



Beijing Jie Clean Energy Co., Limited
北京洁清洁能源电力股份有



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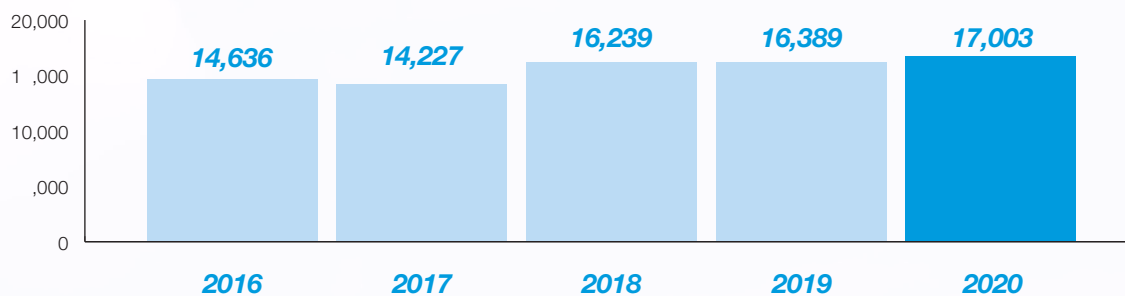
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Financial Highlights

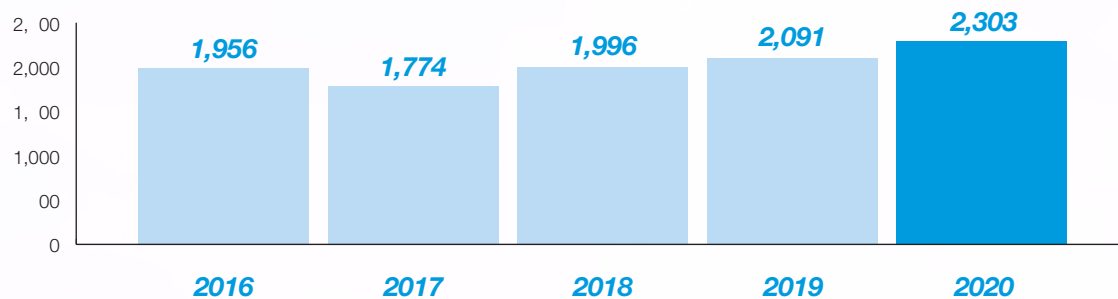
REVENUE

RMB in millions



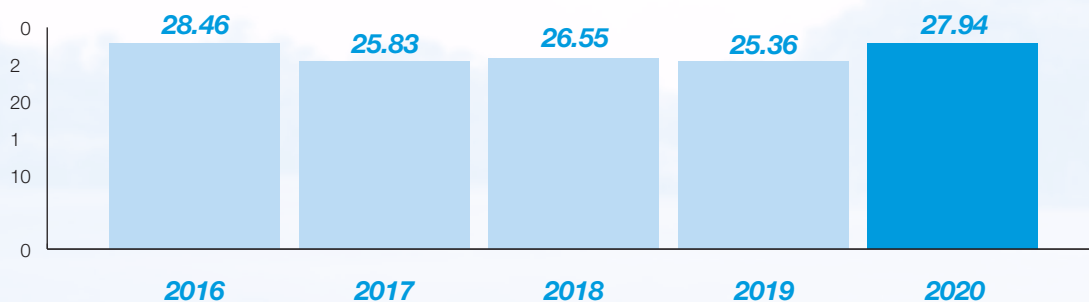
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

RMB in millions



EARNINGS PER SHARE

RMB cents



Financial Summary

	Year ended December 31				
	2020 RMB'000	2019 RMB'000	2018 RMB'000	2017 RMB'000	2016 RMB'000
Revenue	17,003,306	15,000,000	12,200,000	14,227,000	14,000,000
Cost of sales	797,393	1,010,000	1,020,000	1,000,000	1,440,000
Gross profit	3,917,090	3,990,000	1,180,000	3,447,000	2,560,000
Operating expenses	2,953,026 (557,041)	2,722,000 (60,000)	2,742,000 (20,000)	2,422,001 (100,000)	2,700,000 (44,000)
Operating income	2,395,985	2,178,000	2,118,000	1,925,000	2,120,000
Other income	2,518,122	2,140,000	1,040,000	2,100,000	1,700,000
Income before income tax	2,303,390	2,000,000	1,000,000	1,774,400	1,000,000
Income tax expense	31,950			112,000	112,000
Income from operations	60,645	100,000	4,400	1,662,400	4,210,000
Operating income	2,395,985	2,178,000	2,118,000	1,925,000	2,120,000
Other income	2,425,527	2,100,000	1,744,400	1,774,400	1,700,000
Income tax expense	31,950			112,000	112,000
Income from operations	60,645	100,000	4,400	1,662,400	4,210,000
Operating income	2,518,122	2,140,000	1,040,000	2,100,000	1,700,000
Income from operations (RMB cents)	27.94	2.0	2.0	2.0	2.4

Financial Summary

	Year ended December 31				
	2020 RMB'000	2019 RMB'000	2018 RMB'000	2017 RMB'000	2016 RMB'000
Revenue	70,538,308	67,231,000	44,414,400	40,000,000	47,720,000
Operating expenses	55,656,303	44,422,000	42,000,000	42,100,000	40,200,000
Operating income	14,882,005	10,100,000	12,114,400	1,900,000	10,244,000
Other income	44,171,461	47,000,000	42,000,000	2,000,000	0,000,000
Income before income tax	25,244,624	14,470,000	14,114,400	3,900,000	20,244,000
Income tax expense	18,926,837	17,210,240	14,000,000	12,227,410	10,000,000
Income after income tax	26,366,847	2,070,000	21,114,400	1,000,000	17,000,000
Other income	8,244,508	244,000	244,000	70,420	70,420
Income before tax	16,249,142	14,420,240	12,000,000	1,000,000	10,000,000
Income tax expense	24,493,650	22,000,000	21,114,400	1,000,000	1,000,000
Income after tax	1,525,582	1,520,240	1,000,000	1,227,410	1,227,410
Income before tax	347,615	402,410	7,222,000	2,000,000	4,000,000
Income after tax	26,366,847	2,070,000	21,114,400	1,000,000	17,000,000

Corporate Profile

... 2010, ... 22 ... 2011. ...

▲ 1 ... 2020, ... 10, 1 ... 4,702 ... 0% ... 0% ... ▲ ... 2,7 ... 2, 12 ... 40 ... ▲

... 2020 ... 40 ...

Chairman's Statement

2020. The company achieved a total revenue of 1.45 billion Yuan, an increase of 1.3% over 2019. The company's operating profit was 100 million Yuan, an increase of 10.1% over 2019. The company's net profit was 70 million Yuan, an increase of 12.0% over 2019. The company's basic EPS was 0.20 Yuan, an increase of 2.0% over 2019. The company's diluted EPS was 0.19 Yuan, an increase of 10.0% over 2019. The company's cash and cash equivalents at the end of 2020 were 2.0 billion Yuan, an increase of 1.7% over 2019.

The company's revenue growth was primarily driven by the expansion of its business scale and the deepening of its market penetration. The company's operating profit and net profit growth were primarily driven by the improvement of its operating efficiency and the optimization of its cost structure. The company's cash and cash equivalents growth was primarily driven by the increase in its operating cash flow and the reduction of its capital expenditures.

In 2021, the company will continue to focus on its core business and expand its market scale. The company will also continue to improve its operating efficiency and optimize its cost structure. The company will also continue to increase its investment in research and development to enhance its technological innovation and core competitiveness.

General Manager's Statement

התאגדותנו נהנת משינוי חיובי של 1% בהכנסות ממוצעות ממוכרות מ-2020, בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות, וכן בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות, וכן בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות.

A בשנת 2020, הוצענו להגדיל את ההכנסות ממוכרות מ-70. מיליון ש"ח בשנת 2019, ל-10, 1. מיליון ש"ח בשנת 2020, וההכנסות ממוכרות עלו ל-2.77 מיליון ש"ח בשנת 2020, עלייה של 17.00 מיליון ש"ח. בשנת 2020, הוצענו להגדיל את ההכנסות ממוכרות מ-0.00 מיליון ש"ח בשנת 2019, ל-1, 00. מיליון ש"ח בשנת 2020, וההכנסות ממוכרות עלו ל-1, 00. מיליון ש"ח בשנת 2020, עלייה של 1,000,000 ש"ח.

ההוצאות שלנו, הכוללות את הוצאות המפעלים והמחלקות השיווקיות, עלו 14 מיליון ש"ח בשנת 2020, עלייה של 14 מיליון ש"ח בשנת 2019, בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות, וכן בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות, וכן בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות.

ההוצאות שלנו, הכוללות את הוצאות המפעלים והמחלקות השיווקיות, עלו 14 מיליון ש"ח בשנת 2021, עלייה של 14 מיליון ש"ח בשנת 2020, בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות, וכן בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות, וכן בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות.

ההוצאות שלנו, הכוללות את הוצאות המפעלים והמחלקות השיווקיות, עלו 14 מיליון ש"ח בשנת 2021, עלייה של 14 מיליון ש"ח בשנת 2020, בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות, וכן בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות, וכן בעקבות הנהלת המפעלים והמחלקות השיווקיות, שביצעו פעולות שיווקיות יעילות.

Management Discussion and Analysis

I. REVIEW OF THE ELECTRIC POWER INDUSTRY

In 2020, the power industry continued to experience a decline in demand, with a year-on-year decrease of 1.1% in total electricity consumption. The power industry's operating profit margin was 1.7%, a decrease of 0.1 percentage points from 2019. The power industry's operating profit margin was 1.7%, a decrease of 0.1 percentage points from 2019. The power industry's operating profit margin was 1.7%, a decrease of 0.1 percentage points from 2019.

As of the end of 2020, the total installed capacity of power generation in China was 2.20 billion kW, an increase of 1.2 billion kW from 2019. The total installed capacity of power generation in China was 2.20 billion kW, an increase of 1.2 billion kW from 2019. The total installed capacity of power generation in China was 2.20 billion kW, an increase of 1.2 billion kW from 2019.

In 2020, the power industry's operating profit margin was 4.0%, a decrease of 0.1 percentage points from 2019. The power industry's operating profit margin was 4.0%, a decrease of 0.1 percentage points from 2019. The power industry's operating profit margin was 4.0%, a decrease of 0.1 percentage points from 2019.

In 2020, the power industry's operating profit margin was 4.21%, a decrease of 0.1 percentage points from 2019. The power industry's operating profit margin was 4.21%, a decrease of 0.1 percentage points from 2019. The power industry's operating profit margin was 4.21%, a decrease of 0.1 percentage points from 2019.

The power industry's operating profit margin was 1.7% in 2020, a decrease of 0.1 percentage points from 2019. The power industry's operating profit margin was 1.7% in 2020, a decrease of 0.1 percentage points from 2019. The power industry's operating profit margin was 1.7% in 2020, a decrease of 0.1 percentage points from 2019.

Management Discussion and Analysis

2. Vigorously promoting early-stage development and focusing on breakthroughs in key projects

In 2020, the Company vigorously promoted early-stage development and focusing on breakthroughs in key projects. The Company has completed the construction of the 200MW natural gas power plant in Jiaze (嘉澤), which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021. The Company has also completed the construction of the 100MW natural gas power plant in Jiaze, which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021. The Company has also completed the construction of the 100MW natural gas power plant in Jiaze, which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021. The Company has also completed the construction of the 100MW natural gas power plant in Jiaze, which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021.

3. Optimising capital structure and reducing financial costs

The Company has optimized its capital structure and reduced financial costs. The Company has completed the construction of the 200MW natural gas power plant in Jiaze (嘉澤), which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021. The Company has also completed the construction of the 100MW natural gas power plant in Jiaze, which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021. The Company has also completed the construction of the 100MW natural gas power plant in Jiaze, which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021.

4. Insist on innovation-driven development to improve quality and efficiency

In 2020, the Company insisted on innovation-driven development to improve quality and efficiency. The Company has completed the construction of the 200MW natural gas power plant in Jiaze (嘉澤), which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021. The Company has also completed the construction of the 100MW natural gas power plant in Jiaze, which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021. The Company has also completed the construction of the 100MW natural gas power plant in Jiaze, which is the largest natural gas power plant in the world. The plant is expected to be put into operation in 2021.

Management Discussion and Analysis

Wind Power Segment

Our wind power segment's operating income increased by 1.4% to 1,100 million yuan in 2021 from 2,142 million yuan in 2020, with an increase in the number of wind power projects in operation.

Photovoltaic Power Segment

Our photovoltaic power segment's operating income increased by 7.0% to 1,041 million yuan in 2021 from 2,142 million yuan in 2020, with an increase in the number of photovoltaic power projects in operation.

Hydropower Segment

Our hydropower segment's operating income decreased by 7.4% to 1,400 million yuan in 2021 from 2,142 million yuan in 2020, with a decrease in the number of hydropower projects in operation.

Others

Our other income decreased by 4.7% to 1,000 million yuan in 2021 from 2,142 million yuan in 2020, with a decrease in the number of other income projects in operation.

3. Other Income

Our other income decreased by 24.1% to 1,010 million yuan in 2021 from 1,334 million yuan in 2020, with a decrease in the number of other income projects in operation. Our other income decreased by 1,000 million yuan in 2021 from 2,142 million yuan in 2020, with a decrease in the number of other income projects in operation.

4. Operating Expenses

Our operating expenses increased by 1.21% to 1,717 million yuan in 2021 from 1,700 million yuan in 2020, with an increase in the number of operating expenses projects in operation.

(1) Gas Consumption

Our gas consumption increased by 7.0% to 1,142 million yuan in 2021 from 1,041 million yuan in 2020, with an increase in the number of gas consumption projects in operation.

Management Discussion and Analysis

(2) *Depreciation and Amortization*

Management Discussion and Analysis

6. Adjusted Segment Operating Profit

Adjusted segment operating profit increased by 2% to RMB12,000 million in 2020, up from RMB11,700 million in 2019.

Gas-fired Power and Heat Energy Generation Segment

Adjusted segment operating profit increased by 0.01% to RMB1,041 million in 2020, up from RMB1,042 million in 2019, due to an increase in gas prices.

Wind Power Segment

Adjusted segment operating profit increased by 41.5% to RMB4,200 million in 2020, up from RMB2,965 million in 2019, due to an increase in wind power generation capacity and a decrease in the cost of wind power generation.

Photovoltaic Power Segment

Adjusted segment operating profit increased by 2.7% to RMB1,110 million in 2020, up from RMB1,081 million in 2019, due to an increase in photovoltaic power generation capacity.

Hydropower Segment

Adjusted segment operating profit increased by 47.7% to RMB1,010 million in 2020, up from RMB683 million in 2019, due to an increase in hydropower generation capacity.

Others

Adjusted segment operating profit increased by 14.7% to RMB2,400 million in 2020, up from RMB2,092 million in 2019, due to an increase in other segment operating profit.

7. Finance Costs

Finance costs increased by 4% to RMB1,210 million in 2020, up from RMB1,160 million in 2019, due to an increase in the average cost of funds. The average cost of funds was 4.2% in 2019 and 4.7% in 2020.

8. Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures increased by 22.1% to RMB1,110 million in 2020, up from RMB908 million in 2019, due to an increase in the share of results of associates and joint ventures.

Management Discussion and Analysis

9. Profit before taxation

As a result of the above, the profit before taxation for the year ended 31 December 2021 was 2,700,000,000, an increase of 10.0% from 2,450,000,000 for 2020.

10. Income Tax Expense

The income tax expense for the year ended 31 December 2021 was 700,000,000, an increase of 1.0% from 690,000,000 for 2020.

11. Profit for the Year

As a result of the above, the profit for the year ended 31 December 2021 was 2,000,000,000, an increase of 10.0% from 1,760,000,000 for 2020.

12. Profit for the Year Attributable to Equity holders of the Company

The profit for the year attributable to equity holders of the Company for the year ended 31 December 2021 was 2,000,000,000, an increase of 10.17% from 1,760,000,000 for 2020.

IV. FINANCIAL POSITION

1. Overview

As at 31 December 2020, the total assets of the Company were 70,000,000,000, an increase of 44,171,000,000 from 25,829,000,000 as at 31 December 2019. The total liabilities of the Company were 24,400,000,000.

2. Particulars of Assets and Liabilities

The total assets of the Company as at 31 December 2021 were 72,200,000,000, an increase of 1.11% from 70,000,000,000 as at 31 December 2020, up from 25,829,000,000 as at 31 December 2019. The total liabilities of the Company as at 31 December 2021 were 24,400,000,000, an increase of 20.0% from 20,300,000,000 as at 31 December 2020, up from 22,720,000,000 as at 31 December 2019. The total assets of the Company as at 31 December 2021 were 72,200,000,000, an increase of 1.11% from 70,000,000,000 as at 31 December 2020, up from 25,829,000,000 as at 31 December 2019. The total liabilities of the Company as at 31 December 2021 were 24,400,000,000, an increase of 20.0% from 20,300,000,000 as at 31 December 2020, up from 22,720,000,000 as at 31 December 2019.

Management Discussion and Analysis

3. Liquidity

At the end of 2020, the company's total assets were 14,200 million yuan, an increase of 4.2% from 13,627 million yuan at the end of 2019. Total liabilities were 11,422 million yuan, an increase of 2.1% from 11,180 million yuan at the end of 2019. Total equity was 2,778 million yuan, an increase of 11.7% from 2,447 million yuan at the end of 2019. The company's liquidity is stable, and its ability to pay off its debts is strong.

The company's current ratio is 1.24, an increase from 1.21 at the end of 2019. The company's quick ratio is 0.70, an increase from 0.67 at the end of 2019. The company's operating cash flow is 2,024 million yuan, an increase of 11.2% from 1,820 million yuan at the end of 2019. The company's operating cash flow is sufficient to cover its operating expenses.

4. Net Gearing Ratio

The company's net gearing ratio is 2.44%, an increase from 2.4% at the end of 2019. The company's net gearing ratio is stable, and its ability to pay off its debts is strong.

The company's net gearing ratio is 2.0%, an increase from 1.9% at the end of 2019. The company's net gearing ratio is stable, and its ability to pay off its debts is strong.

The company's net gearing ratio is 4.0%, an increase from 4.2% at the end of 2019. The company's net gearing ratio is stable, and its ability to pay off its debts is strong.

Management Discussion and Analysis

V. OTHER SIGNIFICANT EVENTS

1. Financing

On 2020, the Company issued a total of 2,000,000 shares of common stock at a price of 2.00%.

On 2020, the Company issued a total of 2,000,000 shares of common stock at a price of 1.00%.

On 2020, the Company issued a total of 1,000,000 shares of common stock at a price of 1.00%.

On 2020, the Company issued a total of 2,000,000 shares of common stock at a price of 2.00%.

On 2020, the Company issued a total of 2,000,000 shares of common stock at a price of 1.00%.

On 2020, the Company issued a total of 1,000,000 shares of common stock at a price of 2.00%.

On 2020, the Company issued a total of 1,000,000 shares of common stock at a price of .20%.

On 2020, the Company issued a total of 1,400,000 shares of common stock at a price of 2.00% and 2,000,000 shares of common stock at a price of .22%.

On 2020, the Company issued a total of 1,000,000 shares of common stock at a price of .44%.

2. Capital Expenditure

On 2020, the Company's capital expenditure was 7,044,000,000, which is 4.2% of the total assets of 167,000,000,000. The capital expenditure was 4,000,000,000, which is 2.4% of the total assets of 167,000,000,000. The capital expenditure was 2,727,000,000, which is 1.6% of the total assets of 167,000,000,000. The capital expenditure was 4,000,000,000, which is 2.4% of the total assets of 167,000,000,000. The capital expenditure was 1,000,000,000, which is 0.6% of the total assets of 167,000,000,000.

Management Discussion and Analysis

3. Establishment and Acquisition of Subsidiaries

At the end of the reporting period, the Company has established 4 subsidiaries, including Ningxia Tongxin Dadi Risheng New Energy Co., Ltd. (寧夏同心大地日盛新能源有限公司), Ningxia Shanyang New Energy Co., Ltd. (寧夏杉陽新能源有限公司), Jiangsu Dingrui Solar Power Co., Ltd. (湛江市鼎瑞太陽能發電有限公司) and Yuxian Jiahui Photovoltaic Power Co., Ltd. (義縣珈煜光伏電力有限公司). In 2020, the Company has established 2 subsidiaries, including Beijing Kangbao Xinjing Clean Energy Co., Ltd. (康保新京清潔能源有限公司) and Beijing Shangyi Jingneng New Energy Co., Ltd. (尚義京能新能源有限公司). In 2020, the Company has established 2 subsidiaries, including Beijing Zhang Beijing Clean Energy Co., Ltd. (張北京能清潔能源有限公司).

The Company has established Beijing Kangbao Xinjing Clean Energy Co., Ltd. (康保新京清潔能源有限公司), Beijing Shangyi Jingneng New Energy Co., Ltd. (尚義京能新能源有限公司) and Beijing Zhang Beijing Clean Energy Co., Ltd. (張北京能清潔能源有限公司) in 2020. The Company has established Beijing Kangbao Xinjing Clean Energy Co., Ltd. (康保新京清潔能源有限公司) and Beijing Shangyi Jingneng New Energy Co., Ltd. (尚義京能新能源有限公司) in 2020. The Company has established Beijing Zhang Beijing Clean Energy Co., Ltd. (張北京能清潔能源有限公司) in 2020.

4. Contingent Liabilities

At the end of the reporting period, the Company has no contingent liabilities.

5. Mortgage of Assets

At the end of the reporting period, the Company has no mortgage of assets. In 2020, the Company has no mortgage of assets. In 2020, the Company has no mortgage of assets.

VI. RISK FACTORS AND RISK MANAGEMENT

Macro-environmental Risk

As a result of the COVID-19 pandemic, the global economy has experienced a sharp decline, and the global market has experienced significant volatility. The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty. The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty. The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty.

The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty. The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty. The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty.

Policy and Regulatory Risks

The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty. The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty. The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty.

The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty. The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty. The impact of the pandemic on the global economy is still uncertain, and the global market is still in a state of uncertainty.

VII. BUSINESS OUTLOOK FOR 2021

2021 is expected to be a challenging year for the company. The impact of the COVID-19 pandemic is still uncertain, and the global market is still in a state of uncertainty. The company is expected to continue to face significant challenges in 2021. The company is expected to continue to face significant challenges in 2021. The company is expected to continue to face significant challenges in 2021.

Management Discussion and Analysis

1. Evaluating the policies and capitalising the development opportunities

In 2020, the company has achieved a significant increase in revenue. The revenue for the first half of 2020 was 20.0 billion yuan, an increase of 2% compared with the same period last year. The company has also achieved a significant increase in profit. The profit for the first half of 2020 was 1.2 billion yuan, an increase of 1.2 billion yuan compared with the same period last year.

In 2021, the company has continued to expand its business and increase its revenue. The revenue for the first half of 2021 was 20.0 billion yuan, an increase of 2% compared with the same period last year. The company has also achieved a significant increase in profit. The profit for the first half of 2021 was 1.2 billion yuan, an increase of 1.2 billion yuan compared with the same period last year. The company has also achieved a significant increase in its market share. The market share for the first half of 2021 was 1.2%, an increase of 1.2% compared with the same period last year. The company has also achieved a significant increase in its operating margin. The operating margin for the first half of 2021 was 1.2%, an increase of 1.2% compared with the same period last year.

2. Accelerating pre-development and optimizing project layout

The company has accelerated its pre-development and optimized its project layout. The company has completed 14 projects, a decrease of 14% compared with the same period last year. The company has also achieved a significant increase in its operating margin. The operating margin for the first half of 2021 was 1.2%, an increase of 1.2% compared with the same period last year. The company has also achieved a significant increase in its market share. The market share for the first half of 2021 was 1.2%, an increase of 1.2% compared with the same period last year. The company has also achieved a significant increase in its revenue. The revenue for the first half of 2021 was 20.0 billion yuan, an increase of 2% compared with the same period last year.

Management Discussion and Analysis

3. Focusing on safe production and ensuring safe development

Our company has always adhered to the principle of "safety first, quality first, and integrity first", and has always been committed to ensuring the safety of production and development. In the past year, we have further strengthened the safety management system, improved the safety management mechanism, and enhanced the safety management level. We have carried out a series of safety education and training activities, and improved the safety awareness and self-protection ability of employees. We have also strengthened the safety inspection and supervision work, and ensured the safety of production and development. In the future, we will continue to adhere to the principle of "safety first", and further improve the safety management system, and ensure the safety of production and development.

4. Accelerating scientific and technological innovation to promote high-quality development

Our company has always been committed to accelerating scientific and technological innovation, and promoting high-quality development. In the past year, we have further strengthened the scientific and technological innovation system, improved the scientific and technological innovation mechanism, and enhanced the scientific and technological innovation level. We have carried out a series of scientific and technological innovation activities, and improved the scientific and technological innovation ability of employees. We have also strengthened the scientific and technological innovation supervision and evaluation work, and ensured the scientific and technological innovation quality. In the future, we will continue to adhere to the principle of "scientific and technological innovation first", and further improve the scientific and technological innovation system, and ensure the scientific and technological innovation quality.

Human Resources

As of December 31, 2020, the Company had 2,174 employees, of which 1,111 were full-time employees, 1,063 were part-time employees, and 1,000 were temporary employees. The Company's employee turnover rate was 4.0% in 2020, compared to 0% in 2019. The Company's employee turnover rate in 2020 was significantly higher than that in 2019, mainly due to the impact of the COVID-19 pandemic on the Company's business operations.

I. SUMMARY OF HUMAN RESOURCES

As of December 31, 2020, the Company had 2,174 employees, of which 1,111 were full-time employees, 1,063 were part-time employees, and 1,000 were temporary employees. The Company's employee turnover rate was 4.0% in 2020, compared to 0% in 2019. The Company's employee turnover rate in 2020 was significantly higher than that in 2019, mainly due to the impact of the COVID-19 pandemic on the Company's business operations.

