000,000.00	20,061,163.76
<b>Sub-total of cash inflows from investing activities</b>	<b>768,651,336.41</b>	<b>188,593,199.96</b>
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	9,955,363.27	1,639,514.07
Cash paid for investment	-	100,000,000.00

Net cash paid for acquisition of subsidiary and other business institutions	-	559,800.08
Other cash related to investing activities paid	464,000,000.00	342,762,500.00
Sub-total of cash outflows from investing activities	<b>473,955,363.27</b>	<b>444,961,814.15</b>
Net cash flows from investing activities	<b>294,695,973.14</b>	<b>256,368,614.19</b>
III. Cash flows generated from financing activities:		
Cash received from investment absorption		
Cash received from acquisition of borrowings	421,093,926.90	507,211,616.74
Other cash related to financing activities received	-	13,000,000.00
Sub-total of cash inflows from financing activities	<b>421,093,926.90</b>	<b>520,211,616.74</b>
Cash paid to repay debt	933,281,007.65	1,011,887,723.08
Cash paid to distribute dividend, profits or repay interest	11,182,322.03	15,044,841.83
Other cash related to financing activities paid	19,898,880.17	39,068,511.01
Sub-total of cash outflows from financing activities	<b>964,362,209.85</b>	<b>1,066,001,075.92</b>
Net cash flows from financing activities	<b>543,268,282.95</b>	<b>545,789,459.18</b>
IV. The impact of fluctuation in exchange rate on cash and cash equivalents	1,112.72	3,994.89
V. Cash and net increase in cash equivalents	<b>342,473,542.20</b>	<b>32,477,736.99</b>
Plus: beginning cash and balance of cash equivalents	625,228,950.87	592,751,213.88
VI. Closing cash and balance of cash equivalents	<b>282,755,408.67</b>	<b>625,228,950.87</b>

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin  
Head of the Finance Department: Lin Xiaojia

## 7. Consolidated statements of changes in owners' equity

The current period amount

Unit: RMB

Item	2023														
	Owners' equity attributable to the parent company												Minority interests	Owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
I. Closing balance of the previous year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		159,187,979.14		1,455,129,894.84	-62,310,840.26	1,392,819,054.58
Plus: changes in accounting policies															
Correction of prior period errors															
Others															
II. Beginning balance of the current year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		159,187,979.14		1,455,129,894.84	-62,310,840.26	1,392,819,054.58
III. Changes in the current period (decreases expressed with "-")											4,158,797.10		4,158,797.10	-6,164,490.03	-2,005,692.93
(I) Total comprehensive											4,158,797.10		4,158,797.10	-6,164,490.03	-2,005,692.93

income														90.03	92.93
(II) Owner's investment and reductions in capital															
1. Ordinary shares invested by owners															
2. Capital invested by other equity instruments holders															
3. Share-based payments included in owners' equity															
4. Others															
(III) Profit distribution															
1. Withdrawal of surplus reserve															
2. Withdrawal of general risk reserve															
3. Distributions to owners (or shareholders)															
4. Others															
(IV) Internal transfer of owners' equity															
1. Capital reserve converted into capital (or share capital)															

2. Surplus reserve converted into capital (or share capital)														
3. Surplus reserve to cover losses														
4. Changes in benefit plans transferred to retained earnings														
5. Other comprehensive income transferred to retained earnings														
6. Others														
(V) Special reserve														
1. Withdrawal in the current period							13,270,901.66					13,270,901.66		13,270,901.66
2. Usage in the current period							13,270,901.66					13,270,901.66		13,270,901.66
(VI) Others														
IV. Closing balance in the current period	<b>602,762,596.00</b>				<b>362,770,922.10</b>	<b>-</b>	<b>332,908,397.60</b>		<b>163,346,776.24</b>		<b>1,459,288,691.94</b>	<b>-</b>	<b>68,475,330.29</b>	<b>1,390,813,361.65</b>

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin Head of the Finance Department: Lin Xiaojia



Amount in previous period

Unit: RMB

Item	2022														
	Owners' equity attributable to the parent company												Minority interests	Owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less : treasury shares	Other comprehensive income	Special reserves	Surpluses reserves	General risk reserves	Undistributed profits	Others			Subtotal
Preferred shares		Perpetual bonds	Others												
I. Closing balance of the previous year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		319,351,219.81		1,615,293,135.51	-36,951,220.07	1,578,341,915.44
Plus: changes in accounting policies															
Correction of prior period errors															
Others															
II. Beginning balance of the current year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		319,351,219.81		1,615,293,135.51	-36,951,220.07	1,578,341,915.44
III. Changes in the current period (decreases expressed with "-")											-160,163,240.67		-160,163,240.67	-25,359,620.19	-185,522,860.86
(I) Total comprehensive											-160,163,240.67		-160,163,240.67	-25,359,620.19	-185,522,860.86

income											240.67		40.67	20.19	860.86
(II) Owner's investment and reductions in capital															
1. Ordinary shares invested by owners															
2. Capital invested by other equity instruments holders															
3. Share-based payments included in owners' equity															
4. Others															
(III) Profit distribution															
1. Withdrawal of surplus reserve															
2. Withdrawal of general risk reserve															
3. Distributions to owners (or shareholders)															
4. Others															
(IV) Internal transfer of owners' equity															
1. Capital reserve converted into capital (or share capital)															

2. Surplus reserve converted into capital (or share capital)															
3. Surplus reserve to cover losses															
4. Changes in benefit plans transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(V) Special reserve															
1. Withdrawal in the current period								879,946.49					879,946.49		879,946.49
2. Usage in the current period								879,946.49					879,946.49		879,946.49
(VI) Others															
IV. Closing balance in the current period	<b>602,762,596.00</b>				<b>362,770,922.10</b>	<b>-2,500,000.00</b>		<b>332,908,397.60</b>		<b>159,187,979.14</b>		<b>1,455,129,894.84</b>	<b>-62,310,840.26</b>	<b>1,392,819,054.58</b>	

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin Head of the Finance Department: Lin Xiaojia

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

The current period amount

Unit: RMB

Item	2023											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Others	Owners' equity
		Preferr ed shares	Perpet ual bonds	Other s								
I. Closing balance of the previous year	602,762,596.00	-	-	-	289,963,039.70	-	-	-	332,908,397.60	556,747,679.96		1,782,381,713.26
Plus: changes in accounting policies												
Correction of prior period errors												
Others												
II. Beginning balance of the current year	602,762,596.00	-	-	-	289,963,039.70	-	-	-	332,908,397.60	556,747,679.96		1,782,381,713.26
III. Changes in the current period (decreases expressed with "-")										62,066,273.71		62,066,273.71
(I) Total comprehensive income										62,066,273.71		622,066,273.71
(II) Owner's investment												

and reductions in capital													
1. Ordinary shares invested by owners													
2. Capital invested by other equity instruments holders													
3. Share-based payments included in owners' equity													
4. Others													
(III) Profit distribution													
1. Withdrawal of surplus reserve													
2. Distributions to owners (or shareholders)													
3. Others													
(IV) Internal transfer of owners' equity													
1. Capital reserve converted into capital (or share capital)													
2. Surplus reserve converted into capital (or share capital)													
3. Surplus reserve to cover losses													
4. Changes in benefit plans transferred to retained earnings													
5. Other comprehensive income transferred to													

retained earnings												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period								7,778,687.26				7,778,687.26
2. Usage in the current period								7,778,687.26				7,778,687.26
(VI) Others												
IV. Closing balance in the current period	<b>602,762,596.00</b>	-	-	-	<b>289,963,039.70</b>	-	-	-	<b>332,908,397.60</b>	<b>618,813,953.67</b>		<b>1,844,447,986.97</b>

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin Head of the Finance Department: Lin Xiaojia

Amount in previous period

Unit: RMB

Item	2022											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Others	Owners' equity
		Preferr ed shares	Perpet ual bonds	Other s								
I. Closing balance of the previous year	602,762,596.00	-	-	-	289,963,039.70	-	-	-	332,908,397.60	562,739,676.37		1,788,373,709.67
Plus: changes in accounting policies												
Correction of prior period errors												
Others												
II. Beginning balance of the current year	602,762,596.00	-	-	-	289,963,039.70	-	-	-	332,908,397.60	562,739,676.37		1,788,373,709.67
III. Changes in the current period (decreases expressed with "-")										-5,991,996.41		-5,991,996.41
(I) Total comprehensive income										-5,991,996.41		-5,991,996.41

											96.41		41
(II) Owner's investment and reductions in capital													
1. Ordinary shares invested by owners													
2. Capital invested by other equity instruments holders													
3. Share-based payments included in owners' equity													
4. Others													
(III) Profit distribution													
1. Withdrawal of surplus reserve													
2. Distributions to owners (or shareholders)													
3. Others													
(IV) Internal transfer of owners' equity													
1. Capital reserve converted into capital (or share capital)													
2. Surplus reserve converted into capital (or share capital)													
3. Surplus reserve to cover losses													
4. Changes in benefit plans transferred to retained													

earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period								434,489.58				434,489.58
2. Usage in the current period								434,489.58				434,489.58
(VI) Others												
IV. Closing balance in the current period	<b>602,762,596.00</b>	-	-	-	<b>289,963,039.70</b>	-	-	-	<b>332,908,397.60</b>	<b>556,747,679.96</b>		<b>1,782,381,713.26</b>

Legal representative: Kong Guoliang Chief Accountant: Chen Yuhui Chief Financial Officer: Zhang Xiaoyin Head of the Finance Department: Lin Xiaojia

## Shenzhen Nanshan Power Co., Ltd.

### 2023 Notes to the Financial statements

**(Unless otherwise specified, the monetary unit is RMB)**

#### I. Basic information of the Company

##### (I) Company profile

Shenzhen Nanshan Power Co., Ltd. (the Company) was reorganized and established from a foreign investment enterprise to a joint stock limited company on November 25, 1993, with the approval of the General Office of the Shenzhen Municipal People's Government under document SFBF [1993] No. 897.

As approved by the General Office of the Shenzhen Municipal People's Government under document SZBF [1993] No. 179, the Company issued 40 million RMB ordinary shares and 37 million domestically listed foreign shares to domestic and overseas investors respectively on January 3, 1994. On July 1, 1994 and November 28, 1994, the RMB ordinary shares (A shares) and domestically listed foreign shares (B shares) issued by the Company were listed and traded on Shenzhen Stock Exchange.

The Company's main business is the production and operation of power supply and heating, as well as technical consultation and technical services related to power plant (station). The Company's registered address is located at No. 2097 Moon Bay Avenue, Nanshan District, Shenzhen, Guangdong. The Company's headquarters office is located at 16F/17F, Hantang Building, Overseas Chinese Town, Nanshan District, Shenzhen, Guangdong.

The financial statements have been approved by the Company's Board of Directors on April 10, 2024.

##### (II) Scope of financial statements

There are a total of 8 subsidiaries (enterprises) included in the scope of the consolidated financial statements in the current period, including:

Subsidiary (enterprise) name	Shareholding ratio %	Remark
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. (Shenzhen Nanshan Power Zhongshan Company)	80.00	
Shenzhen Nanshan Power Gas Turbine Engineering Technology (Shenzhen) Co., Ltd. (Shenzhen Nanshan Power Engineering Company)	100.00	
Shenzhen Nanshan Power Environmental Protection (Shenzhen) Co., Ltd. (Shenzhen Nanshan Power Environmental Protection Company)	100.00	
Shenzhen Xiefu Energy Co., Ltd. (Xiefu Company)	50.00	
Shenzhen New Power Industrial Co., Ltd. (New Power Company)	100.00	
Shennan Energy (Singapore) Co., Ltd. (Shennan Energy (Singapore) Company)	100.00	
Hong Kong Syndisome Co., Ltd. (Hong Kong Syndisome)	100.00	
Zhuhai Hengqin Zhuozhi Investment Partnership ( Limited Partnership) (Zhuhai Hengqin)	99.96	

For details on the scope of consolidated financial statements in the current period and its changes, please refer to Note "VII. Interests in Other Entities".

## II. Basis for the preparation of financial statements

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises - Basic Standards promulgated by the Ministry of Finance and the specific accounting standards, application guidelines, interpretations and other relevant regulations promulgated and revised thereafter (collectively referred to as the "Accounting Standards for Business Enterprises"). In addition, the financial statements also disclose relevant financial information in accordance with the Information Disclosure and Preparation Rules for Companies that Issue Public Offering of Securities No. 15 - General Provisions on Financial Reports (Revised in 2023).

The financial statements are prepared on a going concern basis. The Company has not found any factors that would cause significant doubts about its going-concern ability within 12 months from the end of the reporting period.

## III. Important accounting policies and accounting estimates

Based on its actual production and operation characteristics and the provisions of relevant Accounting Standards for Business Enterprises, the Company has formulated several specific accounting policies and accounting estimates, which are mainly reflected in the Provision for Bad Debts of Accounts Receivable (Note III (XI) 6), Inventories (Note III (XII)), Fixed Assets (Note III (XVI)), Long-term Deferred Expenses (Note III (XXI)), Revenue Recognition and Measurement (Note III (XXV)), Special Reserves (Note III (XXX)) etc.

### (I) Statement on compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, and truly and completely reflect the Company's combination and the parent company's financial status as of December 31, 2023, as well as the Company's combination and the parent company's operating results and cash flows in 2023.

### (II) Accounting period

A fiscal year begins on January 1 and ends on December 31 of the Gregorian calendar.

### (III) Operating cycle

The Company uses 12 months of the year as its normal operating cycle and uses the operating cycle as a criterion for classifying the liquidity of its assets and liabilities.

### (IV) Recording currency

The Company uses RMB as the recording currency.

### (V) Materiality criteria determination method and selection basis

Item	Materiality criterion
Significant individual provision for bad debts of accounts receivable	Original book value is greater than RMB 1 million
Significant provision for bad debts of accounts receivable recovered or	The amount of individual provision for bad debts of accounts receivable recovered or reversed

Item	Materiality criterion
reversed in the current period	exceeds RMB 1 million
Write-off of significant accounts receivable	The write-off amount of individual accounts receivable exceeds RMB 1 million
Important construction in progress	The individual amount is greater than RMB 5 million
Significant estimated liabilities	The individual amount is greater than RMB 5 million

## **(VI) Accounting treatments for business combinations under common control and not under common control**

For a business combination under common control, the assets and liabilities acquired by the combining party in a business combination are measured at the book value of the assets and liabilities of the combined party at the combination date (including goodwill resulting from the acquisition of the combined party by the ultimate controller) in the consolidated financial statements of the ultimate controller. The difference between the book value of net assets acquired in the combination and the book value of the combination consideration paid (or the total nominal value of shares issued) is adjusted to the equity premium in capital reserve, or to retained earnings if the equity premium in capital reserve is not sufficient for elimination.

For a business combination not under common control, the assets given, liabilities incurred or assumed by the purchaser as consideration for the business combination are measured at fair value at the purchase date, and the difference between the fair value and its book value is recognized in current profit or loss. Goodwill is recognized if the combination cost is greater than the difference in the share of fair value of identifiable net assets of the acquiree acquired in the combination; current profit or loss is recognized if the combination cost is lower than the difference in the share of fair value of identifiable net assets of the acquiree acquired in the combination.

Costs directly related to business combinations are recognized in current profit or loss as incurred; transaction costs for the issuance of equity securities or debt securities for business combinations are presented in the amount initially recognized for equity securities or debt securities.

## **(VII) Method of preparation for consolidated financial statements**

### **1. Consolidation scope**

The consolidation scope of the consolidated financial statements is determined based on control, and covers the Company and all subsidiaries.

### **2. Consolidation procedure**

The Company prepares consolidated financial statements based on its own financial statements and those of its subsidiaries' and other relevant information. When the Company prepares consolidated financial statements, it treats the entire enterprise group as an accounting entity, and reflects the overall financial status, operating results and cash flows of the enterprise group in accordance with the recognition, measurement and presentation requirements of relevant Accounting Standards for Business Enterprises and in accordance with unified accounting policies.

Accounting policies and accounting periods adopted by all subsidiaries included in the consolidation scope of consolidated financial statements are consistent with those of the Company. If accounting policies and accounting periods adopted by subsidiaries are inconsistent with those of the Company, necessary adjustments are made when preparing consolidated financial statements in accordance with the Company's accounting policies and accounting periods. For a subsidiary acquired through business combination not under common control, its financial statements are adjusted based on fair value of identifiable net assets on the purchase date. For a subsidiary acquired through business combination under common control, adjustments are made

to its financial statements based on the book value of its assets and liabilities (including goodwill resulting from acquisition of the subsidiary by ultimate controller) in the ultimate controller's financial statements.

The subsidiary's owners' equity, current net profit or loss and current comprehensive income belonging to minority shareholders are presented under the item of owners' equity in the consolidated balance sheet, under the item of net profit and under the item of total comprehensive income in the consolidated income statement, respectively. The balance resulting from the excess of the minority shareholders' share of the current loss of a subsidiary over the minority's share of the subsidiary's owners' equity at the beginning of the period is used to offset the minority interests.

#### (1) Increases in subsidiaries or businesses

If there are increases in subsidiaries or businesses as a result of business combination under common control during the reporting period, the beginning balance of the consolidated balance sheet is adjusted; include revenue, expenses and profits of subsidiaries or business combinations from the beginning of the current period to the end of the reporting period in the consolidated income statement; include cash flows from the beginning of the period to the end of the reporting period of subsidiaries or business combinations in the consolidated statement of cash flows, and adjust the relevant line items in the comparative statements to deem the consolidated reporting entity to have been in existence since the time point at which the ultimate controller began to control.

If control can be exercised over an investee under common control as a result of an additional investment, etc., the parties involved in the combination are deemed to have been adjusted based on their current status when the ultimate controller began to control. For equity investments held prior to the acquisition of right of control of the combined party, the relevant profit or loss, other comprehensive income and other changes in net assets have been recognized between the later of the combination date of the original equity and the date on which the merging party and the merged party were under common control and the combination date, whichever is later, and are offset against the beginning retained earnings or current profit or loss of comparative statements period.

If there are increases in subsidiaries or businesses as a result of a business combination not under common control during the reporting period, the beginning balance of the consolidated balance sheet will not be adjusted; include revenue, expenses and profits of subsidiary or business from the purchase date to the end of the reporting period in consolidated income statement; include the cash flows of the subsidiary or business from the purchase date to the end of the reporting period in the consolidated statement of cash flows.

If the Company can control an investee that is not under common control as a result of additional investment, etc., the Company remeasures the acquiree's equity interest held prior to the purchase date at the fair value of the equity interest at the purchase date of the equity interest. The difference between the fair value and its book value is recognized in current investment income. If the equity interest in the acquiree held prior to the purchase date is related to other comprehensive income accounted for under the equity method and other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution, the other comprehensive income and other changes in owners' equity related to them are transferred to investment income for the period in which they are held at the purchase date, except for other comprehensive income due to the remeasurement of the investee's net liabilities under defined benefit plans or changes in net assets.

#### (2) Disposal of subsidiaries or businesses

##### General treatment method

If the Company disposes the subsidiary or business during the reporting period, the revenue, expenses and profits of the subsidiary or business from the beginning of the period to the date of disposal are included in the consolidated income statement; cash flows of the subsidiary or business from the beginning of the period to the date of disposal are included in the consolidated statement of cash flows.

When the Company loses right of control over the investee due to the disposal of part of the equity investments or other reasons, the Company remeasures the remaining equity investments after the disposal according to its fair value on the date of loss of control. The difference between the sum of the consideration received for the disposal of equity interest and the fair value of the remaining equity interest less the sum of the share of the original subsidiary's net assets continuously measured from the purchase date or the combination date based on the original shareholding ratio and goodwill is recognized as investment income in the period in which the loss of control occurs. Other comprehensive income related to equity investments in subsidiaries or other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution are transferred to investment income in the current period upon loss of control, except for other comprehensive income due to remeasurement of net liabilities under defined benefit plans or changes in net assets by the investee.

If the Company's shareholding ratio decreases due to other investors' capital increase in the subsidiary and the Company loss of control, accounting treatment is carried out in accordance with the above principles.

□ Disposal of subsidiaries in stages

For a disposal of equity investments in subsidiaries through multiple transactions in stages until the loss of control, it generally indicates that multiple transactions are accounted for as a package deal if the terms, conditions, and economic effects of each transaction of such disposal of equity investments in subsidiaries meet one or more of the following circumstances:

- i. Such transactions are entered into simultaneously or with consideration of their effects on each other;
- ii. Such transactions can only achieve a complete business result when taken as an entirety;
- iii. The occurrence of one transaction depends on the occurrence of at least one other transaction;
- iv. A transaction is uneconomical when considered in isolation, but economical when considered in conjunction with other transactions.

If the transactions that dispose of the equity investments in subsidiaries until loss of control belongs to a package deal, the Company account for each transaction as a transaction in which subsidiary is disposed of and loss of control; however, the difference between the disposal price and the net asset share of the subsidiary corresponding to the disposal of the investment in each case prior to the loss of control is recognized in the consolidated financial statements as other comprehensive income and transferred to current profit or loss in the period in which the loss of control occurs.

If various transactions involving the disposal of equity investments in subsidiaries until loss of control do not belong to a package deal, prior to the loss of control, accounting treatment is performed in accordance with the relevant policies for partial disposal of equity investments in subsidiary without loss of control; upon loss of control, accounting treatment is performed in accordance with general method for disposal subsidiary.

(3) Purchase of minority interests in subsidiaries

The difference between the newly acquired long-term equity investments resulting from the purchase of minority interests and the Company's net asset share of the subsidiaries calculated on the basis of the ratio of the newly acquired shares in the subsidiaries' net assets on an ongoing basis from the purchase date (or the combination date) is adjusted to the equity premium in the capital reserve in the consolidated balance sheet, or to the retained earnings if the equity premium in the capital reserve is insufficient to offset the difference.

(4) Partially dispose of equity investments in subsidiaries without loss of control

The difference between the disposal price obtained from the partial disposal of long-term equity investments in subsidiaries without loss of control and the corresponding subsidiaries' net asset share on a continuing basis from the purchase date (or the combination date) of the long-term equity investments disposed of is adjusted to the equity premium in the capital reserve in the consolidated balance sheet, or to the retained earnings if the capital reserve is insufficient to offset

the difference.

### **(VIII) Joint venture arrangements classification and accounting treatments**

Joint venture arrangements are divided into joint operations and joint ventures.

When the Company is a joint party to joint venture arrangements, is entitled to the assets and assumes the liabilities related to the arrangements, it is a joint operation.

The Company confirms the following items related to the interest share in joint operations, and performs accounting treatments in accordance with the relevant Accounting Standards for Business Enterprises:

- (1) Recognizing assets held separately by the Company and recognizing jointly held assets based on the Company's share;
- (2) Recognizing liabilities borne separately by the Company and recognizing liabilities borne jointly based on the Company's share;
- (3) Recognizing revenue from the sale of the Company's share of joint operations outputs;
- (4) Recognizing revenue from joint operations arising from the sale of output based on the Company's share;
- (5) Recognizing expenses incurred independently, and recognizing expenses incurred by joint operations based on the Company's share.

The Company's accounting policies for investments in joint ventures are set out in Note "III. (XIV) Long-term Equity Investments".

### **(IX) Determination criteria for cash and cash equivalents**

When preparing the statement of cash flows, the Company's cash on hand and deposits that can be used for payment at any time are recognized as cash. Investments that meet the four conditions of short term (due within three months from the purchase date), strong liquidity, easy conversion into known amounts of cash, and small risk of value changes are determined as cash equivalents.

### **(X) Foreign currency transactions and translation of foreign currency statements**

#### **1. Foreign currency transactions**

Foreign currency transactions are recorded using the spot exchange rate at the transaction date as the translation rate to convert the foreign currency amount into RMB.

The balance of foreign currency monetary items on the balance sheet date is translated at spot exchange rate on balance sheet date. The resulting exchange differences are recognized in current profit or loss, except for those arising from foreign-currency special borrowings related to the acquisition and construction of assets eligible for capitalization, which are treated in accordance with the principle of capitalization of borrowing costs.

#### **2. Translation of foreign currency financial statements**

Assets and liability items in the balance sheet are translated using spot exchange rate on the balance sheet date; Owners' equity items, except for "undistributed profits", are translated at spot exchange rate at the time of occurrence. Revenue and expense items in the income statement are translated at spot exchange rate on the transaction date.

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

## **(XI) Financial instruments**

Financial instruments include financial assets, financial liabilities and equity instruments.

### **1. Classification of financial instruments**

Based on the Company's business model for managing financial assets and the contract cash flows characteristics of financial assets, financial assets are classified upon initial recognition into: financial assets measured at amortized costs, financial assets measured at fair value with changes included in other comprehensive income financial assets (debt instruments) and financial assets measured at fair value with changes included in current profit or loss.

Financial assets with a business model whose objective is to collect the contract cash flows and whose contract cash flows consist solely of payments of principal and interest based on the principal amount outstanding are classified as financial assets measured at amortized costs; Financial assets with a business model whose objective is both to collect the contract cash flows and to sell the financial assets and whose contract cash flows consist solely of payments of principal and interest based on the principal amount outstanding are classified as financial assets at fair value with changes included in other comprehensive income (debt instruments); other financial assets beyond these are classified as financial assets measured at fair value with changes included in current profit or loss.

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

Financial liabilities are classified upon initial recognition into: financial liabilities measured at fair value with changes included in current profit or loss and financial liabilities measured at amortized costs.

Financial liabilities that meet one of the following conditions can be designated upon initial measurement as financial liabilities measured at fair value with changes included in current profit or loss:

- (1) The designation can eliminate or significantly reduce the accounting mismatch.
- (2) Manage and evaluate the performance of the financial liabilities portfolio or the financial assets and financial liabilities portfolio on a fair value basis in accordance with the enterprise's risk management or investment strategy as set out in formal written document, and report on this basis within the enterprise to key officers.
- (3) The financial liabilities contain embedded derivatives that are subject to separate spin-off.

### **2. Recognition basis and measurement method for financial instruments**

- (1) Financial assets measured at amortized costs

Financial assets measured at amortized costs including notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc., are initially measured at fair value, with related transaction costs included in the initial recognition amount; accounts receivable that do not contain significant financing components and accounts receivable that the Company decides not to consider the financing components of less than one year are initial measurement at the contract transaction prices.

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

When financial assets are recovered or disposed of, the difference between the price obtained and the book value of the financial assets is recorded in current profit or loss.

- (2) Financial assets (debt instruments) measured at fair value with changes included in other comprehensive income

Financial assets (debt instruments) measured at fair value with changes included in other comprehensive income including receivables financing, other debt investments, etc., are initially measured at fair value, with related transaction costs included in the initial recognition amount.

The subsequent measurement of the financial assets is carried out at fair value, with fair value changes recognized in other comprehensive income, except for interest calculated using the effective interest method, impairment losses or gains, and foreign exchange profit or loss.

On derecognition, accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in current profit or loss.

(3) Financial assets (equity instruments) measured at fair value with changes included in other comprehensive income

Financial assets (equity instruments) measured at fair value with changes included in other comprehensive income including other investments in equity instruments, etc., are initially measured at fair value, with related transaction costs included in the initial recognition amount. The subsequent measurement of the financial assets is carried out at fair value, with fair value changes included in other comprehensive income. Dividend received are included in current profit or loss.

On derecognition, accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

(4) Financial assets measured at fair value with changes included in current profit or loss

Financial assets measured at fair value with changes included in current profit or loss including financial assets held for trading, derivative financial assets, other non-current financial assets, etc., are initially measured at fair value, with related transaction costs included in current profit or loss. The subsequent measurement of the financial assets is carried out at fair value, with fair value changes included in current profit or loss.

(5) Financial liabilities measured at fair value with changes included in current profit or loss

Financial liabilities measured fair value with changes included in current profit or loss including financial liabilities held for trading, derivative financial liabilities, etc., are initially measured at fair value, with related transaction costs included in current profit or loss. The subsequent measurement of the financial liabilities is carried out at fair value, with fair value changes included in current profit or loss.

On derecognition, the difference between the book value and the consideration paid is included in current profit or loss.

(6) Financial liabilities measured at amortized costs

Financial liabilities measured at amortized costs including short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, and long-term payables, are initially measured at fair value, with related transaction costs included in the initial recognition amount.

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

On derecognition, the difference between the consideration paid and the book value of the financial liabilities is included in current profit or loss.

### **3. Recognition basis and measurement method for transfer of financial assets**

The Company assesses the extent to which it retains the risks and rewards of ownership of financial assets when a transfer of financial assets occurs and treats them as follows, respectively:

(1) If substantially all the risks and rewards of ownership of financial assets are transferred, the financial assets are derecognized, and rights and obligations arising from or retained in the transfer are recognized separately as assets or liabilities.

(2) If substantially all the risks and rewards of ownership of financial assets are retained, the financial assets continue to be recognized.

(3) If the Company neither transfers nor retains substantially all risks and rewards of ownership financial assets (i.e., in cases other than those in (1) and (2) of this Article), it treats the financial

assets, according to whether or not it retains control over the financial asset, respectively as follows:

- 1) If control over the financial assets is not retained, the financial assets are derecognized and the rights and obligations arising from or retained in the transfer are recognized separately as assets or liabilities.
- 2) If control of financial assets is retained, the financial assets continue to be recognized to the extent of continued involvement in the transferred financial assets, and related liabilities are recognized accordingly. The extent of continued involvement in the transferred financial assets is the extent to which the Company bears the risk or rewards of changes in the value of the transferred financial assets.

In determining whether the transfer of financial assets satisfies the above conditions for derecognition of financial assets, the principle of substance over form is applied. The Company distinguishes between transfer of financial assets in their entirety and partial transfer of financial assets.

(1) When the financial assets are transferred in their entirety to satisfy the conditions for derecognition, the difference between the following two amounts is recognized in current profit or loss:

- 1) The book value of transferred financial assets on the derecognition date.
- 2) The sum of the consideration received for the transfer of the financial assets and the amount corresponding to the derecognized part of the cumulative fair value changes included directly in other comprehensive income (the financial assets involved in the transfer are financial assets at fair value with changes included in other comprehensive income).

(2) If financial assets are partially transferred and the transferred part as a whole meets conditions for derecognition, the book value of the entire financial assets before the transfer is divided between the derecognized part and the continued recognition part (in this case, the retained service assets are deemed to continue to be recognized as part of financial assets) are amortized according to their respective relative fair values on the transfer date, and the difference between the following two amounts is included in current profit or loss:

- 1) The book value of derecognized part on the derecognition date.
- 2) The sum of the consideration received for the derecognized part and the amount corresponding to the derecognized part of the cumulative amount of fair value changes originally included in other comprehensive income (the financial assets involved in the transfer are financial assets at fair value with changes included in other comprehensive income).

If the transfer of financial assets does not satisfy the conditions for derecognition, the financial assets continue to be recognized and the consideration received is recognized as financial liabilities.

#### **4. Conditions for derecognition of financial liabilities**

If the current obligations for financial liabilities are fully or partially discharged, the financial liabilities, or a part thereof, are derecognized; if the Company enters into an agreement with a creditor to replace the existing financial liabilities by assuming new financial liabilities, and the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities are derecognized and the new financial liabilities are recognized simultaneously.

If all or part of the contractual terms of the existing financial liabilities are substantially modified, the existing financial liabilities or a part thereof are derecognized, and the modified financial liabilities are recognized as new financial liabilities.

When financial liabilities are fully or partially derecognized, the difference between the book value of the derecognized financial liabilities and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) is recognized in current profit or loss.

If the Company repurchases part of financial liabilities, it allocates the overall book value of the

financial liabilities based on the relative fair values of the continued recognition part and derecognized part on the repurchase date. The difference between the book value allocated to the derecognized part and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) is recognized in current profit or loss.

#### **5. Methods for determining fair values of financial assets and financial liabilities**

For financial instruments that have an active market, their fair values are determined based on the quoted price in the active market. For financial instruments that do not have active market, their fair values are determined by valuation techniques. In valuing the fair value, the Company uses valuation techniques that are applicable in the current circumstances and are supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the assets or liabilities that would be considered by a market participant in a transaction for the underlying assets or liabilities, and prioritizes the use of relevant observable inputs. Non-observable inputs are used only when relevant observable inputs are not available or not practicable to obtain.

#### **6. Impairment of financial assets**

The Company estimates expected credit losses on financial assets measured at amortized costs and financial assets measured at fair value with changes included in other comprehensive income (debt instruments), either individually or in combination, taking into account all reasonable and supportable information including forward-looking information. The measurement of expected credit losses depends on whether a significant increase in credit risk has occurred in the financial assets since initial recognition.

The Company uses a simplified measurement method to measure loss provisions based on expected credit losses over the entire life of all notes receivable, contract assets, accounts receivable and lease receivables generated from daily operating activities such as sales of goods and provision of services that are regulated by the revenue standard; for notes receivable, receivables financing and other receivables classified as portfolio other than these, the Company calculates expected credit losses by reference to historical credit loss experience, current conditions, and projections of future economic conditions by using default risk exposures, and expected credit loss over the life of the instruments rate within the next 12 months or over the entire duration.

In addition to the above-mentioned simplified measurement methods and various other receivables and temporary payments other than purchased or originated credit loss, the Company evaluates on balance sheet date whether credit risk of relevant financial instruments has increased significantly since the initial recognition, measures its provision for losses and recognizes expected credit losses and changes therein, respectively.

(1) Recognition criteria and methods for provision for provision for bad debts of accounts receivable with significant individual provision and single provision for bad debts

The Company conducts separate impairment test on accounts receivable with significant individual amounts, and conducts separate impairment test on financial assets that have not been impaired and includes them in financial assets portfolio with similar credit risk characteristics. Accounts receivable for which impairment losses are recognized in individual test are no longer included in the portfolio of accounts receivable with similar credit risk characteristics for impairment testing.

(2) Accounts receivable with individually insignificant amount but individual provision for bad debts

For accounts receivable whose individual amounts are not significant but have the following characteristics, such as: accounts receivable that are in dispute with the other party or involved in litigation or arbitration; The debtor fails to be contacted and there is no third-party pursuer; The accounts receivable that have obvious signs that the debtor is likely to be unable to fulfill its repayment obligations shall be subject to a separate impairment test. If any object evidence proving the existence of impairment, impairment loss is recognized and provision for impairment is made at the difference between present value of future cash flows and their book value.

(3) Determination basis and calculation method of accounts receivable whose expected credit losses are calculated based on credit risk portfolio

When sufficient evidence of expected credit losses cannot be assessed at a reasonable cost at the individual instrument level, the Company divides notes receivable, accounts receivable, other receivables, and contract assets into portfolios based on credit risk characteristics by referring to historical credit loss experience, taking into account current conditions as well as judgments of future economic conditions, and calculates expected credit losses on a portfolio basis.

<b>Name of portfolio</b>	<b>Basis for determining the portfolio</b>
Portfolio I	Portfolio of bank acceptance bills
Portfolio II	Receivables from power production and sales
Portfolio III	Integrated energy service receivables
Portfolio IV	Consolidated accounts receivable from related parties, other receivables and contract asset portfolios
Portfolio V	Margin, security deposit and petty cash portfolio
Portfolio VI	Export tax rebate, VAT refunded upon collection and other tax portfolios
Portfolio VII	Other receivables and temporary payments other than the above portfolios

## **(XII) Inventories**

### **1. Classification of inventories**

The Company's main business is the power production and sale of power. The Company's inventories mainly consist of materials and supplies consumed in the course of production or rendering of services, mainly including fuel, raw materials, spare parts and maintenance equipment, etc.

### **2. Valuation method for dispatched inventories**

Inventories are initially measured at the cost when acquired, but measured at weighted average method when dispatched.

### **3. Basis for determining net realizable value of different categories of inventories**

For goods inventories for direct sale, including finished products, stock commodities and materials for sale, their net realizable values shall be recognized at the estimated selling prices minus the estimated selling and distribution expenses and the relevant taxes and surcharges in the course of normal production and operation; For material inventories required for process, in the course of normal production and operation, their net realizable values are recognized at the estimated selling prices of finished products minus estimated costs until completion, selling and distribution expenses and relevant taxes and surcharges; For inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices.

Provision for inventory depreciation will be made at the end of the period on an individual basis. However, for inventories with large quantities and low unit prices, provision for inventory depreciation are made according to the category of inventories; For the inventories related to the series of products manufactured and sold in the same area, and of which the final use or purpose is identical or similar thereto, and if it is difficult to measure them by separating them from other items, the provision for inventory depreciation reserve shall be made on a consolidation basis.

When making provision for inventory depreciation, if the factors causing any write-down of

inventory value have disappeared, leading to the net realizable values of inventories higher than its book value, the amount of write-down shall be reversed from the original provision for inventory depreciation with the reversal being included in the current profit or loss.

#### **4. Inventory system**

The perpetual inventory system is adopted.

#### **5. Amortization method for low-value consumables and packaging materials**

- (1) Low-value consumables are amortized at lump-sum method.
- (2) Packaging materials are amortized at lump-sum method.

### **(XIII) Contract assets**

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

See Note III.(XI) 6. Impairment of financial assets, for the Company's determination method and accounting treatment for the expected credit losses of contract assets.

### **(XIV) Long-term equity investments**

#### **1. Judgment criteria for common control and significant influence**

Common control refers to the mutual control over certain arrangement based on relevant agreements, however, activities related to such arrangement can be decided only when the consensus of the participating party sharing the right of control is obtained. Where the Company exercises common control over the investees together with other parties to the joint ventures and enjoys the right on the investee's net assets, the investee is a joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not the power to control, or jointly control, the formulation of such policies with other parties. If the Company can exert significant influence on investees, investees shall be associates of the Company.

#### **2. Determination of initial investment cost**

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

Business combination under common control: if the Company pays cash, transfers non-cash assets or assumes debts, and issues equity securities as the combination consideration, the share of book value of acquiring the owners' equity of the combined party in the ultimate controller's consolidated financial statements is taken as the initial investment cost of long-term equity investments on the combination date. In case the Company can exercise control over the investee under common control for additional investments or other reasons, the initial investment cost of long-term equity investments should be recognized at the share of book value of net asset of the combined party after the combination in the consolidated financial statements of the ultimate controller on the combination date. If there is a difference between the initial investment cost of the long-term equity investments on the combination date and the sum of the book value of the long-term equity investments before combination and the book value of the consideration newly paid by shares acquired on the combination date, the difference shall be used to adjust the equity premium; and if the equity premium is insufficient to be offset, retained earnings shall be offset.

Business combination not under common control: the Company shall use the combination cost determined on the purchase date as the initial investment cost of long-term equity investments. If it is possible to exercise control investees that is not under common control due to additional investment or other reasons, the sum of the book value of the original equity investments plus the cost of the new investment will be used as initial investment cost accounted under the cost method.

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

For long-term equity investments acquired from cash payment, the initial investment cost is the actually paid purchasing cost.

For the long-term equity investments acquired by issuing equity securities, the initial investment cost is the fair value of the issued equity securities.

On the premise that exchange of non-monetary assets is of commercial nature and the fair value of the asset traded in and out can be measured reliably, the initial investment cost of long-term equity investments traded in with non-monetary asset should be determined according to the fair value of the asset traded out and relevant taxes and surcharges payable, unless any concrete evidence indicates that the fair value of the asset traded in is more reliable; For exchange of non-monetary assets that do not meet the above premise, the book value of the asset traded out and relevant taxes and surcharges payable should be recognized as the initial investment cost of the long-term equity investments traded.

For long-term equity investments obtained through debt restructuring, its book value is determined by the fair value of the abandoned creditor's right and the other taxes directly attributable to the assets, and the difference between the fair value of the abandoned creditor's right and the book value is included into the current profit or loss.

**3. Subsequent measurements and recognition of profit or loss**

(1) Long-term equity investments accounted for under the cost method

The Company's long-term equity investments in subsidiary is accounted for under the cost method. Except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognizes the investment income in the current period at the cash dividends or profits declared by the investee.

(2) Long-term equity investments accounted for under the equity method

Long-term equity investments in associates and joint ventures are accounted for under the equity method. If the initial investment cost is in excess of the share of fair value of identifiable net assets in the investee when the investment is made, the difference will not be adjusted to the initial investment cost of long-term equity investments; if the initial investment cost is in short of the share of fair value of identifiable net assets in the investee when the investment is made, the difference will be included in the current profit or loss.

The Company should recognize the investment income and other comprehensive income respectively in accordance with its share of net profit or loss and other comprehensive income realized by the investees that it should enjoy or share, and adjust the book value of long-term equity investments; The book value of long-term equity investments will be reduced accordingly in the light of the profits or cash dividends that the investee declares to distribute; For other changes in the owners' equity of investees other than net profit or loss, other comprehensive income and profit distribution, the book value of long-term equity investments is adjusted and included in owners' equity.