1. Age Structure:

Age distribution	Number of employees	Percentage	Cumulative percentage
18-24	1,063	47.9%	47.9%
25-34	42	22.22%	70.1%
35-44	742	27.4%	97.5%
45-54	114	4.0%	100.00%
Total	2,174	100.00%	

2. Degree Structure

Educational background	Number of employees	Percentage	Cumulative percentage
High school or below	1	0.04%	0.04%
College	172	7.1%	7.1%
University	1,2	4.1%	11.2%
Postgraduate	1,111	50.8%	100.00%
Total	2,174	100.00%	

II. EMPLOYEES' INCENTIVES

Our incentive programs are designed to attract, retain and motivate our employees. We offer a variety of incentive programs, including short-term and long-term incentive plans, stock options, restricted stock, and performance-based bonuses. We also offer a variety of other benefits, including health, dental, and vision insurance, life insurance, and a 401(k) plan. We believe that our incentive programs are an important part of our overall compensation strategy and are designed to align our employees' interests with those of our shareholders.

In 2020, we granted 1,000,000 shares of restricted stock to our employees. The total value of the restricted stock granted in 2020 was \$2,440,000. In 2021, we granted 1,000,000 shares of restricted stock to our employees. The total value of the restricted stock granted in 2021 was \$2,440,000. **A**

III. EMPLOYEES' REMUNERATION

We believe that our compensation policy is designed to attract, retain and motivate our employees. We offer a variety of compensation programs, including short-term and long-term incentive plans, stock options, restricted stock, and performance-based bonuses. We also offer a variety of other benefits, including health, dental, and vision insurance, life insurance, and a 401(k) plan.

IV. EMPLOYEES' TRAINING

We believe that our training programs are an important part of our overall compensation strategy and are designed to align our employees' interests with those of our shareholders. We offer a variety of training programs, including short-term and long-term incentive plans, stock options, restricted stock, and performance-based bonuses. We also offer a variety of other benefits, including health, dental, and vision insurance, life insurance, and a 401(k) plan.

In 2020, we spent \$2,440,000 on employee training. In 2021, we spent \$2,440,000 on employee training. **A**

V. EMPLOYEES' BENEFITS

We believe that our benefits programs are an important part of our overall compensation strategy and are designed to align our employees' interests with those of our shareholders. We offer a variety of benefits programs, including health, dental, and vision insurance, life insurance, and a 401(k) plan.

Profiles of Directors, Supervisors and Senior Management

EXECUTIVE DIRECTORS

Mr. ZHANG Fengyang (張鳳陽), 1, is a senior professional in the field of power engineering. He graduated from Beijing University of Aeronautics and Astronautics (北京航空航天大学) in 1984, and worked in Beijing International Power Development Company (北京國際電力開發投資公司) from 2000 to 2004, Beijing International Power New Energy Co., Ltd. (北京國際電力新能源有限公司) from 2004 to 2007, and Beijing Jingneng International Energy Co., Ltd. (北京京能國際能源股份有限公司) from 2007 to 2020. He has been a member of the Board of Directors of Beijing Jingneng International Energy Co., Ltd. since 2020.

Mr. CHEN Dayu (陳大宇), 40, is a senior professional in the field of power engineering. He graduated from Beijing University of Aeronautics and Astronautics (北京航空航天大学) in 1984, and worked in Beijing Energy Investment (Group) Co., Ltd. (北京能源投資(集團)有限公司) from 2004 to 2007, Inner Mongolia Shoude Power Co., Ltd. (內蒙古上都發電有限責任公司) from 2007 to 2010, Ningxia Jingneng Ningdong Power Co., Ltd. (寧夏京能寧東發電有限責任公司) from 2010 to 2017, Beijing Jingneng Gao'an Power Co., Ltd. (北京京能高安屯燃氣熱電有限責任公司) from 2017 to 2020, and Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司) from 2020 to 2021. He has been a member of the Board of Directors of Beijing Energy Group Co., Ltd. since 2021. He is also a professor at North China University of Electric Power (華北電力學院) and Tsinghua University (清華大學).

Profiles of Directors, Supervisors and Senior Management

Mr. GAO Yuming (高玉明), male, born in 1963, graduated from Beijing University of Aeronautics and Astronautics, Master's degree, Engineer. He worked in Beijing Shijingshan Power Plant (北京石景山發電總廠) from 1981 to 2000, Beijing Jingneng Thermal Power Co., Ltd. (北京京能熱電股份有限公司) from 2000 to 2007, Inner Mongolia Kezhong (內蒙古科右中) from 2007 to 2011, Inner Mongolia Jingneng Fuxiang Power Co., Ltd. (內蒙古京能富祥發電有限公司) from 2011 to 2012, Beijing Shizhuang Thermal Power Co., Ltd. (北京上莊燃氣熱電有限公司) from 2012 to 2017, Beijing Jingqiao Thermal Power Co., Ltd. (北京京橋熱電有限責任公司) from 2017 to 2020, and Beijing Sunyong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2020 to the present. He also worked in Beijing Third Thermal Power Plant (北京第三熱電廠) from 1981 to 2001, Beijing Taiyanggong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2001 to 2012, Beijing Sunyong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2012 to 2017, Beijing Sunyong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2017 to 2021, and Huabei Electric College (華北電力學院) from 2021 to the present.

Mr. CAO Mansheng (曹滿勝), male, born in 1960, graduated from Wuhan University of Water and Electric Power, Master's degree, Engineer. He worked in Beijing Third Thermal Power Plant (北京第三熱電廠) from 1981 to 2001, Beijing Sunyong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2001 to 2012, Beijing Sunyong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2012 to 2017, Beijing Sunyong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2017 to 2021, and Wuhan University of Water and Electric Power (武漢水利電力大學) from 2021 to the present. He also worked in Beijing Sunyong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2001 to 2012, Beijing Sunyong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2012 to 2017, Beijing Sunyong Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from 2017 to 2021, and Wuhan University of Water and Electric Power (武漢水利電力大學) from 2021 to the present.

Profiles of Directors, Supervisors and Senior Management

Mr. Xu Daping (徐大平), 1967, male, Chinese nationality, Bachelor's degree, Senior Engineer, currently serving as the Chairman of the Board of Directors of Beijing Energy International Energy Co., Ltd. He has worked in various positions in the power industry for over 30 years. He has been a member of the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference. He has also served as a member of the State Science and Technology Award Review Committee and the State Science and Technology Award Review Committee. He has been a member of the State Science and Technology Award Review Committee and the State Science and Technology Award Review Committee. He has been a member of the State Science and Technology Award Review Committee and the State Science and Technology Award Review Committee.

SUPERVISORS

Mr. WANG Xiangneng (王祥能), 1954, male, Chinese nationality, Bachelor's degree, Senior Engineer, currently serving as the Chairman of the Board of Supervisors of Beijing Energy International Energy Co., Ltd. He has worked in various positions in the power industry for over 30 years. He has been a member of the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference. He has also served as a member of the State Science and Technology Award Review Committee and the State Science and Technology Award Review Committee. He has been a member of the State Science and Technology Award Review Committee and the State Science and Technology Award Review Committee. He has been a member of the State Science and Technology Award Review Committee and the State Science and Technology Award Review Committee.

(中國社會科學院機關事務管理局基建處) (中國社會科學院機關事務管理局基建處) (中央國家機關講師團) (中央國家機關講師團) (國家農業投資公司) (國家農業投資公司) (國家開發投資公司) (國家開發投資公司) (國家測繪局中測審計事務所) (國家測繪局中測審計事務所) (中誠信會計師事務所) (中誠信會計師事務所) (奧特迪會計師事務所) (奧特迪會計師事務所) (北京中光華會計師事務所) (北京中光華會計師事務所) (北京國際電力開發投資公司) (北京國際電力開發投資公司) (北京能源投資(集團)有限公司) (北京能源投資(集團)有限公司) (北京京能國際能源股份有限公司) (北京京能國際能源股份有限公司) (北京京能熱電股份有限公司) (北京京能熱電股份有限公司) (北京金泰集團有限公司) (北京金泰集團有限公司) (北京京能國際能源股份有限公司) (北京京能國際能源股份有限公司) (國華能源有限公司) (國華能源有限公司) (北京京能能源技術研究有限責任公司) (北京京能能源技術研究有限責任公司) (京能電力後勤服務有限公司) (京能電力後勤服務有限公司) (北京京能同鑫投資管理有限公司) (北京京能同鑫投資管理有限公司) (北京京能清潔能源電力股份有限公司) (北京京能清潔能源電力股份有限公司) (北京京能電力股份有限公司) (北京京能電力股份有限公司) (北京京煤集團有限責任公司) (北京京煤集團有限責任公司) (京能服務管理有限公司) (京能服務管理有限公司)

Profiles of Directors, Supervisors and Senior Management

Mr. SUN Li (孫力), 1970, male, Chinese nationality, Bachelor's degree, Senior Engineer, has worked in the power industry for more than 30 years. He has held the following positions: Deputy General Manager of Beijing Energy Investment (Group) Co., Ltd. (北京能源投資(集團)有限公司) from 2004 to 2014; Deputy General Manager of Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司) from 2014 to 2017; Deputy General Manager of Beijing Yuanshen Energy-saving Technology Co., Ltd. (北京源深節能技術有限責任公司) from 2017 to 2020; Deputy General Manager of Beijing Xuelin Guoluo Energy Co., Ltd. (京能錫林郭勒能源有限公司) from 2020 to 2021; Deputy General Manager of Beijing Huahua Energy Co., Ltd. (北京昊華能源股份有限公司) from 2020 to 2021; Deputy General Manager of Beijing International Investment Co., Ltd. (投資北京國際有限公司) from 2020 to 2021; Deputy General Manager of Beijing Automotive Co., Ltd. (北京汽車股份有限公司) from 2021 to the present. He has also held the following positions: Deputy General Manager of Beijing Energy Investment (Group) Co., Ltd. (北京能源投資(集團)有限公司) from 2004 to 2014; Deputy General Manager of Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司) from 2014 to 2017; Deputy General Manager of Beijing Yuanshen Energy-saving Technology Co., Ltd. (北京源深節能技術有限責任公司) from 2017 to 2020; Deputy General Manager of Beijing Xuelin Guoluo Energy Co., Ltd. (京能錫林郭勒能源有限公司) from 2020 to 2021; Deputy General Manager of Beijing Huahua Energy Co., Ltd. (北京昊華能源股份有限公司) from 2020 to 2021; Deputy General Manager of Beijing International Investment Co., Ltd. (投資北京國際有限公司) from 2020 to 2021; Deputy General Manager of Beijing Automotive Co., Ltd. (北京汽車股份有限公司) from 2021 to the present. He has also held the following positions: Deputy General Manager of Beijing Energy Investment (Group) Co., Ltd. (北京能源投資(集團)有限公司) from 2004 to 2014; Deputy General Manager of Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司) from 2014 to 2017; Deputy General Manager of Beijing Yuanshen Energy-saving Technology Co., Ltd. (北京源深節能技術有限責任公司) from 2017 to 2020; Deputy General Manager of Beijing Xuelin Guoluo Energy Co., Ltd. (京能錫林郭勒能源有限公司) from 2020 to 2021; Deputy General Manager of Beijing Huahua Energy Co., Ltd. (北京昊華能源股份有限公司) from 2020 to 2021; Deputy General Manager of Beijing International Investment Co., Ltd. (投資北京國際有限公司) from 2020 to 2021; Deputy General Manager of Beijing Automotive Co., Ltd. (北京汽車股份有限公司) from 2021 to the present.

Mr. YANG Huixian (楊會先), 1963, male, Chinese nationality, Bachelor's degree, Senior Engineer, has worked in the power industry for more than 30 years. He has held the following positions: Deputy General Manager of Beijing Coal General Company No. 5 (北京市煤炭總公司五廠) from 1991 to 1994; Deputy General Manager of Beijing Coal General Company (北京市煤炭總公司) from 1994 to 2000; Deputy General Manager of Beijing Coal General Company No. 1 (北京市煤炭總公司一廠) from 2000 to 2007; Deputy General Manager of Beijing Jintai Hengye International Travel Co., Ltd. (北京金泰恆業國際旅遊有限公司) from 2007 to 2010; Deputy General Manager of Beijing Jintai Group Co., Ltd. (北京金泰集團有限公司) from 2010 to 2012; Deputy General Manager of Beijing Jintai Hengye International Travel Co., Ltd. (北京金泰恆業國際旅遊有限公司) from 2012 to 2017; Deputy General Manager of Beijing Jintai Hengye International Travel Co., Ltd. (北京金泰恆業國際旅遊有限公司) from 2017 to 2021. He has also held the following positions: Deputy General Manager of Beijing Coal General Company (北京市煤炭總公司) from 1994 to 2000; Deputy General Manager of Beijing Coal General Company No. 1 (北京市煤炭總公司一廠) from 2000 to 2007; Deputy General Manager of Beijing Jintai Hengye International Travel Co., Ltd. (北京金泰恆業國際旅遊有限公司) from 2007 to 2010; Deputy General Manager of Beijing Jintai Group Co., Ltd. (北京金泰集團有限公司) from 2010 to 2012; Deputy General Manager of Beijing Jintai Hengye International Travel Co., Ltd. (北京金泰恆業國際旅遊有限公司) from 2012 to 2017; Deputy General Manager of Beijing Jintai Hengye International Travel Co., Ltd. (北京金泰恆業國際旅遊有限公司) from 2017 to 2021.

* Information on the company's website: <http://www.bjnc.com.cn>

Profiles of Directors, Supervisors and Senior Management

Ms. FANG Xiujun (方秀君), born on 1960, is a Chinese citizen, holds a Bachelor's degree in Economics, and has worked in the financial industry for over 20 years. She is currently a Director of Beijing Comprehensive Investment Company (北京市綜合投資公司), a Director of Beijing Toronto International Hospital (北京多倫多國際醫院), and a Director of Beijing Jingneng International Energy Co., Ltd. (北京京能國際能源股份有限公司). She has been a Director of Beijing Jingneng Coal Power Asset Management Co., Ltd. (北京京能煤電資產管理有限公司) since 2011. She has also served as a Director of Beijing Jingneng International Energy Co., Ltd. since 2004. She has been a Director of Beijing Jingneng Coal Power Asset Management Co., Ltd. since 2011. She has also served as a Director of Beijing Jingneng International Energy Co., Ltd. since 2004. She has been a Director of Beijing Jingneng Coal Power Asset Management Co., Ltd. since 2011. She has also served as a Director of Beijing Jingneng International Energy Co., Ltd. since 2004.

Mr. KANG Jian (康健), born on 1967, is a Chinese citizen, holds a Bachelor's degree in Economics, and has worked in the financial industry for over 22 years. He is currently a Director of Beijing Jingneng International Energy Co., Ltd. (北京京能國際能源股份有限公司). He has been a Director of Beijing Jingneng International Energy Co., Ltd. since 2000. He has also served as a Director of Beijing Jingneng Coal Power Asset Management Co., Ltd. (北京京能煤電資產管理有限公司) since 2000. He has also served as a Director of Beijing Jingneng International Energy Co., Ltd. since 2004. He has been a Director of Beijing Jingneng Coal Power Asset Management Co., Ltd. since 2000. He has also served as a Director of Beijing Jingneng International Energy Co., Ltd. since 2004.

COMPANY SECRETARY

Mr. KANG Jian (康健), born on 1967, is a Chinese citizen, holds a Bachelor's degree in Economics, and has worked in the financial industry for over 22 years. He is currently a Director of Beijing Jingneng International Energy Co., Ltd. (北京京能國際能源股份有限公司).

RESULTS

Our financial performance for the year ended 31 December 2020 is set out in the consolidated financial statements on pages 11 to 21. Our revenue for the year ended 31 December 2020 was 1,000 million, compared with 900 million for the year ended 31 December 2019. Our profit before tax for the year ended 31 December 2020 was 24 million, compared with 4 million for the year ended 31 December 2019.

Our financial performance for the year ended 31 December 2020 is set out in the consolidated financial statements on pages 11 to 21.

BUSINESS REVIEW

Our business review for the year ended 31 December 2020 is set out in the business review on pages 22 to 31. Our revenue for the year ended 31 December 2020 was 1,000 million, compared with 900 million for the year ended 31 December 2019. Our profit before tax for the year ended 31 December 2020 was 24 million, compared with 4 million for the year ended 31 December 2019.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Our environmental policies and performance for the year ended 31 December 2020 are set out in the environmental report on pages 32 to 35.

COMPLIANCE WITH LAWS AND REGULATIONS

Our compliance with laws and regulations for the year ended 31 December 2020 is set out in the compliance report on pages 36 to 39.

Report of the Directors

DIVIDEND POLICY

The Company's dividend policy is to distribute dividends to shareholders in a timely and stable manner, and to maintain a reasonable balance between the Company's dividend distribution and its business development. The Company's dividend distribution shall be based on the Company's operating performance, cash flow, and other factors, and shall be subject to the approval of the Board of Directors.

The Company's dividend distribution shall be based on the Company's operating performance, cash flow, and other factors, and shall be subject to the approval of the Board of Directors. The Company's dividend distribution shall be based on the Company's operating performance, cash flow, and other factors, and shall be subject to the approval of the Board of Directors.

The Company's dividend distribution shall be based on the Company's operating performance, cash flow, and other factors, and shall be subject to the approval of the Board of Directors. The Company's dividend distribution shall be based on the Company's operating performance, cash flow, and other factors, and shall be subject to the approval of the Board of Directors.

in the amount of RMB

100,000,000.

in the amount of RMB

100,000,000.

in the amount of RMB

100,000,000.

in the amount of RMB

100,000,000.

The Company's dividend distribution shall be based on the Company's operating performance, cash flow, and other factors, and shall be subject to the approval of the Board of Directors.

Report of the Directors

CLOSURE OF REGISTER OF MEMBERS

For the purpose of the Annual General Meeting of the Company, the Register of Members will be closed for the period from 21 June 2021 to 24 June 2021 (inclusive) (the "Closure Period"). During the Closure Period, the Company will not register any new members and any transfers of shares in the Company. The Company will also not register any new members and any transfers of shares in the Company during the Closure Period.

The Company's share register will be closed for the period from 21 June 2021 to 24 June 2021 (inclusive) (the "Closure Period"). During the Closure Period, the Company will not register any new members and any transfers of shares in the Company. The Company will also not register any new members and any transfers of shares in the Company during the Closure Period.

The Company's share register will be closed for the period from 21 June 2021 to 24 June 2021 (inclusive) (the "Closure Period"). During the Closure Period, the Company will not register any new members and any transfers of shares in the Company. The Company will also not register any new members and any transfers of shares in the Company during the Closure Period.

PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is disclosed in Note 17 to the financial statements.

RESERVES

The Company's reserves are stated at cost less accumulated depreciation and impairment losses. The carrying amount of reserves is disclosed in Note 17 to the financial statements.

DONATIONS

The Company has received donations of RMB2,000,000 (Two million RMB) during the reporting period.

BANK BORROWINGS AND OTHER BORROWINGS

The Company's bank borrowings and other borrowings are stated at cost less accumulated depreciation and impairment losses. The carrying amount of bank borrowings and other borrowings is disclosed in Note 17 to the financial statements.

Report of the Directors

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As of the end of the reporting period, the Board of Directors, Supervisors and Senior Management of the Company consisted of 11 members, 10 of whom were male and 1 female. The following table provides information on the members of the Board of Directors, Supervisors and Senior Management of the Company as of the end of the reporting period.

Name	Title in the Company	Date of Appointment or Re-election
Alexander A. Kuznetsov	Chairman of the Board of Directors	20.05.2020/ 20.05.2020
Yury A. Kuznetsov ⁽¹⁾	Chairman of the Board of Supervisors	10.05.2021/ 10.05.2020
Yury A. Kuznetsov ⁽²⁾	Chairman of the Board of Supervisors	10.05.2021/ 12.05.2021
Alexander A. Kuznetsov	Chairman of the Board of Supervisors	20.05.2020/ 20.05.2021
Alexander A. Kuznetsov ⁽¹⁾	Chairman of the Board of Supervisors	20.05.2021 / 20.05.2021
Alexander A. Kuznetsov ⁽⁴⁾	Chairman of the Board of Supervisors	20.05.2020/ 14.05.2020
Alexander A. Kuznetsov	Chairman of the Board of Supervisors	20.05.2020
Alexander A. Kuznetsov	Chairman of the Board of Supervisors	20.05.2020
Alexander A. Kuznetsov ⁽¹⁾	Chairman of the Board of Supervisors	20.05.2020
Alexander A. Kuznetsov	Chairman of the Board of Supervisors	20.05.2020
Alexander A. Kuznetsov	Chairman of the Board of Supervisors	20.05.2020
Alexander A. Kuznetsov ⁽¹⁾	Chairman of the Board of Supervisors	20.05.2020
Alexander A. Kuznetsov ⁽¹⁾	Chairman of the Board of Supervisors	20.05.2020
Alexander A. Kuznetsov ⁽¹⁰⁾	Chairman of the Board of Supervisors	20.05.2020
Alexander A. Kuznetsov ⁽¹¹⁾	Chairman of the Board of Supervisors	10.05.2017
Alexander A. Kuznetsov	Chairman of the Board of Supervisors	20.05.2021
Alexander A. Kuznetsov	Chairman of the Board of Supervisors	20.05.2021
Alexander A. Kuznetsov	Chairman of the Board of Supervisors	11.05.2010/ 14.05.2020

Report of the Directors

Notes:

- (1) ... 2021.
- (2) ... 2021.
- (3) ... 2020.
- (4) ... 2020 ... 2020.
- (5) ... 2020.
- (6) ... 2020.
- (7) ... 2020.
- (8) ... 2020.
- (9) ... 2020.
- (10) ... 2020.
- (11) ... 2020.

...

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

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...

...

EMOLUMENTS OF DIRECTORS AND SUPERVISORS

The following table shows the emoluments of the directors and supervisors for the year ended 31 December 2020. The emoluments of the directors and supervisors are disclosed in the remuneration report on pages 14 to 16 of this annual report.

The emoluments of the directors and supervisors for the year ended 31 December 2020 are disclosed in the remuneration report on pages 14 to 16 of this annual report.

		Number of employees in 2020
\$1,000,001	\$1, 00,000	_____

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS

As at 31 December 2020, the directors and supervisors have no interests in transaction, arrangement or contracts.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

As at 31 December 2020, the directors and supervisors have no arrangement to purchase shares or debentures.

Report of the Directors

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at December 31, 2020, the following table sets out the interests of the Directors in competing business.

Name	Positions in the Company	Other interests
Mr. Wang (1)	Chairman of the Board	None
Mr. Sun	Chairman of the Board	None

Note:

(1) Mr. Wang is the Chairman of the Board of Directors of Beijing Jingneng Clean Energy Co., Limited as of December 31, 2020.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2020, the following table sets out the interests and short positions of the Directors, Supervisors and Chief Executives in shares, underlying shares and debentures of the Company and its subsidiaries.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2020, the substantial shareholders' interests and short positions in the shares of the Company are as follows:

2. The substantial shareholders' interests and short positions in the shares of the Company are as follows:

Note: () indicates nil.

Name of shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held (share)	Percentage of relevant class of share capital (%)	Percentage of total share capital (%)
(Note 1 and Note 2)			1,040,000 ()	.	2.
			4/1,120,000 ()	1.7	.72
(Note 1 and Note 2)			414,114 ()	100.00	.
			4/1,120,000 ()	1.7	.72
(Note 2)			4/1,120,000 ()	1.7	.72
(Note 3)			17,200 ()	.1	2.10
(Note 3)			17,200 ()	.1	2.10
(Note 3)			17,200 ()	.1	2.10
Yin An Yi (Note 3)			17,200 ()	.1	2.10
			1,400 ()	.	2.
(Note 4)			1,400 ()	.	2.
(Note 4)			1,400 ()	.	2.
(Note 4)			1,400 ()	.	2.
(Note 5)			1,000 ()	2.0	7.2
(Note 5)			1,000 ()	2.0	7.2
(Note 5)			1,040,000 ()	.	2.

MANAGEMENT CONTRACT

There is no management contract between the Company and its directors and senior management for the year ended 31 December 2020.

CONTRACT OF SIGNIFICANCE

There is no contract of significance between the Company and its directors and senior management for the year ended 31 December 2020. (Contract of significance is defined in the Listing Rules.)

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Company is a public company listed on the Stock Exchange. The Company is subject to the Listing Rules.

As the Company is a public company listed on the Stock Exchange, the Company is subject to the Listing Rules. The Company has entered into the following continuing connected transactions for the year ended 31 December 2020, 2021 and 2022.

As the Company is a public company listed on the Stock Exchange, the Company is subject to the Listing Rules. The Company has entered into the following continuing connected transactions for the year ended 31 December 2020, 2021 and 2022.

(RMB million)

Connected transactions under	Connected persons	Annual caps for 2020	Actual transaction value in 2020
1. ...		2 0.0	2 .0
2. ...		124.7	10 .7
		.7	2.
		.0	47.4
		4 .	4.
4. ...		2,271.	1, 4 .0
		2 0.0	14 .7
		4 0.0	247.7
7. ...		,000.0	2, 2.
		0.0	17.4
		0.1	4 .2

Report of the Directors

Financial Services Framework Agreement between BEH Finance and the Company

On 2021, the Company signed a Financial Services Framework Agreement with BEH Finance (the "Agreement"). The Agreement is valid and effective from 2021 to 2022. The Agreement provides for the Company to obtain financial services from BEH Finance, including but not limited to, bank loans, credit lines, and other financial services. The Agreement is subject to the approval of the Board of Directors and the Shareholders' Meeting of the Company. The Agreement is a key financial instrument for the Company, and its execution is in line with the Company's financial strategy and business needs.

Report of the Directors

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

As at 31 December 2020, the Company has a defined contribution retirement scheme for its employees. The scheme is a defined contribution scheme. The Company's contribution to the scheme is 4% of the employees' salaries and wages. The Company's contribution to the scheme is expensed as incurred.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

All the Directors have read and approved the Report of the Directors, the financial statements and the annual report of the Company for the year ended 31 December 2020. The Company has complied with the Corporate Governance Code (the "CG Code") set out in Appendix A to the Listing Rules, except for 14 of the provisions, which are explained in paragraph 1 of the Report of the Directors for 2020.

RELATIONSHIP WITH STAKEHOLDERS

The Company has established a stakeholder management system, which identifies the stakeholders of the Company, assesses the importance of each stakeholder, and determines the communication methods and frequency. The Company has established a stakeholder management system, which identifies the stakeholders of the Company, assesses the importance of each stakeholder, and determines the communication methods and frequency.

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PUBLIC FLOAT

The Company has established a stakeholder management system, which identifies the stakeholders of the Company, assesses the importance of each stakeholder, and determines the communication methods and frequency. The Company has established a stakeholder management system, which identifies the stakeholders of the Company, assesses the importance of each stakeholder, and determines the communication methods and frequency.