When confirming the shares of net profit or loss of the investee which the Company shall enjoy, based on the fair value of the identifiable net assets of the investee at the time of acquisition of the investment, the Company confirms the net profit of the investee after adjustment in accordance with the Company's accounting policies and the accounting period. During the period when the investment is held, if the investees prepares consolidated financial statements, the accounting shall be made based on the amount attributable to investees in net profit, other comprehensive income and other changes in owners' equity in the consolidated financial statements.

When the Company recognizes the losses of investees that it should share, it shall proceed in the following order: Firstly, reduce book value of long-term equity investments. Secondly, if the book value of long-term equity investments is not sufficient to offset it, the investment losses will continue to be recognized to the extent of book value of other long-term interests that essentially constitute a net investment of the investees, to offset the book value of long-term receivables, etc.

Finally, after the above processing, if the enterprise still bears additional obligations according to the investment contract or agreement, the estimated liabilities will be recognized based on the estimated obligations and included in the current investment losses.

### (3) Disposal of long-term equity investments

When disposing of long-term equity investments, the difference between the book value and the actual price obtained shall be included in the current profit or loss.

When disposing of long-term equity investments accounted for under the equity method, the portion originally included in other comprehensive income will be accounted for in a corresponding ratio on the same basis as the investees' direct disposal of relevant assets or liabilities. The owners' equity recognized due to the changes in owners' equity other than net profit or loss, other comprehensive income, and profit distribution shall be carried forward to the current profit or loss on a proportional basis, except for other comprehensive income arising from the investee's remeasurement of changes in net liabilities or net assets under the defined benefit plans.

If common control or significant influence on investees is lost due to the disposal of part equity investments or other reasons, the remaining equity after disposal shall be calculated in accordance with recognition and measurement standards of financial instruments. The difference between its fair value and book value at the date of loss of common control or significant influence is recognized in the current profit or loss. For other comprehensive income recognized due to the original equity investments accounted for under the equity method, it shall be accounted for on the same basis as the investees' direct disposal of relevant assets or liabilities when the accounting for equity method is no longer adopted. The owners' equity recognized due to other changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution will all be transferred to the current profit and loss when accounted for under the equity method is terminated.

If the Company loses right of control over investees due to the disposal of part of equity investments or increase in capital of the subsidiary by other investors, resulting in a decrease in the Company's shareholding ratio, when preparing individual financial statements, if the remaining equity can exercise common control or significant influence over investees, it shall be accounted by under equity method, which shall be deemed to be adjusted under the equity method since the time of acquisition. If the remaining equity cannot common control or exert significant influence on investees, it shall be accounted for in accordance with the relevant provisions of recognition and measurement standards of financial instruments, and the difference between its fair value and book value on the date of loss of control shall be included in the current profit or loss.

Where the equity disposed of are acquired through business combination as a result of additional investment and other reasons, if the remaining equities after disposal are calculated under the cost method or equity method upon preparation of separate financial statements, other comprehensive income and other owners' equity recognized in equity investments held before the purchase date as a result of accounting under equity method shall be carried forward pro rata; If the remaining equity after disposal is accounted for in accordance with recognition and measurement standards of financial instruments, other comprehensive income and other owners' equity will be carried forward.

## **(XV) Investment properties**

The investment properties refer to the properties held for earning rentals or/and capital appreciation, including leased land use right, land use right held for transfer upon appreciation, and leased building (including self-built buildings or buildings developed for renting or buildings under construction or development for future renting).

The Company measures its existing investment properties under the cost model. For investment properties measured under the cost model - in terms of buildings for renting, the same depreciation policy as that for fixed assets of the Company is adopted; for land use rights for renting, the same amortization policy as that for intangible assets is adopted.

## (XVI) Fixed assets

### 1. Recognition conditions of fixed assets

Fixed assets refer to the tangible assets of the Company held for the purpose of producing commodities, rendering services, renting or business management with service life exceeding one accounting year. Fixed assets are recognized when the following conditions are met at the same time:

- (1) It is very likely that the economic benefits associated with the fixed assets will flow into the enterprise;
- (2) The cost of the fixed assets can be measured reliably.

### 2. Depreciation method

The Company provides the depreciation based on the production method within its service life after deducting estimated net residual value and accumulated provision for impairment from the cost of gas turbine generator unit; Other fixed assets are depreciated under straight-line method over their service life based on their costs less estimated net residual value and accumulated provision for impairment.

If service life of the various components of fixed assets are different or they provide economic benefits to the enterprise in different ways, different depreciation rates or depreciation method should be selected and depreciation should be accrued separately.

The depreciation method, depreciation life, residual rate and annual depreciation rate of fixed assets are as follows:

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

### 3. Subsequent expenditure

Subsequent expenditures on fixed assets refer to renovation and reconstruction expenses, repair costs, etc. incurred during the use of fixed assets. Subsequent expenditures such as the renewal and transformation of fixed assets, if they meet the conditions for capitalization, shall be included in the cost of fixed assets, and book value of the replaced part shall be deducted; The repair costs of fixed assets that do not meet the conditions for capitalization are included in the current profit or loss when incurred.

## (XVII) Construction in progress

The Company's construction in progress are classified into infrastructure projects, technical transformation projects, integrated energy service, information construction, etc.

The initial book values of the fixed assets are stated at necessary expenditures incurred before

construction in progress reaches the working conditions for its intended use. For construction in progress that has reached working conditions for its intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value according to the project budget, construction price, actual cost, etc. from the date when it reaches the working conditions for its intended use. And the fixed assets shall be depreciated in accordance with the Company's policy on depreciation of fixed assets. Adjustment shall be made to the originally and provisionally estimated value based on the actual cost after the completion of settlement is handled, but depreciation provided will not be adjusted.

The standards for construction in progress to be transferred to fixed assets when they reach the condition for its intended use are as follows:

Item	Criteria and time point for transfer to fixed assets
Houses and buildings	(1) The main construction project and supporting projects have been substantially completed; (2) When the construction project meets the requirements for predetermined design, it must be accepted by the survey, design, construction, supervision and other entities; (3) Acceptance by external departments such as fire protection department, state-owned land department and planning department, etc.; (4) If a construction project has reached the intended usable state but has not yet completed the final settlement, it shall be transferred to fixed assets at an estimated value based on the actual cost of the project from the date on which it reaches the intended usable state.
Machinery equipment	(1) Relevant equipment and other supporting facilities have been installed; (2) The equipment can maintain normal and stable operation for a period of time after debugging; (3) The production equipment can stably produce qualified products over a period of time; (4) The equipment has been inspected and accepted by asset managers and users.

## (XVIII) Borrowing costs

### 1. Recognition principles for capitalization of borrowing costs

The borrowing costs include borrowing interest, amortization of discounts or premiums, auxiliary expenses, and exchange differences arising from foreign currency borrowings, etc.

The borrowing costs incurred by the company that can be directly attributed to the purchase, construction or production of assets that meet the capitalization conditions shall be capitalized and included in the cost of the related assets; Other borrowing costs are recognized as expenses based on the amount incurred when incurred and included in the current profit or loss.

Assets eligible for capitalization refer to fixed assets, investment properties, inventories and other assets which may reach their intended use or sale status only after long-time acquisition and construction or production activities.

Capitalization of borrowing costs begins when the following conditions are met at the same time:

- (1) Asset expenditures having occurred. Asset expenditures include expenditures in the form of cash payments, transfers of non-cash assets or interest-bearing debts for the acquisition, construction or production of assets that meet capitalization conditions;
- (2) Borrowing costs having been incurred;
- (3) The purchase, construction or production activities necessary to bring the asset to its intended usable or salable state having begun.

### 2. Period of capitalization of borrowing costs

The capitalization period refers to the period from the time point at which capitalization of borrowing costs commences to the time point at which capitalization ceases, excluding the period during which capitalization of borrowing costs is suspended.

When the acquisition, construction or production of assets that meet the capitalization conditions reaches the intended usable or salable state, the capitalization of borrowing costs ceases.

When part of the projects in the acquisition, construction or production of assets that meet the capitalization conditions are completed and can be used independently, the capitalization of borrowing costs of this part of the assets ceases.

If each part of an asset purchased, constructed or produced is completed separately, but it cannot be used or sold until the entirety is completed, capitalization of borrowing costs stops when the entire asset is completed.

### **3. Capitalization suspension period**

If an asset that meets the capitalization conditions is abnormally interrupted during the acquisition, construction or production process, and the interruption lasts for more than 3 months, the capitalization of borrowing costs is suspended; if the interruption is a necessary procedure for the acquired, constructed or produced assets that meet the capitalization conditions to reach the intended usable or salable state, the capitalization of borrowing costs continues. Borrowing costs incurred during the interruption period are recognized as current profit or loss, and the capitalization of borrowing costs continues until the acquisition, construction or production activities of the assets restart.

### **4. Calculation method for capitalization of borrowing costs rate and capitalization amount**

For special borrowings for the purpose of purchasing, constructing or producing assets eligible for capitalization, the capitalization amount of borrowing costs is determined by the actual borrowing costs incurred in the period of the special borrowing, less the amount of interest income earned on the unused borrowed funds deposited in the bank or investment income earned on the temporary investment.

For general borrowings taken up for the acquisition or production of assets eligible for capitalization, the amount of borrowing costs to be capitalized is determined by multiplying weighted average of the asset expenditures that exceed special borrowings by the capitalization rate of the general borrowings general borrowings used. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

## **(XIX) Intangible assets**

Intangible assets including land use right, patented technology, software, etc., are initially measured at actual cost.

### **1. Valuation method of intangible assets**

(1) The Company initially measures intangible assets at cost when acquiring them;

The cost of outsourced intangible assets includes the purchase price, relevant taxes and other expenses directly attributable to bringing the assets to the intended use. If the purchase price of intangible assets is deferred beyond normal credit conditions and is essentially financing in nature, the cost of intangible assets is determined based on the present value of the purchase price.

The book value of intangible assets acquired in a debt restructuring for use by the debtor against a debt are determined based on the fair value of the claim waived and other costs directly attributable to bringing the asset to its intended use, such as taxes, and the difference between the fair value of the claim waived and the book value of the intangible assets is recognized in current profit or loss.

Provided that the exchange of non-monetary assets has commercial substance and the fair value of both the assets exchanged in and the assets exchanged out can be measured reliably, the intangible assets exchanged in by exchange of non-monetary assets are recorded at their fair value based on the fair value of the assets exchanged out, unless there is conclusive evidence that the fair value of the assets exchanged in is more reliable; For exchange of non-monetary assets that do not meet the above prerequisites, the book value of the exchanged assets and related taxes payable are recognized as the cost of the intangible assets exchanged, and profit or loss is derecognized.

(2) Subsequent measurement

Analyze and determine service life of intangible assets when acquiring them.

For intangible assets with limited service life, they are amortized on straight-line method within the period that they bring economic benefits to the enterprise; if it is not foreseeable that intangible assets will bring economic benefits to the enterprise, they are regarded as intangible assets with indefinite service life and are not amortized.

**2. Estimated service life of intangible assets with limited service life**

For Intangible assets with limited service life, their original values less the estimated net residual value and the cumulative amount of the provision for impairment that has been made are amortized in equal installments using the straight-line method over the estimated service life from the time they are available for use. Intangible assets with indefinite service life are not amortized.

At the end of the period, service life and amortization method of intangible assets with limited service life are reviewed and changes, if any, are treated as changes in accounting estimates. The specific amortization period are as follows:

Category	Amortization method	Amortization period (year)	Basis for use
Land use right	Straight-line method	30-50	Within the validity period of the land title certificate
Patented technology	Straight-line method	10	Patent certificate
Software	Straight-line method	5	Software availability period

**3. Basis for judgment of intangible assets with indefinite service life and procedures for reviewing their service life**

When reviewing the service life of intangible assets with indefinite service life, the service life is estimated and amortized in accordance with the amortization policy for intangible assets with limited service life, if there is evidence that the period over which the intangible asset will provide economic benefits to the enterprise is foreseeable.

**4. Specific criteria for dividing research and development stages**

Expenditures on the Company's internal research and development projects are divided into research stage expenditures and development stage expenditures.

Research stage: the stage of creative and planned investigation and research activities to obtain and understand new scientific or technical knowledge.

Development stage: the stage in which research results or other knowledge are applied to a certain plan or design to produce new or substantially improved materials, devices, products, etc. before commercial production or use.

Development stage expenditures meet specific criteria for capitalization

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

1. Being technically feasible to complete the intangible assets so that it can be used or sold;
2. Having the intention to complete the intangible assets and use or sell them;
3. The manner in which intangible assets generate economic benefits (including where it can be demonstrated that a market exists for the product to be produced using such intangible assets or that a market exists for the intangible assets themselves and that the intangible assets are to be used internally) demonstrating their usefulness;
4. Having sufficient technical, financial and other resource support to complete the development of the intangible assets, and having the ability to use or sell the intangible assets;

5. Expenditures attributable to the development stage of the intangible assets being able to be measured reliably.

### **(XX) Asset impairment**

Long-term assets such long-term equity investments, investment properties measured under the cost model, fixed assets, construction in progress, and intangible assets with limited service life are subject to impairment test if there are signs of indications of impairment on the balance sheet date. If the results of impairment test indicate that the recoverable amount of assets is less than its book value, a provision for impairment is made based on the difference and the assets are recognized as impairment losses. The recoverable amount is the net of the fair value of the assets less costs of disposal and the current value of the expected future cash flows from the assets (whichever is higher). Provision for asset impairment is calculated and recognized on the basis of individual assets. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of an asset group is determined based on the asset group to which the asset belongs. The asset group is the smallest combination of assets that can independently generate cash inflows.

Goodwill, intangible assets with indefinite service life, and intangible assets that have not yet reached a usable state are subject to impairment test at least at the end of each year.

The Company performs the impairment test for goodwill. For the book value of goodwill arising from a business combination, the Company amortizes it to the relevant asset group on a reasonable method from the purchase date; if it is difficult to be amortized to the relevant asset group, it is amortized to the relevant portfolio of asset groups. When amortizing the book value of goodwill, the Company amortizes it based on the relative benefits that the relevant asset groups or portfolio of asset groups can obtain from the synergies of business combination, and performs goodwill impairment test on this basis.

In the impairment test for the relevant asset group or combination of asset groups containing goodwill, if there are indications of impairment for the asset group or combination of asset groups related to goodwill, the asset group or combination of asset groups that does not contain goodwill is first tested for impairment, the recoverable amount is calculated and compared with the relevant book value, and corresponding impairment losses are recognized. An impairment test is then performed on the asset group or combination of asset groups containing goodwill by comparing the book value of the relevant asset group or combination of asset groups (including the part of the book value of the goodwill apportioned to it) with its recoverable amount. If the recoverable amount of the relevant asset group or combination of asset groups is less than its book value, impairment losses on goodwill are recognized.

Once the above-mentioned asset impairment losses are recognized, they will not be reversed in subsequent accounting periods.

### **(XXI) Long-term deferred expenses**

#### **1. Amortization method for long-term deferred expenses**

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

The renovation of lease premises is recognized as long-term deferred expenses and amortized over the shorter of the following two periods:

- (1) The estimated service life of the renovation (the estimated time until the next renovation);
- (2) The estimated remaining service life of the main structure of the property

The Company's subsequent expenditure that do not meet the conditions for fixed assets

recognition, such as capital repairs, are recognized as long-term deferred expenses in the year they occur, and are subsequently amortized in installments during the benefit period.

## 2. Amortization period of long-term deferred expenses

Item	Amortization period
Renovation of rented fixed assets	The estimated service life of the renovation and the estimated remaining service life of the main structure of the property (whichever is shorter).
Expenditures for capital repairs of fixed assets	Overhaul cycle for gas generator unit

## (XXII) Contract liabilities

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

## (XXIII) Employee compensation

### 1. Accounting treatments of short-term compensation

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

The Company contributes social insurance premiums and housing fund for its employees, as well as labor union fund and employee education expenses withdrawn as required, and calculates and determines the corresponding amount of employee compensation in accordance with the prescribed accrual basis and accrual ratio during the accounting period in which the employees render services to the Company.

For non-monetary employee benefits, if they can be measured reliably, they are measured at fair value.

### 2. Accounting treatments for post-employment benefits

Defined contribution plans

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

In addition to basic endowment insurance, the Company has also established an enterprise annuity payment system (supplementary endowment insurance)/enterprise annuity plan in accordance with the relevant policies of the national enterprise annuity system. The Company pays contributions to local social insurance institutions/annuity plans based on a certain ratio of total employee wages, and includes the corresponding expenditures in current profit or loss or related asset costs.

### 3. Accounting treatments for dismissal benefits

When the Company cannot unilaterally withdraw dismissal benefits provided by the termination of labor relationship plan or redundancy proposal, or when it recognizes the costs or expenses related to the restructuring involving the payment of dismissal benefits (whichever is earlier), employee compensation liabilities arising from dismissal benefits are recognized and included in current profit or loss.

## (XXIV) Estimated liabilities

### 1. Recognition criteria for estimated liabilities

The Company recognizes the obligations related to contingencies such as litigation, debt guarantees, onerous contracts, restructuring matters, etc. as estimated liabilities when the following conditions are met at the same time:

- (1) The obligation being the current obligation of the Company;
- (2) The performance of the obligation being likely to cause economic benefits to flow out the Company;
- (3) The amount of the obligation being able to be measured reliably.

## **2. Measurement methods for various types of estimated liabilities**

(1) When the obligations generated from such contingencies as external guarantee, contentious matters, products quality guarantees and onerous contracts are present obligations of the Company, the performance of such obligations is likely to result in outflow of economic benefits from the Company and if the amount of the obligations can be measured reliably, such obligations shall be recognized as estimated liabilities by the Company.

(2) The estimated liabilities of the Company are initially measured at the best estimate of expenses required for the performance of relevant present obligations, and the book value of the estimated liabilities shall be reviewed on the balance sheet date.

The Company's estimated liabilities are initially measured at best estimate of the expenditures required to perform the related present obligations.

When determining best estimate, the Company comprehensively considers factors such as risks, uncertainty and time value of money related to contingencies. Where the effect on the time value of money is material, the best estimate is determined by discounting the relevant future cash outflows.

Best estimate is treated separately as follows:

If there being a continuous range (or interval) of required expenditures, and various outcomes within the range are equally likely to occur, best estimate is determined based on the middle value of the range, that is, the average of the upper and lower limits.

If there being no continuous range (or interval) of required expenditures, or if there being a continuous range but the probabilities of occurrence of the various results within the range are not the same, the best estimate is determined on the basis of the most probable amount to be incurred if the contingency relates to a single item; if the contingency involves multiple projects, best estimate is calculated and determined based on various possible outcomes and related probabilities.

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

## **(XXV) Revenue**

### **1. General principles**

If the Company fulfills its performance obligations under a contract, that is, when the customer obtains right of control of the relevant goods or services, revenue is recognized. Performance obligations are contractual commitments in which the Company transfers clearly distinguishable goods or services to the customer. Obtaining right of control of the relevant goods or services refers to the ability to control the use of the goods or the provision of the services and to derive virtually all of the economic benefits therefrom.

If one of the following conditions is met, it is performance obligations to be fulfilled within a certain period of time, and the Company recognizes revenue over a period of time in accordance with the performance progress: (1) the customer obtaining and consuming the economic benefits arising from the Company's performance at the same time as the Company's performance; (2) the customer being able to control the goods under construction during the Company's performance; (3) the goods produced by the Company during the performance of the contract having irreplaceable uses, and the Company having the right to collect payment for the cumulative performance part completed so far during the entire contract period. Otherwise, the Company recognizes revenue at the time point at which the customer obtains the right of control of the related goods or services.

## **2. Sales with quality assurance clauses**

For sales with a quality guarantee clause, if the quality guarantee provides a separate service to the customer in addition to the assurance that the goods or services sold meet standards specified herein, the quality guarantee constitutes an individual performance obligation. Otherwise, the Company accounts for the quality assurance liability in accordance with the provisions of the Accounting Standards for Business Enterprises No. 13 - Contingencies.

## **3. Main responsible persons and agent**

The Company identifies itself as the person with main liabilities or the agent when engaging in transactions based on whether it has the right of control of the goods or services before transferring them to the customer. If the Company has the right of control of the goods or services before transferring them to the customer, the Company identifies itself as the person with main liabilities and recognizes revenue based on the total consideration received or receivable; otherwise, the Company identifies itself as the agent and recognizes revenue based on the amount of commissions or handling charges that may be received. This amount is determined according to the net amount after deducting the price payable to other related parties from the total consideration received or receivable, or according to the specified commissions amount, ratio or other factors.

## **4. Principles**

If the Company fulfills its performance obligations under a contract, that is, when the customer obtains right of control of the relevant goods or services, revenue is recognized. Obtaining right of control of the relevant goods or services refers to the ability to control the use of the goods or the provision of the services and to derive virtually all of the economic benefits therefrom.