SIGNIFICANT LEGAL PROCEEDINGS

During the year ended 31 December 2020, the Company and its subsidiaries were not involved in any significant legal proceedings.

AUDIT COMMITTEE

The Audit Committee has reviewed the Company's 2020 annual financial statements and the Company's 2020 annual financial statements for the year ended 31 December 2020.

AUDITORS

The Company's auditors are PricewaterhouseCoopers (PwC) and its member firms. The auditors have issued their audit report on the Company's 2020 annual financial statements for the year ended 31 December 2020. The auditors have also issued their audit report on the Company's 2020 annual financial statements for the year ended 31 December 2020.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended 31 December 2020 is summarized in the following table:

Item	2020	2019
Revenue	2,400	2,300
Profit	400	350

MISCELLANEOUS

The Company has no significant changes in its financial position during the year ended 31 December 2020.

Beijing Jingneng Clean Energy Co., Limited
ZHANG Fengyang
Chairman

0. 2021

Report of the Board of Supervisors

I. SUPERVISORY COMMITTEE'S WORK IN 2020

(i) Supervisory Committee's Meetings Held

In 2020, the Supervisory Committee held 10 meetings, including 10 regular meetings, 0 special meetings, and 0 emergency meetings. The Supervisory Committee members attended 10 meetings, with an attendance rate of 100%. The Supervisory Committee members also attended 10 meetings of the Board of Supervisors, with an attendance rate of 100%.

2020, the Supervisory Committee held 10 meetings, including 10 regular meetings, 0 special meetings, and 0 emergency meetings. The Supervisory Committee members attended 10 meetings, with an attendance rate of 100%. The Supervisory Committee members also attended 10 meetings of the Board of Supervisors, with an attendance rate of 100%.

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2020, the Supervisory Committee held 10 meetings, including 10 regular meetings, 0 special meetings, and 0 emergency meetings. The Supervisory Committee members attended 10 meetings, with an attendance rate of 100%. The Supervisory Committee members also attended 10 meetings of the Board of Supervisors, with an attendance rate of 100%.

(ii) Attendance at the Board Meeting

In 2020, the Supervisory Committee members attended 10 meetings of the Board of Supervisors, with an attendance rate of 100%. The Supervisory Committee members also attended 10 meetings of the Board of Directors, with an attendance rate of 100%.

Report of the Board of Supervisors

II. SUPERVISION OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS IN 2020

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Report of the Board of Supervisors

(vi) Inspection on the Company's connected transactions

During the year, the Board of Supervisors has reviewed the Company's connected transactions, including the related party transactions, and has found that the Company's connected transactions are conducted in accordance with the relevant laws and regulations, and that the Company's connected transactions are fair and reasonable, and that the Company's connected transactions do not harm the interests of the Company and its shareholders.

(vii) Inspecting on the Company's information disclosure

During the year, the Board of Supervisors has reviewed the Company's information disclosure, including the Company's annual reports, quarterly reports, and other information disclosure documents, and has found that the Company's information disclosure is timely, accurate, and complete, and that the Company's information disclosure is in accordance with the relevant laws and regulations.

(viii) Inspecting on the Company's implementation of the resolutions passed in general meeting

During the year, the Board of Supervisors has reviewed the Company's implementation of the resolutions passed in general meeting, and has found that the Company's implementation of the resolutions passed in general meeting is in accordance with the relevant laws and regulations, and that the Company's implementation of the resolutions passed in general meeting is effective.

III. WORK ARRANGEMENT OF THE SUPERVISORY COMMITTEE FOR 2021

In 2021, the Supervisory Committee will continue to focus on the Company's internal control, risk management, and information disclosure, and will continue to strengthen its supervision and management of the Company's operations. The Supervisory Committee will also continue to strengthen its communication and cooperation with the Company's management and shareholders, and will continue to improve the Company's governance structure and internal control system.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Our Board of Directors is composed of 11 members, including 3 independent non-executive directors, 3 executive directors, and 5 non-executive directors. The Board of Directors is responsible for the overall management of the Company and the implementation of the business strategy. The Board of Directors has established a set of corporate governance policies and procedures, including the Code of Ethics, the Code of Business Conduct, and the Code of Environmental, Social and Governance (ESG) Practices. The Board of Directors also oversees the Company's financial performance and risk management. The Board of Directors has a strong track record of effective decision-making and has successfully led the Company through various challenges and opportunities. The Board of Directors is committed to the highest standards of corporate governance and to the long-term success of the Company. The Board of Directors has also established a set of corporate governance policies and procedures, including the Code of Ethics, the Code of Business Conduct, and the Code of Environmental, Social and Governance (ESG) Practices. The Board of Directors also oversees the Company's financial performance and risk management. The Board of Directors has a strong track record of effective decision-making and has successfully led the Company through various challenges and opportunities. The Board of Directors is committed to the highest standards of corporate governance and to the long-term success of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Model Code for Securities Transactions is a set of guidelines that govern the trading of securities by the Company's directors, officers, and employees. The Model Code is designed to ensure that the Company's securities are traded in a fair and orderly manner, and to prevent insider trading and other market abuses. The Model Code is based on the principles of transparency, integrity, and fairness. The Model Code is a key component of the Company's corporate governance framework. The Model Code is also a key component of the Company's risk management framework. The Model Code is a key component of the Company's financial performance framework. The Model Code is a key component of the Company's ESG framework. The Model Code is a key component of the Company's overall corporate governance framework. The Model Code is a key component of the Company's overall risk management framework. The Model Code is a key component of the Company's overall financial performance framework. The Model Code is a key component of the Company's overall ESG framework. The Model Code is a key component of the Company's overall corporate governance framework. The Model Code is a key component of the Company's overall risk management framework. The Model Code is a key component of the Company's overall financial performance framework. The Model Code is a key component of the Company's overall ESG framework.

BOARD OF DIRECTORS

The Board of Directors is responsible for the overall management and supervision of the Company's business and operations, and for the implementation of the Company's strategy and policies.

The Board of Directors is composed of 10 members, including 4 independent non-executive directors, 3 executive directors, and 3 non-executive directors.

The Board of Directors is currently composed of 10 members, including 4 independent non-executive directors, 3 executive directors, and 3 non-executive directors.

The Board of Directors is currently composed of 10 members, including 4 independent non-executive directors, 3 executive directors, and 3 non-executive directors.

Executive Directors

- ▲ Mr. [Name] (Chairman)
- ▲ Mr. [Name] (General Manager)
- ▲ Mr. [Name]
- ▲ Mr. [Name]

Non-executive Directors

- ▲ Mr. [Name]
- ▲ Mr. [Name]
- ▲ Mr. [Name]

Independent Non-executive Directors

- ▲ Mr. [Name]
- ▲ Mr. [Name]
- ▲ Mr. [Name]

The Board of Directors is currently composed of 10 members, including 4 independent non-executive directors, 3 executive directors, and 3 non-executive directors.

The Board of Directors is currently composed of 10 members, including 4 independent non-executive directors, 3 executive directors, and 3 non-executive directors.

Chairman and General Manager

The Chairman and General Manager are responsible for the overall management and supervision of the Company's business and operations, and for the implementation of the Company's strategy and policies.

Corporate Governance Report

Independent non-executive Directors

At the 1st Annual General Meeting of 2020, the Board of Directors of the Company elected Mr. Sun Jie, Mr. Wang Yuhua and Mr. Wang Yuhua as independent non-executive directors. The Board of Directors also elected Mr. Sun Jie as the chairman of the independent non-executive directors.

The independent non-executive directors of the Company are Mr. Sun Jie, Mr. Wang Yuhua and Mr. Wang Yuhua. They are all independent non-executive directors of the Company. The independent non-executive directors of the Company are Mr. Sun Jie, Mr. Wang Yuhua and Mr. Wang Yuhua. They are all independent non-executive directors of the Company.

Non-executive Directors and Directors' Re-election

According to Article 4.1 of the Company's Articles of Association, the Board of Directors shall consist of not more than 11 members, including 3 independent non-executive directors. According to Article 4.2 of the Company's Articles of Association, the Board of Directors shall elect or re-elect its members for a term of 3 years. The Board of Directors shall elect or re-elect its members for a term of 3 years.

The Board of Directors of the Company has elected Mr. Sun Jie, Mr. Wang Yuhua and Mr. Wang Yuhua as independent non-executive directors. The Board of Directors of the Company has elected Mr. Sun Jie, Mr. Wang Yuhua and Mr. Wang Yuhua as independent non-executive directors.

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▲ 2020年，本公司在遵守《香港上市规则》及《上市发行人董事及高级管理人员的操守准则》方面，一直严格遵守。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。

本公司在遵守《香港上市规则》及《上市发行人董事及高级管理人员的操守准则》方面，一直严格遵守。

此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。

Continuous Professional Development of Directors

本公司在遵守《香港上市规则》及《上市发行人董事及高级管理人员的操守准则》方面，一直严格遵守。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。

此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。

此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。

2020年，本公司在遵守《香港上市规则》及《上市发行人董事及高级管理人员的操守准则》方面，一直严格遵守。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。此外，本公司亦一直遵守《香港上市规则》第3.04条，以及《上市发行人董事及高级管理人员的操守准则》第A.1.1条。

Corporate Governance Report

Remuneration and Nomination Committee

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Strategy Committee

Այս խորհրդակցության անդամներն են՝ Ստեփան Բաբայան, Գրիգոր Բաբայան, Արմեն Բաբայան (Վարդանյան), Արմեն Բաբայան, Արմեն Բաբայան 2020-ի Ստեփան Բաբայան, Գրիգոր Բաբայան, Արմեն Բաբայան:

Ստեփան Բաբայանը խորհրդակցության անդամ է ընտրվել 2020 թվականի 20 ապրիլի 2020 թվականին:

Ստեփան Բաբայանը խորհրդակցության անդամ է ընտրվել 2020 թվականի 20 ապրիլի 2020 թվականին:

Ստեփան Բաբայանը խորհրդակցության անդամ է ընտրվել:

Legal and Compliance Management Committee

Ստեփան Բաբայանը խորհրդակցության անդամ է ընտրվել 2021 թվականի 27 ապրիլի 2021 թվականին Ստեփան Բաբայան (Վարդանյան), Գրիգոր Բաբայան, Արմեն Բաբայան 2020-ի Ստեփան Բաբայան, Արմեն Բաբայան, Արմեն Բաբայան:

Ստեփան Բաբայանը խորհրդակցության անդամ է ընտրվել Ստեփան Բաբայան (Վարդանյան) խորհրդակցության անդամ է ընտրվել:

Board Diversity Policy

Ստեփան Բաբայանը խորհրդակցության անդամ է ընտրվել Ստեփան Բաբայան (Վարդանյան) խորհրդակցության անդամ է ընտրվել:

Ստեփան Բաբայանը խորհրդակցության անդամ է ընտրվել Ստեփան Բաբայան (Վարդանյան) խորհրդակցության անդամ է ընտրվել:

Ստեփան Բաբայանը խորհրդակցության անդամ է ընտրվել Ստեփան Բաբայան (Վարդանյան) խորհրդակցության անդամ է ընտրվել:

Corporate Governance Report

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Director Nomination Policy

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Corporate Governance Report

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Corporate Governance Functions

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RISK MANAGEMENT AND INTERNAL CONTROLS

Our risk management framework is designed to identify, assess, and manage risks that could affect our ability to achieve our strategic objectives. We use a risk-based approach to allocate resources and focus on areas of highest risk. Our risk management process is integrated into our business operations and is subject to regular review and improvement.

We have established a risk management framework that is consistent with the principles of the Corporate Governance Code. This framework includes a risk assessment process that identifies and evaluates risks to our business, and a risk management process that develops and implements strategies to manage these risks.

AU Our risk management framework is designed to identify, assess, and manage risks that could affect our ability to achieve our strategic objectives. We use a risk-based approach to allocate resources and focus on areas of highest risk.

Our risk management process is integrated into our business operations and is subject to regular review and improvement. We have established a risk management framework that is consistent with the principles of the Corporate Governance Code.

A Our risk management framework is designed to identify, assess, and manage risks that could affect our ability to achieve our strategic objectives. We use a risk-based approach to allocate resources and focus on areas of highest risk. Our risk management process is integrated into our business operations and is subject to regular review and improvement.

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AU Our risk management framework is designed to identify, assess, and manage risks that could affect our ability to achieve our strategic objectives. We use a risk-based approach to allocate resources and focus on areas of highest risk. Our risk management process is integrated into our business operations and is subject to regular review and improvement.

Our risk management framework is designed to identify, assess, and manage risks that could affect our ability to achieve our strategic objectives. We use a risk-based approach to allocate resources and focus on areas of highest risk. Our risk management process is integrated into our business operations and is subject to regular review and improvement. **AU**

Corporate Governance Report

Putting Forward Enquiries to the Board

Shareholders are encouraged to put forward enquiries to the Board of Directors regarding the company's operations, financial performance, and other matters. The Board will respond to such enquiries in a timely and appropriate manner.

Contact Details

Shareholders can contact the Board of Directors through the following channels:

- ▲ **Telephone:** 010-59000000 (Beijing)
- ▲ **Website:** <http://www.jingneng.com.cn>
- ▲ **Mail:** Beijing Jingneng Clean Energy Co., Limited, 100000, Beijing, China

Independent Auditors' Report

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Independent Auditors' Report

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Recognition of government subsidies on clean energy production</p> <p>Our audit procedures included reviewing the company's accounting records, contracts, and government subsidy applications to ensure that all eligible subsidies were properly recognized and measured in accordance with applicable accounting standards. We also performed analytical procedures to identify any unusual or inconsistent patterns in the subsidy recognition process.</p> <p>As a result of our audit, we identified that the company had not fully recognized certain government subsidies on clean energy production. The total amount of unrecognized subsidies was approximately 14% of the total subsidies recognized for the period ended December 31, 2020.</p> <p>Our audit procedures included reviewing the company's accounting records, contracts, and government subsidy applications to ensure that all eligible subsidies were properly recognized and measured in accordance with applicable accounting standards. We also performed analytical procedures to identify any unusual or inconsistent patterns in the subsidy recognition process.</p> <p>As a result of our audit, we identified that the company had not fully recognized certain government subsidies on clean energy production. The total amount of unrecognized subsidies was approximately 14% of the total subsidies recognized for the period ended December 31, 2020.</p>	<p>Our audit procedures included reviewing the company's accounting records, contracts, and government subsidy applications to ensure that all eligible subsidies were properly recognized and measured in accordance with applicable accounting standards. We also performed analytical procedures to identify any unusual or inconsistent patterns in the subsidy recognition process.</p> <p>As a result of our audit, we identified that the company had not fully recognized certain government subsidies on clean energy production. The total amount of unrecognized subsidies was approximately 14% of the total subsidies recognized for the period ended December 31, 2020.</p> <p>Our audit procedures included reviewing the company's accounting records, contracts, and government subsidy applications to ensure that all eligible subsidies were properly recognized and measured in accordance with applicable accounting standards. We also performed analytical procedures to identify any unusual or inconsistent patterns in the subsidy recognition process.</p> <p>As a result of our audit, we identified that the company had not fully recognized certain government subsidies on clean energy production. The total amount of unrecognized subsidies was approximately 14% of the total subsidies recognized for the period ended December 31, 2020.</p>

Independent Auditors' Report

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors and those charged with governance are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the applicable accounting standards, and for such things as directors and those charged with governance may be required to do in order to enable the auditors to carry out their audit in accordance with applicable auditing standards and to issue their audit report.

The directors and those charged with governance are also responsible for the design, implementation and maintenance of adequate internal control systems that mitigate the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

The directors and those charged with governance are responsible for the truth and accuracy of the information presented in this report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The auditors are responsible for conducting an audit of the consolidated financial statements in accordance with applicable auditing standards, and for such things as auditors may be required to do in order to enable them to issue their audit report. The auditors' responsibilities are to express an opinion on the consolidated financial statements based on the audit. The auditors are not responsible for preparing the consolidated financial statements, and the auditors' opinion does not constitute a guarantee or assurance of the accuracy or completeness of the consolidated financial statements.

Auditors are not responsible for the design, implementation and maintenance of internal control systems, and the auditors' opinion does not constitute a guarantee or assurance of the accuracy or completeness of the consolidated financial statements.

The auditors are responsible for conducting an audit of the consolidated financial statements in accordance with applicable auditing standards, and for such things as auditors may be required to do in order to enable them to issue their audit report. The auditors' responsibilities are to express an opinion on the consolidated financial statements based on the audit. The auditors are not responsible for preparing the consolidated financial statements, and the auditors' opinion does not constitute a guarantee or assurance of the accuracy or completeness of the consolidated financial statements.

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

Our audit was conducted in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB) in the United States of America.

We are not a member firm of the International Federation of Accountants (IFAC) and, therefore, do not adhere to the International Standards on Auditing (ISAs) issued by the International Auditing and Taxation Board (IATB) or the International Standards on Assurance Engagements (ISAEs) issued by the International Auditing and Assurance Standards Board (IAASB). We are a member firm of the American Institute of Certified Public Accountants (AICPA) and, therefore, adhere to the standards of the AICPA.

Our audit was conducted in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB) in the United States of America, and we are not a member firm of the International Federation of Accountants (IFAC) and, therefore, do not adhere to the International Standards on Auditing (ISAs) issued by the International Auditing and Taxation Board (IATB) or the International Standards on Assurance Engagements (ISAEs) issued by the International Auditing and Assurance Standards Board (IAASB).

We are a member firm of the American Institute of Certified Public Accountants (AICPA) and, therefore, adhere to the standards of the AICPA.

Independent Auditors' Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

The auditor's responsibilities for the audit of the consolidated financial statements are defined by the applicable auditing standards. The auditor is required to plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is not a guarantee that an audit will detect all material misstatements. The auditor's responsibilities are defined by the applicable auditing standards. The auditor is required to plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is not a guarantee that an audit will detect all material misstatements.

Deloitte Touche Tohmatsu
Certified Public Accountants

0. 2021

Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December	
		2020 RMB'000	2019 RMB'000
Revenue	6	17,003,306	17,003,306
Cost of sales	8	797,393	1,010,000
Net sales		(8,804,303)	(1,142,700)
Other income	13	(2,811,261)	(2,403,100)
Other expenses	13	(869,925)	(2,220,000)
Finance income		(594,657)	(24,200)
Finance expenses	9	(788,793)	(7,400)
Other gains	10	(13,160)	
Other losses		(1,510)	(10,000)
Operating profit		3,917,090	4,721,000
Other income	11	41,065	1,000
Other expenses	11	(1,150,847)	(1,210,000)
Finance income		167,781	11,000
Finance expenses		(22,063)	
Profit before income tax		2,953,026	2,713,000
Income tax	12	(557,041)	(60,000)
Profit after income tax	13	2,395,985	2,153,000
Other income		2,303,390	2,000,000
Other expenses	43	31,950	
Other gains		60,645	1,000
Profit after other items		2,395,985	2,153,000
Profit attributable to equity holders of the parent	16	27.94	27.94

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Operating income	2,395,985	2,171,111
Other comprehensive income (expense)		
Items that will not be reclassified to profit or loss:		
Available-for-sale financial assets	9,026	1,072
Share of other comprehensive income of associates and joint ventures	3,851	(1,111)
Other	(4,666)	
	8,211	4,033
Items that may be reclassified subsequently to profit or loss		
Financial assets at fair value through profit or loss	92,475	(1,111)
Other	20,007	11,100
Share of other comprehensive income of associates and joint ventures	9,013	11,177
Other	(7,569)	(1,227)
	113,926	12,939
	122,137	17,422
	2,518,122	2,192,563
Operating expenses	2,425,527	2,101,111
Finance income	31,950	
Finance expense	60,645	7,111
	2,518,122	2,192,563

Consolidated Statement of Financial Position

AT 31 DECEMBER 2020

	Notes	At 31 December	
		2020 RMB'000	2019 RMB'000
Non-current Assets			
Property, plant and equipment	17	43,187,213	47,111
Intangible assets	18	1,431,342	1,004
Investments in subsidiaries	19	4,410,754	4,047
Investments in associates	20	190,049	1,004
Investments in structured entities	22(a)	3,518,508	2,022,210
Investments in subsidiaries	22(b)	117,000	1,400
Investments in subsidiaries	23(a)	130,904	1,277
Investments in subsidiaries	23(b)	70,000	1,000
Investments in subsidiaries	24	296,104	2,000
Investments in subsidiaries	25	66,911	142,111
Investments in subsidiaries	29	1,114,305	10,000
Investments in subsidiaries		1,072,426	2,000
Investments in subsidiaries	31	50,787	4,000
Investments in subsidiaries	37	15,000	7,000

Consolidated Statement of Financial Position

AT 31 DECEMBER 2020

	Notes	At 31 December	
		2020 RMB'000	2019 RMB'000
Current Liabilities			
Accounts payable	33	5,058,989	4,777,422
Accounts receivable	48(b)	189,539	1,247
Prepaid expenses and other receivables	34	12,318,322	7,000,000
Other payables	35	7,060,658	7,000,000
Contract liabilities	36	96,656	10,000
Deferred income	36	26,128	4,000
Other current liabilities		56,380	2,000
Provisions	39	64,659	44,000
Other non-current liabilities	37	19,576	10,000
Other non-current liabilities		125,381	117,000
Other non-current liabilities	38	228,336	1,000
		25,244,624	1,477,222
Net Current Liabilities		(10,362,619)	(1,247,000)
Total Assets less Current Liabilities		45,293,684	40,200,000
Non-current Liabilities			
Accounts payable	37	45,002	2,000
Accounts receivable	34	10,896,268	11,400,000
Other payables	36	4,488,679	4,000,000
Other payables	36	1,999,284	42,000
Other non-current liabilities		12,440	
Other non-current liabilities	24	193,615	1,110,000
Other non-current liabilities	38	435,811	4,000
Other non-current liabilities	39	836,336	4,000
Other non-current liabilities	40	19,402	24,200
		18,926,837	17,210,200
Net Assets		26,366,847	2,000,000
Capital and Reserves			
Capital	41	8,244,508	8,244,000
Reserves		16,249,142	14,421,000
		24,493,650	22,720,000
Other non-current liabilities	43	1,525,582	
Other non-current liabilities		347,615	402,000
		26,366,847	2,000,000

The consolidated financial statements were approved by the Board of Directors on December 21, 2020. The consolidated financial statements for the year ended December 31, 2021 are subject to audit by the independent auditor.

ZHANG Fengyang
Director

CHEN Dayu
Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2020

Attributable to ordinary shareholders of the Company

	Share capital RMB'000 (Note 41)	Capital reserve RMB'000 (Note 42)	Statutory surplus reserve RMB'000 (note(a))	Other reserves RMB'000 (note(b))	Fair value through other comprehensive income reserve RMB'000	Cash flow hedging reserve RMB'000	Currency translation differences RMB'000	Retained profits RMB'000	Total RMB'000	Perpetual notes RMB'000 (Note 43)	Non-controlling interests RMB'000	Total equity RMB'000
At January 1, 2019	244,000	4,400	2,110,210	(1,100)	100	(4,100)	(1,100)	1,142,724	21,114,000	-	7,222	21,111,000
Profit for the year	-	-	-	-	4,400	1,400	(1,100)	2,000,000	2,000,000	-	7,100	2,114,400
Transfer from retained profits to statutory surplus reserve	-	-	-	-	-	-	-	(1,400)	(1,400)	-	-	(1,400)
Transfer from retained profits to other reserves	-	-	-	-	-	-	-	(1,400)	(1,400)	-	-	(1,400)
Transfer from retained profits to cash flow hedging reserve	-	-	-	-	-	1,400	(1,100)	2,000,000	2,100,000	-	7,100	2,114,400
Transfer from retained profits to currency translation differences	-	-	-	-	-	-	-	(1,100)	(1,100)	-	-	(1,100)
Transfer from retained profits to perpetual notes	-	-	-	-	-	-	-	(4,000)	(4,000)	(1,142)	(21,000)	(21,000)
At January 1, 2020	244,000	4,400	2,242,420	(1,100)	10,714	(4,100)	(1,410)	1,142,724	22,720,000	-	402,410	23,007,000
Profit for the year	-	-	-	-	12,877	21,451	92,475	2,303,390	2,303,390	31,950	60,645	2,395,985
Transfer from retained profits to statutory surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from retained profits to other reserves	-	-	-	-	(4,666)	-	-	-	(4,666)	-	-	(4,666)
Transfer from retained profits to cash flow hedging reserve	-	-	-	-	8,211	21,451	92,475	2,303,390	2,425,527	31,950	60,645	2,518,122
Transfer from retained profits to currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from retained profits to perpetual notes	-	-	-	(600)	-	-	-	(600)	(600)	-	(49,680)	(50,280)
Transfer from retained profits to non-controlling interests	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
Transfer from retained profits to other reserves	-	-	-	-	-	-	-	-	-	(6,368)	-	(6,368)
Transfer from retained profits to statutory surplus reserve	-	-	152,240	-	-	-	-	(152,240)	-	-	-	-
Transfer from retained profits to cash flow hedging reserve	-	-	-	-	-	-	-	(595,253)	(595,253)	-	(65,991)	(661,244)
Transfer from retained profits to currency translation differences	-	-	-	-	(24,428)	-	-	24,428	-	-	-	-
Transfer from retained profits to other reserves	-	-	-	(8,692)	-	-	-	(8,692)	(8,692)	-	-	(8,692)
At January 1, 2020	8,244,508	3,934,473	2,438,660	(76,430)	(5,503)	(43,227)	(92,942)	10,094,111	24,493,650	1,525,582	347,615	26,366,847

Notes:

- (1) At January 1, 2019, the Company had a total of 244,000 shares of ordinary shares issued and fully paid up. The Company has not issued any shares of ordinary shares during the year ended 31 December 2019.
- (2) The Company has not issued any shares of ordinary shares during the year ended 31 December 2020.
- (3) In 2020, the Company issued 40% of the ordinary shares of Jingneng (Xi'an) Power Co., Ltd. (京能(遷西)發電有限公司) (an unlisted company) to the public through the Shanghai Stock Exchange. The total amount of the shares issued was 0.2 billion RMB.

Year ended 31 December

	2020 RMB'000	2019 RMB'000
Operating activities		
Revenue	2,953,026	2,772,222
Adjusted operating profit	2,811,261	2,431,777
Depreciation and amortization	50,844	(2,000)
Impairment losses on property, plant and equipment, intangible assets and other long-term assets	119,521	
Financial income	1,510	10,100
Financial expense	-	(,200)
Change in fair value of financial assets and liabilities	14,633	(1,100)
Change in provisions	1,300	2,000
Change in prepayments, receivables and payables	(167,781)	(11,200)
Change in other non-current assets and liabilities	22,063	
Change in cash and cash equivalents	(41,065)	(,020)
Change in cash and cash equivalents	1,150,847	1,210,000
Change in operating assets	(151,051)	(11,000)
Change in operating liabilities	(5,277)	(,000)
Change in cash and cash equivalents	(478,890)	(2,000)
Change in cash and cash equivalents	6,280,941	,200,000
Change in cash and cash equivalents	2,069	,000
(Change in cash and cash equivalents)	(3,882,556)	4,100
(Change in cash and cash equivalents)	(116,222)	,400
Change in cash and cash equivalents	503,313	,000
Change in cash and cash equivalents	(40,330)	(1,210,000)
Change in cash and cash equivalents	38,037	24,000
Change in cash and cash equivalents	341,711	,100
Change in cash and cash equivalents	6,741	(2,400)
Change in cash and cash equivalents	3,133,704	,400,210
Change in cash and cash equivalents	(531,896)	(4,240)
Net cash generated from operating activities	2,601,808	,000,000

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Investing activities		
Acquisition of subsidiaries	42,914	1,222
Disposal of subsidiaries	6,928	6,210
Acquisition of intangible assets	134,000	1,000
Disposal of intangible assets	75,000	1,000
Acquisition of property, plant and equipment	(117,000)	(1,000)
Acquisition of property, plant and equipment	(70,000)	(1,000)
Disposal of property, plant and equipment	(1,222,000)	
Disposal of property, plant and equipment	(7,235,820)	(4,235,820)
Disposal of property, plant and equipment	(68,417)	(1,235,820)
Disposal of property, plant and equipment	(10,769)	
Disposal of property, plant and equipment	(142,952)	(2,358,200)
Disposal of property, plant and equipment	34,224	1,100
Disposal of property, plant and equipment	4,959	100,400
Disposal of property, plant and equipment	(3,086)	(4,100)
Disposal of property, plant and equipment	3,035	4,410
Net cash used in investing activities	(8,568,984)	(4,111,110)

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December	
		2020 RMB'000	2019 RMB'000
Financing activities			
Proceeds from the issuance of shares		(50,280)	
Proceeds from the issuance of bank loans		(1,080,351)	(1,100,000)
Proceeds from the issuance of notes		12,272,425	7,700,000
Proceeds from the issuance of bonds		(8,647,897)	(8,200,000)
Proceeds from the issuance of other financial instruments		10,500,000	10,000,000
Proceeds from the issuance of other financial instruments		(11,338)	(10,000)
Proceeds from the issuance of other financial instruments		(9,500,000)	(9,000,000)
Proceeds from the issuance of other financial instruments		1,000,000	
Proceeds from the issuance of other financial instruments		(1,415)	
Proceeds from the issuance of other financial instruments		1,000,000	1,000,000
Proceeds from the issuance of other financial instruments		(358)	()
Proceeds from the issuance of other financial instruments		1,500,000	
Proceeds from the issuance of other financial instruments		(6,368)	
Proceeds from the issuance of other financial instruments		(49,321)	(100,000)
Proceeds from the issuance of other financial instruments		(595,253)	(400,000)
Proceeds from the issuance of other financial instruments		(137,133)	(100,000)
Net cash from (used in) financing activities		6,192,711	(2,040,414)
Net increase (decrease) in cash and cash equivalents		225,535	(1,420,000)
Cash and cash equivalents at the beginning of the year		4,056,110	5,476,110
Effect of foreign exchange rate changes		15,805	(22,100)
Cash and cash equivalents at the end of the year	32	4,297,450	4,034,010
Represented by:			
Cash and cash equivalents at the end of the year		4,297,450	4,034,010

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

北京能源集團有限公司（「北京能源」）為一間在香港註冊成立的有限公司。北京能源的註冊辦事處位於香港中環皇后大道中111號11樓。北京能源的實際辦事處位於中國北京。北京能源的法定中文名稱為「北京能源集團有限公司」，其法定英文名稱為「Beijing Energy Group Limited」。北京能源的財政年度為12月31日結束。

北京能源的董事會成員包括11名成員，其中1名成員為獨立非執行董事。北京能源的董事會主席為張建國先生，副主席為張建國先生及張建國先生。北京能源的總經理為張建國先生。北京能源的行政總裁為張建國先生。北京能源的副總經理為張建國先生。北京能源的副總經理為張建國先生。北京能源的副總經理為張建國先生。

北京能源的註冊辦事處位於香港中環皇后大道中111號11樓。北京能源的實際辦事處位於中國北京。北京能源的法定中文名稱為「北京能源集團有限公司」，其法定英文名稱為「Beijing Energy Group Limited」。北京能源的財政年度為12月31日結束。北京能源的董事會成員包括11名成員，其中1名成員為獨立非執行董事。北京能源的董事會主席為張建國先生，副主席為張建國先生及張建國先生。北京能源的總經理為張建國先生。北京能源的行政總裁為張建國先生。北京能源的副總經理為張建國先生。北京能源的副總經理為張建國先生。北京能源的副總經理為張建國先生。

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北京能源的註冊辦事處位於香港中環皇后大道中111號11樓。北京能源的實際辦事處位於中國北京。北京能源的法定中文名稱為「北京能源集團有限公司」，其法定英文名稱為「Beijing Energy Group Limited」。北京能源的財政年度為12月31日結束。北京能源的董事會成員包括11名成員，其中1名成員為獨立非執行董事。北京能源的董事會主席為張建國先生，副主席為張建國先生及張建國先生。北京能源的總經理為張建國先生。北京能源的行政總裁為張建國先生。北京能源的副總經理為張建國先生。北京能源的副總經理為張建國先生。北京能源的副總經理為張建國先生。

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。北京能源的財務報表是按照香港會計師公會頒佈的香港會計準則編製的。

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

Amendments to IFRSs that are mandatorily effective for the current year

The Company has adopted the following amendments to IFRSs that are mandatorily effective for the current year: *Amendments to References to the Conceptual Framework in IFRS Standards*

The amendments to IFRSs, including the amendments to IFRSs, *Amendments to References to the Conceptual Framework in IFRS Standards* (collectively referred to as “Amendments to IFRSs”), were issued by the International Accounting Standards Board (“IASB”) in 2020 and became effective for the Company on 1 January 2020.

- ▶ *Amendments to IFRS 1* / *Definition of Material*
- ▶ *Amendments to IFRS 8* / *Definition of a Business*
- ▶ *Amendments to IFRS 9* / *Interest Rate Benchmark Reform*

The Company has also adopted the following amendments to IFRSs that are mandatorily effective for the current year: *Amendments to References to the Conceptual Framework in IFRS Standards*

The amendments to IFRSs, including the amendments to IFRSs, *Amendments to References to the Conceptual Framework in IFRS Standards* (collectively referred to as “Amendments to IFRSs”), were issued by the International Accounting Standards Board (“IASB”) in 2020 and became effective for the Company on 1 January 2020.

3.1 Impacts on application of Amendments to IAS 1 and IAS 8 Definition of Material

The Company has adopted the amendments to IAS 1 and IAS 8, *Definition of Material*, which were issued by the International Accounting Standards Board (“IASB”) in 2020 and became effective for the Company on 1 January 2020. The amendments to IAS 1 and IAS 8, *Definition of Material*, require the Company to disclose the nature and amount of the material items that have been identified in the financial statements. The Company has applied the amendments to IAS 1 and IAS 8, *Definition of Material*, to the financial statements for the year ended 31 December 2020. The Company has identified the material items that have been identified in the financial statements for the year ended 31 December 2020. The Company has disclosed the nature and amount of the material items that have been identified in the financial statements for the year ended 31 December 2020.

3.2 Impacts on application of Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

The Company has adopted the amendments to IFRS 9, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*, which were issued by the International Accounting Standards Board (“IASB”) in 2020 and became effective for the Company on 1 January 2020. The amendments to IFRS 9, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*, require the Company to disclose the nature and amount of the interest rate benchmark reform. The Company has applied the amendments to IFRS 9, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*, to the financial statements for the year ended 31 December 2020. The Company has identified the interest rate benchmark reform that has been identified in the financial statements for the year ended 31 December 2020. The Company has disclosed the nature and amount of the interest rate benchmark reform that has been identified in the financial statements for the year ended 31 December 2020.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and amendments to IFRSs in issue but not yet effective

IFRSs	Effective date	Impact on consolidated financial statements	Description
IFRS 17	1 January 2023	Not applicable	Insurance Contracts and the related Amendments ¹
IFRS 9	1 January 2022	Not applicable	Covid-19-Related Rent Concessions ⁴
IFRS 1	1 January 2020	Not applicable	Reference to the Conceptual Framework ²
IFRS 7	1 January 2020	Not applicable	Interest Rate Benchmark Reform – Phase 2 ⁵
IFRS 5	10 November 2020	Not applicable	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
IFRS 1	1 January 2020	Not applicable	Classification of Liabilities as Current or Non-current ¹
IFRS 1	1 January 2020	Not applicable	Disclosure of Accounting Policies ¹
IFRS 8	1 January 2020	Not applicable	Definition of Accounting Estimates ¹
IFRS 1	1 January 2020	Not applicable	Property, Plant and Equipment – Proceeds before Intended Use ²
IFRS 1	1 January 2020	Not applicable	Onerous Contracts – Cost of Fulfilling a Contract ²
IFRSs	2018-2020	Not applicable	Annual Improvements to IFRSs 2018-2020 ²

Notes:

- (1) Issued by the International Accounting Standards Board (“IASB”) in November 2020.
- (2) Issued by the IASB in November 2022.
- (3) Issued by the IASB in November 2020.
- (4) Issued by the IASB in January 2020.
- (5) Issued by the IASB in January 2021.

The impact of the amendments to IFRSs on the consolidated financial statements is not applicable as the Group is not a financial institution and does not have any financial instruments that are measured at fair value through profit or loss. The Group is also not a lessor of real estate and does not have any real estate contracts that are subject to rent concessions. The Group is also not a lessor of real estate and does not have any real estate contracts that are subject to rent concessions.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on an accrual basis and are based on the accounting records and other information maintained by the Group. The consolidated financial statements are prepared using the historical cost convention, except for certain financial instruments that are measured at fair value. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as modified by the Hong Kong Accounting Standards (HKAS) issued by the Hong Kong Institute of Certified Accountants (HKICPA), the Financial Reporting Standards (FRS) issued by the Financial Reporting Council (FRC) and the Interpretations of IFRS issued by the IASB.

The consolidated financial statements are prepared on a going concern basis. The Group has no material uncertainties about its ability to continue as a going concern.

The consolidated financial statements are prepared in the functional currency of the Group, which is the Hong Kong dollar.

The consolidated financial statements are prepared on a basis of consistency. The accounting policies are applied consistently to all periods presented in the consolidated financial statements. The consolidated financial statements are prepared on a basis of consistency. The accounting policies are applied consistently to all periods presented in the consolidated financial statements.

The consolidated financial statements are prepared on a basis of consistency. The accounting policies are applied consistently to all periods presented in the consolidated financial statements. **2 Share-based Payment**, **1 (2019)** **17 (2019)**, **2 Inventories** **Impairment of Assets**.

The consolidated financial statements are prepared on a basis of consistency. The accounting policies are applied consistently to all periods presented in the consolidated financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Basis of consolidation (continued)

The consolidated financial statements are prepared on the basis of the accounting policies set out below. The accounting policies have been applied consistently to all the years presented.

Acquisition of subsidiaries – On acquisition, the identifiable intangible assets are recognised at fair value. The fair value of the identifiable intangible assets is determined based on the expected cash flows that the assets will generate.

On acquisition, the identifiable intangible assets are recognised at fair value. The fair value of the identifiable intangible assets is determined based on the expected cash flows that the assets will generate.

Changes in the Group's interests in existing subsidiaries

On acquisition, the identifiable intangible assets are recognised at fair value. The fair value of the identifiable intangible assets is determined based on the expected cash flows that the assets will generate.

On acquisition, the identifiable intangible assets are recognised at fair value. The fair value of the identifiable intangible assets is determined based on the expected cash flows that the assets will generate.

On acquisition, the identifiable intangible assets are recognised at fair value. The fair value of the identifiable intangible assets is determined based on the expected cash flows that the assets will generate.

On acquisition, the identifiable intangible assets are recognised at fair value. The fair value of the identifiable intangible assets is determined based on the expected cash flows that the assets will generate.

On acquisition, the identifiable intangible assets are recognised at fair value. The fair value of the identifiable intangible assets is determined based on the expected cash flows that the assets will generate.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Business combinations (continued)

Business combinations (continued)

As a result of the acquisition, the Group has acquired identifiable intangible assets, which are recorded at fair value at the acquisition date. The fair value of the intangible assets is determined based on the expected future cash flows that the intangible assets are expected to generate.

The Group has also acquired identifiable intangible assets, which are recorded at fair value at the acquisition date. The fair value of the intangible assets is determined based on the expected future cash flows that the intangible assets are expected to generate. **12 Income Taxes** and **13 Employee Benefits**.

The Group has also acquired identifiable intangible assets, which are recorded at fair value at the acquisition date. The fair value of the intangible assets is determined based on the expected future cash flows that the intangible assets are expected to generate. **2 Share-based Payment**.

The Group has also acquired identifiable intangible assets, which are recorded at fair value at the acquisition date. The fair value of the intangible assets is determined based on the expected future cash flows that the intangible assets are expected to generate. **Non-current Assets Held for Sale and Discontinued Operations**.

The Group has also acquired identifiable intangible assets, which are recorded at fair value at the acquisition date. The fair value of the intangible assets is determined based on the expected future cash flows that the intangible assets are expected to generate. **12 Income Taxes** and **13 Employee Benefits**.

The Group has also acquired identifiable intangible assets, which are recorded at fair value at the acquisition date. The fair value of the intangible assets is determined based on the expected future cash flows that the intangible assets are expected to generate. **2 Share-based Payment**.

The Group has also acquired identifiable intangible assets, which are recorded at fair value at the acquisition date. The fair value of the intangible assets is determined based on the expected future cash flows that the intangible assets are expected to generate. **12 Income Taxes** and **13 Employee Benefits**.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Business combinations (continued)

Business combinations (continued)

On 10 January 2021, the Group acquired 100% ownership of Beijing Jingneng Clean Energy Co., Limited (the "Acquired Entity") through a business combination. The Acquired Entity is a company engaged in the production and sale of clean energy products. The acquisition is accounted for as a business combination under common control. The Group has applied the acquisition method to account for the business combination. The identifiable intangible assets acquired are recorded at cost. The goodwill is recorded at the difference between the cost of the business combination and the fair value of the identifiable intangible assets acquired. The goodwill is not amortized and is tested for impairment annually or more frequently if there are indicators of impairment. The goodwill is recorded in the consolidated financial statements as follows:

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Investments in associates and a joint venture (continued)

When the Group acquires an investment in an associate or a joint venture, the investment is initially recognized at cost. Subsequently, the investment is measured at cost less any impairment losses. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture.

The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture.

Impairment of Assets The Group assesses at the end of each reporting period whether there is any indication that an investment in an associate or joint venture may be impaired. If there is any indication that an investment in an associate or joint venture may be impaired, the Group estimates the recoverable amount of the investment. The recoverable amount is the maximum amount that the Group can recover from the investment. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture.

The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture. The Group's share of the net assets of the associate or joint venture is determined based on the Group's ownership interest in the associate or joint venture.

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Investments in associates and a joint venture (continued)

Investments in associates and a joint venture are accounted for using the equity method. The carrying amount of investments in associates and a joint venture is initially recognised at cost, including transaction costs. Subsequently, the carrying amount is adjusted to reflect the investor's share of the associate's or joint venture's profit or loss and other comprehensive income, and dividends received from the associate or joint venture. The carrying amount of investments in associates and a joint venture is reduced to zero if the investor's share of the associate's or joint venture's losses exceeds the carrying amount of the investment.

Investments in associates and a joint venture are classified as non-current assets. Investments in associates and a joint venture are classified as current assets if the investor expects to realise the investment within 12 months from the reporting date. Investments in associates and a joint venture are classified as current liabilities if the investor is obliged to realise the investment within 12 months from the reporting date.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the customer obtains control of the goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and trade allowances.

Revenue from contracts with customers is recognised when the customer obtains control of the goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and trade allowances.

Revenue from contracts with customers is recognised when the customer obtains control of the goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and trade allowances.

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Revenue from contracts with customers is recognised when the customer obtains control of the goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and trade allowances.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Revenue from contracts with customers (continued)

▲ 本公司在履行履约义务的过程中，按照履约进度确认收入，履约进度不能合理确定的除外。当履约进度不能合理确定时，如果已经发生的成本预计能够得到补偿，按照已经发生的成本金额确认收入，直到履约进度能够合理确定为止。

▲ 本公司在履行履约义务的过程中，按照履约进度确认收入，履约进度不能合理确定的除外。当履约进度不能合理确定时，如果已经发生的成本预计能够得到补偿，按照已经发生的成本金额确认收入，直到履约进度能够合理确定为止。

▲ 本公司在履行履约义务的过程中，按照履约进度确认收入，履约进度不能合理确定的除外。当履约进度不能合理确定时，如果已经发生的成本预计能够得到补偿，按照已经发生的成本金额确认收入，直到履约进度能够合理确定为止。

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation:

Output method

本公司在履行履约义务的过程中，按照履约进度确认收入，履约进度不能合理确定的除外。当履约进度不能合理确定时，如果已经发生的成本预计能够得到补偿，按照已经发生的成本金额确认收入，直到履约进度能够合理确定为止。

Existence of significant financing component

本公司在履行履约义务的过程中，按照履约进度确认收入，履约进度不能合理确定的除外。当履约进度不能合理确定时，如果已经发生的成本预计能够得到补偿，按照已经发生的成本金额确认收入，直到履约进度能够合理确定为止。

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Leases

Definition of a lease

A contract, or part of a contract, is a lease if it transfers control of an identified asset for a period of time in exchange for consideration.

Control is transferred when the customer has the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from the asset. A contract is also a lease if it involves the customer's use of an identified asset and the customer's use substantially determines the nature of the asset's use.

The Group as a lessee

Allocation of consideration to components of a contract

At the inception of a contract, the Group allocates the consideration in the contract to each lease component and to any non-lease components. Non-lease components are accounted for in accordance with the applicable accounting standards. The Group has elected to account for the lease and non-lease components as a single lease component.

Lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate.

At the commencement date of a lease, the Group recognizes a lease liability measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Short-term leases

The Group leases various office buildings, vehicles and other assets. For short-term leases, the Group recognizes the lease liability at the amount of the lease payments. The Group has short-term leases with a maximum term of 12 months. The Group has not entered into any short-term leases with a maximum term of 12 months or less.

Right-of-use assets

The Group leases various office buildings, vehicles and other assets. For leases with a term of more than 12 months, the Group recognizes a right-of-use asset and a lease liability. The right-of-use asset is measured at cost, which includes the amount of the lease liability, any lease payments made at or before the commencement date, any initial direct costs incurred by the Group and the estimated costs of dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any incentives received. The right-of-use asset is depreciated over the shorter of the lease term and its useful life.

The Group has entered into various short-term leases with a maximum term of 12 months or less. The Group has not entered into any short-term leases with a maximum term of 12 months or less.

The Group has entered into various short-term leases with a maximum term of 12 months or less. The Group has not entered into any short-term leases with a maximum term of 12 months or less.

The Group has entered into various short-term leases with a maximum term of 12 months or less. The Group has not entered into any short-term leases with a maximum term of 12 months or less.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Refundable rental deposits

Refundable rental deposits are recognised as assets when the Group obtains control of the economic benefits of the deposits. The Group recognises refundable rental deposits as assets when the Group obtains control of the economic benefits of the deposits. The Group recognises refundable rental deposits as assets when the Group obtains control of the economic benefits of the deposits.

Lease liabilities

At the commencement date of a lease, the Group recognises a lease liability measured at the present value of the lease payments that are not cancelled, reduced or modified. Lease payments consist of fixed payments, variable payments that depend on an index or rate, amounts payable for short-term leases, amounts payable for low-value assets, and payments in kind. The Group uses the discount rate that the lessee would use to determine the present value of the lease payments.

The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease.

The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease. The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease.

The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease.

At the commencement date of a lease, the Group recognises a lease liability measured at the present value of the lease payments that are not cancelled, reduced or modified. Lease payments consist of fixed payments, variable payments that depend on an index or rate, amounts payable for short-term leases, amounts payable for low-value assets, and payments in kind. The Group uses the discount rate that the lessee would use to determine the present value of the lease payments.

The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease. The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease.

The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease. The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease.

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The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease. The Group recognises a lease liability when the Group obtains control of the economic benefits of the lease.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Foreign currencies (continued)

Transactions and balances in currencies other than the functional currency of the entity are recorded in the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Income and expenses denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction. The exchange rate used for the translation of the financial statements is the rate of the Hong Kong dollar to the US dollar at the reporting date.

The exchange rate used for the translation of the financial statements is the rate of the Hong Kong dollar to the US dollar at the reporting date.

Borrowing costs

Borrowing costs are recognised as an expense when they are incurred. Borrowing costs are capitalised as part of the cost of an asset when they are directly attributable to the acquisition, construction or production of a qualifying asset.

When the borrowing costs are capitalised, they are recognised as an asset in the consolidated balance sheet. When the borrowing costs are capitalised, they are recognised as an asset in the consolidated balance sheet.

When the borrowing costs are capitalised, they are recognised as an asset in the consolidated balance sheet.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Government grants

Government grants are recognized when the entity can reasonably be assured that the grant will be received and the entity can comply with the conditions attached to the grant. Government grants are recognized in the profit or loss in the period in which they become receivable.

Government grants related to the purchase of property, plant and equipment are recognized as deferred income and amortized over the useful life of the asset. Government grants related to the purchase of intangible assets are recognized as deferred income and amortized over the useful life of the asset. Government grants related to the purchase of financial assets are recognized as deferred income and amortized over the term of the asset. Government grants related to the purchase of equity investments are recognized as deferred income and amortized over the term of the investment. Government grants related to the purchase of other assets are recognized as deferred income and amortized over the useful life of the asset.

Government grants related to the purchase of property, plant and equipment are recognized as deferred income and amortized over the useful life of the asset. Government grants related to the purchase of intangible assets are recognized as deferred income and amortized over the useful life of the asset. Government grants related to the purchase of financial assets are recognized as deferred income and amortized over the term of the asset. Government grants related to the purchase of equity investments are recognized as deferred income and amortized over the term of the investment. Government grants related to the purchase of other assets are recognized as deferred income and amortized over the useful life of the asset.

Government grants related to the purchase of property, plant and equipment are recognized as deferred income and amortized over the useful life of the asset. Government grants related to the purchase of intangible assets are recognized as deferred income and amortized over the useful life of the asset. Government grants related to the purchase of financial assets are recognized as deferred income and amortized over the term of the asset. Government grants related to the purchase of equity investments are recognized as deferred income and amortized over the term of the investment. Government grants related to the purchase of other assets are recognized as deferred income and amortized over the useful life of the asset.

Retirement benefit costs

Retirement benefit costs are recognized as an expense in the period in which the employee renders service. Retirement benefit costs are recognized as an expense in the period in which the employee renders service. Retirement benefit costs are recognized as an expense in the period in which the employee renders service. Retirement benefit costs are recognized as an expense in the period in which the employee renders service. Retirement benefit costs are recognized as an expense in the period in which the employee renders service.

Short-term employee benefits

Short-term employee benefits are recognized as an expense in the period in which the employee renders service. Short-term employee benefits are recognized as an expense in the period in which the employee renders service. Short-term employee benefits are recognized as an expense in the period in which the employee renders service. Short-term employee benefits are recognized as an expense in the period in which the employee renders service. Short-term employee benefits are recognized as an expense in the period in which the employee renders service.

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Taxation

The consolidated financial statements are prepared on the basis of the accounting policies set out in the consolidated financial statements. The consolidated financial statements are prepared on the basis of the accounting policies set out in the consolidated financial statements. The consolidated financial statements are prepared on the basis of the accounting policies set out in the consolidated financial statements.

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Taxation (continued)

U.S. dollars are used as the functional currency for the U.S. operations. The U.S. dollar is also the reporting currency for the consolidated financial statements. The functional currency of the U.S. operations is the U.S. dollar. The functional currency of the other operations is the local currency. The consolidated financial statements are presented in U.S. dollars. All amounts are rounded to the nearest U.S. dollar.

The consolidated financial statements are prepared on the accrual basis of accounting. The consolidated financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America. The consolidated financial statements are prepared on the basis of the accounting principles generally accepted in the United States of America. The consolidated financial statements are prepared on the basis of the accounting principles generally accepted in the United States of America. **▲ 12 Income Taxes** U.S. dollars are used as the functional currency for the U.S. operations. The U.S. dollar is also the reporting currency for the consolidated financial statements. The functional currency of the U.S. operations is the U.S. dollar. The functional currency of the other operations is the local currency. The consolidated financial statements are presented in U.S. dollars. All amounts are rounded to the nearest U.S. dollar.

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U.S. dollars are used as the functional currency for the U.S. operations. The U.S. dollar is also the reporting currency for the consolidated financial statements. The functional currency of the U.S. operations is the U.S. dollar. The functional currency of the other operations is the local currency. The consolidated financial statements are presented in U.S. dollars. All amounts are rounded to the nearest U.S. dollar.

The consolidated financial statements are prepared on the accrual basis of accounting. The consolidated financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America. The consolidated financial statements are prepared on the basis of the accounting principles generally accepted in the United States of America. The consolidated financial statements are prepared on the basis of the accounting principles generally accepted in the United States of America.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase price, import duties, non-refundable government taxes, and other directly attributable costs. The cost of self-constructed assets includes the cost of materials and direct labour, and an allocation of overheads based on the normal capacity of the production facilities. Interest on borrowings used to finance the acquisition or construction of property, plant and equipment is capitalised as part of the cost of the asset. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Useful lives are determined based on the expected usage of the assets, the nature of the assets, and the expected residual value. The useful lives of property, plant and equipment are as follows:

Buildings, 20 to 40 years; Furniture and fixtures, 5 to 10 years; Motor vehicles, 5 years; Office equipment, 3 to 5 years; and Leasehold improvements, the shorter of the useful life of the asset or the remaining term of the lease. Depreciation is reviewed at the end of each reporting period. If there is an indication that the carrying amount of an asset may not be recoverable, an impairment test is performed. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in profit or loss.