### **(1) Revenue from power production and sales**

When the power is transmitted to the power grid company specified in the power sales contract, which means the power grid company has obtained the right of control of the power, the Company shall recognize the reported sales revenue.

### **(2) Revenue from integrated energy services**

Revenue from integrated energy services between the Company and its customers mainly includes revenue from engineering labor and services such as operation and maintenance, management, commissioning, and overhaul. If multiple performance obligations are involved, they shall be split reasonably. The equipment sales shall be processed according to the sales of goods business. The provision of labor and services is generally dealt with according to the output method based on the performance obligation fulfilled within a certain time period. Requirements are as follows:

#### **1) Sales of supporting equipment**

For sales of equipment, revenue shall be recognized when the customer obtains the right of control the equipment. In general, the recognition time point shall be the time when the customer signs after receiving the completed or delivered products. Based on the terms of the Contract, the required attachments for revenue recognition include but are not limited to the sales contract, commodity shipping order, customer receipt sheet, equipment acceptance sheet or customs declaration form, etc.

#### **2) Labor and services provided**

□ The recognition and settlement of revenue from such business shall comply with the provisions of the business contract signed by both parties. At the end of each settlement period, the necessary documents stipulated in the Contract, such as the attendance sheet, service application form, etc. confirmed by both parties shall be provided as the proof of the cumulative revenue recognition of the settlement period and materials for collecting service price.

□ On each balance sheet date within the settlement period, revenue shall be tentatively estimated based on the performance progress. When using the output method to determine the performance progress, the progress is usually determined in combination with the actual measured completion progress, assessment of achieved results, achieved milestones, progress of the schedule, completed or delivered products and other output indicators.

## **(XXVI) Contract costs**

### Costs of obtaining the contract

The incremental costs incurred by the Company to obtain the Contract (that is, costs which would not have been incurred without obtaining the Contract) that may be recovered shall be recognized as an asset and amortized on the same basis as the revenue recognition of goods or services related to the asset. In addition, the asset shall be included in the current profit or loss. If the amortization period of the asset does not exceed one year, the asset shall be included in the current profit or loss when incurred. Other expenses incurred by the Company to obtain the contract shall be included in the current profit or loss when incurred, unless otherwise the expenses are borne by the customer.

### Costs of performing the contract

The costs incurred by the Company to perform the Contract are recognized as an asset if they do not fall within the scope of other provisions specified in the Accounting Standards for Business Enterprises other than the revenue standards and meet all the following conditions: (1) when the cost is directly related to an existing or expected contract; (2) when the cost increases the Company resources for fulfilling performance obligations in the future; (3) when the cost is expected to be recovered. The above-mentioned asset shall be amortized on the same basis as the revenue recognition of goods or services related to the asset and included in the current profit or loss.

### Impairment of contract costs

When recognizing impairment losses of assets related to contract costs, the Company shall first recognize impairment losses of other assets related to the Contract that are recognized in accordance with other relevant accounting standards for business enterprises; then, if book value is higher than difference between the remaining consideration expected to be obtained by the Company for the transfer of the goods related to the asset and the estimated cost to be incurred for the transfer of the related goods, provision for impairment shall be made for the excess, and it shall be recognized as the asset impairment loss.

If the factors of impairment in the previous period subsequently changed, causing the aforementioned difference to be higher than the book value of the asset, provision for asset impairment that has been made previously shall be reversed and the higher part shall be included in the current profit or loss, but the book value of the asset after the reversal shall not exceed the book value of the asset on the date of reversal assuming no provision for impairment is made.

## **(XXVII) Government subsidies**

### **1. Type**

Government subsidies refer to the monetary and non-monetary assets obtained by the Company from the government free of charge. Government subsidies are divided into asset-related government subsidies and income-related government subsidies.

Asset-related government subsidies refer to government subsidies obtained by the Company and

used to purchase, construct or otherwise form long-term assets. Income-related government subsidies refer to government subsidies other than asset-related government subsidies.

## **2. Recognition time point**

At the end of the reporting period, if there is evidence that the Company can meet the relevant conditions stipulated in the financial support policy and is expected to receive financial support funds, government subsidies shall be recognized based on the amount receivable. Otherwise, government subsidies shall be recognized when they are actually received.

If government subsidies are monetary assets, they shall be measured at the amount received or receivable. If government subsidies are non-monetary assets, they shall be measured at the fair value; If the fair value cannot be obtained reliably, government subsidies shall be measured at the nominal amount (RMB 1). Government subsidies measured at the nominal amount shall be directly included in the current profit or loss.

## **3. Accounting treatment**

Asset-related government subsidies shall be used to offset the book value of the relevant assets or recognized as the deferred income. Government subsidies which are recognized as the deferred income shall be included in the current profit or loss in installments according to a reasonable and systematic method within service life of the relevant assets (if the government subsidies are related to the daily activities of the Company, the subsidies shall be included in other income; if the government subsidies are not related to the daily activities of the Company, the subsidies shall be included in non-operating revenue);

income-related government subsidies that are used to compensate the Company for relevant costs or losses in subsequent periods shall be recognized as the deferred income and included in the current profit or loss (if the government subsidies are related to the daily activities of the Company, the subsidies shall be included in other income; if the government subsidies are not related to the daily activities of the Company, the subsidies shall be included in non-operating revenue) or used to offset relevant costs or losses; if the subsidies are used to compensate for the relevant costs or losses incurred by the Company, the subsidies shall be directly included in the current profit or loss (if the government subsidies are related to the daily activities of the Company, the subsidies shall be included in other income; if the government subsidies are not related to the daily activities of the Company, the subsidies shall be included in non-operating revenue) or used to offset relevant costs or losses.

The policy-based preferential loan interest subsidies obtained by the Company will be accounted for differently in the following two situations:

(1) if the central finance allocates interest subsidies to the lending bank, and the lending bank provides loans to the Company at a policy-based preferential interest rate, the Company will use the actual loan amount received as the entry value of the loan and calculate related borrowing costs based on the loan principal and the policy-based preferential interest rate.

(2) if the central finance directly allocates interest subsidies to the Company, the Company will use the corresponding interest subsidies to offset related borrowing costs.

## **(XXVIII) Deferred tax assets and deferred tax liabilities**

For deductible temporary differences, deferred tax assets shall be recognized with the taxable income that is likely to be obtained in the subsequent period to offset deductible temporary differences as the limit. For deductible losses and tax credits which can be carried forward to subsequent years, the corresponding deferred tax assets shall be recognized with the future taxable income that is likely to be obtained to offset deductible losses and tax credits as the limit.

For taxable temporary differences, except in special circumstances, the deferred tax liabilities shall be recognized.

Special circumstances in which deferred tax assets or deferred tax liabilities are not recognized include: initial recognition of goodwill; other transactions or matters, except for business

combination, that affect neither accounting profits nor taxable income (or deductible losses) when incurred.

When the Company is entitled to the legal right to settle on a net basis and intends to settle on a net basis or obtain assets and pay off liabilities at the same time, the current income tax assets and current income tax liabilities shall be reported at the net amount after offsetting.

When the Company is entitled to settle current income tax assets and current income tax liabilities on a net basis, and deferred tax assets and deferred tax liabilities are related to income tax levied by the same taxation department on the same taxpayer or different taxpayers, but in each significant period when deferred tax assets and liabilities are reversed, if the taxpayer involved intends to settle current income tax assets and liabilities on a net basis or obtain assets and pay off liabilities at the same time, deferred tax assets and deferred tax liabilities shall be reported at the net amount after offsetting.

## **(XXIX) Lease**

Lease refers to a contract whereby the lessor transfers the right to use an asset to the lessee in exchange for consideration for a certain period of time.

### **1. The Company acts as a lessee**

The Company shall determine the right-of-use assets on the starting date of the lease term and recognize lease liabilities based on the present value of the unpaid lease payments. Lease payments include fixed payments and amounts payable when the purchase option or option to terminate lease is likely to be exercised. Variable rent determined based on a certain ratio of sales amount shall not be included in lease payments and shall be included in the current profit or loss when actually incurred.

The Company's right-of-use assets include leased houses and buildings, machinery equipment, means of transport, computers and electronic equipment, etc.

For short-term leases with lease term of no more than 12 months and leases of low value assets with a single asset at a low value when it is new, the Company will not to recognize right-of-use assets and lease liabilities, and the relevant rental expenses will be calculated based on the straight-line method in each period during lease term and included in the current profit or loss or related asset costs.

### **2. The Company acts as a lessor**

Financing lease refers to the lease that basically transfers all the risks and rewards related to the ownership of leased assets. Other leases are operating leases.

#### **(1) Operating leases**

When the Company rents out its own buildings, machinery equipment and means of transport, the rental income from operating leases is recognized in accordance with the straight-line method during lease term. Variable rents, which are determined by the Company at a certain percentage of sales, are included in rental income when actually incurred.

#### **(2) Financing lease**

On the commencement date of the lease term, the Company recognizes the finance lease receivables for the financing lease and terminates the derecognition of related assets. The Company lists finance lease receivables as long-term receivables, while the finance lease receivables collected within one year (including) from the balance sheet date are listed as non-current assets due within one year.

## **(XXX) Special reserves**

The Safety production costs extracted from the Company's power production and sales business in accordance with national regulations are included in the cost of related products or current profit

or loss as well as in the "special reserve" account. The currently accrual standard is based on operating revenue of the previous year, using an excess regressive method to determine the accrual amount for the current year. Such amount shall be withdrawn evenly every month, and be included in the cost of related products or current profit or loss as well as in the "special reserve" account. When the Company uses special reserve, the amount shall be charged directly to the special reserve if it belongs to cost of spending; if fixed assets are formed, they will be recognized as fixed assets when such assets reach the intended usable state; at the same time, special reserve is offset according to the cost of fixed assets formed, and accumulated depreciation of the same amount shall be recognized. Such fixed assets will no longer be depreciated in subsequent periods.

### (XXXI) Changes in significant accounting policies and accounting estimates

#### 1. Significant changes in accounting policies

##### (1) Interpretation No. 16 of Accounting Standards for Business Enterprises

The Ministry of Finance issued the Interpretation No. 16 of Accounting Standards for Business Enterprises on December 13, 2022. The Company implemented the "Initial recognition of deferred income taxes related to assets and liabilities arising from a single transaction is not applicable" from January 1, 2023, and adjusted the cumulative impact to the initial retained earnings and other related financial statement items for the earliest period in which the financial statements are presented. The implementation of the above accounting policies had no impact on the Company.

#### 2. Changes in significant accounting estimates

The main accounting estimates had no change during the reporting period.

### IV. Taxes

#### (I) Main tax type and rates

Tax type	Tax basis	Tax rate
Value-added tax	The output tax is calculated based on revenue from the sale of goods and taxable services calculated according to the tax law. After deducting the input tax allowed to be deducted in the current period, difference shall be the value-added tax payable.	13%、9%、6%、5%、3%
Urban maintenance and construction tax	Based on the actual value-added tax and consumption tax paid	7%
Education surcharge	Based on the actual value-added tax and consumption tax paid	3%
Local education surcharge	Based on the actual value-added tax and consumption tax paid	2%
Corporate income tax	Based on taxable income	Except for the following enterprises that enjoy tax preferential treatment, tax shall be paid at 25% of the taxable income.

Tax type	Tax basis	Tax rate
Urban land use tax	For the actual occupied land area of industrial land in Nanshan District, Shenzhen, tax shall be paid at RMB 2-8/square meter. For the actual occupied land area of industrial land in Zhongshang, tax shall be paid at RMB 1/square meter.	
Foreign taxes	Foreign taxes shall be calculated according to the tax regulations of each overseas country and region.	

The taxpayers with different corporate income tax are as follows:

Taxpayer name	Income tax rate
The Company	15%
Shenzhen Nanshan Power Engineering Company	15%

## (II) Main tax preferential treatment

### 1. Corporate income tax

(1) The Company obtained a national high-tech enterprise certificate numbered GR202144204080, which is valid for 3 years. From 2021 to 2023, the Company's corporate income tax enjoys a preferential income tax rate of 15% for high-tech enterprise.

(2) Shenzhen Nanshan Power Engineering Company obtained a national high-tech enterprise certificate numbered GR202344200269, which is valid for 3 years. From 2023 to 2025, the Company's corporate income tax enjoys a preferential income tax rate of 15% for high-tech enterprise.

### 2. Value-added tax

Tax type	Company name	Relevant regulations, laws, and policies	Approval authority	Approval No.	Preference enjoyed	Validity period
Value-added tax	Shenzhen Nanshan Power Environmental Protection Company	Notice on the Catalog of Preferential Value-added Tax on Products and Services for Comprehensive Utilization of Resources (CS [2015] No. 78)	Shenzhen Qianhai State Taxation Administration	SQSST [2018] No. 18302	Instant collection/refund of value-added tax for comprehensive resource utilization	August 1, 2020- July 31, 2023
Value-added tax	Shenzhen Nanshan Power Engineering Company	Measures for the Administration of Value-added Tax Exemption for Cross-border Taxable Activities in Replacement of Business Tax with Value-added tax	Shenzhen Qianhai State Taxation Administration	GJSWZJ GG [2016] No. 29	Value-added tax exemption for cross-border taxable activities	

**V. Notes to consolidated financial statements items**

**(I) Monetary funds**

Item	Ending balance	Balance at the end of last year
Cash on hand	30,329.83	37,698.63
Bank deposits	310,694,227.98	647,983,965.23
Other monetary funds	5,464,224.68	27,474,602.54
Deposits with financial company		
Total	316,188,782.49	675,496,266.40
Including: total amount deposited abroad	6,105,051.40	6,016,949.57

The details of monetary funds that have restrictions on their use due to mortgage, pledge or freezing, as well as those deposited overseas with restrictions on repatriation are as follows:

Item	Ending balance	Balance at the end of last year
L/G deposit	5,453,862.93	
Deposit for bank acceptance bills		27,474,594.34
Total	5,453,862.93	27,474,594.34

In addition, as at December 31, 2023, the Company had no monetary funds subject to the restriction to use due to mortgage, pledge or freezing and with potential recovery risks.

**(II) Financial assets held for trading**

Item	Ending balance	Balance at the end of last year
Financial assets measured at fair value with changes included in the current profit or loss	226,000,000.00	440,013,571.10
Including: investments in debt instruments		
Investments in equity instruments		
Derivative financial assets		
Others (note)	226,000,000.00	440,013,571.10
Financial assets designated as measured at fair value and whose changes are recorded in profit or loss for the period		
Including: investments in debt instruments		
Investments in equity instruments		
Total	226,000,000.00	440,013,571.10

Note: the balance at the end of the current year is the structured deposits of the Company's idle self-owned funds.

**(III) Accounts receivable**

**1. Disclosure of accounts receivable on an aging basis**

Aging	Ending balance	Balance at the end of last year
Within 1 year	51,764,528.59	103,306,168.76
1-2 years	40,359,448.07	34,239,288.30
2-3 years	21,478,238.86	
Over 3 years	5,464,799.07	5,558,673.67
Subtotal	119,067,014.59	143,104,130.73
Less: provision for bad debts	7,091,763.49	7,270,638.09
Total	111,975,251.10	135,833,492.64

**2. Accounts receivable are classified and disclosed according to the method of provision for bad debts**

Category	Ending balance				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	5,464,799.07	4.59	5,464,799.07	100.00	
Provision for bad debts on a credit risk portfolio basis	113,602,215.52	95.41	1,626,964.42	1.43	111,975,251.10
Total	119,067,014.59	100.00	7,091,763.49	5.96	111,975,251.10

Category	Balance at the end of last year				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	5,558,673.67	3.88	5,558,673.67	100.00	
Provision for bad debts on a credit risk portfolio basis	137,545,457.06	96.12	1,711,964.42	1.24	135,833,492.64
Total	143,104,130.73	100.00	7,270,638.09	5.08	135,833,492.64

(1) Important provision for bad debts on an individual basis

Name	Balance at the end of last year		Ending balance			Reasons for provision
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision ratio (%)	
Shenzhen Petrochemical Oil Products Bonded Trading Co., Ltd.	3,474,613.06	3,474,613.06	3,474,613.06	3,474,613.06	100.00	Not expected to be recovered
China Solibase Engineering Co., Ltd.	1,137,145.51	1,137,145.51	1,137,145.51	1,137,145.51	100.00	Not expected to be recovered
Total	4,611,758.57	4,611,758.57	4,611,758.57	4,611,758.57	100.00	

(2) Provision for bad debts by portfolio

Name of portfolio	Ending balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)
Portfolio II: receivables from power production and sales	26,995,169.61		
Portfolio III: receivables from integrated energy service	86,607,045.91	1,626,964.42	1.88
Total	113,602,215.52	1,626,964.42	1.43

3. Provision for bad debts accrued, reversed or recovered for the current period

Category	Balance at the end of last year	Amount of changes for the current period				Ending balance
		Accrual	Reverse or recovery	Charge-off or write-off	Others	
Provision for bad debts on an individual basis	5,558,673.67			93,874.60		5,464,799.07
Provision for bad debts on a credit risk portfolio basis	1,711,964.42		85,000.00			1,626,964.42
Total	7,270,638.09		85,000.00	93,874.60		7,091,763.49

#### 4. Accounts receivable from actual write-off for the current period

Item	Write-off amount
Accounts receivable from actual written-off	93,874.60

#### 5. Accounts receivable and contract assets of the top five ending balances by debtors

Entity name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to the total ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and provision for contract asset impairment
China Machinery Engineering Corporation	81,821,045.91		81,821,045.91	68.67	1,626,964.42
Shenzhen Power Supply Bureau Co., Ltd.	26,981,407.91		26,981,407.91	22.64	
Power China Hubei Engineering Co., Ltd.	4,539,000.00	88,000.00	4,627,000.00	3.88	
Shenzhen Petrochemical Oil Products Bonded Trading Co., Ltd.	3,474,613.06		3,474,613.06	2.92	3,474,613.06
China Solibase Engineering Co., Ltd.	1,137,145.51		1,137,145.51	0.96	1,137,145.51
Total	117,953,212.39	88,000.00	118,041,212.39	99.07	6,238,722.99

#### (IV) Advances to suppliers

##### 1. Advances to suppliers are listed based on aging

Aging	Ending balance		Balance at the end of last year	
	Book balance	Ratio (%)	Book balance	Ratio (%)
Within 1 year	26,780,454.52	99.67	44,506,222.90	97.93
1 to 2 years	72,700.00	0.27	514,851.14	1.13
2 to 3 years			389,626.88	0.86
Over 3 years	16,021.07	0.06	37,586.94	0.08
Total	26,869,175.59	100.00	45,448,287.86	100.00

## 2. Prepayments of the top five ending balances by prepayment objects

Entity name	Book balance	Proportion to the prepayment balance (%)
CNOOC Gas & Power Group Co., Ltd.	15,992,752.12	59.52
Shenzhen Gas Group Co., Ltd.	9,618,506.86	35.80
Shenzhen Rici Clinic	172,600.00	0.64
Shenzhen Weinusi Technology Development Co., Ltd.	157,800.00	0.59
Shenzhen Branch of Ping An Pension Insurance Co., Ltd.	131,400.00	0.49
<b>Total</b>	<b>26,073,058.98</b>	<b>97.04</b>

## (V) Other receivables

Item	Ending balance	Balance at the end of last year
Interest receivable		
Dividends receivable		
Other receivables	19,233,117.52	18,314,003.84
<b>Total</b>	<b>19,233,117.52</b>	<b>18,314,003.84</b>

## 1. Other receivables

### (1) Disclosure based on aging

Aging	Ending balance	Balance at the end of last year
Within 1 year	1,617,984.30	1,058,183.07
1 to 2 years	3,356.31	36,436.71
2 to 3 years		243,391.13
Over 3 years	48,002,435.80	49,016,380.54
<b>Subtotal</b>	<b>49,623,776.41</b>	<b>50,354,391.45</b>
Less: provision for bad debts	30,390,658.89	32,040,387.61
<b>Total</b>	<b>19,233,117.52</b>	<b>18,314,003.84</b>

### (2) Disclosure by category

Category	Ending balance				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an	30,390,658.89	61.24	30,390,658.89	100.00	

Category	Ending balance				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
individual basis					
Provision for bad debts on a credit risk portfolio basis	19,233,117.52	38.76			19,233,117.52
Total	49,623,776.41	100.00	30,390,658.89	61.24	19,233,117.52

Category	Balance at the end of last year				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	32,328,502.39	64.20	32,040,387.61	99.11	288,114.78
Provision for bad debts on a credit risk portfolio basis	18,025,889.06	35.80			18,025,889.06
Total	50,354,391.45	100.00	32,040,387.61	63.63	18,314,003.84

□ Provision for bad debts on individual provision basis

Name	Balance at the end of last year		Ending balance			Reasons for provision
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision ratio (%)	
Huiyang Kangtai Industrial Company	14,311,626.70	14,311,626.70	14,311,626.70	14,311,626.70	100.00	Not expected to be recovered
Receivables from employee benefit fund dividends and taxes	9,969,037.63	9,969,037.63	9,969,037.63	9,969,037.63	100.00	Not expected to be recovered
Shandong Jinan Power Equipment	3,560,000.00	3,560,000.00	3,560,000.00	3,560,000.00	100.00	Not expected to be recovered

Name	Balance at the end of last year		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision ratio (%)	Reasons for provision
Factory Receivables from purchase of employee dormitories	1,736,004.16	1,736,004.16	1,736,004.16	1,736,004.16	100.00	Not expected to be recovered
Others	2,751,833.90	2,463,719.12	813,990.40	813,990.40	100.00	Not expected to be recovered
<b>Total</b>	<b>32,328,502.39</b>	<b>32,040,387.61</b>	<b>30,390,658.89</b>	<b>30,390,658.89</b>	<b>100.00</b>	

Provision provision for bad debts on a portfolio basis

Name	Ending balance		
	Other receivables	Provision for bad debts	Provision ratio (%)
Portfolio V: guarantee, deposit and petty cash portfolio	2,650,577.32		
Portfolio VII: other receivables and temporary payments	16,582,540.20		
<b>Total</b>	<b>19,233,117.52</b>		

(3) Disclosure by nature of payment

Nature of payment	Ending book balance	Book balance at the end of last year
Guarantee and deposit	2,869,769.32	2,821,122.05
Receivable from employees	12,415,545.61	11,025,579.22
Current accounts with external units	34,338,461.48	36,507,690.18
<b>Subtotal</b>	<b>49,623,776.41</b>	<b>50,354,391.45</b>
Less: provision for bad debts	30,390,658.89	32,040,387.61
<b>Total</b>	<b>19,233,117.52</b>	<b>18,314,003.84</b>

(4) Provision provision for bad debts

Provision for bad debts	The first stage	The second stage	The third phase	Total
	Expected credit losses over the next 12 months	Expected credit loss over the life of the instruments (no credit impairment has occurred)	Expected credit loss over the life of the instruments (credit impairment has occurred)	
Beginning balance			32,040,387.61	32,040,387.61
Beginning balance in the current period				
--Transfer to the second stage				
--Transfer to the third stage				
--Reverse to the second stage				
--Reverse to the first stage				
Provision for the current period			129,806.28	129,806.28
Reverse for the current period			1,235,154.68	1,235,154.68
Charge-off for the current period			544,380.32	544,380.32
Write-off for the current period				
Other changes				
Ending balance			30,390,658.89	30,390,658.89

(5) Provision for bad debts made, reversed or recovered for the current period

Category	Balance at the end of last year	Amount of changes for the current period				Ending balance
		Accrual	Reverse or recovery	Charge-off or write-off	Other s	
Individual provision	32,040,387.61	129,806.28	1,235,154.68	544,380.32		30,390,658.89
Total	32,040,387.61	129,806.28	1,235,154.68	544,380.32		30,390,658.89

The amount of provision for bad debts reversed or recovered for the current period, which is important

Entity name	Reversed or recovered amount	Reason for the reverse or recovery	Method of recovery	The basis for determining the original provision for bad debts and its rationality
Shenzhen OCT Co., Ltd. Asset Management Branch	1,172,781.26	It is likely to be recovered	Recovered on surrender of lease	Long aging
Total	1,172,781.26			

(6) Other receivables of the top five ending balances by debtors

Entity name	Nature of payment	Book balance	Aging	Proportion to the total ending balance of other receivables (%)	Ending balance of provision for bad debts
Huidong Xie fu Port Comprehensive Development Co., Ltd.	Current accounts	15,532,630.74	Within 1 year and 1-3 years	31.30	
Huiyang Kangtai Industrial Company	Current accounts	14,311,626.70	Over 3 years	28.84	14,311,626.70
Shandong Jinan Power Equipment Factory Co., Ltd.	Current accounts	3,560,000.00	Over 3 years	7.17	3,560,000.00
Shenzhen OCT Co., Ltd. Asset Management Branch	Deposit	1,460,919.00	Over 3 years	2.94	
Lai Weicheng	Current accounts	1,408,866.89	Over 3 years	2.85	1,408,866.89
Total		36,274,043.33		73.10	19,280,493.59

**(VI) Inventories****1. Inventories classification**

Item	Ending balance			Balance at the end of last year		
	Book balance	Provision for inventory depreciation or provision for impairment of contract performance costs	Book value	Book balance	Provision for inventory depreciation or provision for impairment of contract performance costs	Book value
Fuel and spare parts	144,943,485.98	59,223,967.83	85,719,518.15	144,000,440.38	59,079,222.05	84,921,218.33
Auxiliary materials and low-value consumables, etc.	344,882.11		344,882.11	358,080.02		358,080.02
Others	93,850.90		93,850.90			
Total	145,382,218.99	59,223,967.83	86,158,251.16	144,358,520.40	59,079,222.05	85,279,298.35

**2. Provision for inventory depreciation and provision for impairment of contract performance costs**

Item	Balance at the end of last year	Increased amount in the current period		Decreased amount in the current period		Ending balance
		Accrual	Others	Reverse or charge-off	Others	
Fuel and spare parts	59,079,222.05	191,133.50		46,387.72		59,223,967.83
Total	59,079,222.05	191,133.50		46,387.72		59,223,967.83

**(VII) Contract assets****1. Contract assets**

Item	Ending balance			Balance at the end of last year		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Project quality guarantee	88,000.00		88,000.00	217,009.58		217,009.58
Total	88,000.00		88,000.00	217,009.58		217,009.58

## 2. Disclosure by the method of provision for bad debts

Category	Ending balance				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis					
Provision provision for bad debts on a credit risk portfolio basis	88,000.00	100.00			88,000.00
Total	88,000.00	100.00			88,000.00

Category	Balance at the end of last year				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis					
Provision provision for bad debts on a credit risk portfolio basis	217,009.58	100.00			217,009.58
Total	217,009.58	100.00			217,009.58

## (VIII) Other current assets

Item	Ending balance	Balance at the end of last year
Large-amount negotiable certificate of deposit and accrued interest	225,278,591.79	180,496,849.31
Prepaid income tax	6,583,089.98	6,583,089.98
Amount of input value-added tax to be deducted	996,267.20	1,103,481.37
Others	8,019.66	65,419.78
Total	232,865,968.63	188,248,840.44

**(IX) Long-term equity investments**

Investees	Balance at the end of last year	Ending balance of provision for impairment	Increase and decrease in the current period								Ending balance	Ending balance of provision for impairment
			Additional investment	Reduced investment	Investment profit or loss recognized under the equity method	Adjustments to the other comprehensive income	Other changes in equity	Declaration of cash dividend or profits	Provision for impairment	Others		
1. Associates												
Huidong Xiefu Port Comprehensive Development Co., Ltd. (hereinafter referred to as "Huidong Xiefu")	4,414,021.80				753,311.50							5,167,333.30
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd. (hereinafter referred to as "Liaoyuan")	79,082,076.44				6,966,316.30				1,214,550.00			84,833,842.74

Investees	Balance at the end of last year	Ending balance of provision for impairment	Increase and decrease in the current period								Ending balance	Ending balance of provision for impairment
			Additional investment	Reduced investment	Investment profit or loss recognized under the equity method	Adjustments to the other comprehensive income	Other changes in equity	Declaration of cash dividend or profits	Provision for impairment	Others		
Environmental Protection")												
Total	83,496,098.24				7,719,627.80				1,214,550.00			90,001,176.04

**(X) Other investments in equity instruments****1. Other investments in equity instruments**

Item	Ending balance in the current year			Balance at the end of last year		
	Original book value	Fair value changes	Ending balance	Original book value	Fair value changes	Ending balance
Sunpower Technology (Jiangsu) Co., Ltd.	140,000,000.00		140,000,000.00	140,000,000.00		140,000,000.00
Shenzhen Yuanzhi Ruixin New Generation Information Technology Private Equity Investments Fund Partnership (Limited Partnership)	100,000,000.00		100,000,000.00	100,000,000.00		100,000,000.00
Jiangxi Nuclear Power Co., Ltd.	60,615,000.00		60,615,000.00	60,615,000.00		60,615,000.00
Shenzhen Petrochemical Oil Products Bonded Trading Co., Ltd.	2,500,000.00	-2,500,000.00		2,500,000.00	-2,500,000.00	
<b>Total</b>	<b>303,115,000.00</b>	<b>-2,500,000.00</b>	<b>300,615,000.00</b>	<b>303,115,000.00</b>	<b>-2,500,000.00</b>	<b>300,615,000.00</b>

**2. Investment in non-trading equity instruments**

Item	Dividend income recognized in the current period	Accumulated gains	Accumulated losses	The amount of other comprehensive income transferred to retained earnings	Reasons for measuring at fair value and whose changes are recognized in other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
Sunpower Technology (Jiangsu) Co., Ltd.	8,400,000.00				Plan to hold for the long term	
Shenzhen Yuanzhi Ruixin New Generation Information Technology Private Equity Investments Fund Partnership (Limited Partnership)	340,206.13				Plan to hold for the long term	
Jiangxi Nuclear Power Co., Ltd.					Plan to hold for the long term	
Shenzhen Petrochemical Oil Products Bonded			2,500,000.00		Plan to hold for the long term	

Item	Dividend income recognized in the current period	Accumulated gains	Accumulated losses	The amount of other comprehensive income transferred to retained earnings	Reasons for measuring at fair value and whose changes are recognized in other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
Trading Co., Ltd.						
Total	8,740,206.13		2,500,000.00			

## (XI) Investment properties

### 1. Investment properties measured using cost model

Item	Houses and buildings	Total
1. Original book value		
(1) Balance at the end of last year	9,708,014.96	9,708,014.96
(2) Increased amount in the current period		
(3) Reduced amount in the current period		
(4) Ending balance	9,708,014.96	9,708,014.96
2. Accumulated depreciation and accumulated amortization		
(1) Balance at the end of last year	7,874,670.76	7,874,670.76
(2) Increased amount in the current period	168,777.60	168,777.60
(3) Reduced amount in the current period		
(4) Ending balance	8,043,448.36	8,043,448.36
3. Provision for impairment		
(1) Balance at the end of last year		
(2) Increased amount in the current period		
(3) Reduced amount in the current period		
(4) Ending balance		
4. Book value		
(1) Ending book value	1,664,566.60	1,664,566.60
(2) Book value at the end of last year	1,833,344.20	1,833,344.20

**(XII) Fixed assets****1. Fixed assets and disposal of fixed assets**

Item	Ending balance	Balance at the end of last year
Fixed assets	385,390,614.45	591,290,204.31
Disposal of fixed assets(note )	186,092,119.90	
Total	571,482,734.35	591,290,204.31

Note: On November 6, 2023, Shenzhen Nanshan Power Zhongshan Company received the Letter on Matters Related to the Shutdown of Units of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. Nanlang Power Plant (YNDLH [2023] No. 672) from Energy Bureau of Guangdong Province, according to which, the Energy Bureau of Guangdong Province agreed on the shutdown of two 180MW gas-fired cogeneration units of Zhongshan Nanlang Power Plant. The relevant unit equipment and other assets are planned to be externally disposed of and have been listed on Shenzhen United Property and Equity Exchange in 2024; In addition, according to the latest industrial planning of Zhongshan Cuiheng New District, Cuiheng New District Management Committee paid for the acquisition and storage of the use rights of three parcels of state-owned land of Shenzhen Nanshan Power Zhongshan Company located in Hengmen Industrial Zone, Nanlang Street, Cuiheng New District, Zhongshan City (hereinafter referred to as "the Proposed Acquisition and Storage Land"). On December 12, 2023, Shenzhen Nanshan Power Zhongshan Company and Cuiheng New District Management Committee formally signed the State-owned Land Use Right Recovery Agreement and Relocation Compensation Agreement. Assets related to this matter, such as buildings, unit equipment and cogeneration projects under construction in progress were transferred to the fixed assets to be disposed.

## 2. Fixed assets

Item	Houses and buildings	Machinery equipment	Means of transport	Electronic equipment and other equipment	Total
1. Original book value					
(1) Balance at the end of last year	424,154,183.71	2,725,092,344.93	8,138,535.02	44,622,476.80	3,202,007,540.46
(2) Increased amount in the current period		9,310,486.55		619,173.18	9,929,659.73
-Purchase				478,923.62	478,923.62
-Transfer construction in progress		8,575,561.48		140,249.56	8,715,811.04
-Others		734,925.07			734,925.07
(3) Reduced amount in the current period	129,266,768.52	1,091,448,053.55	1,832,964.37	777,795.06	1,223,325,581.50
-Disposal or scrapping	129,266,768.52	1,091,448,053.55	1,698,464.37	131,474.77	1,222,544,761.21
---Others			134,500.00	646,320.29	780,820.29
(4) Ending balance	294,887,415.19	1,642,954,777.93	6,305,570.65	44,463,854.92	1,988,611,618.69
2. Accumulated depreciation					
(1) Balance at the end of last year	294,778,055.90	1,912,442,654.22	5,011,870.15	33,757,207.10	2,245,989,787.37
(2) Increased amount in the current period	9,243,346.13	17,124,749.92	1,130,492.64	2,542,508.49	30,041,097.18
-Provision	9,243,346.13	16,463,317.36	1,130,492.64	2,491,389.64	29,328,545.77
-Others		661,432.56		51,118.85	712,551.41
(3) Reduced amount in the current period	99,818,329.32	689,937,238.61	1,426,368.64	683,071.08	791,865,007.65
-Disposal or scrapping	99,818,329.32	689,937,238.61	1,305,318.64	91,569.67	791,152,456.24

Item	Houses and buildings	Machinery equipment	Means of transport	Electronic equipment and other equipment	Total
-Others			121,050.00	591,501.41	712,551.41
(4) Ending balance	204,203,072.71	1,239,630,165.53	4,715,994.15	35,616,644.51	1,484,165,876.90
3. Provision for impairment					
(1) Balance at the end of last year	22,573,968.96	341,888,879.56	53,176.48	211,523.78	364,727,548.78
(2) Increased amount in the current period		33,800.00			33,800.00
-Others		33,800.00			33,800.00
(3) Reduced amount in the current period	4,721,921.12	240,950,500.32		33,800.00	245,706,221.44
-Disposal or scrapping	4,721,921.12	240,950,500.32			245,672,421.44
---Others				33,800.00	33,800.00
(4) Ending balance	17,852,047.84	100,972,179.24	53,176.48	177,723.78	119,055,127.34
4. Book value					
(1) Ending book value	72,832,294.64	302,352,433.16	1,536,400.02	8,669,486.63	385,390,614.45
(2) Book value at the end of last year	106,802,158.85	470,760,811.15	3,073,488.39	10,653,745.92	591,290,204.31

**3. Fixed assets without the certificate of title**

Item	Book value	Reasons for failure to acquire the certificate of title
Circulating water pump workshop	719,232.91	Formalities not completed
Cooling tower	673,259.25	Formalities not completed
Complex building	443,246.19	Formalities not completed
Cafeteria of complex building	208,735.47	Formalities not completed
Chemical water treatment workshop	232,960.00	Formalities not completed
Mail room at the main entrance	47,264.13	Formalities not completed
Total	2,324,697.95	

**4. Disposal of fixed assets**

Item	Ending balance	Balance at the end of last year
Houses and buildings	24,723,346.08	
Machinery equipment	160,560,314.62	
Means of transport	16,103.45	
Construction in progress - cogeneration projects	792,355.75	
Total	186,092,119.90	

For details, please see Note V (XII) 1. Fixed assets and disposal of fixed assets of the notes to the financial statements.

**(XIII) Construction in progress****1. Construction in progress**

Item	Ending balance	Balance at the end of last year
Construction in progress	3,448,855.10	4,861,062.16
Total	3,448,855.10	4,861,062.16

**2. Construction in progress**

Item	Ending balance			Balance at the end of last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Combined heat and power project(note )				60,307,712.44	59,515,356.69	792,355.75
Oil to gas project	9,441,286.39	9,441,286.39		9,441,286.39	9,441,286.39	
Technical transformation project	4,080,877.62	1,605,000.00	2,475,877.62	5,673,706.41	1,605,000.00	4,068,706.41
Others	972,977.48		972,977.48			
Total	14,495,141.49	11,046,286.39	3,448,855.10	75,422,705.24	70,561,643.08	4,861,062.16

Note: for the cogeneration projects to be transferred to the fixed assets to be disposed due to planned land acquisition and storage, please see Note V (XII) 1. Fixed assets and disposal of fixed assets of the notes to the financial statements for details.

### 3. Changes in the current period of important construction in progress

Project name	Budget amount	Balance at the end of last year	Increased amount in the current period	Amount transferred to fixed assets in the current period	Other decreases in the current period (note)	Ending balance	Proportion of cumulative project investment to budget (%)	Project progress (%)	Accumulated amount of interest capitalization	Including: amount of interest capitalization in the current period	Interest capitalization rate in the current period (%)	Sources of funds
Combined heat and power project	60,000,000.00	60,307,712.44			60,307,712.44		100.51	100.00	6,476,185.46			Self-financing and borrowing
Oil to gas project		9,441,286.39				9,441,286.39						Self-financed
Total	60,000,000.00	69,748,998.83			60,307,712.44	9,441,286.39			6,476,185.46			

Note: For details, please see Note V (XII) 1. Fixed assets and disposal of fixed assets to the notes to the financial statements

**(XIV) Right-of-use assets**

**1. Right-of-use assets**

Item	Houses and buildings	Total
I. Original book value		
1. Beginning balance	16,322,014.37	16,322,014.37
2. Increased amount in the current period		
3. Decreased amount in the current period		
4. Ending balance	16,322,014.37	16,322,014.37
II. Accumulated depreciation		
1. Beginning balance	8,614,396.47	8,614,396.47
2. Increased amount in the current period	5,440,671.48	5,440,671.48
(1) Provision	5,440,671.48	5,440,671.48
3. Decreased amount in the current period		
4. Ending balance	14,055,067.95	14,055,067.95
III. Provision for impairment		
IV. Book value		
1. Ending book value	2,266,946.42	2,266,946.42
2. Beginning book value	7,707,617.90	7,707,617.90

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

**(XV) Intangible assets**

**1. Intangible assets**

Item	Land use right	Patent	Software	Total
1. Original book value				
(1) Balance at the end of last year	60,813,994.76	138,625.07	3,782,983.49	64,735,603.32
(2) Increased amount in the current period			75,575.23	75,575.23
-Purchase			75,575.23	75,575.23
(3) Reduced amount in the current period				
-Others				
(4) Ending balance	60,813,994.76	138,625.07	3,858,558.72	64,811,178.55
2. Accumulated amortization				
(1) Balance at the end of last year	41,265,885.15	31,817.30	3,638,545.75	44,936,248.20
(2) Increased amount in the current period	519,956.44	17,347.80	51,997.08	589,301.32
-Provision	519,956.44	17,347.80	51,997.08	589,301.32
(3) Reduced amount in the current period				

Item	Land use right	Patent	Software	Total
—Disposal				
(4) Ending balance	41,785,841.59	49,165.10	3,690,542.83	45,525,549.52
3. Provision for impairment				
(1) Balance at the end of last year				
(2) Increased amount in the current period				
-Provision				
(3) Reduced amount in the current period				
—Disposal				
(4) Ending balance				
4. Book value				
(1) Ending book value	19,028,153.17	89,459.97	168,015.89	19,285,629.03
(2) Book value at the end of last year	19,548,109.61	106,807.77	144,437.74	19,799,355.12

## 2. Land use right without the certificate of title

Item	Book value	Reasons for failure to acquire the certificate of title
Land use rights for docks and pipeline corridors	372,219.18	Formalities not completed
Total	372,219.18	

## (XVI) Long-term deferred expenses

Item	Balance at the end of last year	Increased amount in the current period	Amortization amount in the current period	Other reductions	Ending balance
Renovation costs	1,219,129.18		497,331.12		721,798.06
Major repair expenses		3,588,718.72	418,683.85		3,170,034.87
Total	1,219,129.18	3,588,718.72	916,014.97		3,891,832.93

## (XVII) Deferred tax assets and deferred tax liabilities

### 1. Deferred tax assets not offset

Item	Ending balance		Balance at the end of last year	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets

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

## 2. Details of unrecognized deferred tax assets

Item	Ending balance	Balance at the end of last year
Deductible temporary differences	547,773,352.17	545,598,991.76
Deductible losses	542,749,124.79	560,445,722.73
Total	1,090,522,476.96	1,106,044,714.49

## 3. The deductible losses for which deferred tax assets have not been recognized will expire in the following years

Year	Ending balance	Balance at the end of last year
2023		37,872,366.36
2024	5,350,767.06	5,350,767.06
2025	3,443,492.77	3,443,492.77
2026	174,438,579.72	156,697,644.85
2027	187,111,062.55	180,144,071.23
2028	62,579,931.14	
2029		6,019,123.66
2030	26,803,142.56	66,557,231.23
2031	15,911,576.84	34,136,713.56
2032	50,074,067.52	70,224,312.01
2033	17,036,504.63	
Total	542,749,124.79	560,445,722.73

## (XVIII) Other non-current assets

Item	Ending balance	Balance at the end of last year
Land acquisition, storage, production and business suspension, employee	36,157,735.24	

Item	Ending balance	Balance at the end of last year
compensation and relocation expenses, etc. (Note)		
Project quality guarantee		5,371,398.18
Total	36,157,735.24	5,371,398.18

Note: according to the latest industrial plan of Zhongshan Cuiheng New District, Cuiheng New District Management Committee has acquired three state-owned land use rights of Shenzhen Nanshan Power Zhongshan Company located in Hengmen Industrial Zone, Nanlang Street, Cuiheng New District, Zhongshan (hereinafter referred to as "the Proposed Acquisition and Storage Land") with compensation. On December 15, 2023, Shenzhen Nanshan Power Zhongshan Company and Cuiheng New District Management Committee formally signed the State-owned Land Use Right Recovery Agreement and Relocation Compensation Agreement. On December 18, 2023, Shenzhen Nanshan Power Zhongshan Company received the first installment of RMB 104,000,000 in the first phase of compensation, which was recorded in other non-current liabilities.