Ownership interests in leasehold land and building

Ownership interests in leasehold land and buildings are measured at cost less accumulated depreciation and impairment losses. The cost includes the purchase price, import duties, non-refundable government taxes, and other directly attributable costs. Depreciation is calculated on a straight-line basis over the shorter of the useful life of the asset or the remaining term of the lease.

Useful lives are determined based on the expected usage of the assets, the nature of the assets, and the expected residual value. The useful lives of ownership interests in leasehold land and buildings are as follows: Leasehold land, 20 to 40 years; and Leasehold buildings, 20 to 40 years. Depreciation is reviewed at the end of each reporting period. If there is an indication that the carrying amount of an asset may not be recoverable, an impairment test is performed. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in profit or loss.

Ownership interests in leasehold land and buildings are measured at cost less accumulated depreciation and impairment losses. The cost includes the purchase price, import duties, non-refundable government taxes, and other directly attributable costs. Depreciation is calculated on a straight-line basis over the shorter of the useful life of the asset or the remaining term of the lease. Useful lives are determined based on the expected usage of the assets, the nature of the assets, and the expected residual value. The useful lives of ownership interests in leasehold land and buildings are as follows: Leasehold land, 20 to 40 years; and Leasehold buildings, 20 to 40 years. Depreciation is reviewed at the end of each reporting period. If there is an indication that the carrying amount of an asset may not be recoverable, an impairment test is performed. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Property, plant and equipment (continued)

Ownership interests in leasehold land and building (continued)

At the end of the reporting period, the Group owned leasehold land and buildings with a carrying amount of RMB1,000,000,000. The Group has entered into lease agreements for the leasehold land and buildings. The lease term is 20 years. The leasehold land and buildings are used for the Group's operations. The leasehold land and buildings are classified as property, plant and equipment. The Group recognizes the leasehold land and buildings as an asset when it is probable that the Group will obtain the economic benefits from the leasehold land and buildings and the cost of the leasehold land and buildings can be reliably measured. The Group measures the leasehold land and buildings at cost less accumulated depreciation and impairment losses. The Group depreciates the leasehold land and buildings over their useful lives. The useful life of the leasehold land and buildings is 20 years. The Group's policy is to depreciate the leasehold land and buildings on a straight-line basis. The Group's depreciation expense for the year ended 31 December 2020 was RMB50,000,000.

Intangible assets

The Group's intangible assets consist of software, patents, and other intangible assets. The Group recognizes an intangible asset when it is probable that the Group will obtain the economic benefits from the intangible asset and the cost of the intangible asset can be reliably measured. The Group measures the intangible asset at cost less accumulated amortization and impairment losses. The Group amortizes the intangible asset over their useful lives. The useful life of the intangible asset is 10 years. The Group's policy is to amortize the intangible asset on a straight-line basis. The Group's amortization expense for the year ended 31 December 2020 was RMB10,000,000.

The Group's intangible assets are classified as property, plant and equipment. The Group recognizes the intangible asset as an asset when it is probable that the Group will obtain the economic benefits from the intangible asset and the cost of the intangible asset can be reliably measured. The Group measures the intangible asset at cost less accumulated amortization and impairment losses. The Group amortizes the intangible asset over their useful lives. The useful life of the intangible asset is 10 years. The Group's policy is to amortize the intangible asset on a straight-line basis. The Group's amortization expense for the year ended 31 December 2020 was RMB10,000,000.

Intangible assets acquired in a business combination

The Group's intangible assets acquired in a business combination consist of software, patents, and other intangible assets. The Group recognizes an intangible asset when it is probable that the Group will obtain the economic benefits from the intangible asset and the cost of the intangible asset can be reliably measured. The Group measures the intangible asset at cost less accumulated amortization and impairment losses. The Group amortizes the intangible asset over their useful lives. The useful life of the intangible asset is 10 years. The Group's policy is to amortize the intangible asset on a straight-line basis. The Group's amortization expense for the year ended 31 December 2020 was RMB10,000,000.

The Group's intangible assets are classified as property, plant and equipment. The Group recognizes the intangible asset as an asset when it is probable that the Group will obtain the economic benefits from the intangible asset and the cost of the intangible asset can be reliably measured. The Group measures the intangible asset at cost less accumulated amortization and impairment losses. The Group amortizes the intangible asset over their useful lives. The useful life of the intangible asset is 10 years. The Group's policy is to amortize the intangible asset on a straight-line basis. The Group's amortization expense for the year ended 31 December 2020 was RMB10,000,000.

At the end of the reporting period, the Group owned leasehold land and buildings with a carrying amount of RMB1,000,000,000. The Group has entered into lease agreements for the leasehold land and buildings. The lease term is 20 years. The leasehold land and buildings are used for the Group's operations. The leasehold land and buildings are classified as property, plant and equipment. The Group recognizes the leasehold land and buildings as an asset when it is probable that the Group will obtain the economic benefits from the leasehold land and buildings and the cost of the leasehold land and buildings can be reliably measured. The Group measures the leasehold land and buildings at cost less accumulated depreciation and impairment losses. The Group depreciates the leasehold land and buildings over their useful lives. The useful life of the leasehold land and buildings is 20 years. The Group's policy is to depreciate the leasehold land and buildings on a straight-line basis. The Group's depreciation expense for the year ended 31 December 2020 was RMB50,000,000.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets other than goodwill are reviewed to determine whether there is any indication that these assets may be impaired. If such indication exists, the carrying amounts of these assets are tested for impairment in accordance with the impairment test for non-current assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss.

The recoverable amount is the maximum of the asset's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money and the risks specific to the asset. For intangible assets, the discount rate is adjusted to reflect the risks specific to the asset.

When the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The impairment loss is first allocated to any goodwill associated with the cash-generating unit to which the asset belongs, and then to the other assets in the cash-generating unit on a pro-rata basis. An impairment loss for an asset is reversed if the carrying amount of the asset is less than its recoverable amount. The reversal is recognized in profit or loss.

When the carrying amount of an asset is less than its recoverable amount, the asset is not impaired and an impairment loss is not recognized. The impairment loss is reversed if the carrying amount of the asset is less than its recoverable amount. The reversal is recognized in profit or loss. The reversal is limited to the carrying amount of the asset that would have been determined had no impairment loss been recognized in the previous period. (Impairment loss reversal) is recognized in profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill (continued)

At the end of each reporting period, the carrying amount of property, plant and equipment, right-of-use assets and intangible assets other than goodwill is reviewed to determine whether there is any indication that these assets may be impaired. If such indication exists, the carrying amount of the assets is compared with the recoverable amount, which is the maximum amount of cash or cash equivalents that can be derived from the assets, net of costs to sell. The recoverable amount is determined as the higher of the fair value less costs of disposal and the value in use. The fair value less costs of disposal is determined as the highest amount obtainable from the disposal of the assets, net of costs to sell. The value in use is the present value of the cash flows expected to be derived from the assets. If the carrying amount exceeds the recoverable amount, the carrying amount is reduced to the recoverable amount. The impairment loss is recognized in the consolidated profit and loss account. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only if the asset's carrying amount is less than the recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed the recoverable amount and does not exceed the carrying amount that would have been determined, had the impairment not been recognized. The amount of the reversal is recognized in the consolidated profit and loss account.

At the end of each reporting period, the carrying amount of property, plant and equipment, right-of-use assets and intangible assets other than goodwill is reviewed to determine whether there is any indication that these assets may be impaired. If such indication exists, the carrying amount of the assets is compared with the recoverable amount, which is the maximum amount of cash or cash equivalents that can be derived from the assets, net of costs to sell. The recoverable amount is determined as the higher of the fair value less costs of disposal and the value in use. The fair value less costs of disposal is determined as the highest amount obtainable from the disposal of the assets, net of costs to sell. The value in use is the present value of the cash flows expected to be derived from the assets. If the carrying amount exceeds the recoverable amount, the carrying amount is reduced to the recoverable amount. The impairment loss is recognized in the consolidated profit and loss account. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only if the asset's carrying amount is less than the recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed the recoverable amount and does not exceed the carrying amount that would have been determined, had the impairment not been recognized. The amount of the reversal is recognized in the consolidated profit and loss account.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined on the basis of the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and sell the inventory. Inventories are written down to net realizable value. Any reversal of the provision for impairment of inventories is recognized in the consolidated profit and loss account.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Financial instruments

The Group's financial instruments include cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank borrowings, and financial assets and liabilities. The Group's financial instruments are measured at fair value, except for cash and cash equivalents, trade receivables, trade payables, other receivables, and other payables, which are measured at amortized cost.

The Group's financial instruments are classified into financial assets and financial liabilities. The Group's financial assets are classified into financial assets at amortized cost and financial assets at fair value through profit or loss. The Group's financial liabilities are classified into financial liabilities at amortized cost and financial liabilities at fair value through profit or loss.

1 Revenue from Contracts with Customers. The Group recognizes revenue from contracts with customers when the customer obtains control of the asset. The Group recognizes revenue from contracts with customers on a straight-line basis over the period of the contract. The Group recognizes revenue from contracts with customers on a straight-line basis over the period of the contract. The Group recognizes revenue from contracts with customers on a straight-line basis over the period of the contract.

The Group's financial instruments are measured at fair value, except for cash and cash equivalents, trade receivables, trade payables, other receivables, and other payables, which are measured at amortized cost. The Group's financial instruments are measured at fair value, except for cash and cash equivalents, trade receivables, trade payables, other receivables, and other payables, which are measured at amortized cost. The Group's financial instruments are measured at fair value, except for cash and cash equivalents, trade receivables, trade payables, other receivables, and other payables, which are measured at amortized cost.

Financial assets

Classification and subsequent measurement of financial assets

The Group's financial assets are classified into financial assets at amortized cost and financial assets at fair value through profit or loss. The Group's financial assets are classified into financial assets at amortized cost and financial assets at fair value through profit or loss. The Group's financial assets are classified into financial assets at amortized cost and financial assets at fair value through profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

On initial recognition, the Company classifies financial assets into three categories: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Financial assets are classified into financial assets at amortized cost if they are held within a business model whose objective is to hold the assets for the long term to collect contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are classified into financial assets at fair value through other comprehensive income if they are held within a business model whose objective is both to collect contractual cash flows and to sell the assets, and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are classified into financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are subsequently measured at fair value, and any changes in fair value are recognized in profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Company assesses the impairment of financial assets based on the expected credit loss model. The Company uses a simplified approach to measure the expected credit loss for financial assets that do not have a significant credit risk. For these assets, the Company measures the expected credit loss at the end of each reporting period as the amount of expected credit loss that results from default risk on the assets over their expected life. The Company uses a provision matrix to assess the expected credit loss. The provision matrix is based on the Company's historical credit loss experience, adjusted for current and future economic conditions. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk.

The Company assesses the impairment of financial assets based on the expected credit loss model. The Company uses a simplified approach to measure the expected credit loss for financial assets that do not have a significant credit risk. For these assets, the Company measures the expected credit loss at the end of each reporting period as the amount of expected credit loss that results from default risk on the assets over their expected life. The Company uses a provision matrix to assess the expected credit loss. The provision matrix is based on the Company's historical credit loss experience, adjusted for current and future economic conditions. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk.

The Company assesses the impairment of financial assets based on the expected credit loss model. The Company uses a simplified approach to measure the expected credit loss for financial assets that do not have a significant credit risk. For these assets, the Company measures the expected credit loss at the end of each reporting period as the amount of expected credit loss that results from default risk on the assets over their expected life. The Company uses a provision matrix to assess the expected credit loss. The provision matrix is based on the Company's historical credit loss experience, adjusted for current and future economic conditions. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk.

The Company assesses the impairment of financial assets based on the expected credit loss model. The Company uses a simplified approach to measure the expected credit loss for financial assets that do not have a significant credit risk. For these assets, the Company measures the expected credit loss at the end of each reporting period as the amount of expected credit loss that results from default risk on the assets over their expected life. The Company uses a provision matrix to assess the expected credit loss. The provision matrix is based on the Company's historical credit loss experience, adjusted for current and future economic conditions. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk.

(i) The Company assesses the impairment of financial assets based on the expected credit loss model. The Company uses a simplified approach to measure the expected credit loss for financial assets that do not have a significant credit risk. For these assets, the Company measures the expected credit loss at the end of each reporting period as the amount of expected credit loss that results from default risk on the assets over their expected life. The Company uses a provision matrix to assess the expected credit loss. The provision matrix is based on the Company's historical credit loss experience, adjusted for current and future economic conditions. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk.

The Company assesses the impairment of financial assets based on the expected credit loss model. The Company uses a simplified approach to measure the expected credit loss for financial assets that do not have a significant credit risk. For these assets, the Company measures the expected credit loss at the end of each reporting period as the amount of expected credit loss that results from default risk on the assets over their expected life. The Company uses a provision matrix to assess the expected credit loss. The provision matrix is based on the Company's historical credit loss experience, adjusted for current and future economic conditions. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk. The Company uses the provision matrix to assess the expected credit loss for financial assets that do not have a significant credit risk.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) *Expected credit losses (continued)*

The Group uses the expected credit loss (ECL) model to measure impairment for financial assets. The ECL model is an expected loss approach that requires the Group to estimate the expected credit loss over the expected life of the financial asset.

The Group uses a simplified approach to measure ECL for trade receivables. The Group uses a provision matrix to estimate ECL for trade receivables. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics between the asset and the Group's historical data.

The Group uses a simplified approach to measure ECL for other financial assets. The Group uses a provision matrix to estimate ECL for other financial assets. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics between the asset and the Group's historical data.

The Group uses a simplified approach to measure ECL for other financial assets. The Group uses a provision matrix to estimate ECL for other financial assets. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics between the asset and the Group's historical data.

The Group uses a simplified approach to measure ECL for other financial assets. The Group uses a provision matrix to estimate ECL for other financial assets. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics between the asset and the Group's historical data.

The Group uses a simplified approach to measure ECL for other financial assets. The Group uses a provision matrix to estimate ECL for other financial assets. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics between the asset and the Group's historical data.

The Group uses a simplified approach to measure ECL for other financial assets. The Group uses a provision matrix to estimate ECL for other financial assets. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics between the asset and the Group's historical data.

The Group uses a simplified approach to measure ECL for other financial assets. The Group uses a provision matrix to estimate ECL for other financial assets. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics between the asset and the Group's historical data.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Company derecognizes financial assets when the contractual cash flows have expired, or when the Company transfers the financial assets and the transfer qualifies for derecognition. The Company transfers a financial asset when it has transferred the asset to another entity and has either (a) transferred substantially all the risks and rewards of ownership, (b) transferred legal title, or (c) transferred the asset and retained the risks and rewards of ownership but the transfer qualifies for derecognition under the applicable accounting standards.

The Company derecognizes a financial asset when it has transferred the asset to another entity and has either (a) transferred substantially all the risks and rewards of ownership, (b) transferred legal title, or (c) transferred the asset and retained the risks and rewards of ownership but the transfer qualifies for derecognition under the applicable accounting standards.

The Company derecognizes a financial asset when it has transferred the asset to another entity and has either (a) transferred substantially all the risks and rewards of ownership, (b) transferred legal title, or (c) transferred the asset and retained the risks and rewards of ownership but the transfer qualifies for derecognition under the applicable accounting standards.

Financial liabilities and equity

Classification as debt or equity

The Company classifies its financial liabilities as debt or equity based on the substance of the financial instrument. Financial liabilities are classified as debt if they are contractual obligations to deliver cash or other financial assets to another entity, and are classified as equity if they are not contractual obligations to deliver cash or other financial assets to another entity.

Equity instruments

At the end of the reporting period, the Company's equity instruments are classified as equity if they are not contractual obligations to deliver cash or other financial assets to another entity, and are classified as debt if they are contractual obligations to deliver cash or other financial assets to another entity.

The Company's equity instruments are classified as equity if they are not contractual obligations to deliver cash or other financial assets to another entity, and are classified as debt if they are contractual obligations to deliver cash or other financial assets to another entity.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method. The amortised cost is calculated as the gross amount less any impairment losses. Interest income is recognised using the effective interest method. Interest expense is recognised using the effective interest method. Financial liabilities are derecognised when the contractual obligations are extinguished or cancelled, or when they expire.

Derecognition of financial liabilities

Financial liabilities are derecognised when the contractual obligations are extinguished or cancelled, or when they expire. If a financial liability is extinguished or cancelled or when its terms are modified, and an existing financial liability is replaced by a new financial liability with substantially different terms, this is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the original financial liability and the carrying amount of the new financial liability is recognised in profit or loss.

Derivative financial instruments

Derivative financial instruments are measured at fair value. Changes in the fair value of derivative financial instruments are recognised in profit or loss. Derivative financial instruments are classified as financial assets or financial liabilities depending on the nature of the instrument. Derivative financial instruments are classified as financial assets if they are held for sale or are expected to be sold in the near future. Derivative financial instruments are classified as financial liabilities if they are held for sale or are expected to be sold in the near future.

Hedge accounting

Hedge accounting is applied to financial instruments that are designated as hedging instruments.

A financial instrument is designated as a hedging instrument if it meets the following criteria: (i) the instrument is designated as a hedging instrument in the entity's financial statements; (ii) the instrument is held for the purpose of hedging a risk; (iii) the instrument is measured at fair value; and (iv) the instrument is classified as a financial asset or financial liability. Hedge accounting is applied to financial instruments that are designated as hedging instruments. Changes in the fair value of hedging instruments are recognised in profit or loss. Hedge accounting is applied to financial instruments that are designated as hedging instruments. Changes in the fair value of hedging instruments are recognised in profit or loss.

U.S. dollars are used as the functional currency for the U.S. operations. The functional currency for the other operations is the local currency. The functional currency for the consolidated financial statements is the U.S. dollar. The functional currency for the consolidated financial statements is the U.S. dollar. The functional currency for the consolidated financial statements is the U.S. dollar. The functional currency for the consolidated financial statements is the U.S. dollar.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Hedge accounting (continued)

Assessment of hedging relationship and effectiveness

The Company uses the following methods to assess the hedging relationship and effectiveness:

1. The Company uses the following methods to assess the hedging relationship and effectiveness:

2. The Company uses the following methods to assess the hedging relationship and effectiveness:

3. The Company uses the following methods to assess the hedging relationship and effectiveness:

4. The Company uses the following methods to assess the hedging relationship and effectiveness:

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Hedge accounting (continued)

Cash flow hedges

On 1 January 2020, the Group entered into a series of forward exchange contracts to hedge the exchange risk of its net investment in the US dollar-denominated subsidiary, US Energy Services, Inc. ("UES"). The contracts are designated as cash flow hedges. The contracts are entered into with a major financial institution and are subject to the credit risk of that institution. The contracts are entered into for a period of 12 months and are subject to the credit risk of that institution. The contracts are entered into for a period of 12 months and are subject to the credit risk of that institution.

At 31 December 2020, the Group has entered into a series of forward exchange contracts to hedge the exchange risk of its net investment in the US dollar-denominated subsidiary, US Energy Services, Inc. ("UES"). The contracts are designated as cash flow hedges. The contracts are entered into with a major financial institution and are subject to the credit risk of that institution. The contracts are entered into for a period of 12 months and are subject to the credit risk of that institution.

At 31 December 2020, the Group has entered into a series of forward exchange contracts to hedge the exchange risk of its net investment in the US dollar-denominated subsidiary, US Energy Services, Inc. ("UES"). The contracts are designated as cash flow hedges. The contracts are entered into with a major financial institution and are subject to the credit risk of that institution. The contracts are entered into for a period of 12 months and are subject to the credit risk of that institution.

Discontinuation of hedge accounting

On 1 January 2020, the Group entered into a series of forward exchange contracts to hedge the exchange risk of its net investment in the US dollar-denominated subsidiary, US Energy Services, Inc. ("UES"). The contracts are designated as cash flow hedges. The contracts are entered into with a major financial institution and are subject to the credit risk of that institution. The contracts are entered into for a period of 12 months and are subject to the credit risk of that institution.

On 1 January 2020, the Group entered into a series of forward exchange contracts to hedge the exchange risk of its net investment in the US dollar-denominated subsidiary, US Energy Services, Inc. ("UES"). The contracts are designated as cash flow hedges. The contracts are entered into with a major financial institution and are subject to the credit risk of that institution. The contracts are entered into for a period of 12 months and are subject to the credit risk of that institution.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Management has identified the following key sources of estimation uncertainty that may affect the carrying amounts of assets and liabilities that are not readily apparent from the balance sheet:

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of goodwill

Goodwill impairment tests are performed annually, or more frequently if events or changes in circumstances indicate that there may be an impairment. The carrying amount of goodwill is tested for impairment by comparing the cash-generating unit's carrying amount, including goodwill, with its recoverable amount. The recoverable amount is the maximum of the unit's fair value less costs of disposal and its value in use. If the carrying amount exceeds the recoverable amount, the carrying amount is reduced to the recoverable amount. Goodwill impairment losses are recognized in the consolidated income statement. Goodwill impairment losses are not reversed.

Impairment of trade receivables

Trade receivables are measured at amortized cost less expected credit losses. Expected credit losses are measured on a basis of the probability-weighted estimate of the cash shortfalls arising from trade receivables over their expected life, based on the Company's historical credit loss experience, adjusted for current and forward-looking information on the specific trade receivable, the Company's past-due status, and other factors.

The Company's expected credit losses on trade receivables are measured at the end of the reporting period at 0.

Fair value measurements on acquisition of four photovoltaic companies (the "Targets")

At the end of 2020, the Company's fair value measurements on acquisition of four photovoltaic companies (the "Targets") are as follows:

Company Name	Carrying Amount	Fair Value
Target 1	44,000,000	44,000,000
Target 2	10,000,000	10,000,000
Target 3	10,000,000	10,000,000
Target 4	10,000,000	10,000,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2020					Total RMB'000
	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	
Revenue from contracts with customers	10,182,873	2,314,207	2,145,343	395,279	-	15,037,702
Revenue from contracts with customers	1,963,288	-	-	-	-	1,963,288
Revenue from contracts with customers	-	-	-	-	2,316	2,316
Revenue from contracts with customers	12,146,161	2,314,207	2,145,343	395,279	-	17,000,990
Revenue from contracts with customers	-	-	-	-	2,316	2,316
Revenue from contracts with customers	12,146,161	2,192,289	2,140,814	395,279	2,316	16,876,859
Revenue from contracts with customers	-	121,918	4,529	-	-	126,447
Revenue from contracts with customers	12,146,161	2,314,207	2,145,343	395,279	2,316	17,003,306

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

6. REVENUE (continued)

(i) Disaggregation of revenue from contracts with customers (continued)

	1 January 2019					
	Contract revenue	Contract revenue	Contract revenue	Contract revenue	Contract revenue	Contract revenue
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Contract revenue	10,170,020	1,020,000	1,040,000			14,400,000
Contract revenue	1,020,000					1,020,000
Contract revenue					1,400,000	1,400,000
Contract revenue						
Contract revenue	12,410,000	1,020,000	1,040,000		1,400,000	15,870,000
Contract revenue					1,400,000	1,400,000
Contract revenue	12,410,000	1,042,000	1,040,000		1,400,000	15,900,000
Contract revenue		1,040,000				1,040,000
Contract revenue	12,410,000	1,020,000	1,040,000		1,400,000	15,870,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

6. REVENUE (continued)

(ii) Performance obligations for contracts with customers

Our contracts with customers typically include multiple performance obligations. The transaction price is allocated to each performance obligation based on its relative standalone selling price. The standalone selling price is the price at which the entity would sell the performance obligation separately to a customer. The standalone selling price is determined based on the price charged to customers when the performance obligation is sold separately. If the performance obligation is not sold separately, the standalone selling price is determined based on the price charged to customers when the performance obligation is sold as part of a contract with other performance obligations.

The transaction price is allocated to each performance obligation based on its relative standalone selling price. The standalone selling price is determined based on the price charged to customers when the performance obligation is sold separately. If the performance obligation is not sold separately, the standalone selling price is determined based on the price charged to customers when the performance obligation is sold as part of a contract with other performance obligations.

The transaction price is allocated to each performance obligation based on its relative standalone selling price. The standalone selling price is determined based on the price charged to customers when the performance obligation is sold separately. If the performance obligation is not sold separately, the standalone selling price is determined based on the price charged to customers when the performance obligation is sold as part of a contract with other performance obligations.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligation for contracts with customers is as follows:

	2020	2019
Transaction price allocated to the remaining performance obligation for contracts with customers	1,000,000	1,000,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION

The Group has identified its reportable segments based on the internal financial information that is available to the chief operating decision maker for the purpose of resource allocation and performance assessment. The Group's reportable segments are as follows:

The Group's reportable segments are as follows:

The Group's reportable segments are as follows:

The Group's reportable segments are as follows:

The Group's reportable segments are as follows:

The Group's reportable segments are as follows:

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

(a) Segment revenue, results, assets and liabilities

Amounts are presented in RMB'000 unless otherwise stated. The amounts are presented in RMB'000 unless otherwise stated. The amounts are presented in RMB'000 unless otherwise stated.