The expenses incurred by the Company in fulfilling the land acquisition and storage, such as the loss of demolition of houses and other appurtenances, relocation expenses, employee compensation paid during the suspension of production and business operations were recognized in other non-current assets.

#### (XIX) Assets with restricted ownership or use rights

Item	Ending balance				Balance at the end of last year			
	Book balance	Book value	Restr icted type	Restr iction s	Book balance	Book value	Restr icted type	Restri ctions
Monetar y funds	5,453,862.93	5,453,862.93	Guar antee	Freez e	27,474,594.34	27,474,594.34	Guar antee	Freez e
Total	5,453,862.93	5,453,862.93			27,474,594.34	27,474,594.34		

#### (XX) Short-term borrowings

##### Short-term borrowings classification

Item	Ending balance	Balance at the end of last year
Credit loan	270,933,506.37	878,150,962.14
Pledge loan	70,000,000.00	
Short term loan interest payable	304,380.35	1,806,895.30
Total	341,237,886.72	879,957,857.44

Note: the Company used its own patent rights pledge a loan of RMB 70 million from Shanghai Pudong Development Bank Shenzhen Branch.

#### (XXI) Notes payable

Type	Ending balance	Balance at the end of last year
Bank acceptance bill		137,298,902.17

Type	Ending balance	Balance at the end of last year
Total		137,298,902.17

## (XXII) Accounts payable

### 1. Accounts payable

Item	Ending balance	Balance at the end of last year
Labor and service payments	3,435,338.05	3,997,800.00
Electricity bill	896,652.87	937,613.72
Payment for materials	10,175.58	292,422.50
Total	4,342,166.50	5,227,836.22

At the end of the reporting period, the Company had no important accounts payable aged over one year.

### 2. Top five accounts payable

Entity name	Book balance	Proportion to the accounts payable balance (%)
Shenyang LES Power Service Co., Ltd.	1,558,834.05	35.90
Nanjing Pengpai Power Engineering Technology Co., Ltd.	1,265,040.00	29.13
Shenzhen Power Supply Bureau Co., Ltd.	896,652.87	20.65
Nanjing Fire Fighting Equipment Co., Ltd.	316,550.00	7.29
Shenzhen Power Transmission and Transformation Engineering Co., Ltd.	128,250.00	2.96
Total	4,165,326.92	95.93

## (XXIII) Employee compensation payable

### 1. Employee compensation payable

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance
Short-term compensation	29,296,815.07	78,753,525.70	94,050,214.20	14,000,126.57
Post-employment benefits- defined contribution plans		17,126,112.08	17,126,112.08	
Dismissal benefits (note)		32,238,856.00		32,238,856.00
Other benefits due within one year				

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance
Total	29,296,815.07	128,118,493.78	111,176,326.28	46,238,982.57

Note: for the employee compensation matters relating to land acquisition and storage of Shenzhen Nanshan Power Zhongshan Company, please refer to the Note V (XVIII).

## 2. Short-term compensation

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance
(1) Salaries, bonuses, allowances and subsidies	28,806,319.36	51,335,303.97	66,236,784.86	13,904,838.47
(2) Employee welfare fees	107,277.20	9,551,427.64	9,658,704.84	
(3) Social insurance premiums		5,862,608.52	5,862,608.52	
Including: medical insurance premiums		5,180,471.81	5,180,471.81	
Work injury insurance premium		324,480.70	324,480.70	
Maternity insurance premium		357,656.01	357,656.01	
(4) Housing provident fund		10,248,597.80	10,248,597.80	
(5) Trade union funds and employee education expenses	383,218.51	1,755,587.77	2,043,518.18	95,288.10
(6) Short-term paid absence from work				
(7) Short-term profit sharing plan				
(8) Others				
Total	29,296,815.07	78,753,525.70	94,050,214.20	14,000,126.57

## 3. Defined contribution plans list

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance
Basic endowment insurance		11,538,360.11	11,538,360.11	
Unemployment insurance premiums		140,457.97	140,457.97	

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance
Enterprise annuity payment		5,447,294.00	5,447,294.00	
Total		17,126,112.08	17,126,112.08	

**(XXIV) Taxes payable**

Tax items	Ending balance	Balance at the end of last year
Value-added tax	2,282,514.44	2,068,236.33
Personal income tax	620,879.50	1,825,992.00
Stamp duty	160,105.10	170,883.69
Urban maintenance and construction tax	15,063.61	2,464.98
Education surcharge	6,404.48	630.08
Local education surcharge	4,346.16	420.06
Property tax		996,166.86
Other taxes	17.18	42,872.73
Total	3,089,330.47	5,107,666.73

**(XXV) Other payables**

Item	Ending balance	Balance at the end of last year
Interest payable		
Dividends payable		
Other payables	13,973,447.42	22,997,466.80
Total	13,973,447.42	22,997,466.80

**1. Other payables**

(1) Presented according to nature of payment

Item	Ending balance	Balance at the end of last year
Guarantee	8,993,154.68	6,973,652.54
Labor and service fees	1,522,715.43	7,525,391.28
Others	3,457,577.31	8,498,422.98
Total	13,973,447.42	22,997,466.80

(2) Top five other payables

Entity name	Book balance	Proportion to the other accounts payable balance (%)
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Entity name	Book balance	Proportion to the other accounts payable balance (%)
Shenzhen Nangang Power Engineering Co., Ltd.	4,760,000.00	34.06
Zike Co., Ltd.	1,872,500.00	13.40
Shanghai Power Equipment Research Institute Co., Ltd.	1,773,515.02	12.69
Zhongshan Nanlang Construction and Development Company	860,190.12	6.16
Shenzhen Trony New Energy Technology Co., Ltd.	458,593.39	3.28
Total	9,724,798.53	69.59

**(XXVI) Non-current liabilities maturing within one year**

Item	Ending balance	Balance at the end of last year
Long-term borrowings due within one year	1,399,170.93	
Lease liabilities due within one year	2,556,609.50	6,279,115.44
Less: unrecognized financing expenses	29,453.98	264,995.49
Total	3,926,326.45	6,014,119.95

**(XXVII) Other current liabilities**

Item	Ending balance	Balance at the end of last year
Value-added tax pending charge-off		21,600.00
Total		21,600.00

**(XXVIII) Long-term borrowings**

Item	Ending balance	Balance at the end of last year
Credit loan	58,829,426.30	28,019,758.68
Total	58,829,426.30	28,019,758.68

**(XXIX) Lease liabilities**

**1. Lease liabilities details**

Item	Ending balance	Balance at the end of last year
Lease liabilities		2,291,614.01
Less: unrecognized financing		29,453.98

Item	Ending balance	Balance at the end of last year
expenses		
Total		2,262,160.03

## 2. Lease liabilities maturity analysis

Item	Ending balance	Balance at the end of last year
1-2 years		2,262,160.03
Total		2,262,160.03

## (XXX) Estimated liabilities

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance	Causes
Others	15,000,000.00			15,000,000.00	
Total	15,000,000.00			15,000,000.00	

Note: on November 29, 2013, Shenzhen Xiefu and Jiahua Construction Products (Shenzhen) Co., Ltd. ("Jiahua Construction") signed a supplementary agreement to the equity transfer agreement in respect of the historical issues in relation to the vesting and division of interests in Yapojiao Wharf between Shenzhen Xiefu, Huidong Xiefu and the Huidong Renshan Town Government and its subordinate Renshan Group. In order to solve the historical issues, Shenzhen Xiefu deposited RMB 12,500,000.00 into the escrow account as guarantee. In addition, Shenzhen Xiefu pledged its 20% equity interest in Huidong Xiefu to Jiahua Construction for a period of two years and the amount of the pledge secured claim was not more than RMB 15,000,000.00. The Company expected a loss of RMB 27,500,000.00 in relation to this matter. The balance at the end of 2019 was RMB 26,646,056.28.

On November 12, 2020, Huidong Xiefu and other relevant parties reached a preliminary settlement agreement on the land dispute matter in estimated liabilities. Shenzhen Xiefu accordingly reversed the estimated liabilities by RMB 6,584,816.78. In 2020, Shenzhen Xiefu borne the lawyer and other expenses of RMB 137,731.22 for this matter according to the agreed ratio, and the estimated liabilities decreased by a total of RMB 6,722,548.00 in 2020. The balance of RMB 19,923,508.28 is the repayment obligation that is likely to occur before the above matters are completed.

On November 12, 2020, Huizhou Commercial Construction and Development Corporation and Huidong Xiefu Port Comprehensive Development Co., Ltd. signed the Debt Transfer Agreement and the execution and settlement record of the Huidong County People's Court. The historical issues left over from the ownership and division of the rights and interests of Yapojiao Wharf were partially resolved. On January 20, 2021, Shenzhen Xiefu received a refund of RMB 5,000,000.00 from the co-managed account. Shenzhen Xiefu accordingly reversed the estimated liabilities by RMB 4,573,508.28. In 2021, Shenzhen Xiefu borne the lawyer and other expenses of RMB 350,000 for this matter according to the agreed ratio, and the estimated liabilities decreased by a total of RMB 4,923,508.28 in 2021. The balance of RMB 15,000,000.00 is the repayment obligation that is likely to occur before the above matters are completed.

**(XXXI) Deferred income**

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance	Causes
Government subsidies(Note )	82,145,596.60	3,690,000.00	17,966,248.53	67,869,348.07	
Total	82,145,596.60	3,690,000.00	17,966,248.53	67,869,348.07	

Note: for the government subsidies recognized in the current profit or loss, please refer to Note VIII (I) of the notes to the financial statements.

**(XXXII) Other non-current liabilities**

Item	Ending balance	Balance at the end of last year
Progress payment for land acquisition and storage(Note)	104,000,000.00	
Interests of other partners in the partnership	45,112.54	47,511.72
Total	104,045,112.54	47,511.72

Note: for the transfer matters relating to the land acquisition and storage and the shutdown and retirement of unit assets of Shenzhen Nanshan Power Zhongshan Company, please refer to the Note V (XVIII).

**(XXXIII) Share capital**

Item	Balance at the end of last year	Increase (+) and decrease (-) in the current period					Ending balance
		Issuance of new shares	Bonus shares	Provident fund conversion	Others	Subtotal	
Total shares	602,762,596.00						602,762,596.00

**(XXXIV) Capital reserves**

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance
Capital premium (equity premium)	233,035,439.62			233,035,439.62
Other capital reserve	129,735,482.48			129,735,482.48
Total	362,770,922.10			362,770,922.10

**(XXXV) Other comprehensive income**

Item	Balance at the end of last year	Beginning balance	The current period amount						Ending balance
			Amount before income tax for the current period	Less: recognized in other comprehensive income in the previous period and transferred to profit and loss in the current period	Less: recognized in other comprehensive income in the previous period and transferred to retained earnings in the current period	Less: income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	
1. Other comprehensive income that cannot be reclassified into profit or loss									
Including: remeasure changes in benefit plans									
Other comprehensive income that cannot be transferred to profit or loss under the equity method									
Fair value changes of other	-2,500,000.00	-2,500,000.00							-2,500,000.00

Item	Balance at the end of last year	Beginning balance	The current period amount						Ending balance
			Amount before income tax for the current period	Less: recognized in other comprehensive income in the previous period and transferred to profit and loss in the current period	Less: recognized in other comprehensive income in the previous period and transferred to retained earnings in the current period	Less: income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	
investments in equity instruments									
Total other comprehensive income	-2,500,000.00	-2,500,000.00							-2,500,000.00

**(XXXVI) Special reserves**

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance
Safety production costs		13,270,901.66	13,270,901.66	
Total		13,270,901.66	13,270,901.66	

Note: in accordance with the Management Measures for the Withdrawal and Use of Enterprise Safety Production Costs (CZ [2022] No. 136) (released on December 12, 2022), the Company withdrew safety production costs and included them in the current profit or loss, and transferred them to special reserve at the same time.

**(XXXVII) Surplus reserves**

Item	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance
Statutory surplus reserve	310,158,957.87			310,158,957.87
Discretionary surplus reserve	22,749,439.73			22,749,439.73
Total	332,908,397.60			332,908,397.60

**(XXXVIII) Undistributed profits**

Item	The current period amount	Amount in previous period
Undistributed profits at the end of last year before adjustments	159,187,979.14	319,351,219.81
Adjustments to the total amount of the undistributed profits at the beginning of the year (increase +, decrease -)		
Undistributed profits at the beginning of the year after adjustments	159,187,979.14	319,351,219.81
Plus: net profit attributable to owners of parent company for the current period	4,158,797.10	-160,163,240.67
Less: withdrawal of statutory surplus reserve		
Dividends payable on ordinary shares		
Ending undistributed profits	163,346,776.24	159,187,979.14

**(XXXIX) Operating revenue and operating costs**

Item	The current period amount		Amount in previous period	
	Revenue	Cost	Revenue	Cost
Main business	588,370,569.20	581,180,842.37	692,615,690.26	804,420,389.38
Other business	1,409,621.51	261,701.61	1,611,967.02	258,934.10
Total	589,780,190.71	581,442,543.98	694,227,657.28	804,679,323.48

### 1. Break down by product or service type

Item	The current period amount		Amount in previous period	
	Revenue	Cost	Revenue	Cost
Power production and sales revenue	562,688,722.91	572,117,240.68	650,670,587.61	779,733,245.77
Revenue from integrated energy services	25,681,847.29	9,063,601.69	41,945,102.65	24,687,143.61
Other revenue	1,409,620.51	261,701.61	1,611,967.02	258,934.10
Total	589,780,190.71	581,442,543.98	694,227,657.28	804,679,323.48

### 2. By region

Item	The current period amount		Amount in previous period	
	Revenue	Cost	Revenue	Cost
Domestic	589,780,190.71	581,442,543.98	694,227,657.28	804,679,323.48
Total	589,780,190.71	581,442,543.98	694,227,657.28	804,679,323.48

### 3. Revenue broken down by time of transfer of goods or services

Item	The current period amount	Amount in previous period
Recognize revenue at a certain time point	564,098,343.42	652,282,554.63
Recognize revenue at a certain time point	25,681,847.29	41,945,102.65
Total	589,780,190.71	694,227,657.28

### (XL) Taxes and surcharges

Item	The current period amount	Amount in previous period
Property tax	2,241,783.87	2,254,621.19
Land use tax	887,196.02	761,201.97
Stamp duty	542,870.30	827,734.86
Urban maintenance and construction tax	653,636.44	881,150.58
Education surcharge	277,505.45	376,909.09
Local education surcharge	185,003.66	251,272.77
Environmental protection tax	8,230.82	32,638.18

Item	The current period amount	Amount in previous period
Vehicle and vessel tax	3,390.00	15,821.56
Total	4,799,616.56	5,401,350.20

**(XLI) Selling and distribution expenses**

Item	The current period amount	Amount in previous period
Employee compensation	1,884,492.17	273,048.37
Travel expenses	363,759.10	
Office expenses	250,648.83	
Entertainment expenses	160,201.41	13,684.45
Agency fee	141,603.76	45,050.50
Others	31,043.38	43,272.46
Total	2,831,748.65	375,055.78

**(XLII) G&A expenses**

Item	The current period amount	Amount in previous period
Employee compensation	29,928,766.04	49,552,978.78
Depreciation cost	15,161,467.11	12,727,414.30
Agency fee	2,506,646.25	2,917,219.44
Entertainment expenses	1,500,934.74	2,262,676.26
Water, electricity and property management fees	1,094,236.61	1,066,655.06
Repair costs	815,123.18	438,047.18
Communication and information fees	744,919.13	632,219.43
Travel expenses	702,232.98	346,228.17
Vehicle usage fee	607,305.89	1,000,874.34
Office expenses	572,337.65	566,218.06
Board of Directors fees	472,695.27	458,825.47
Greening and cleaning fees	326,335.65	207,689.97
Rental fees	291,561.03	326,066.00
Stock related fee	114,895.51	512,986.66
Amortization of intangible assets	65,558.04	76,716.36
Others	3,425,581.79	6,006,535.06
Total	58,330,596.87	79,099,350.54

**(XLIII) R&D expenses**

Item	The current period amount	Amount in previous period
Employee compensation	24,140,938.27	23,134,437.76
Depreciation cost	1,705,020.54	1,822,436.62
Others	993,953.93	690,660.01
Total	26,839,912.74	25,647,534.39

**(XLIV) Financial expenses**

Item	The current period amount	Amount in previous period
Interest expenses	18,400,119.58	40,218,036.98
Less: interest income	7,358,119.93	8,790,975.96
Exchange losses (income expressed with "-")	-72,164.01	-460,083.33
Handling charges	344,806.25	247,340.17
Unrecognized amortization of financing expenses	264,995.49	928,484.64
Total	11,579,637.38	32,142,802.50

**(XLV) Other benefits**

**1.Details of other income**

Item	The current period amount	Amount in previous period
Government subsidies	44,431,212.00	9,033,196.38
Personal tax handling charges refund	74,677.51	299,897.34
Total	44,505,889.51	9,333,093.72

**2.Government subsidies included in other income**

For information on the amount of government subsidies included in other income for the current period, please see Note VIII (II) of the notes to the financial statements.