	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
For the year ended 31 December 2020						
Revenue	12,146,161	2,314,207	2,145,343	395,279	2,316	17,003,306
Operating profit (note (i))	1,769,612	1,201,021	1,124,081	59,211	(220,629)	3,933,296
Operating loss	14,228,337	25,533,743	21,806,751	2,655,860	26,767,756	90,992,447
Operating expenses	(7,315,937)	(17,365,587)	(16,202,380)	(2,130,946)	(25,474,975)	(68,489,825)
Assets						
Property, plant and equipment	870,622	814,820	742,905	107,859	3,849	2,540,055
Intangible assets	9,590	207,931	27,666	25,517	502	271,206
Other assets (note (ii))	108,207	376,814	381,689	54,986	229,151	1,150,847
Other assets	530,280	241,223	11,126	2,131	12,633	797,393
Other assets						
Other assets	403,025	23,383	-	-	-	426,408
Other assets	41,836	2,632	6,961	1,053	-	52,482
Other assets	6,088	123,411	3,239	-	-	132,738
Other assets	79,331	91,797	926	1,078	12,633	185,765
Other assets						
Other assets	345,244	3,696,412	2,972,708	34,886	5,034	7,054,284

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

(a) Segment revenue, results, assets and liabilities (continued)

	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
For the year ended 31 December 2019						
Revenue	12,413,022	11,040,000			1,400,000	1,400,000
Other income	1,072	12,400	0,200	110,717	(121,720)	1,100
Operating income	14,485,794	20,741,400	1,700,400	2,440,717	2,010,200	1,441,100
Operating expenses	(1,100,720)	(1,100,000)	(12,000)	(2,010,000)	(2,000,000)	(1,000,000)
Operating profit	13,385,074	19,641,400	1,688,400	430,717	1,010,200	441,100
Finance income	1,722	12	41,724	10,000	1,200	2,210,400
Finance expenses	(1,712)	200,774	24,000	20,000	20,000	2,000
Other income (note (i))	11,127	7,000	2,024	7,410	41,700	1,210,000
Other expenses	(7,222)	(2,220)	(7,200)	(1,440)	(12,000)	(1,040,720)
Income tax						
Income tax expense	0,100	21,400				700
Income tax credit	1,400	0,000	4,000	4,000		2,000
Other income	7,100	1,000				1,100,400
Other expenses	1,000	2,240	2,200	1,000	12,000	1,400
Income tax expense						
Profit before income tax	14,105,172	19,430,800	1,705,200	443,717	1,010,200	441,100
Income tax	4,100	1,210,000	7,000	4,000	4,400	7,000,700
Profit after income tax	14,101,072	18,220,800	1,698,200	439,717	1,005,800	434,100

Notes:

- (i) Revenue is derived from the sale of electricity, steam, and other services. Revenue is recognized when the performance obligation is satisfied, which is generally when the electricity, steam, or other services are delivered to the customer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and allowances. Revenue is recognized net of sales tax. Revenue is recognized when the performance obligation is satisfied, which is generally when the electricity, steam, or other services are delivered to the customer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and allowances. Revenue is recognized net of sales tax.
- (ii) Other income includes income from the sale of fixed assets, income from the disposal of subsidiaries, and income from the disposal of investments. Other expenses include expenses from the sale of fixed assets, expenses from the disposal of subsidiaries, and expenses from the disposal of investments.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

(b) Reconciliations of segment results, assets and liabilities to the consolidated financial statements

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Revenue	3,933,296	3,911,111
Cost of sales	(16,206)	(16,206)
Operating profit	—	3,894,905
Finance income	3,917,090	3,878,690
Finance costs	41,065	41,065
Share of profit of associates	(1,150,847)	(1,210,000)
Share of profit of joint ventures	167,781	111,200
Share of profit of subsidiaries	(22,063)	(22,063)
Profit before income tax	2,953,026	2,977,222

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

(b) Reconciliations of segment results, assets and liabilities to the consolidated financial statements (continued)

	At 31 December	
	2020 RMB'000	2019 RMB'000
Assets		
Property, plant and equipment	90,992,447	1,447,474
Intangible assets	(26,237,537)	(2,707,771)
Goodwill		
Investments in subsidiaries	3,518,508	2,022,210
Investments in associates	117,000	14,000
Investments in joint ventures	130,904	127,771
Financial assets	70,000	7,000
Other assets	296,104	27,000
Assets held for sale	66,911	142,171
Assets of discontinued operations (note)	1,583,971	1,277,771
Total assets	70,538,308	7,127,771
Liabilities		
Accounts payable	68,489,825	70,217,771
Intangible liabilities	(26,221,331)	(2,707,771)
Other liabilities		
Provisions	125,381	117,771
Other liabilities	193,615	1,110,000
Liabilities of discontinued operations (note)	1,583,971	1,277,771
Total liabilities	44,171,461	74,723,000

Note: Assets and liabilities of discontinued operations are measured at fair value less costs to sell.

Assets and liabilities of discontinued operations are measured at fair value less costs to sell. The fair value is determined based on the market value of the assets and liabilities of discontinued operations.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

(c) Geographical information

0% of the Group's revenue is derived from the Group's operations in the PRC, and 0% of the Group's revenue is derived from the Group's operations in the PRC (including the PRC) and other geographical areas. The Group's revenue is derived from the Group's operations in the PRC and other geographical areas. The Group's revenue is derived from the Group's operations in the PRC and other geographical areas.

(d) Information of major customers

The Group's revenue from its major customers for the year ended 31 December 2020 (2019: 1,101,223,000) is as follows: The Group's revenue from its major customers for the year ended 31 December 2020 (2019: 1,101,223,000) is as follows: The Group's revenue from its major customers for the year ended 31 December 2020 (2019: 1,101,223,000) is as follows:

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Revenue from major customers	10,182,873	10,173,423
Revenue from other customers	2,192,289	1,043,027
Total revenue	2,140,814	1,043,027
Revenue from major customers	337,934	27,100
Revenue from other customers	14,853,910	14,414,223
Total revenue	1,845,035	1,101,223
Total revenue	16,698,945	1,101,223

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

8. OTHER INCOME

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Income from the disposal of non-current assets		
Income from the disposal of subsidiaries (Note 38)	426,408	701,274
Income from the disposal of investments (Note 38)	52,482	27,274
Income from the disposal of property, plant and equipment (note (a))	132,738	1,107,404
Income from the disposal of intangible assets (note (b))	137,861	10,274
Income from the disposal of other non-current assets	-	2,274
	47,904	7,274
	797,393	1,010,000

Notes:

- (a) Income from the disposal of property, plant and equipment includes the disposal of property, plant and equipment of subsidiaries and the disposal of property, plant and equipment of the Company.
- (b) Income from the disposal of intangible assets includes the disposal of intangible assets of subsidiaries and the disposal of intangible assets of the Company.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

9. OTHER EXPENSES

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Impairment loss on financial assets	399,734	12,017
Impairment loss on investment properties	193,112	21,117
Impairment loss on investment in subsidiaries	59,824	4,117
Impairment loss on investment in associates and joint ventures	136,123	100,721
Total	788,793	138,072

10. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Gain on disposal of subsidiaries	(14,633)	1,110
Gain on disposal of investment properties	(3,381)	(1,011)
Gain on disposal of investment in subsidiaries	(50,844)	2,110
Gain on disposal of investment in associates and joint ventures	(1,300)	(2,111)
Gain on disposal of investment in subsidiaries (Note 44)	151,051	117,011
Gain on disposal of investment in associates and joint ventures	(119,521)	
Gain on disposal of investment in associates and joint ventures	25,468	(1,111)
Total	(13,160)	1,010

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

12. INCOME TAX EXPENSE

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Current income tax	521,827	2,112
Deferred income tax	11,484	10,744
	533,311	42,856
Income tax credit	23,730	(4,000)
	557,041	38,856

The income tax expense for the year ended 31 December 2020 is calculated at the applicable tax rate of 25% (2019: 25%) on the taxable income. The income tax expense for the year ended 31 December 2020 is RMB557,041,000.

The income tax expense for the year ended 31 December 2020 is calculated at the applicable tax rate of 25% (2019: 25%) on the taxable income. The income tax expense for the year ended 31 December 2020 is RMB557,041,000. The income tax expense for the year ended 31 December 2020 is calculated at the applicable tax rate of 25% (2019: 25%) on the taxable income. The income tax expense for the year ended 31 December 2020 is RMB557,041,000.

An associate, Beijing Jingneng Future Gas Thermal Power Co., Ltd. (北京京能未來燃氣熱電有限公司) (hereinafter referred to as "Associate") is a subsidiary of the Group. The income tax expense for the year ended 31 December 2020 is RMB557,041,000.

The income tax expense for the year ended 31 December 2020 is calculated at the applicable tax rate of 25% (2019: 25%) on the taxable income. The income tax expense for the year ended 31 December 2020 is RMB557,041,000.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

12. INCOME TAX EXPENSE (continued)

As at 31 December 2020, the Group has no unrecognized tax benefits. The Group's tax expense is based on the tax laws and regulations in the jurisdictions in which the Group operates.

As at 31 December 2020, the Group's effective tax rate is 0% (2019: 0%).

The Group's income tax expense is calculated based on the tax laws and regulations in the jurisdictions in which the Group operates. The Group's income tax expense is calculated based on the tax laws and regulations in the jurisdictions in which the Group operates.

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Income tax expense	2,953,026	2,712,222
Income tax expense	738,257	1,200,000
Income tax expense	45,526	2,001,000
Income tax expense	(36,429)	(2,001,000)
Income tax expense	63,876	1,400,000
Income tax expense	29,880	1,400,000
Income tax expense	(2,917)	(2,400,000)
Income tax expense	(283,684)	(22,000,000)
Income tax expense	2,532	1,400,000
	557,041	0,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

14. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS

The emoluments of the directors, supervisors, and the five highest paid individuals are disclosed in the following table.

Year ended 31 December 2020

	Directors' fees RMB'000	Basic salaries and allowances RMB'000	Discretionary bonus RMB'000 (Note)	Retirement benefit contributions RMB'000	Total RMB'000
Executive directors					
Mr. A	-	371	853	3	1,227
Mr. A	-	311	773	3	1,087
Mr. A					
(for the year ended 31 December 2020, the year ended 31 December 2019)	-	106	70	-	176
Mr. A (for the year ended 31 December 2020)	-	101	597	3	701
	-	889	2,293	9	3,191
Non-executive directors					
Mr. U	-	-	-	-	-
Mr. U	-	-	-	-	-
Mr. A	-	-	-	-	-
(for the year ended 31 December 2020)	-	-	-	-	-
	-	-	-	-	-
Independent non-executive directors					
Mr. A	150	-	-	-	150
Mr. A	150	-	-	-	150
Mr. A	100	-	-	-	100
Mr. U					
(for the year ended 31 December 2020)	17	-	-	-	17
Mr. A					
(for the year ended 31 December 2020)	83	-	-	-	83
	500	-	-	-	500

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

14. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS (continued)

	Directors' fees RMB'000	Basic salaries and allowances RMB'000	Discretionary bonus RMB'000 (Note)	Retirement benefit contributions RMB'000	Total RMB'000
Underlying					
2019 A (continued)	-	-	-	-	-
2019 YA (continued)	-	311	737	3	1,051
(continued)	-	-	-	-	-
2020 A (continued)	-	-	-	-	-
2020 A (continued)	-	-	-	-	-
	-	311	737	3	1,051
	500	1,200	3,030	12	4,742

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

14. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS (continued)

Year ended 31 December 2019

	Salaries and fees	Director's emoluments	Supervisors' emoluments	Five highest paid individuals' emoluments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Salaries and fees		7	1	0	1,077
Director's emoluments		1	47	0	
Supervisors' emoluments		1	0	0	7
Total		1,007	1,077	1,077	2,161
Salaries and fees					
Director's emoluments					
Supervisors' emoluments					
Total					

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019	2018	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2020年12月31日止年度 2019年12月31日止年度 2018年12月31日止年度 2017年12月31日止年度 2016年12月31日止年度					
	10	10	100	100	100
	10	10	100	100	100
	100	100	100	100	100
	100	100	100	100	100
	00	00	00	00	00
2020年12月31日止年度 2019年12月31日止年度 2018年12月31日止年度 2017年12月31日止年度 2016年12月31日止年度					
		24	2	0	22
		24	2	0	22

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

14. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS (continued)

During the year ended 31 December 2020, the emoluments of the directors, supervisors and the five highest paid individuals are as follows:

The emoluments of the directors, supervisors and the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000). All the emoluments are disclosed in RMB'000. The emoluments of the directors, supervisors and the five highest paid individuals are disclosed in RMB'000. The emoluments of the directors, supervisors and the five highest paid individuals are disclosed in RMB'000.

Five highest paid individuals

The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000). The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000). The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000).

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Directors	932	1,220
Supervisors (Note)	2,240	1,177
Five highest paid individuals	9	200
	3,181	2,597

The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000). The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000). The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000).

Note: The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000). The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000).

The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000). The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000). The emoluments of the five highest paid individuals are disclosed in RMB'000 (2019: RMB'000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

15. DIVIDENDS

() **Annual dividend** of 7.22 (in RMB) per share (in RMB) was declared on 11 December 2020 and paid on 22 December 2020. The total amount of dividend is RMB 2,000,000.

() **Annual dividend** of 4.00 (in RMB) per share (in RMB) was declared on 11 December 2020 and paid on 20 January 2021. The total amount of dividend is RMB 4,000,000.

() **Interim dividend** of 7.22 (in RMB) per share (in RMB) was declared on 11 December 2020 and paid on 22 December 2020. The total amount of dividend is RMB 7,222,000.

16. EARNINGS PER SHARE

The following table shows the calculation of earnings per share for the year ended 31 December 2020 and 2019.

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Earnings		
Profit attributable to equity holders of the parent	2,303,390	2,000,770

	Year ended 31 December	
	2020 '000	2019 '000
Number of shares		
Weighted average number of shares outstanding during the year	8,244,508	2,744,000

The weighted average number of shares outstanding during the year is calculated based on the number of shares outstanding at the beginning of the year, adjusted for any changes in the number of shares outstanding during the year.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

17. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RMB'000	Generators and related equipment RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2019 (restated)	4,714	4,444,441	4,107	10,171	11,011	4,474,444
Acquisition	11,000	477,777	2,177	1,177	10,404	4,180,735
Disposal (note (b))	(12)	(1,020)	44	1,111		(477)
Transfer	4,000	2,202,202		2,000	(2,244,100)	
Accumulated depreciation (Note 44)	4,400	2,414,400	10,000		2,127,000	2,455,800
Impairment losses	(4)	(1,141)	(1,020)	(1,000)		(3,205)
Disposal of property, plant and equipment	42	22,044				22,086
At 31 December 2019	4,710	4,720,000	1,074	111,400	10,117	4,847,301
At 1 January 2020	8,466,150	39,720,660	91,074	111,469	5,068,187	53,457,540
Acquisition	3,560	99,091	5,164	10,217	4,573,665	4,691,697
Disposal (note (b))	56,014	(72,723)	328	8	-	(16,373)
Transfer	200,681	4,273,369	-	3,433	(4,477,483)	-
Accumulated depreciation (Note 44)	64,454	1,265,098	167	1,697	15,112	1,346,528
Impairment losses	(1,333)	(127,700)	(5,439)	(4,467)	-	(138,939)
Disposal of property, plant and equipment	94	51,026	14	12	-	51,146
At 31 December 2020	8,789,620	45,208,821	91,308	122,369	5,179,481	59,391,599

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

17. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings RMB'000	Generators and related equipment RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2019	1,447,422	10,174,471	66,282	74,264	-	11,762,429
Disposals	(2,771)	(1,114,144)	(4,226)	(2,287)	-	(2,043,428)
Depreciation	(2)	(270,771)	(1,226)	(1,127)	-	(443,826)
Impairment losses	-	4,777	4	4	-	9,565
At 31 December 2019	1,706,178	11,827,625	66,282	74,264	-	13,674,349
Disposals	(272,308)	(2,195,921)	(5,554)	(12,635)	-	(2,486,418)
Depreciation (note (e))	100,397	19,124	-	-	-	119,521
Impairment losses	(81)	(83,488)	(4,226)	(2,287)	-	(90,082)
Depreciation	-	14,161	11	8	-	14,180
At 31 December 2020	2,078,802	13,973,343	67,621	84,620	-	16,204,386
At 31 December 2020	6,710,818	31,235,478	23,687	37,749	5,179,481	43,187,213
At 1 January 2019	1,767,772	27,770,000	24,772	77,200	5,071,777	34,717,521

Notes:

- ()
- 2.11% 4.7%
- 0.17% 7.2%
- 0.0% 1.0%
- 11.00% 1.00%

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

18. RIGHT-OF-USE ASSETS (continued)

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
At 1 January	116,472	74,000
Leases entered into during the year	59,824	4,100
Leases terminated during the year	(321,692)	(21,000)
At 31 December	108,892	22,040

Note: The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. The right-of-use assets are classified as non-current assets in the consolidated balance sheet. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. The right-of-use assets are classified as non-current assets in the consolidated balance sheet.

The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. The right-of-use assets are classified as non-current assets in the consolidated balance sheet. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. The right-of-use assets are classified as non-current assets in the consolidated balance sheet.

The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. The right-of-use assets are classified as non-current assets in the consolidated balance sheet. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. The right-of-use assets are classified as non-current assets in the consolidated balance sheet.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

19. INTANGIBLE ASSETS

	Concession rights <i>RMB'000</i> <i>(note (b))</i>	Operation rights <i>RMB'000</i> <i>(note (c))</i>	Software <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 201 Intangible assets Under concession under concession (Note 44)	4,022,154	1,941,970	235,198	6,199,322
At 1 January 201 Intangible assets Under concession under concession (Note 44)	4,022,154	1,941,970	235,198	6,199,322
At 1 January 2020 Intangible assets Under concession under concession (Note 44)	4,022,154	2,506,743	303,710	6,832,607
At 31 December 201 Intangible assets Under concession under concession (Note 44)	1,835,031	246,949	68,667	2,150,647
At 31 December 2020 Intangible assets Under concession under concession (Note 44)	1,835,031	246,949	68,667	2,150,647
At 31 December 2020 Intangible assets Under concession under concession (Note 44)	1,999,442	334,559	87,852	2,421,853
At 31 December 2020 Intangible assets Under concession under concession (Note 44)	2,022,712	2,172,184	215,858	4,410,754
At 1 January 201 Intangible assets Under concession under concession (Note 44)	2,177,12	1,941,970	1,941,970	4,061,060

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

21. IMPAIRMENT TESTING ON GOODWILL

At 31 December 2020, the Group's goodwill is primarily attributable to the acquisition of Beijing Jingneng Clean Energy Co., Limited ("Jingneng Clean Energy") in 2015. The Group's goodwill is tested for impairment annually, or more frequently if there are indicators of impairment. The Group's goodwill is tested for impairment by comparing the carrying amount of the cash-generating unit ("CGU") containing the goodwill with its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use.

The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU containing the goodwill with its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use.

The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU containing the goodwill with its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use.

The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU containing the goodwill with its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU containing the goodwill with its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use.

The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU containing the goodwill with its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use.

22. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES

(a) Investments in associates

	At 31 December	
	2020 RMB'000	2019 RMB'000
Investments in associates	2,166,556	27,111
Loans to associates	1,360,644 (8,692)	1,177,210
	3,518,508	2,024,321

Notes to the Consolidated Financial Statements

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22. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES (continued)

(a) Investments in associates (continued)

Name of associate	Paid up registered capital	Equity interest attributable to the Group		Proportion of voting rights held by the Group		Principal activities
		At 31 December		At 31 December		
		2020	201	2020	201	
北京京能國際能源股份有限公司 (北京京能國際能源股份有限公司) (note)	4,000,000,000	20%	20%	20%	20%	Power generation
全州柳鋪水電有限公司 (全州柳鋪水電有限公司) (note)	2,000,000	40%	40%	40%	40%	Power generation
北京市天銀地熱開發有限責任公司 (北京市天銀地熱開發有限責任公司) (note)	0,000,000	50%	0%	50%	0%	Power generation

* The above associates are not included in the consolidated financial statements.

Note:

The above associates are not included in the consolidated financial statements. The equity interest attributable to the Group is as follows:

At 31 December 201, the equity interest attributable to the Group in the above associates is as follows: (in million RMB)

北京京能國際能源股份有限公司	1,222
全州柳鋪水電有限公司	800
北京市天銀地熱開發有限責任公司	0
Total	2,022

At 31 December 2020, the equity interest attributable to the Group in the above associates is as follows: (in million RMB)

北京京能國際能源股份有限公司	800
全州柳鋪水電有限公司	800
北京市天銀地熱開發有限責任公司	0
Total	1,600

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

22. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES (continued)

(b) Loans to associates

	At 31 December	
	2020 RMB'000	2019 RMB'000
Loans to associates	117,000	1,400

At 31 December 2020, the loans to associates are denominated in RMB (2019: RMB). All loans to associates are unsecured, interest-free and repayable within 1 year (2019: 101.27%). All loans to associates are denominated in RMB (2019: 101.27%).

(c) Summarised financial information of material associates

The following table summarises the financial information of material associates. The financial information is presented in the same manner as in the consolidated financial statements. The financial information is presented in RMB'000.

Jingneng International	At 31 December	
	2020 RMB'000	2019 RMB'000
Assets	70,817,506	70,414
Liabilities	9,607,145	9,607,145
Net assets	30,848,341	1,111,111
Revenue	18,420,223	1,111,111
Profit	19,522,045	1,111,111
Other comprehensive income	1,517,348	1,517,348

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Revenue	20,070,422	1,111,111
Profit	1,690,672	1,111,111
Other comprehensive income	1,150,008	1,111,111
Net assets	22,442	1,111,111
Other comprehensive income	-	4,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

22. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES (continued)

(c) Summarised financial information of material associates (continued)

	At 31 December	
	2020 RMB'000	2019 RMB'000
Investment in associates	10,116,694	10,411,000
Share of profit of associates	20%	20%
Share of profit of associates	2,023,339	1,212,000
Share of profit of associates	35,270	35,270
Total	2,058,609	1,282,540

	At 31 December 2020 RMB'000
BEH Finance	20,895,349
BEH Finance	9,250,889
BEH Finance	5,656
BEH Finance	23,160,861

	Year ended 31 December 2020 RMB'000
BEH Finance	498,319
BEH Finance	308,678
BEH Finance	(23,330)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

22. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES (continued)

(c) Summarised financial information of material associates (continued)

	At 31 December 2020 RMB'000
Investment in associates	6,979,721
Share of profit of associates	20%
Loans to associates	1,395,944
	<u>1,395,944</u>

(d) Aggregate information of associates that are not individually material:

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Share of profit of associates	2,401	,0
Aggregate information of associates that are not individually material	<u>63,955</u>	<u>1, 4</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

23. INVESTMENT IN A JOINT VENTURE/LOANS TO A JOINT VENTURE

(a) Investment in a joint venture

	At 31 December	
	2020 RMB'000	2019 RMB'000
Investment in joint venture, net of impairment losses	152,500	12,000
Less: Investment in joint venture (impairment losses)	(21,596)	47
	130,904	12,047

The investment in joint venture is measured at cost less impairment losses. The impairment losses are measured at the end of each reporting period.

Name of the joint venture	Paid up registered capital	Equity interest attributable to the Group		Proportion of voting rights held by the Group		Principal activity
		At 31 December		At 31 December		
		2020	2019	2020	2019	
北京華源惠眾環保科技有限公司 (Beijing Huayuan Hui Zhong Environmental Protection Technology Co., Ltd.)	1,000,000	50%	0%	50%	0%	Environmental protection technology services

(b) Loans to a joint venture

	At 31 December	
	2020 RMB'000	2019 RMB'000
Loans to joint venture	70,000	7,000

At 31 December 2019, the loans to joint venture are unsecured, interest-free, and have a term of 4.7 years.

At 31 December 2020, the loans to joint venture are unsecured, interest-free, and have a term of 0,000,000 RMB. The loans to joint venture are expected to be repaid by 31 December 2022.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

24. DEFERRED TAXATION

	Deferred tax assets and liabilities											
	As at 31 December 2020 and 2019											
	Tax loss	Impairment loss of financial asset	Temporary differences on fair value adjustments in acquisition of subsidiaries	Fair value change of equity instruments at FVTOCI	Trial run profit	Deferred income related to clean energy production	Different depreciation rate	Trial run loss	Fair value change of financial assets at FVTPL	Derivative financial instruments	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			(Note (c))		(Note (a))	(Note (b))		(Note (a))				
As at 31 December 2019	1,147	1,147	(1,147)	(2,071)	1,147	4,071	(1,071)	(2,147)	1,147	2,147	1,147	10,147
Change during the year	(11,147)	1,147	1,147	(1,147)	2,147	1,147	(14,147)	4,147	(4,147)	1,147	10,201	4,147
As at 31 December 2020	1,147	1,147	1,147	(3,218)	3,294	5,218	(15,218)	4,294	(3,000)	3,294	21,448	14,294
As at 1 January 2019	41,642	5,628	(24,306)	(3,571)	113,767	78,258	(96,376)	(48,428)	14,432	28,323	21,124	130,493
Change during the year	(4,512)	962	1,486	-	(564)	(23,967)	(12,713)	4,683	8,389	390	2,116	(23,730)
As at 31 December 2020	-	-	-	3,851	-	-	-	-	-	(7,569)	-	(3,718)
As at 1 January 2020	-	-	416	-	-	-	-	-	-	-	-	416
Change during the year	(410)	-	-	-	-	-	(3,079)	-	(1,320)	3,657	180	(972)
As at 31 December 2020	36,720	6,590	(22,404)	280	113,203	54,291	(112,168)	(43,745)	21,501	24,801	23,420	102,489

Notes:

- (1) The deferred tax assets and liabilities are measured at the best estimate of the amount expected to be realized or settled, based on the current tax laws and rates, and the company's assessment of the likelihood of future taxable income or tax credits. The company uses the expected credit loss model to estimate the amount of deferred tax assets and liabilities to be recognized. The company's assessment of the likelihood of future taxable income or tax credits is based on the company's historical performance, the industry's performance, and the company's future business plan. The company's assessment of the likelihood of future taxable income or tax credits is based on the company's historical performance, the industry's performance, and the company's future business plan.
- (2) The deferred tax assets and liabilities are measured at the best estimate of the amount expected to be realized or settled, based on the current tax laws and rates, and the company's assessment of the likelihood of future taxable income or tax credits. The company uses the expected credit loss model to estimate the amount of deferred tax assets and liabilities to be recognized. The company's assessment of the likelihood of future taxable income or tax credits is based on the company's historical performance, the industry's performance, and the company's future business plan. The company's assessment of the likelihood of future taxable income or tax credits is based on the company's historical performance, the industry's performance, and the company's future business plan.
- (3) The deferred tax assets and liabilities are measured at the best estimate of the amount expected to be realized or settled, based on the current tax laws and rates, and the company's assessment of the likelihood of future taxable income or tax credits. The company uses the expected credit loss model to estimate the amount of deferred tax assets and liabilities to be recognized. The company's assessment of the likelihood of future taxable income or tax credits is based on the company's historical performance, the industry's performance, and the company's future business plan. The company's assessment of the likelihood of future taxable income or tax credits is based on the company's historical performance, the industry's performance, and the company's future business plan.

Notes to the Consolidated Financial Statements

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24. DEFERRED TAXATION (continued)

At 31 December

	2020 RMB'000	201 RMB'000
Deferred tax assets	296,104	2,0
Deferred tax liabilities	(193,615)	(1,110)
	102,489	1,04

At 31 December

	2020 RMB'000	201 RMB'000
Deferred tax assets	1,059,276	1,070,2
Deferred tax liabilities	119,521	
	1,178,797	1,070,2

At 1 January 2020, the deferred tax assets were RMB40,000 (2019: RMB1,011,000), which were fully offset by the deferred tax liabilities of RMB40,000 (2019: RMB1,011,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

24. DEFERRED TAXATION (continued)

	At 31 December	
	2020 RMB'000	2019 RMB'000
2020	-	2,011
2021	155,499	1,404
2022	174,589	1,404
2023	163,986	1,404
2024	269,856	2,011
2025	255,043	
	1,018,973	10,038

25. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At 31 December	
	2020 RMB'000	2019 RMB'000
Available-for-sale financial assets	66,911	142,111

The available-for-sale financial assets are primarily equity instruments of other companies. The fair value of these equity instruments is determined based on the closing price of the equity instruments in the stock exchange at the reporting date. The fair value of these equity instruments is measured at the reporting date using the closing price of the equity instruments in the stock exchange at the reporting date. The fair value of these equity instruments is measured at the reporting date using the closing price of the equity instruments in the stock exchange at the reporting date.

At the reporting date, 22,000 shares of 2% convertible preferred shares of the subsidiary were held. The fair value of these shares is determined based on the closing price of the shares in the stock exchange at the reporting date. The fair value of these shares is determined based on the closing price of the shares in the stock exchange at the reporting date.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

26. INVENTORIES

As at 31 December 2020, inventories are stated at cost less provision for obsolescence. Inventories are measured at the lower of cost and net realizable value. Cost is determined on the basis of the weighted average method. Provision for obsolescence is determined based on the expected net realizable value of inventories. As at 31 December 2020, the provision for obsolescence is HK\$1,000 million (2019: HK\$1,000 million).

Notes to the Consolidated Financial Statements

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27. TRADE AND BILLS RECEIVABLES (continued)

As at 31 December 2020, the carrying amount of trade and bills receivables is RMB1,400,000 (2019: RMB1,204,400). The carrying amount of trade and bills receivables is measured at amortised cost less impairment. The impairment is determined based on the expected credit loss model. The impairment loss is RMB14,000 (2019: RMB1,204,400).

The carrying amount of trade and bills receivables is measured at amortised cost less impairment. The impairment is determined based on the expected credit loss model. The impairment loss is RMB14,000 (2019: RMB1,204,400).

As at 31 December 2020, the carrying amount of trade and bills receivables is RMB1,400,000 (2019: RMB1,204,400). The carrying amount of trade and bills receivables is measured at amortised cost less impairment. The impairment is determined based on the expected credit loss model. The impairment loss is RMB14,000 (2019: RMB1,204,400).

As at 31 December 2020, the carrying amount of trade and bills receivables is RMB1,400,000 (2019: RMB1,204,400). The carrying amount of trade and bills receivables is measured at amortised cost less impairment. The impairment is determined based on the expected credit loss model. The impairment loss is RMB14,000 (2019: RMB1,204,400).

The carrying amount of trade and bills receivables is measured at amortised cost less impairment. The impairment is determined based on the expected credit loss model. The impairment loss is RMB14,000 (2019: RMB1,204,400).

The carrying amount of trade and bills receivables is measured at amortised cost less impairment. The impairment is determined based on the expected credit loss model. The impairment loss is RMB14,000 (2019: RMB1,204,400).

28. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 31 December	
	2020 RMB'000	2019 RMB'000
Other receivables	80,340	0,4
Deposits	342,554	17,4
Prepayments	65,662	121,41
	488,556	139,25
Impairment	(24,778)	(24,740)
	463,778	114,51

The carrying amount of other receivables, deposits and prepayments is measured at amortised cost less impairment. The impairment is determined based on the expected credit loss model. The impairment loss is RMB24,778 (2019: RMB24,740).

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29. VALUE-ADDED TAX RECOVERABLE

	At 31 December	
	2020 RMB'000	2019 RMB'000
Value-added tax recoverable	469,666	1,000
Value-added tax receivable	1,114,305	10,000
	1,583,971	11,000

The value-added tax recoverable represents the amount of value-added tax that the Group is entitled to recover from the tax authorities. The value-added tax receivable represents the amount of value-added tax that the Group is entitled to recover from its customers. The value-added tax recoverable and value-added tax receivable are classified as non-current assets in the consolidated balance sheet.

30. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 December	
	2020 RMB'000	2019 RMB'000
Financial asset at fair value through profit or loss (Note)	196,043	2,000

Note:

The financial asset at fair value through profit or loss represents the Group's investment in equity securities. The equity securities are classified as financial assets at fair value through profit or loss because they are held for trading.

The equity securities are measured at fair value at the end of each reporting period.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

32. CASH AND CASH EQUIVALENTS (continued)

At 31 December 2020, the Group's cash and cash equivalents were RMB1,601,100,000 (2019: RMB1,601,100,000). The Group's cash and cash equivalents are held in various banks and financial institutions. The Group's cash and cash equivalents are denominated in RMB, USD and HKD.

The Group's cash and cash equivalents are held in various banks and financial institutions. The Group's cash and cash equivalents are denominated in RMB, USD and HKD.

	At 31 December	
	2020	2019
Interest rate	0.01% to 1.55%	0.01% to 1.55%

33. TRADE AND OTHER PAYABLES

	At 31 December	
	2020 RMB'000	2019 RMB'000
Trade payables	2,384,450	2,271,020
Other payables	1,601,100	1,601,100
Accounts payable	446,166	174,470
Accounts receivable	20,000	
Prepaid expenses	103,870	103,870
Other payables	164,689	1,010,160
Accounts receivable		71,142
Accounts payable	338,714	4,010,160
Total	5,058,989	4,770,422

The Group's trade payables are denominated in RMB, USD and HKD. The Group's trade payables are held in various banks and financial institutions. The Group's trade payables are denominated in RMB, USD and HKD.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

33. TRADE AND OTHER PAYABLES (continued)

As at 31 December 2020, the carrying amount of trade and other payables is RMB2,404,450,000 (2019: RMB2,270,020,000).

	At 31 December	
	2020 RMB'000	2019 RMB'000
Trade payables	1,676,193	2,043,101
Other payables	563,194	143,919
Contract liabilities	115,688	1,000
Other	37,516	11,120
	11,859	4,280
	2,404,450	2,270,020

The carrying amount of trade payables is RMB1,676,193,000 (2019: RMB2,043,101,000) and other payables is RMB563,194,000 (2019: RMB143,919,000) as at 31 December 2020.

	At 31 December	
	2020 RMB'000	2019 RMB'000
Contract liabilities	25,307	10,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

34. BANK AND OTHER BORROWINGS

	At 31 December	
	2020 RMB'000	2019 RMB'000
Bank borrowings	19,405,925	1,110,040
Other borrowings		
- bank borrowings (note (a))	3,142,250	1,000,000
- other borrowings (note (b))	220,000	270,000
- bank borrowings (note (c))	445,665	1,240,000
- other borrowings (note (d))	750	700
	23,214,590	1,271,070
Bank borrowings		
- bank borrowings	21,505,281	17,720,110
- other borrowings (note (e))	1,709,309	1,441,440
	23,214,590	1,271,070
Bank borrowings		
- bank borrowings	12,318,322	7,700,000
- other borrowings	2,457,544	1,000,000
- bank borrowings	5,184,929	4,700,000
- other borrowings	3,253,795	1,000,000
	23,214,590	1,271,070
- bank borrowings		
- other borrowings	(12,318,322)	(7,700,000)
	10,896,268	11,400,140

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

34. BANK AND OTHER BORROWINGS (continued)

Notes:

- () 2020 12 31 142,200,000 (2019 12 31 1,000,000,000) 10.00% 2,100,000,000 2021 1,700,000 2022 202 2,200 2020 (2019 7,740,000).
- () 1 2020, 北京京西發電有限責任公司 (1,000,000 (2019 200,000,000)) 北京京豐熱電有限責任公司 (70,000,000 (2019 70,000,000)), 12% 4.2% 10,700 2020 (2019 247,000).
- () 光大金融租賃股份有限公司 (200,000,000 (2019 0,000,000)) 1.1% 2.00%, 2021 2024.
- () 10,000,000 (2019 10,000,000) 中國農發重點建設基金有限公司 (北京上莊燃氣熱電有限公司 (0.0% 7% (2019 0.0% 40.40%))

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

34. BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

- () 2020 年 12 月 31 日，本集团应付短期借款的利率为 4.0% 的年利率。2021 年 1 月 1 日，本集团应付短期借款的利率为 4.0% 的年利率。2020 年 12 月 31 日，本集团应付短期借款的余额为 1,000,000,000 元（2019 年 12 月 31 日：1,000,000,000 元）。
- () 2020 年 12 月 31 日，本集团应付长期借款的利率为 4.0% 的年利率。2021 年 1 月 1 日，本集团应付长期借款的利率为 4.0% 的年利率。2020 年 12 月 31 日，本集团应付长期借款的余额为 17,000,000,000 元（2019 年 12 月 31 日：17,000,000,000 元）。
- () 2020 年 12 月 31 日，本集团应付融资租赁款的利率为 4.0% 的年利率。2021 年 1 月 1 日，本集团应付融资租赁款的利率为 4.0% 的年利率。2020 年 12 月 31 日，本集团应付融资租赁款的余额为 1,000,000,000 元（2019 年 12 月 31 日：1,000,000,000 元）。

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

35. SHORT-TERM DEBENTURES

On 1 August 2020, the Group issued short-term debentures with a total principal amount of RMB2,000,000,000, with an annual interest rate of 1.0%, and a maturity date of 10 August 2021.

On 1 August 2020, the Group issued short-term debentures with a total principal amount of RMB2,000,000,000, with an annual interest rate of 2.0%, and a maturity date of 30 August 2021.

On 2 September 2020, the Group issued short-term debentures with a total principal amount of RMB2,000,000,000, with an annual interest rate of 1.0%, and a maturity date of 2 September 2021.

On 7 September 2020, the Group issued short-term debentures with a total principal amount of RMB1,000,000,000, with an annual interest rate of 2.7%, and a maturity date of 4 September 2021.

The Group's short-term debentures are issued through the Interbank Market Dealers Association (銀行間市場交易商協會) (AIMA).

36. MEDIUM-TERM NOTES/CORPORATE BONDS

On 1 September 2017, the Group issued medium-term notes with a total principal amount of RMB2,000,000,000, with an annual interest rate of 0%, and a maturity date of 1 September 2022, with an interest of RMB1,440,000.

On 1 August 2017, the Group issued medium-term notes with a total principal amount of RMB1,000,000,000, with an annual interest rate of 0.1%, and a maturity date of 1 August 2021, with an interest of RMB1,474,000.

On 1 August 2020, the Group issued medium-term notes with a total principal amount of RMB1,000,000,000, with an annual interest rate of 0.2%, and a maturity date of 1 August 2021, with an interest of RMB2,000.

On 1 September 2017, the Group issued medium-term notes with a total principal amount of RMB1,000,000,000, with an annual interest rate of 4%, and a maturity date of 1 September 2022, with an interest of RMB42,000.

On 1 August 2020, the Group issued medium-term notes with a total principal amount of RMB1,000,000,000, with an annual interest rate of 0.22%, and a maturity date of 1 August 2021, with an interest of RMB220,000. On 1 August 2020, the Group issued medium-term notes with a total principal amount of RMB400,000,000, with an annual interest rate of 2%, and a maturity date of 1 August 2021, with an interest of RMB8,000.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

37. DERIVATIVE FINANCIAL ASSET/LIABILITIES

	At 31 December	
	2020 RMB'000	2019 RMB'000
Interest rate swap		
Interest rate swap (note (a))	—	(1,000)
Cash flow hedge		
Cash flow hedge (note (a))	(21,068)	(10,041)
Cash flow hedge (note (b))	(43,510)	(41,041)
	(64,578)	(110,082)
Foreign exchange		
Foreign exchange	(19,576)	(1,000)
Foreign exchange	(45,002)	(2,000)
	(64,578)	(110,082)

Notes:

(a) Cash flow hedges – Interest rate swaps

At 31 December 2020, the Group has entered into interest rate swap contracts with a notional amount of RMB4,000,000,000 (US\$590,000,000) to hedge the interest rate risk of the Group's debt. The interest rate swap contracts are classified as cash flow hedges.

The interest rate swap contracts are classified as cash flow hedges because they are used to hedge the interest rate risk of the Group's debt.

The interest rate swap contracts are classified as cash flow hedges because they are used to hedge the interest rate risk of the Group's debt.

At 31 December 2020

Notional amount	Maturity	Swaps
A \$1,000,000,000 (US\$1,000,000,000)	1/1/2021-2022	Fixed rate swap, interest rate swap AUD swap +1.0% - 2.1%
A \$1,420,000,000 (US\$1,420,000,000)	21 Jun 2021	Fixed rate swap, interest rate swap AUD swap +1.4% - 4.20%

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

38. DEFERRED INCOME

	Government grants and subsidies		
	Clean energy production RMB'000 (note (a))	Construction of assets RMB'000 (notes (b) and (c))	Total RMB'000
At 1 January 201	04,000	44,244	48,244
At 31 December 2020	10,000	4,411	14,411
Change during the year	(101,000)	(27,000)	(128,000)
At 1 January 201	313,033	485,258	798,291
At 31 December 2020	341,711	3,035	344,746
Change during the year	(426,408)	(52,482)	(478,890)
At 1 January 2020	228,336	435,811	664,147

Notes:

(a) Government grants are recognized in the consolidated income statement when the entity has satisfied the conditions attached to the grants. Government grants are recognized in the consolidated income statement when the entity has satisfied the conditions attached to the grants.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

39. LEASE LIABILITIES

	Year ended 31 December	
	2020 RMB'000	201 RMB'000
Present value of lease liabilities	64,659	44,111
Lease liabilities measured at cost	85,796	2,702
Lease liabilities measured at fair value	180,985	1,712
Lease liabilities measured at amortized cost	569,555	444,111
	900,995	7,400
Less: Lease liabilities measured at fair value	(64,659)	(44,111)
	836,336	4,300

The weighted average incremental borrowing rate used to determine the present value of lease liabilities was 4.77% (2019: 4.0%).

40. OTHER NON-CURRENT LIABILITY

	Year ended 31 December	
	2020 RMB'000	201 RMB'000
Guarantee provided to related parties	24,285	1,700
Guarantee provided to other parties	(5,277)	(1,710)
Guarantee provided to other parties measured at fair value	394	(1,000)
	19,402	24,285

The guarantee provided to related parties is provided to the subsidiaries of the Company. The guarantee provided to other parties is provided to the subsidiaries of the Company. The guarantee provided to other parties measured at fair value is provided to the subsidiaries of the Company. The weighted average incremental borrowing rate used to determine the present value of lease liabilities was 2.0%.

The Company has entered into Business Combinations. The Business Combinations are defined as the acquisition of an entity or business, or the combination of entities or businesses, under common control, which is not a reverse acquisition. The Business Combinations are accounted for as an acquisition of an entity or business, or the combination of entities or businesses, under common control. The Business Combinations are accounted for as an acquisition of an entity or business, or the combination of entities or businesses, under common control.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

41. SHARE CAPITAL

	Number of shares			Share capital RMB'000
	Domestic legal person shares '000	H shares '000	Total '000	
At 1 January 2019	2,244,000	2,244,000	4,488,000	2,244,000
At 31 December 2020	2,244,000	2,244,000	4,488,000	2,244,000

42. CAPITAL RESERVE

	At 31 December	
	2020 RMB'000	2019 RMB'000
Capital reserve	2,876,757	2,876,757
Reserve for share repurchase	(19,043)	(19,043)
Total	1,076,759	1,076,759

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

43. PERPETUAL NOTES

At the end of the reporting period, the carrying amount of perpetual notes is RMB1,420,000 (2020: RMB1,420,000). The interest expense for the year ended 31 December 2020 is RMB1,420,000 (2020: RMB1,420,000).

The carrying amount of perpetual notes at the end of the reporting period is RMB1,420,000 (2020: RMB1,420,000), which is 44% of the total assets. The interest expense for the year ended 31 December 2020 is RMB1,420,000 (2020: RMB1,420,000). The interest expense for the year ended 31 December 2020 is RMB1,420,000 (2020: RMB1,420,000). The interest expense for the year ended 31 December 2020 is RMB1,420,000 (2020: RMB1,420,000).

The carrying amount of perpetual notes at the end of the reporting period is RMB1,420,000 (2020: RMB1,420,000). The interest expense for the year ended 31 December 2020 is RMB1,420,000 (2020: RMB1,420,000).

At 31 December 2020, the carrying amount of perpetual notes is RMB1,420,000 (2020: RMB1,420,000). The interest expense for the year ended 31 December 2020 is RMB1,420,000 (2020: RMB1,420,000).

The carrying amount of perpetual notes at the end of the reporting period is RMB1,420,000 (2020: RMB1,420,000). The interest expense for the year ended 31 December 2020 is RMB1,420,000 (2020: RMB1,420,000).

The carrying amount of perpetual notes at the end of the reporting period is RMB1,420,000 (2020: RMB1,420,000). The interest expense for the year ended 31 December 2020 is RMB1,420,000 (2020: RMB1,420,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

44. ACQUISITION OF SUBSIDIARIES

Year ended 31 December 2020

During the year ended 31 December 2020, the Group has acquired subsidiaries, details of which are set out below.

On 29 June 2020, the Group has acquired 100% equity interest of 義縣珈煜光伏電力有限公司 (Yixian Jiayu Photovoltaic Power Co., Ltd.)* with a consideration of RMB4,100,000. The Group has also acquired 100% equity interest of 寧夏杉陽新能源有限公司 (Ningxia Shanyang New Energy Co., Ltd.)* with a consideration of RMB1,010,000. On 28 August 2020, the Group has acquired 100% equity interest of 寧夏同心大地日盛新能源有限公司 (Ningxia Tongxin Dadi Risheng New Energy Co., Ltd.)* with a consideration of RMB3,022,000. On 11 December 2020, the Group has acquired 100% equity interest of 湛江市鼎瑞太陽能發電有限公司 (Zhanjiang Dingrui Solar Power Generation Co., Ltd.)* with a consideration of RMB15,800,000.

Name of the Targets	Acquisition date	Acquisition consideration RMB'000
義縣珈煜光伏電力有限公司 (Yixian Jiayu Photovoltaic Power Co., Ltd.)*	29 June 2020	15,361
寧夏杉陽新能源有限公司 (Ningxia Shanyang New Energy Co., Ltd.)*	28 August 2020	—**
寧夏同心大地日盛新能源有限公司 (Ningxia Tongxin Dadi Risheng New Energy Co., Ltd.)*	17 July 2020	3,022
湛江市鼎瑞太陽能發電有限公司 (Zhanjiang Dingrui Solar Power Generation Co., Ltd.)*	11 December 2020	15,800
		34,183

* All subsidiaries are wholly owned by the Group.

** Nil consideration was paid.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

44. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2020 (continued)

As at the acquisition date, the identifiable intangible assets acquired are as follows (expressed in RMB'000):

	RMB'000
Assets acquired and liabilities recognised at the dates of acquisition	
Identifiable intangible assets	1,346,528
Goodwill	108,892
Identifiable intangible assets	564,868
Identifiable intangible assets	2,609
Identifiable intangible assets	380,311
Identifiable intangible assets	16,514
Identifiable intangible assets	195,744
Identifiable intangible assets	38,908
Identifiable intangible assets	(2,060,603)
Identifiable intangible assets	(380,950)
Identifiable intangible assets	(25,145)
Identifiable intangible assets	(2,193)
Identifiable intangible assets	(249)
	185,234
Bargain purchase gain arising on acquisitions	
Identifiable intangible assets	34,183
Identifiable intangible assets	(185,234)
	(151,051)
Identifiable intangible assets	34,183
Identifiable intangible assets	(27,761)
Identifiable intangible assets	(38,908)
	(32,486)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

44. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2020 (continued)

On 11 November 2020, the Group acquired 100% of the equity of a subsidiary, which is a company engaged in the provision of services. The acquisition was completed on 11 November 2020. The purchase price was HK\$4,200,000.

The identifiable intangible assets acquired in the acquisition are as follows:

Customer relationships	HK\$17,227,400
Goodwill	HK\$4,000,000
Total	HK\$21,227,400

 The identifiable intangible assets are measured at fair value at the acquisition date. The fair value of the customer relationships is determined based on the expected cash flows from the customer relationships. The goodwill represents the excess of the purchase price over the fair value of the identifiable intangible assets.

The acquisition of the subsidiary is accounted for as an acquisition of a subsidiary under the acquisition method. The results of the subsidiary are included in the consolidated financial statements from the date of acquisition.

The following table shows the financial position of the subsidiary at the acquisition date:

Identifiable intangible assets	HK\$21,227,400
Goodwill	HK\$4,000,000
Total	HK\$25,227,400

The following table shows the financial position of the subsidiary at the end of the reporting period:

Identifiable intangible assets	HK\$21,227,400
Goodwill	HK\$4,000,000
Total	HK\$25,227,400

Year ended 31 December 2019

On 1 January 2019, the Group acquired 100% of the equity of a subsidiary, which is a company engaged in the provision of services. The acquisition was completed on 1 January 2019. The purchase price was HK\$1,217,000. The identifiable intangible assets acquired in the acquisition are as follows:

Customer relationships	HK\$117,000,000
Goodwill	HK\$1,217,000
Total	HK\$118,217,000

 The identifiable intangible assets are measured at fair value at the acquisition date. The fair value of the customer relationships is determined based on the expected cash flows from the customer relationships. The goodwill represents the excess of the purchase price over the fair value of the identifiable intangible assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

44. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2019 (continued)

As at the acquisition date, the identifiable intangible assets acquired are as follows:

	RMB'000
Assets acquired and liabilities recognised at the dates of acquisition	
Identifiable intangible assets	2,121,140
Goodwill	2,204
Identifiable intangible assets	-
Identifiable intangible assets	2,120
Identifiable intangible assets	2,217
Identifiable intangible assets	417,000
Identifiable intangible assets	-
Identifiable intangible assets	(2,120)
Identifiable intangible assets	(1,120)
Identifiable intangible assets	(214,411)
Identifiable intangible assets	(1,120)
Identifiable intangible assets	(11,210)
	<u>10,000</u>
Bargain purchase gain arising on acquisitions	
Identifiable intangible assets	1,217
Identifiable intangible assets	(10,000)
	<u>(11,783)</u>
Net cash outflow arising on acquisitions	
Identifiable intangible assets	1,217
Identifiable intangible assets	(222,004)
Identifiable intangible assets	(1,120)
	<u>2,100</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

44. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2019 (continued)

On 1 July 2019, the Group acquired 100% equity interest in a subsidiary, which is a wholly owned subsidiary of the Group. The acquisition was completed on 1 July 2019. The carrying amount of the net assets acquired at the acquisition date was RMB24,120,000.

The acquisition was accounted for as an acquisition of a subsidiary. The Group's consolidated financial statements for the year ended 31 December 2019 include the financial statements of the subsidiary from 1 July 2019. The carrying amount of the net assets acquired at the acquisition date was RMB24,120,000. The acquisition was accounted for as an acquisition of a subsidiary. The Group's consolidated financial statements for the year ended 31 December 2019 include the financial statements of the subsidiary from 1 July 2019.

The acquisition was accounted for as an acquisition of a subsidiary. The Group's consolidated financial statements for the year ended 31 December 2019 include the financial statements of the subsidiary from 1 July 2019.

The acquisition was accounted for as an acquisition of a subsidiary. The Group's consolidated financial statements for the year ended 31 December 2019 include the financial statements of the subsidiary from 1 July 2019.

The acquisition was accounted for as an acquisition of a subsidiary. The Group's consolidated financial statements for the year ended 31 December 2019 include the financial statements of the subsidiary from 1 July 2019.

45. CAPITAL COMMITMENTS

The Group has the following capital commitments:

	At 31 December	
	2020 RMB'000	2019 RMB'000
Capital commitments for the acquisition of subsidiaries		
At the beginning of the year	3,657,075	2,700,420
At the end of the year (Note 22(a))	-	1,222,000
	3,657,075	3,922,420

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

46. PLEDGE OF ASSETS

(a) The following table shows the carrying amounts of assets pledged to secure bank borrowings and other financial liabilities as at 31 December 2020 and 2019.

	At 31 December	
	2020 RMB'000	2019 RMB'000
Property, plant and equipment	2,353,117	1,022,111
Construction in progress	135,878	440,211
Other assets	52,259	4,071
	2,541,254	1,466,393

(b) Shares pledged

As at 31 December 2020, the carrying amount of 100% equity interest in subsidiaries is pledged to secure bank borrowings, other financial liabilities and other liabilities. As at 31 December 2019, the carrying amount of 100% equity interest in subsidiaries is pledged to secure bank borrowings and other financial liabilities.

47. RETIREMENT BENEFIT SCHEME CONTRIBUTIONS

The Group has participated in a defined contribution retirement benefit scheme. For the year ended 31 December 2020, the Group has contributed RMB41,100,000 (2019: RMB107,710,000) to the retirement benefit scheme. The Group has no other retirement benefit scheme. The Group has no other retirement benefit scheme.

The Group has participated in a defined contribution retirement benefit scheme. For the year ended 31 December 2020, the Group has contributed RMB41,100,000 (2019: RMB107,710,000) to the retirement benefit scheme. The Group has no other retirement benefit scheme. The Group has no other retirement benefit scheme.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS

(a) The following table shows the related party balances, transactions and arrangements of the Group as at and for the year ended 31 December 2020 and 2019, respectively. All related party balances and transactions are disclosed in RMB unless otherwise stated.