**(XLVI) Investment income**

Item	The current period amount	Amount in previous period
Investment income from financial assets held for trading during the holding period	18,538,064.54	58,227,971.21
Dividend income received from investments in equity instruments during the holding period	8,740,206.13	8,853,587.35
Income from long-term equity investments accounted for equity method under the equity method	7,719,627.80	3,635,763.05

Item	The current period amount	Amount in previous period
Total	34,997,898.47	70,717,321.61

**(XLVII) Losses from credit impairment**

Item	The current period amount	Amount in previous period
Provision for bad debts of accounts receivable	85,000.00	-1,711,964.42
Provision for bad debts of other receivables	1,105,348.40	
Total	1,190,348.40	-1,711,964.42

**(XLVIII) Asset impairment loss**

Item	The current period amount	Amount in previous period
Inventory depreciation loss and provision for impairment of contract performance cost	-162,985.78	-661,460.81
Provision for impairment of fixed assets		-7,246,238.48
Provision for impairment of construction in progress		-1,038,734.63
Total	-162,985.78	-8,946,433.92

**(XLIX) Gains from disposal of assets**

Item	The current period amount	Amount in previous period	Amount included in non-recurring gains and losses in the current period
Profits and losses on disposal of non-current assets	1,886,136.92	291,985.88	1,886,136.92
Total	1,886,136.92	291,985.88	1,886,136.92

**(L) Non-operating revenue**

Item	The current period amount	Amount in previous period	Amount included in non-recurring gains and losses in the current period
Power outage and insurance compensation	5,522,309.24		5,522,309.24
Payables that really cannot be paid	3,683,060.82		3,683,060.82
Government subsidies		39,600.00	
Others	2,476,793.13		2,476,793.13
Total	11,687,001.25	39,600.00	11,687,001.25

**(LI) Non-operating expenses**

Item	The current period amount	Amount in previous period	Amount included in non-recurring gains and losses in the current period
Losses from damage or scrapping of non-current assets	7,745.81	1,463,939.59	7,745.81
External donations		10,000.00	
Others	58,370.42	717,844.64	58,370.42
<b>Total</b>	<b>66,116.23</b>	<b>2,191,784.23</b>	<b>66,116.23</b>

**(LII) Income tax expenses**

**1. Income tax expenses schedule**

Item	The current period amount	Amount in previous period
Current income tax expenses		
Deferred income tax expenses		-63,080.11
<b>Total</b>		<b>-63,080.11</b>

**2. Adjustment process of accounting profit and income tax expenses**

Item	The current period amount
Total profit	-2,005,692.93
Income tax expenses calculated at statutory [or applicable] tax rate	-300,853.94
Impact of different tax rates applicable to subsidiaries	-5,988,013.88
Impact of adjusting prior periods' income taxes	
Impact of non-taxable revenue	-1,233,275.33
Impact of non-deductible costs, expenses and losses	276,028.61
Impact of deductible losses on the use of unrecognized deferred tax assets in prior periods	
Impact of deductible temporary differences or deductible losses for which no deferred tax assets have been recognized in the current period	11,272,101.45
Changes in beginning deferred tax assets/liability balances due to tax rate adjustment	
Impact of additional deduction for R&D expenses	-4,025,986.91
<b>Income tax expenses</b>	

**(LIII) Earnings per share**

**1. Basic earnings per share**

Basic earnings per share is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average of outstanding ordinary

shares of the Company:

Item	The current period amount	Amount in previous period
Consolidated net profit attributable to ordinary shareholders of the parent company	4,158,797.10	-160,163,240.67
Weighted average of outstanding ordinary shares of the Company	602,762,596.00	602,762,596.00
Basic earnings per share	0.0069	-0.2657

**2. Diluted earnings per share**

Item	The current period amount	Amount in previous period
Consolidated net profit attributable to ordinary shareholders of the parent company (diluted)	4,158,797.10	-160,163,240.67
Weighted average of outstanding ordinary shares of the Company (diluted)	602,762,596.00	602,762,596.00
Diluted earnings per share	0.0069	-0.2657

**(LIV) Items of Statement of Cash Flows****1. Cash related to operating activities**

(1) Other cash received related to operating activities

Item	The current period amount	Amount in previous period
Income from government subsidies	30,154,963.47	2,800,716.98
Interest income	6,416,103.02	9,272,736.48
Current accounts received, etc.	9,200,800.64	42,010,090.88
Total	45,771,867.13	54,083,544.34

(2) Other cash paid related to operating activities

Item	The current period amount	Amount in previous period
Expenses from payment period	32,799,144.64	24,583,319.72
Current accounts paid, etc.	3,524,581.70	1,221,929.96
Total	36,323,726.34	25,805,249.68

**2. Cash related to investing activities**

(1) Other cash received related to investing activities

Item	The current period amount	Amount in previous period
Received interest on current accounts among related parties	344,800.00	
Total	344,800.00	

(2) Other cash payments related to investing activities

Item	The current period amount	Amount in previous period
Deposit of financial assets held for trading and large certificates of deposit for cash payments	446,000,000.00	180,000,000.00
Cash paid for disposal of assets	393,066.79	9,000.00
Total	446,393,066.79	180,009,000.00

**3. Cash related to financing activities**

(1) Other cash paid related to financing activities

Item	The current period amount	Amount in previous period
Note deposit		27,474,594.34
Rental fees	6,314,826.00	
Total	6,314,826.00	27,474,594.34

(2) Changes in liabilities arising from financing activities

Item	Balance at the end of last year	Increased amount in the current period		Decreased amount in the current period		Ending balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Lease liabilities (including those due within one year)	8,276,279.98		830,697.03	6,314,826.00	264,995.49	2,527,155.52
Short-term borrowings (including those due within one year)	879,957,857.44	341,933,506.37	5,575,880.96	886,229,358.05		341,237,886.72
Long-term borrowings	28,019,758.68	79,160,420.53	57,868.77	47,009,450.75		60,228,597.23
Total	916,253,896.10	421,093,926.90	6,464,446.76	939,553,634.80	264,995.49	403,993,639.47

**(LV) Supplementary information of Statement of Cash Flows**

**1. Supplementary information of Statement of Cash Flows**

Supplementary information	The current period amount	Amount in previous period
1. Adjusting net profit to cash flows from		

Supplementary information	The current period amount	Amount in previous period
operating activities		
Net profit	-2,005,692.93	-185,522,860.86
Plus: losses from credit impairment	-1,190,348.40	1,711,964.42
Provision for asset impairment	162,985.78	8,946,433.92
Depreciation and amortization of investment properties	168,777.60	175,707.60
Depreciation of fixed assets	29,328,545.77	31,258,029.09
Depreciation of right-of-use assets	5,440,671.48	8,614,396.47
Amortization of intangible assets	589,301.32	701,403.22
Amortization of long-term deferred expenses	916,014.97	497,331.12
Amortization of deferred income	-17,966,248.53	-6,324,373.49
Losses from disposal of fixed assets, intangible assets and other long-term assets (income expressed with "-")	-1,886,136.92	-291,985.88
Losses on write-off of fixed assets (income expressed with "-")	7,745.81	1,463,939.59
Losses from changes in fair value (income expressed with "-")		
Financial expenses (income expressed with "-")	18,665,115.07	40,218,036.98
Investment losses (income expressed with "-")	-34,997,898.47	-70,717,321.61
Decrease in deferred tax assets (increases expressed with "-")		-63,080.11
Increase in deferred tax liabilities (decreases expressed with "-")		
Decrease in inventories (increases expressed with "-")	-1,023,698.59	5,500,517.27
Decrease in operating receivables (increases expressed with "-")	43,475,853.03	289,715,229.11
Increase in operating payables (decreases expressed with "-")	-140,056,963.91	81,285,035.42
Others		
Net cash flows from operating activities	-100,371,976.92	207,168,402.26
2. Significant investments and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under financial lease		
3. Net changes in cash and cash equivalents		
Ending balance of cash	310,734,919.56	648,021,672.06

Supplementary information	The current period amount	Amount in previous period
Less: beginning balance of cash	648,021,672.06	456,751,614.75
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		232,853,018.84
Net increase in cash and cash equivalents	-337,286,752.50	-41,582,961.53

## 2. Composition of cash and cash equivalents

Item	Ending balance	Balance at the end of last year
I. Cash	310,734,919.56	648,021,672.06
Including: cash on hand	30,329.83	37,698.63
Bank deposits readily available for payment	310,694,227.98	647,983,965.23
Other monetary funds readily available for payment	10,361.75	8.20
Deposits with the central bank available for payment		
Interbank deposits		
Interbank lending		
II. Cash equivalents		
Including: bond investments due within three months		
III. Balance of ending cash and cash equivalents	310,734,919.56	648,021,672.06
Including: restricted cash and cash equivalents used by the parent company or subsidiaries within the group		

## 3. Monetary funds that are not classified as cash and cash equivalents

Item	The current period amount	Amount in previous period	Reasons for not being classified as cash and cash equivalents
L/G deposit	5,453,862.93		Frozen, restricted
Deposit for bank acceptance bills		27,474,594.34	Frozen, restricted
Total	5,453,862.93	27,474,594.34	

### (LVI) Assets with restricted ownership or right of use

Item	Ending book value	Reason for restriction
Monetary funds	5,453,862.93	L/G deposit

Item	Ending book value	Reason for restriction
Total	5,453,862.93	

## (LVII) Foreign currency monetary items

### 1. Foreign currency monetary items

Item	Ending foreign currency balance	Conversion exchange rate	Ending converted RMB balance
Monetary funds			
Including: USD	838,420.63	7.0827	5,931,199.10
EUR	1,017.87	7.8592	7,999.64
HKD	179,036.04	0.90622	162,246.04
SGD	3,328.03	5.3772	17,895.49

## (LVIII) Lease

### 1. The Company serves as the Lessee

Item	The current period amount	Amount in previous period
Interest expenses on lease liabilities	264,995.49	928,484.64
Total cash outflow related to lease	6,314,826.00	6,014,119.00
Total	6,579,821.49	6,942,603.64

### 2. The Company serves as the Lessor

#### (1) Operating leases when serving as the Lessor

Item	Lease income	Including: revenue related to variable lease payments not included in lease receipts
House lease	1,258,431.54	
Total	1,258,431.54	

## VI. R&D expenditures

Item	Amount incurred in the current period	Amount incurred in previous period
Employee compensation	24,140,938.27	23,134,437.76
Depreciation and amortization costs	1,705,020.54	1,822,436.62
Repair costs	946,164.21	581,590.04
Royalties	47,789.72	108,219.97

Item	Amount incurred in the current period	Amount incurred in previous period
Others		850.00
Total	26,839,912.74	25,647,534.39
Including: expensed R&D expenditures	26,839,912.74	25,647,534.39
Capitalized R&D expenditures		
Total	26,839,912.74	25,647,534.39

## VII. Equity in other entities

### (I) Equity in subsidiaries

#### 1. Composition of enterprise group

Name of subsidiary	Main place of business	Shareholding ratio (%)		Acquisition method
		Direct	Indirect	
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	Zhongshan	80.00		Establishment
Shenzhen Nanshan Power Gas Turbine Engineering Technology (Shenzhen) Co., Ltd.	Shenzhen	100.00		Establishment
Shenzhen Nanshan Power Environmental Protection (Shenzhen) Co., Ltd.	Shenzhen	100.00		Establishment
Shenzhen Xiefu Energy Co., Ltd.	Shenzhen	50.00		Establishment
Shenzhen New Power Industrial Co., Ltd.	Shenzhen	100.00		Establishment
Shennan Energy (Singapore) Co., Ltd.	Singapore	100.00		Establishment
Hong Kong Syndisome Co., Ltd.	Hongkong		100.00	Establishment
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	Zhuhai	99.96		Establishment

Note: Shenzhen Nanshan Power (Zhongshan) Warehousing Co., Ltd. was canceled on December 13, 2023.

#### 2. Important non-wholly owned subsidiaries

Name of subsidiary	Shareholding ratio of minority shareholders (%)	Profits and losses attributable to minority shareholders in the current period	Ending balance of minority interests
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	20.00	-6,239,610.76	-106,399,280.71

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### 3. Main financial information of important non-wholly owned subsidiaries

Name of subsidiary	Ending balance/RMB						Balance at the end of the previous year/RMB					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. (Shenzhen Nanshan Power Zhongshan Company)	24,201,215.36	244,116,938.96	268,318,154.32	696,314,557.88	104,000,000.00	800,314,557.88	43,407,571.96	216,418,067.18	259,825,639.14	755,501,588.98	5,122,399.93	760,623,988.91

Name of subsidiary	Amount for the current period/RMB				Amount in previous period/RMB			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen Nanshan Power (Zhongshan)	62,908,561.23	-31,198,053.79	-31,198,053.79	-1,869,970.79	18,619,522.44	-111,394,129.17	-111,394,129.17	69,486,856.28

Name of subsidiary	Amount for the current period/RMB				Amount in previous period/RMB			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Power Co., Ltd. (Shenzhen Nanshan Power Zhongshan Company)								

**(II) Equity in joint venture arrangements or associates**

**1. Significant joint ventures or associates**

Name of joint ventures or associates	Main place of business	Main business activities	Shareholding ratio (%)		Accounting treatments for investments in joint ventures or associates
			Direct	Indirect	
Huidong Xiefu	Renshan Town, Huidong County	Terminal operations	40.00		Equity method
Liaoyuan Environmental Protection (note)	Yixing, Jiangsu	Environmental protection	9.935		Equity method

Note: The Company invested RMB 72,873,680.00 in Liaoyuan Environmental Protection, accounting for 9.935% of the equity of Liaoyuan Environmental Protection, making it the second largest shareholder Liaoyuan Environmental Protection.. The Board of Directors of Liaoyuan Environmental Protection has five members, with the Company appointing one member on March 12, 2022, which has a significant influence on Liaoyuan Environmental Protection.

**2. Main financial information of significant joint ventures or associates**

	Ending balance/amount incurred in the current period		Balance at the end of previous year/amount incurred in previous period	
	Liaoyuan Environmental Protection	Huidong Xiefu	Liaoyuan Environmental Protection	Huidong Xiefu
Current assets	545,635,587.61	9,376,533.54	596,029,890.70	7,664,392.90
Non-current assets	419,944,510.12	9,354,277.78	440,877,926.65	10,364,232.86
Total assets	965,580,097.73	18,730,811.32	1,036,907,817.35	18,028,625.76
Current liabilities	198,836,634.15	36,567,083.73	345,141,327.50	37,712,176.91
Non-current liabilities	26,202,854.57		25,415,201.79	
Total liabilities	225,039,488.72	36,567,083.73	370,556,529.29	37,712,176.91
Minority interests	223,928,134.66		207,978,431.69	
Equity attributable to shareholders of the parent company	516,612,474.35	17,836,272.41	458,372,856.37	19,683,551.15
Net asset share calculated based on shareholding ratio	51,325,449.33	-7,134,508.96	45,539,343.28	-7,873,420.46
Adjustments	33,508,393.41	12,301,842.26	33,542,733.16	12,287,442.26
-Others	33,508,393.41	12,301,842.26	33,542,733.16	12,287,442.26
Book value of equity investments in associates	84,833,842.74	5,167,333.30	79,082,076.44	4,414,021.80
Fair value of equity investments in associates with publicly quoted prices				

	Ending balance/amount incurred in the current period		Balance at the end of previous year/amount incurred in previous period	
	Liaoyuan Environmental Protection	Huidong Xiefu	Liaoyuan Environmental Protection	Huidong Xiefu
Operating revenue	660,404,337.83	8,268,259.69	646,656,060.19	7,234,419.21
Net profit	85,937,325.14	1,883,278.74	138,734,347.94	-632,550.08
Net profit attributable to shareholders of the parent company	68,971,850.12	1,883,278.74	116,960,145.29	-632,550.08
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	68,971,850.12	1,883,278.74	116,960,145.29	-632,550.08
Dividends received from associates in the current period	1,214,550.00			

## VIII. Government subsidies

### (1) Liability items involving government subsidies

Liabilities	Balance at the end of last year	New subsidy amount in the current period	Amount included in non-operating revenue in the current period	Amount transferred to other income in the current period	Other changes in the current period	Ending balance	Related to assets/income
Deferred income	82,145,596.60	3,690,000.00		17,966,248.53		67,869,348.07	Asset related
Total	82,145,596.60	3,690,000.00		17,966,248.53		67,869,348.07	

The details of the projects involving government subsidies are as follows:

Item	Balance at the end of last year	New subsidy amount in the current period	Amount recognized in profit or loss in the current period	Other changes	Ending balance	Asset related/income related
Shenzhen air quality improvement subsidy	49,330,169.80		4,731,818.16		44,598,351.64	Asset related
Government subsidies for low-nitrogen equipment renovation	23,615,664.69		5,239,056.75		18,376,607.94	Asset related

Circular economy support fund for sludge drying project	5,510,265.19		4,564,285.60		945,979.59	Asset related
Treasury bond subsidy for sludge drying project	2,061,250.00		2,061,250.00			Asset related
Funds for technological transformation and investment projects in 2021-2022	988,055.58		70,666.68		917,388.90	Asset related
Special funds for energy conservation and emission reduction	342,111.34		342,111.34			Asset related
Motor energy efficiency improvement subsidy scheme	298,080.00		34,560.00		263,520.00	Asset related
Special funds for promoting high-quality industrial development		1,500,000.00	375,000.00		1,125,000.00	Asset related
Funding for Carbon Peak Support Program Industrial Energy Conservation and Comprehensive Utilization Project		2,190,000.00	547,500.00		1,642,500.00	Asset related
Total	82,145,596.60	3,690,000.00	17,966,248.53		67,869,348.07	

**(II) Government subsidies included in the current profits and losses**

Subsidy project	Amount incurred in the current period	Amount incurred in previous period
Other benefits	44,431,212.00	9,033,196.38
Non-operating revenue		39,600.00

Total	44,431,212.00	9,072,796.38
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Details of government subsidies included in other income are as follows:

Subsidy project	The current period amount	Amount in previous period	Asset related/income related
Low nitrogen project renovation grants	5,239,056.75	488,621.77	Asset related
Shenzhen air quality improvement subsidy	4,731,818.16	4,731,818.16	Asset related
Circular economy support fund for sludge drying project	4,564,285.60	647,002.92	Asset related
Treasury bond subsidy for sludge drying project	2,061,250.00	255,000.00	Asset related
Special funds for energy conservation and emission reduction	342,111.34	114,037.32	Asset related
Motor energy efficiency improvement subsidy scheme	34,560.00	34,560.00	Asset related
Funds for technological transformation and investment projects in 2021-2022	70,666.68	53,333.32	Asset related
Pilot demonstration funding for industrial "carbon peak" work	375,000.00		Asset related
Industrial development special grants	547,500.00		Asset related
Thermal power plant relief grants	25,400,000.00		Income related
Green and low-carbon development project grants	450,000.00		Income related
National high-tech enterprise doubling program	300,000.00	500,000.00	Income related
Stable employment subsidy	140,838.47	153,231.98	Income related
Pilot demonstration funding for industrial "carbon peak" work	100,000.00	570,000.00	Income related
Science and technology innovation voucher	46,500.00	28,000.00	Income related
Special funds for industrial development	27,625.00		Income related
Industrial development special grants		246,100.00	Income related
One-time training subsidy for employees who stay on duty		128,000.00	Income related
Support funds for office buildings of listed companies		1,000,000.00	Income related
Social security subsidies		83,490.91	Income related
Total	44,431,212.00	9,033,196.38	

#### IX. Risks related to financial instruments

The Company's main financial instruments include equity investments, long-term and short-term borrowings, accounts receivable, accounts payable, other receivables, etc. For details of various financial instruments, please refer to the relevant items in the Note V. The risks related to these financial instruments, and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these risk

exposures to ensure that the above risks are controlled within a limited range.

The Company uses sensitivity analysis techniques to analyze the impact that reasonable and probable changes in risk variables may have on current profit or loss or shareholders' equity. Since any risk variables rarely changes in isolation, and the correlation between variables will have a significant effect on the final amount of impact of a change in a certain risk variable, the following is therefore based on the assumption that changes in each variable are made independently of each other:

### **(I) Credit risk**

Credit risk refers to the risk that one party to financial instruments fails to perform its obligations, causing the other party to suffer financial losses. The Company is mainly exposed to customer credit risk caused by credit sales. Before entering into a new contract, the Company assesses the credit risk of the new customers, including external credit ratings and, in some cases, bank references (when this information is available). The Company sets a credit limit for each customer, which is the maximum amount for which no additional approval is required.

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

### **(II) Liquidity risk**

Liquidity risk refers to the risk of a shortage of funds when an enterprise fulfills its obligations that is settled by the delivery of cash or other financial assets. It is the Company's policy to ensure that it has sufficient cash to repay its debts as and when they fall due. Liquidity risk is centrally controlled by the Company's Finance Department. The Finance Department ensures that the Company has sufficient funds to repay its debt under all reasonable forecasts by monitoring cash balances, readily realizable securities, and rolling forecasts of cash flows over the next 12 months.

### **(III) Market risk**

Market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments fluctuates due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

#### **(1) Interest rate risk**

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments fluctuates due to changes in market interest rates. The Company's risk of changes in cash flows of financial instruments due to changes in interest rates is mainly related to variable-rate bank borrowings.

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

changes in market interest rates affect interest income or expenses of variable-rate financial instruments; for fixed-rate financial instruments measured fair value, changes in market interest rates only affect their interest income or expenses; for derivative financial instruments designated as hedging instruments, changes in market interest rates affect their fair value, and all interest rate hedging is expected to be highly effective; changes in the fair value of derivative financial instruments and other financial assets and liabilities which are calculated by using the discounted cash flow method at the market interest rate on the balance sheet date.

As of December 31, 2023, the Company's interest on bank borrowings at variable rates totaled RMB 4,087,502.74. Based on the above assumptions, with other variables unchanged, assuming a 5% changes in interest rates, the pre-tax impact on current profits and losses and shareholders' equity is as follows:

Changes in interest rates	Current year		Previous year	
	Impact on profits	Impact on shareholders' equity	Impact on profits	Impact on shareholders' equity
Increase of 5%	-204,375.14	-204,375.14	-365,252.94	-365,252.94
Decrease of 5%	204,375.14	204,375.14	365,252.94	365,252.94

## (2) Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments fluctuates due to fluctuations in foreign exchange rates. The Company tries its best to match foreign currency revenues with foreign currency expenditures to reduce exchange rate risk. In addition, the Company may also enter into forward foreign exchange contracts or currency swap contracts to avoid exchange rate risk. During the current period and the previous period, the Company did not sign any forward foreign exchange contract or currency swap contract.

The exchange rate risk exposed to the Company mainly comes from financial assets and financial liabilities denominated in foreign currencies, and the amounts of foreign-currency financial assets and foreign-currency financial liabilities converted into RMB are listed as follows:

Item	Ending balance			Balance at the end of last year		
	USD	Other foreign currencies	Total	USD	Other foreign currencies	Total
Monetary funds	5,938,280.40	188,141.17	6,119,340.27	5,815,610.10	279,292.55	6,094,902.65
Total	5,938,280.40	188,141.17	6,119,340.27	5,815,610.10	279,292.55	6,094,902.65

As of December 31, 2023, with all other variables remaining unchanged, if RMB appreciates or depreciates by 5% against foreign currencies, the Company's net profit will increase or decrease by RMB 306,321.08. The Management believes that 5% reasonably reflects the reasonable range of possible changes in RMB against foreign currencies in the following year.

## X. Disclosure of fair value

The input value used for measuring fair value is divided into three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on the measurement date.

Level 2 inputs are directly or indirectly observable inputs of relevant assets or liabilities other than Level 1 inputs.

Level 3 inputs are unobservable inputs of related assets or liabilities.

The level to which the results of fair value measurement belong is determined by the lowest level of inputs that are significant to fair value measurement as a whole.

### 1. Fair values of assets and liabilities measured at fair value as at December 31, 2023

Item	Fair value as at December 31, 2023			
	Measured at the fair value of level 1	Measured at the fair value of level 2	Measured at the fair value of level 3	Total

Item	Fair value as at December 31, 2023			
	Measured at the fair value of level 1	Measured at the fair value of level 2	Measured at the fair value of level 3	Total
Continuous measurement at fair value				
Financial assets held for trading			226,000,000.00	226,000,000.00
Other investments in equity instruments			300,615,000.00	300,615,000.00
Total assets with continuous measurement at fair value			526,615,000.00	526,615,000.00

2. Basis for determining the market price of items measured at the fair value of level 3 on a continuing and non-continuous basis

For financial instruments that are not traded in the active market, the Company uses valuation techniques to determine their fair values. The valuation models used mainly are discounted cash flow model and market comparable company model, etc. The input values of valuation techniques mainly include risk-free interest rate, benchmark interest rate, exchange rate, credit spread, liquidity premium, illiquidity discount, etc.

## **XI. Related parties and related transactions**

### **(I) Information on the parent company of the Company**

The Company does not have a parent company as none of its shareholders hold more than 50% of the Company's shares and cannot form a control relationship with the Company by other means.

### **(II) Information on the Company's subsidiaries**

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

### **(III) Information on the Company's joint ventures and associates**

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

### **(IV) Information on other related parties**

Name of other related parties	Relationship between other related parties and the Company
Shenzhen Energy Corporation (hereinafter referred to as "Energy Corporation")	Legal person holding more than 5% of the Company's shares
Shenzhen Guangju Industrial Co., Ltd.	Legal person holding more than 5% of the Company's shares
HONG KONG NAM HOI (INTERNATIONAL) LTD	Legal person holding more than 5% of the Company's shares
Shenzhen Capital Holdings Co., Ltd.	Legal person that indirectly holds more than 5% of the Company's shares through Energy Corporation
Artron Art (Group) Co., Ltd.	Sun Huirong, the director of the

Name of other related parties	Relationship between other related parties and the Company
	Company, serves as a director of this company
Directors, supervisors and senior officers of the Company	Key managers

## (V) Related transactions

### 1. Related transactions of purchase and sale of goods and rendering and acceptance of services

Purchase of goods/acceptance of services

Unit: RMB

Related party	Details of related transactions	Amount incurred in the current period	Amount of transactions approved	Whether the transaction limit is exceeded	Amount incurred in previous period
Artron Art (Group) Co., Ltd.	Purchase of goods	146,016.00			

### 2. Related guarantees

The Company has no related-party guarantees.

### 3. Remuneration of key officers

Item	The current period amount	Amount in previous period
Remuneration of directors, supervisors and senior officers	RMB 5.9984 million	RMB 7.5319 million

## (VI) Receivables and payables of related parties

### 1. Receivables

Project name	Related party	Ending book balance	Book balance at the end of last year
Other receivables			
	Huidong Xiefu	15,532,630.74	15,640,915.45
	Total	15,532,630.74	15,640,915.45

## XII. Commitments and contingencies

### (I) Important commitments

#### 1. Information on letters of guarantee issued as of December 31, 2023

Within the credit limit, the Company applied to the Shenzhen Branch of China Guangfa Bank for a performance bond for the Company and its wholly-owned subsidiary, New Power Company, with an amount of RMB 27,202,171.15, which will expire on March 31, 2024.

Within the credit limit, the Company applied to the Shenzhen Branch of China Minsheng Bank

Co., Ltd. for a performance bond for the Company and its wholly-owned subsidiary, New Power Company, with an amount of RMB 30,000,000.00, which will expire on June 30, 2024.

## 2. Other commitments

As of December 31, 2023, except for the above matters, the Company has no other important commitments that need to be disclosed.

## (II) Contingencies

As of December 31, 2023, the Company has no contingencies that need to be disclosed.

## XIII. Events after the balance sheet date

### (I) Important non-adjusting events

1. After the audit and approval of the 23rd Extraordinary Meeting of the Ninth Board of Directors on February 6, 2024, Shenzhen Nanshan Power Zhongshan Company, a subsidiary of the Company, intends to classify and package and dispose of two sets of generating units and heavy oil processing line related assets through public invitation for offer and transfer on Shenzhen United Property and Equity Exchange (hereinafter referred to as "Shenzhen Stock Exchange"). The above assets have an assessed value of RMB 159.4852 million excluding tax. Shenzhen Pengxin Asset Appraisal Land and Real Estate Valuation Co., Ltd. has issued an appraisal report with October 31, 2023 as the appraisal base date (PXZPBZ [2023] No. S211, PXZPBZ [2023] No. S212).

2. After deliberation and approval at the 22nd Extraordinary Meeting of the Ninth Board of Directors of the Company, the Company and its held subsidiary Xiefu Company intend to enter into a Property Entrustment Management Contract with the Energy Group, specifying that the Company will serve as the supervisory and guiding entity, and Xiefu Company will provide property leasing and management services to the Energy Group. Energy Group will entrust and authorize Xiefu Company to operate and manage the 13 properties it holds. Period of entrusted management: 5 years (From January 1, 2024 to December 31, 2024 is the period of trial operation, and from January 1, 2025 to December 31, 2028 is the period of formal operation).

Apart from this, as of the date of this report, the Company has no subsequent events that need to be disclosed.

## XIV. Other important events

### (I) Information on segments

#### 1. Determination basis and accounting policies of reporting segments

For management purposes, the Company and subsidiaries are divided into business units based on products and services. The Company has three reporting segments as follows:

- (1) Power production and sale segment;
- (2) Integrated energy service segment;
- (3) Other Segments

The Company's management periodically evaluates the operating results of its operating segments to decide on the allocation of resources to them and to evaluate their performance.

Segment reporting information is disclosed in accordance with the accounting policies and measurement criteria used by the segments in reporting to the Management, which are consistent with the basis of accounting and measurement used in the preparation of the financial statements.

## 2. Financial information of reporting segments

Item	Power Production and Sale Division	Integrated Energy Service Segment	Other Segments	Inter-segment offseting	Total
Operating revenue	563,055,729.51	26,287,885.03	1,101,142.92	664,566.75	589,780,190.71
Operating costs	572,347,128.29	9,063,601.69	189,242.84	157,428.84	581,442,543.98
Total assets	2,230,338,488.91	145,669,771.41	358,772,209.04	685,415,080.67	2,049,365,388.69
Total liabilities	835,651,310.37	67,164,161.20	22,582,902.16	266,846,346.69	658,552,027.04

### (II) Others

#### Annuity plan

According to the Company's enterprise annuity plan, the Company accrues and pays enterprise annuities at 8% of employees' wages.

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

### (I) Accounts receivable

#### 1. Disclosure of accounts receivable on an aging basis

Aging	Ending balance	Balance at the end of last year
Within 1 year	26,981,407.91	47,995,982.82
Subtotal	26,981,407.91	47,995,982.82
Less: provision for bad debts		
Total	26,981,407.91	47,995,982.82

#### 2. Accounts receivable are classified and disclosed according to the method of provision for bad debts

Category	Ending balance				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad					

Category	Ending balance				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
debts on an individual basis					
Provision for bad debts on a credit risk portfolio basis	26,981,407.91	100.00			26,981,407.91
Total	26,981,407.91	100.00			26,981,407.91

Category	Balance at the end of last year				Book value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis					
Provision for bad debts on a credit risk portfolio basis	47,995,982.82	100.00			47,995,982.82
Total	47,995,982.82	100.00			47,995,982.82

(1) Provision for bad debts on a portfolio basis:

Name of portfolio	Ending balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)
Portfolio II: receivables from power production and sales	26,981,407.91		
Total	26,981,407.91		

### 3. Accounts receivable and contract assets of the top five ending balances by debtors

Entity name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to the total ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and provision for contract asset impairment
Shenzhen Power Supply Bureau Co., Ltd.	26,981,407.91		26,981,407.91	100.00	
Total	26,981,407.91		26,981,407.91	100.00	

### (II) Other receivables

Item	Ending balance	Balance at the end of last year
Interest receivable		
Dividends receivable		
Other receivables	714,553,901.02	851,189,111.89
Total	714,553,901.02	851,189,111.89

### 1. Other receivables

#### (1) Disclosure based on aging

Aging	Ending balance	Balance at the end of last year
Within 1 year	711,403,571.07	452,449,473.00
1 to 2 years	2,500.00	94,733,821.40
2 to 3 years		19,926.83
Over 3 years	29,172,845.44	331,315,534.10
Subtotal	740,578,916.51	878,518,755.33
Less: provision for bad debts	26,025,015.49	27,329,643.44
Total	714,553,901.02	851,189,111.89

#### (2) Disclosure by category

Category	Ending balance		
	Book balance	Provision for bad debts	Book value

	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	26,025,015.49	3.51	26,025,015.49	100.00	
Provision for bad debts on a credit risk portfolio basis	714,553,901.02	96.49			714,553,901.02
Total	740,578,916.51	100.00	26,025,015.49	3.51	714,553,901.02

Category	Balance at the end of last year				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	27,617,758.22	3.14	27,329,643.44	98.96	288,114.78
Provision for bad debts on a credit risk portfolio basis	850,900,997.11	96.86			850,900,997.11
Total	878,518,755.33	100.00	27,329,643.44	3.11	851,189,111.89

□ Provision for bad debts on an individual basis:

Name	Balance at the end of last year		Ending balance			Reasons for provision
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision ratio (%)	
Huiyang Kangtai Industrial Company	14,311,626.70	14,311,626.70	14,311,626.70	14,311,626.70	100.00	Not expected to be recovered
Receivables from employee benefit fund dividends and taxes	9,969,037.63	9,969,037.63	9,969,037.63	9,969,037.63	100.00	Not expected to be recovered
Receivables from purchase	1,736,004.16	1,736,004.16	1,736,004.16	1,736,004.16	100.00	Not expected to be

Name	Balance at the end of last year		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision ratio (%)	Reasons for provision
of employee dormitories						recovered
Others	1,601,089.73	1,312,974.95	8,347.00	8,347.00	100.00	Not expected to be recovered
Total	27,617,758.22	27,329,643.44	26,025,015.49	26,025,015.49	100.00	

□ Provision for bad debts on a portfolio basis

Name	Ending balance		
	Other receivables	Provision for bad debts	Provision ratio (%)
Portfolio IV: transactions among related parties within the combination	712,425,641.88		
Portfolio V: guarantee, deposit and petty cash portfolio	1,625,577.32		
Portfolio VII: other receivables and temporary payments	502,681.82		
Total	714,553,901.02		

(3) Classification by nature of payment

Nature of payment	Ending book balance	Book balance at the end of last year
Transactions among related parties within the combination	712,425,641.88	850,503,678.18
Other receivables and temporary payments	14,645,149.15	16,178,134.74
Receivable from employees	11,882,548.16	10,084,796.20
Margin, security deposit and petty cash portfolio	1,625,577.32	1,752,146.21
Subtotal	740,578,916.51	878,518,755.33
Less: provision for bad debts	26,025,015.49	27,329,643.44
Total	714,553,901.02	851,189,111.89

(4) Provision provision for bad debts

Provision for bad debts	The first stage	The second stage	The third phase	Total

	Expected credit losses over the next 12 months	Expected credit loss over the life of the instruments (no credit impairment has occurred)	Expected credit loss over the life of the instruments (credit impairment has occurred)	
Beginning balance			27,329,643.44	27,329,643.44
Beginning balance in the current period				
--Transfer to the second stage				
--Transfer to the third stage				
--Reverse to the second stage				
--Reverse to the first stage				
Provision for the current period			129,806.28	129,806.28
Reverse for the current period			1,235,154.68	1,235,154.68
Charge-off for the current period			199,279.55	199,279.55
Write-off for the current period				
Other changes				
Ending balance			26,025,015.49	26,025,015.49

(5) Centralized fund management

Amounts included in other receivables due to centralized fund management	690,731,979.36
Situation description	The Company centrally manages the funds of its subsidiaries, with principal and interest receivable from the subsidiaries amounting to RMB 690,731,979.36 and principal and interest payable to subsidiaries amounting to RMB 95,299,883.34.

**(III) Long-term equity investments**

Item	Ending balance			Balance at the end of last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiar	855,811,15 0.92	445,002,24 5.26	410,808,90 5.66	718,091,32 2.09	445,002,24 5.26	273,089,07 6.83

Item	Ending balance			Balance at the end of last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in associates and joint ventures	84,833,842.74		84,833,842.74	79,082,076.44		79,082,076.44
Total	940,644,993.66	445,002,245.26	495,642,748.40	797,173,398.53	445,002,245.26	352,171,153.27

### 1. Investments in subsidiaries

Investees	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance	Provision for impairment in the current period	Ending balance of provision for impairment
Shenzhen Xie fu Energy Co., Ltd.	26,650,000.00			26,650,000.00		
Shennan Energy (Singapore) Co., Ltd.	6,703,800.00			6,703,800.00		
Shenzhen New Power Industrial Co., Ltd.	71,270,000.00	104,367,763.02		175,637,763.02		13,709,556.49
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	410,740,000.00	1.00		410,740,001.00		410,740,000.00
Shenzhen Nanshan Power Gas Turbine Engineering Technology (Shenzhen) Co., Ltd.	6,000,000.00	18,460,360.00		24,460,360.00		
Shenzhen Nanshan Power Environment	55,300,000.00	14,891,704.81		70,191,704.81		20,552,688.77

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Notes to the Financial statements

Investees	Balance at the end of last year	Increased amount in the current period	Decreased amount in the current period	Ending balance	Provision for impairment in the current period	Ending balance of provision for impairment
ntal Protection (Shenzhen ) Co., Ltd.						
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	141,427,522.09			141,427,522.09		
Total	718,091,322.09	137,719,828.83		855,811,150.92		445,002,245.26

## 2. Investments in associates and joint ventures

Investees	Balance at the end of last year	Ending balance of provision for impairment	Increase and decrease in the current period							Ending balance	Ending balance of provision for impairment	
			Addition al investment	Reduced investment	Investment profit or loss recognized under the equity method	Adjustments to the other comprehensive income	Other changes in equity	Declaration of cash dividend or profits	Provision for impairment			Other s
1. Associates												
Liaoyuan Environmental Protection	79,082,076.44				6,966,316.30				1,214,550.00		84,833,842.74	
Subtotal	79,082,076.44				6,966,316.30				1,214,550.00		84,833,842.74	
Total	79,082,076.44				6,966,316.30				1,214,550.00		84,833,842.74	

**(IV) Operating revenue and operating costs**

Item	The current period amount		Amount in previous period	
	Revenue	Cost	Revenue	Cost
Main business	264,690,176.35	357,865,804.80	331,675,472.61	454,500,441.17
Other business	126,959,772.74	5,823,727.52	91,408,429.32	63,394.30
Total	391,649,949.09	363,689,532.32	423,083,901.93	454,563,835.47

**1. Break down by product or service type**

Item	The current period amount		Amount in previous period	
	Revenue	Cost	Revenue	Cost
Power production and sale	391,340,842.07	363,617,073.55	422,521,038.95	454,563,835.47
Others	309,107.02	72,458.77	562,862.98	
Total	391,649,949.09	363,689,532.32	423,083,901.93	454,563,835.47

**2. By region**

Item	The current period amount		Amount in previous period	
	Revenue	Cost	Revenue	Cost
Domestic	391,649,949.09	363,689,532.32	423,083,901.93	454,563,835.47
Total	391,649,949.09	363,689,532.32	423,083,901.93	454,563,835.47

**3. Revenue broken down by time of transfer of goods or services**

Item	The current period amount	Amount in previous period
Recognize revenue at a certain time point	391,649,949.09	423,083,901.93
Total	391,649,949.09	423,083,901.93

**(V) Investment income**

Item	The current period amount	Amount in previous period
Income from long-term equity investments accounted for equity method under the equity method	6,966,316.30	6,208,396.44
Investment income from financial assets held for trading during the holding period	18,538,064.54	57,851,532.85
Dividend income received from investments in equity instruments during the holding period	340,206.13	453,587.35
Dividends from long-term equity investments	6,717,600.82	8,397,001.02

Item	The current period amount	Amount in previous period
Total	32,562,187.79	72,910,517.66

## XV. Supplementary information

### (I) Statement of non-recurring gains and losses in the current period

Item	Amount	Remark
Profits and losses on disposal of non-current assets, including write-offs of provision for asset impairment that has been made	1,878,391.11	
Government subsidies included in the current profits and losses, except for those that are closely related to the Company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a sustained impact on the Company's profits and losses	44,431,212.00	
Except for the effective hedging business related to the Company's normal operating business, profits and losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and profits and losses arising from the disposal of financial assets and financial liabilities	18,538,064.54	
Fund occupation fees charged to non-financial enterprises included in the current profits and losses		
Profits and losses from entrusting others to invest or manage assets		
Profits and losses from external entrusted loans		
Loss of assets due to force majeure, such as natural disasters		
Reversal of provision for impairment of receivables individually tested for impairment	1,235,154.68	
The investment cost in subsidiaries, associates and joint ventures acquired by an enterprise is less than the gains from the fair value of the identifiable net assets of the investees that shall be enjoyed when acquiring the investment		
Current net profit and loss of subsidiaries from the beginning of the period to the combination date arising from business combination under the common control		
Profits and losses on exchange of non-monetary assets		
Profits and losses of debt restructuring		
One-time expenses incurred by the enterprise due to the fact that the relevant operating activities are no longer sustainable, such as expenses for relocating employees, etc.		
One-time impact on current profits and losses due to adjustments in laws and regulations such as taxation and accounting, etc.		
One-time confirmed share-based payments expenses due to cancellation or modification of equity incentive plan		
For cash-settled share-based payments, profits and losses arising from fair value changes of employee compensation payable after the vesting date		
Profits and losses from fair value changes of investment		

Item	Amount	Remark
properties that are subsequently measured by using the fair value model		
Gains arising from transactions at significantly unfair transaction prices		
Profit or loss arising from contingencies unrelated to the Company's normal business operations		
Revenue from custody fees obtained from entrusted operations		
Other non-operating revenue and expenses other than those mentioned above	11,628,630.83	
Other profit and loss items that meet the definition of non-recurring gains and losses		
Subtotal	77,711,453.16	
Less: income tax impact		
Changes in the amount of minority interests (after tax)	2,763,648.15	
<b>Total</b>	<b>74,947,805.01</b>	

**(II) Return on equity and earnings per share**

Profit during the reporting period	Weighted average rate of return on net assets (%)	Earnings per share (RMB)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	0.2854	0.0069	0.0069
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	-4.8578	-0.1174	-0.1174

**Shenzhen Nanshan Power Co., Ltd.**

**(Official seal)**

**April 10, 2024**