	At 31 December	
	2020 RMB'000	2019 RMB'000
Amount due to related parties	2,016	1,000
Amount due from related parties	153	11
Amount due to related companies	93	17
Amount due to related individuals	167,931	1,000
	170,193	0,017
Amount due from related companies	169,536	1,140
Amount due from related individuals (note)	657	1,000
	170,193	0,017

Note: The amount due to related parties is 0 as at 31 December 2020 and 2019, respectively. The amount due from related companies is 169,536 as at 31 December 2020 and 1,140 as at 31 December 2019, respectively. The amount due from related individuals is 657 as at 31 December 2020 and 1,000 as at 31 December 2019, respectively.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(b) 截至2020年12月31日，本公司与关联方之间的应收账款余额为人民币4,112,000元，截至2019年12月31日，该余额为人民币4,112,000元。

	At 31 December	
	2020 RMB'000	2019 RMB'000
应收账款	184,114	1,112
其他应收款	5,424	1,200
	1	1
	189,539	1,313
应付账款	170,400	1,200
其他应付款 (note)	13,207	1,700
预收账款	5,932	4,112
	189,539	1,313

Note: 截至2020年12月31日，本公司与关联方之间的应付账款余额为人民币170,400元，截至2019年12月31日，该余额为人民币1,200元。

(c) 截至2020年12月31日，本公司与关联方之间的预收账款余额为人民币5,932,000元，截至2019年12月31日，该余额为人民币4,112,000元。预收账款主要来自于关联方支付的款项，用于支付本公司提供的能源服务。截至2020年12月31日，预收账款的账龄在一年以内。截至2019年12月31日，预收账款的账龄在一年以内。预收账款的余额与关联方之间的交易金额一致。

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(d) Interest income from a related non-bank financial institution (continued)

(v) Interest income from a related non-bank financial institution

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	27,717	1,111

(vi) Property management fee charged by a related party

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	62,256	4,741

(vii) Heat energy sold to related parties

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	1,845,035	1,704,774

(viii) Equipment purchase framework agreement

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	143,683	12,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(d) *Operating services from related parties* (continued)

(ix) *Operating services from related parties*

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Operating services from related parties	9,366	10,243

(x) *EPC framework agreement*

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
EPC framework agreement	4,568	4,270

(xi) *Finance lease framework agreement*

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Finance lease framework agreement	247,730	247,730

At 31 December 2020, the Group had a finance lease liability of RMB247,730,000, which is classified as non-current liability. The Group has a finance lease liability of RMB247,730,000 at 31 December 2019.

(xii) *Generation Rights purchase from related parties*

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Generation Rights purchase from related parties	10,243	10,243

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(e) Compensation of key management personnel

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Salaries and bonuses	500	00
Short-term employee benefits	7,003	,04
Retirement benefits	29	00
Total	7,532	, 4

The compensation of key management personnel is determined by the Board of Directors based on the performance of the key management personnel and the market conditions.

(f) Key management personnel's remuneration

49. CAPITAL RISK MANAGEMENT

The Company's capital risk management is to ensure that the Company has sufficient capital to meet its obligations and to maintain a strong credit rating.

The Company's capital structure consists of equity capital and debt capital. The Company's capital risk management is to ensure that the Company has sufficient capital to meet its obligations and to maintain a strong credit rating.

The Company's capital risk management is to ensure that the Company has sufficient capital to meet its obligations and to maintain a strong credit rating.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	At 31 December	
	2020 RMB'000	2019 RMB'000
Financial assets		
Cash and cash equivalents	14,267,440	14,040,000
Accounts receivable	196,043	212,000
Other receivables	66,911	142,100
Financial assets at fair value through profit or loss	-	1,100
Other financial assets	-	1,100
Total	14,530,394	14,406,300
Financial liabilities		
Accounts payable	41,865,964	44,040,000
Other payables	64,578	71,000
Total	42,511,542	44,111,000

(b) Financial risk management objectives and policies

The Group's financial risk management objectives are to ensure that the Group maintains sufficient liquidity to meet its financial obligations, to manage the Group's capital structure, to manage the Group's credit risk, and to manage the Group's market risk. The Group's financial risk management policies are to ensure that the Group maintains sufficient liquidity to meet its financial obligations, to manage the Group's capital structure, to manage the Group's credit risk, and to manage the Group's market risk. The Group's financial risk management policies are to ensure that the Group maintains sufficient liquidity to meet its financial obligations, to manage the Group's capital structure, to manage the Group's credit risk, and to manage the Group's market risk.

Market risk

The Group's market risk management objectives are to ensure that the Group maintains sufficient liquidity to meet its financial obligations, to manage the Group's capital structure, to manage the Group's credit risk, and to manage the Group's market risk. The Group's market risk management policies are to ensure that the Group maintains sufficient liquidity to meet its financial obligations, to manage the Group's capital structure, to manage the Group's credit risk, and to manage the Group's market risk.

The Group's market risk management policies are to ensure that the Group maintains sufficient liquidity to meet its financial obligations, to manage the Group's capital structure, to manage the Group's credit risk, and to manage the Group's market risk. The Group's market risk management policies are to ensure that the Group maintains sufficient liquidity to meet its financial obligations, to manage the Group's capital structure, to manage the Group's credit risk, and to manage the Group's market risk.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Foreign currency risk management

Currency risk

The Group's currency risk arises from its operations in various currencies, including the US dollar, the Hong Kong dollar, the Australian dollar, the Japanese yen, the New Zealand dollar, the Singapore dollar, the South Korean won, the British pound sterling, the Indian rupee, the Chinese renminbi, the Thai baht, the Indonesian rupiah, the Vietnamese dong, the Malaysian ringgit, the Philippine peso, the South African rand, the Russian ruble, the Brazilian real, the Mexican peso, the Chilean peso, the Colombian peso, the Peruvian nuevo sol, the Argentine peso, the Paraguayan guaraní, the Uruguayan peso, the Ecuadorian sucre, the Venezuelan bolívar, the Guyanese dollar, the Surinamese dollar, the Guinean franc, the Cote d'Ivoire franc, the Central African CFA franc, the West African CFA franc, the East African shilling, the Kenyan shilling, the Ugandan shilling, the Tanzanian shilling, the Rwandan franc, the Burundian franc, the Malagasy ariary, the Comorian franc, the Mozambican metical, the Botswana pula, the Namibian dollar, the South African rand, the Lesotho loti, the Swaziland lilangeni, the Malawi kwacha, the Zambian kwacha, the Zimbabwean dollar, the Mozambican metical, the Botswana pula, the Namibian dollar, the South African rand, the Lesotho loti, the Swaziland lilangeni, the Malawi kwacha, the Zambian kwacha, the Zimbabwean dollar.

Currency sensitivity

The Group's currency risk arises from its operations in various currencies, including the US dollar, the Hong Kong dollar, the Australian dollar, the Japanese yen, the New Zealand dollar, the Singapore dollar, the South Korean won, the British pound sterling, the Indian rupee, the Chinese renminbi, the Thai baht, the Indonesian rupiah, the Vietnamese dong, the Malaysian ringgit, the Philippine peso, the South African rand, the Russian ruble, the Brazilian real, the Mexican peso, the Chilean peso, the Colombian peso, the Peruvian nuevo sol, the Argentine peso, the Paraguayan guaraní, the Uruguayan peso, the Ecuadorian sucre, the Venezuelan bolívar, the Guyanese dollar, the Surinamese dollar, the Guinean franc, the Cote d'Ivoire franc, the Central African CFA franc, the West African CFA franc, the East African shilling, the Kenyan shilling, the Ugandan shilling, the Tanzanian shilling, the Rwandan franc, the Burundian franc, the Malagasy ariary, the Comorian franc, the Mozambican metical, the Botswana pula, the Namibian dollar, the South African rand, the Lesotho loti, the Swaziland lilangeni, the Malawi kwacha, the Zambian kwacha, the Zimbabwean dollar.

	Liabilities		Assets	
	31 December 2020 RMB'000	31 December 2021 RMB'000	31 December 2020 RMB'000	31 December 2021 RMB'000
	25,307	10,000	-	-
\$	-	-	1,060	1,060
\$	-	-	5,139	5,139
▲ \$	-	-	6,069	4,069

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Foreign currency risk management (continued)

Currency sensitivity (continued)

As at 31 December 2020, the Group's net assets and liabilities denominated in US dollars, Hong Kong dollars, Japanese yen, Australian dollars, New Zealand dollars, Singapore dollars, British pounds, and other currencies were RMB1,027,000,000, RMB(43,000,000), RMB(208,000,000), RMB(246,000,000), RMB(1,000,000), RMB(1,000,000), RMB(1,000,000), and RMB(1,000,000), respectively. The Group's net assets and liabilities denominated in US dollars, Hong Kong dollars, Japanese yen, Australian dollars, New Zealand dollars, Singapore dollars, British pounds, and other currencies were RMB1,027,000,000, RMB(43,000,000), RMB(208,000,000), RMB(246,000,000), RMB(1,000,000), RMB(1,000,000), RMB(1,000,000), and RMB(1,000,000), respectively. The Group's net assets and liabilities denominated in US dollars, Hong Kong dollars, Japanese yen, Australian dollars, New Zealand dollars, Singapore dollars, British pounds, and other currencies were RMB1,027,000,000, RMB(43,000,000), RMB(208,000,000), RMB(246,000,000), RMB(1,000,000), RMB(1,000,000), RMB(1,000,000), and RMB(1,000,000), respectively.

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Net assets	1,027	44
Net liabilities	(43)	()
Net assets	(208)	(2)
Net liabilities	(246)	(1)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Other price risks

The Group is exposed to price risk in relation to its investments in equity securities. The Group's investments in equity securities are classified as available-for-sale financial assets. The fair value of these investments is determined based on the closing price of the securities in the market. The Group's investments in equity securities are classified as available-for-sale financial assets. The fair value of these investments is determined based on the closing price of the securities in the market.

Equity price sensitivity analysis

The following table shows the sensitivity of the Group's equity price risk to a 1% increase and a 1% decrease in the price of the equity securities held at the reporting date.

As at 31 December 2020, the Group's equity price risk is as follows:

Change in fair value	2020	2019
1% increase	24,400	2,000
1% decrease	(24,400)	(2,000)

Credit risk and impairment assessment

The Group is exposed to credit risk in relation to its investments in equity securities. The Group's investments in equity securities are classified as available-for-sale financial assets. The fair value of these investments is determined based on the closing price of the securities in the market. The Group's investments in equity securities are classified as available-for-sale financial assets. The fair value of these investments is determined based on the closing price of the securities in the market.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Company's credit risk management policies are described in Note 50(a). The Company's credit risk management policies are designed to minimize the credit risk of the Company's financial assets.

	12-month or lifetime ECL	At 31 December	
		2020 Gross carrying amount RMB'000	2019 Gross carrying amount RMB'000
Financial assets at amortised cost			
Accounts receivable	12	357,193	2,771
Other receivables	12	4,352,814	4,117,477
Other financial assets	12	398,116	22,778
Financial assets at amortised cost		24,778	24,740
Financial assets at amortised cost		8,881,911	4,147,766
Financial assets at amortised cost	12	294,875	294,875

Notes:

(i) The Company's credit risk management policies are designed to minimize the credit risk of the Company's financial assets. The Company's credit risk management policies are designed to minimize the credit risk of the Company's financial assets.

(ii) The Company's credit risk management policies are designed to minimize the credit risk of the Company's financial assets. The Company's credit risk management policies are designed to minimize the credit risk of the Company's financial assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade and bills receivables arising from contracts with customers

Trade and bills receivables arising from contracts with customers are measured at amortised cost. The carrying amount of trade and bills receivables arising from contracts with customers is 0 million HK dollars at 31 December 2020. The carrying amount of trade and bills receivables arising from contracts with customers is 27 million HK dollars at 31 December 2019. A provision for impairment of trade and bills receivables arising from contracts with customers is 0 million HK dollars at 31 December 2020 and 0 million HK dollars at 31 December 2019. The carrying amount of trade and bills receivables arising from contracts with customers is 27 million HK dollars at 31 December 2019. A provision for impairment of trade and bills receivables arising from contracts with customers is 0 million HK dollars at 31 December 2019 and 0 million HK dollars at 31 December 2018.

Other receivables and deposits

Other receivables and deposits are measured at amortised cost. The carrying amount of other receivables and deposits is 1 million HK dollars at 31 December 2020 and 1 million HK dollars at 31 December 2019. A provision for impairment of other receivables and deposits is 0 million HK dollars at 31 December 2020 and 0 million HK dollars at 31 December 2019. The carrying amount of other receivables and deposits is 1 million HK dollars at 31 December 2019. A provision for impairment of other receivables and deposits is 0 million HK dollars at 31 December 2019 and 0 million HK dollars at 31 December 2018.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management

The Group's liquidity risk management policy is to ensure that it is able to meet its financial obligations as they fall due. The Group's liquidity risk is managed through a combination of cash and marketable securities, and the use of short-term financing facilities. The Group's liquidity risk is managed through a combination of cash and marketable securities, and the use of short-term financing facilities.

At 31 December 2020, the Group's cash and marketable securities were HK\$1,170,000,000. The Group's liquidity risk is managed through a combination of cash and marketable securities, and the use of short-term financing facilities.

At 31 December 2020, the Group's cash and marketable securities were HK\$1,170,000,000. The Group's liquidity risk is managed through a combination of cash and marketable securities, and the use of short-term financing facilities.

Liquidity risk

The Group's liquidity risk management policy is to ensure that it is able to meet its financial obligations as they fall due. The Group's liquidity risk is managed through a combination of cash and marketable securities, and the use of short-term financing facilities.

The Group's liquidity risk management policy is to ensure that it is able to meet its financial obligations as they fall due. The Group's liquidity risk is managed through a combination of cash and marketable securities, and the use of short-term financing facilities.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	Weighted average effective interest rate %	Within 1 year RMB'000	1 year to 2 years RMB'000	2 years to 3 years RMB'000	3 years to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
At 31 December 2020								
Accounts payable	-	4,351,400	317,080	121,950	-	-	4,790,430	4,790,430
Accounts receivable	3.89	8,795,910	2,377,019	2,056,726	2,688,075	3,315,301	19,233,031	17,441,753
Prepaid expenses	3.46	4,179,528	410,618	126,717	908,137	347,388	5,972,388	5,772,837
Other receivables	2.51	7,148,844	-	-	-	-	7,148,844	7,060,658
Due from subsidiaries	5.01	231,671	2,231,671	1,616,011	1,033,915	-	5,113,268	4,585,335
Due from other companies	3.37	67,036	1,067,036	430,278	619,535	-	2,183,885	2,025,412
Amount due from related parties	-	189,539	-	-	-	-	189,539	189,539
Other financial assets	4.77	76,684	100,643	95,846	123,966	900,394	1,297,533	900,995
Other non-current assets	-	19,576	-	-	43,510	1,492	64,578	64,578
		<u>25,060,188</u>	<u>6,504,067</u>	<u>4,447,528</u>	<u>5,417,138</u>	<u>4,564,575</u>	<u>45,993,496</u>	<u>42,831,537</u>
At 31 December 2019								
Accounts payable	-	4,112,000	420,000	114,000	20,000	-	4,446,000	4,411,000
Accounts receivable	4.4	1,224,000	1,000,000	1,000,000	1,200,000	1,110,000	5,000,000	4,400,000
Prepaid expenses	4.24	1,440,000	241,400	-	1,020,000	410,000	3,400,000	4,240,000
Other receivables	4	1,120,000	-	-	-	-	1,120,000	1,000,000
Due from subsidiaries	1.1	1,100,000	1,100,000	1,100,000	1,100,000	-	4,000,000	3,000,000
Due from other companies	4	1,100,000	1,100,000	1,000,000	1,100,000	-	4,000,000	3,000,000
Amount due from related parties	-	1,240,000	-	-	-	-	1,240,000	1,240,000
Other financial assets	4.0	400,000	1,400,000	200,000	420,000	1,000,000	3,000,000	1,400,000
Other non-current assets	-	1,000,000	1,000,000	200,000	1,000,000	400,000	3,000,000	1,000,000
		<u>11,220,000</u>	<u>24,440,000</u>	<u>4,400,000</u>	<u>3,420,000</u>	<u>2,440,000</u>	<u>11,110,000</u>	<u>11,000,000</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(c) Fair value

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique and key input
	31 December 2020	31 December 2019		
(1) Listed equity securities in Hong Kong: Electric power industry – RMB196,043,000 (see Note 30)		196,043,000	1	Using the market price of the securities at the reporting date.
(2) Liabilities – RMB21,068,000 (see Note 37)		21,068,000	2	Using the market price of the securities at the reporting date.
(3) Private equity investments in the PRC: (i) Electric power industry – RMB66,911,000 (see Note 25)		66,911,000		Using the market price of the securities at the reporting date.
(4) Liabilities – RMB43,510,000 (see Note 37)		43,510,000	(note)	Using the market price of the securities at the reporting date.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

51. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table reconciles the changes in the carrying amount of liabilities arising from financing activities during the year. The carrying amount of liabilities arising from financing activities is presented in the consolidated balance sheet. The carrying amount of liabilities arising from financing activities is presented in the consolidated balance sheet. The carrying amount of liabilities arising from financing activities is presented in the consolidated balance sheet.

	Bank and other borrowings RMB'000	Short-term debentures RMB'000	Medium- term notes RMB'000	Corporate bond RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 201 (Note 43)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Issuance of new debt	(1,140,000)	(1,140,000)	(1,140,000)	1,000,000	(1,140,000)	(2,360,000)
Amortisation of debt	1,000,000	1,000,000	1,000,000	4,100,000	12,400,000	14,500,000
Interest expense	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	10,500,000
At 31 December 201	1,000,000	1,000,000	1,000,000	1,004,100	12,400,000	15,404,100
At 1 January 2020	19,273,307	6,076,941	3,560,377	1,004,515	587,400	30,502,540
Issuance of new debt	3,592,943	923,059	928,302	994,769	(49,321)	6,389,752
Amortisation of debt	29,651	60,658	96,656	26,128	27,927	241,020
Interest expense	(62,261)	-	-	-	-	(62,261)
At 31 December 2020	23,214,590	7,060,658	4,585,335	2,025,412	900,995	37,786,990

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES

The following table provides information on the Company's subsidiaries as at 31 December 2020 and 2019.

Name of subsidiary	Place of registration and operation	Paid up/issued/registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2020	2019	
			2020	2019	2020	2019			
北京太陽宮燃氣熱電有限公司 (北京太陽宮燃氣熱電有限公司)* (北京太陽宮燃氣熱電有限公司)	●	141,210,000	74%	74%	-	-	74%	74%	發電、供熱、供氣
北京京橋熱電有限責任公司 (北京京橋熱電有限公司)* (北京京橋熱電有限公司)	●	11,100,000	100%	100%	-	-	100%	100%	發電、供熱、供氣
北京京豐燃氣發電有限責任公司 (北京京豐燃氣發電有限公司)* (北京京豐燃氣發電有限公司)	●	2,110,000	100%	100%	-	-	100%	100%	發電、供熱、供氣
北京京能高安屯燃氣熱電有限責任公司 (北京京能高安屯燃氣熱電有限公司)* (北京京能高安屯燃氣熱電有限公司)	●	10,120,000	100%	100%	-	-	100%	100%	發電、供熱、供氣
北京京西燃氣熱電有限公司 (北京京西燃氣熱電有限公司)* (北京京西燃氣熱電有限公司)	●	1,010,000,000	100%	100%	-	-	100%	100%	發電、供熱、供氣
北京華能燃氣熱電有限公司 (北京華能燃氣熱電有限公司)* (北京華能燃氣熱電有限公司)	●	11,000,000	100%	100%	-	-	100%	100%	發電、供熱、供氣
北京華能燃氣熱電有限公司 (北京華能燃氣熱電有限公司)* (北京華能燃氣熱電有限公司)	●	2,110,000	100%	100%	-	-	100%	100%	發電、供熱、供氣
盈江華富水電開發有限公司 (盈江華富水電開發有限公司)* (盈江華富水電開發有限公司)	●	41,000,000	100%	100%	-	-	100%	100%	發電
騰冲縣猴橋永興河水電開發有限公司 (騰冲縣猴橋永興河水電開發有限公司)* (騰冲縣猴橋永興河水電開發有限公司)	●	14,100,000	100%	100%	-	-	100%	100%	發電
北京華能燃氣熱電有限公司 (北京華能燃氣熱電有限公司)* (北京華能燃氣熱電有限公司)	●	1,000,000	100%	100%	-	-	100%	100%	發電、供熱、供氣
北京華能燃氣熱電有限公司 (北京華能燃氣熱電有限公司)* (北京華能燃氣熱電有限公司)	●	1,000,000	100%	100%	-	-	100%	100%	發電、供熱、供氣
成都金華能電力實業有限責任公司 (成都金華能電力實業有限公司)* (成都金華能電力實業有限公司)	●	40,000,000	-	-	100%	100%	100%	100%	發電

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52. SUBSIDIARIES (continued)

(continued)

Name of subsidiary	Place of registration and operation	Paid up/issued/registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2020	201	
			2020	201	2020	201			
內蒙古京能商都風力發電有限責任公司 (Inner Mongolia Jingneng Shangdu Wind Power Generation Co., Ltd.)*	China	207,200,000	100%	100%	-	-	100%	100%	Power generation
內蒙古京能察哈爾右旗風力發電有限責任公司 (Inner Mongolia Jingneng Chahar Right Banner Wind Power Generation Co., Ltd.)*	China	2,710,000	100%	100%	-	-	100%	100%	Power generation
內蒙古京能察右中風力發電有限責任公司 (Inner Mongolia Jingneng Chahar Right Banner Middle Wind Power Generation Co., Ltd.)*	China	1,410,000	100%	100%	-	-	100%	100%	Power generation
錫林郭勒吉相華亞風力發電有限責任公司 (Xilin Gol Jixianghua Wind Power Generation Co., Ltd.)*	China	40,100,000	100%	100%	-	-	100%	100%	Power generation
內蒙古京能烏蘭伊更風力發電有限責任公司 (Inner Mongolia Jingneng Ulan Yigeng Wind Power Generation Co., Ltd.)*	China	720,000	100%	100%	-	-	100%	100%	Power generation
左雲京能風力發電有限責任公司 (Zhuoyun Jingneng Wind Power Generation Co., Ltd.)*	China	700,000	100%	100%	-	-	100%	100%	Power generation
內蒙古京能文貢烏拉風力發電有限公司 (Inner Mongolia Jingneng Wengongwula Wind Power Generation Co., Ltd.)*	China	110,000	100%	100%	-	-	100%	100%	Power generation
內蒙古霍林郭勒風力發電有限責任公司 (Inner Mongolia Huolin Gol Wind Power Generation Co., Ltd.)*	China	12,220,000	100%	100%	-	-	100%	100%	Power generation
內蒙古京能巴林右風力發電有限責任公司 (Inner Mongolia Jingneng Balin Right Banner Wind Power Generation Co., Ltd.)*	China	14,200,000	100%	100%	-	-	100%	100%	Power generation
內蒙古京能科右中風力發電有限責任公司 (Inner Mongolia Jingneng Keyou Middle Wind Power Generation Co., Ltd.)*	China	7,000,000	100%	100%	-	-	100%	100%	Power generation
內蒙古京能旗杆風力發電有限公司 (Inner Mongolia Jingneng Qigang Wind Power Generation Co., Ltd.)*	China	7,000,000	100%	100%	-	-	100%	100%	Power generation

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES (continued)

(continued)

Name of subsidiary	Place of registration and operation	Paid up issued/registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2020	201	
			2020	201	2020	201			
內蒙古京能烏蘭風力發電有限公司 (內蒙古京能烏蘭風力發電有限公司)*	•	41,140,000	100%	100%	-	-	100%	100%	電力生產
寧夏京能新能源有限公司 (內蒙古京能新能源有限公司)*	•	414,000	100%	100%	-	-	100%	100%	電力生產
寧夏京能靈武風電有限公司 (內蒙古京能靈武風電有限公司)*	•	411,270,000	100%	100%	-	-	100%	100%	電力生產
五家渠京能新能源有限責任公司 (內蒙古京能新能源有限公司)*	•	7,240,000	100%	100%	-	-	100%	100%	電力生產
寧夏京能中衛有限公司 (內蒙古京能中衛有限公司)*	•	1,000,000	100%	100%	-	-	100%	100%	電力生產
內蒙古京能中衛有限公司 (內蒙古京能中衛有限公司)*	•	2,000,000	100%	100%	-	-	100%	100%	電力生產
遼寧京能新能源有限公司 (內蒙古京能新能源有限公司)*	•	4,700,000	100%	100%	-	-	100%	100%	電力生產
寧夏靈武京能新能源有限公司 (內蒙古京能靈武風電有限公司)*	•	7,000,000	100%	100%	-	-	100%	100%	電力生產
寧夏中寧縣京能新能源有限公司 (內蒙古京能靈武風電有限公司)*	•	4,100,000	100%	100%	-	-	100%	100%	電力生產
格爾木京能新能源有限公司 (內蒙古京能新能源有限公司)*	•	20,000,000	100%	100%	-	-	100%	100%	電力生產
內蒙古京能靈武風電有限公司 (內蒙古京能靈武風電有限公司)*	•	147,000	100%	0%	-	-	100%	0%	電力生產
內蒙古京能靈武風電有限公司 (內蒙古京能靈武風電有限公司)*	•	\$77,000	100%	100%	-	-	100%	100%	電力生產

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES (continued)

(continued)

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2020	201	
			2020	201	2020	201			
廣東京能清潔能源租賃有限公司 (廣東省肇慶市端州區...)*	Australia	A \$1,240,000	-	-	100%	100%	100%	100%	租賃
廣東京能清潔能源租賃有限公司 (廣東省肇慶市端州區...)*	Australia	A \$1,000,000	-	-	100%	100%	100%	100%	租賃
深圳京能清潔能源融資租賃有限公司 (廣東省深圳市龍崗區...)*	China	10,000,000	-	-	100%	100%	100%	100%	租賃
府谷縣京能新能源有限公司 (山西省榆林市府谷縣...)*	China	111,000,000	100%	100%	-	-	100%	100%	電力
共和京能清潔能源有限公司 (河南省開封市...)*	China	120,000	100%	100%	-	-	100%	100%	電力
寧夏海原京能新能源有限公司 (寧夏回族自治区海原縣...)*	China	100,000	100%	100%	-	-	100%	100%	電力
大同京能新能源有限公司 (山西省大同市...)*	China	1,000,000	100%	100%	-	-	100%	100%	電力
靖遠京能新能源有限公司 (甘肃省靖遠縣...)*	China	1,400,000	100%	100%	-	-	100%	100%	電力
徐聞京能新能源有限公司 (廣東省徐聞縣...)*	China	1,000	100%	100%	-	-	100%	100%	電力
北票京能新能源有限公司 (遼寧省北票市...)*	China	10,000	100%	100%	-	-	100%	100%	電力
朝陽縣京能新能源有限公司 (內蒙古朝陽縣...)*	China	0,000	100%	100%	-	-	100%	100%	電力
緜雲縣京能新能源有限公司 (山東省緜雲縣...)*	China	21,010,000	100%	100%	-	-	100%	100%	電力
葫蘆島南票京能新能源有限公司 (遼寧省葫蘆島市南票鎮...)*	China	0,000,000	100%	100%	-	-	100%	100%	電力

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital			

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

Name of subsidiary	Place of registration and operation	Paid up capital			

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES (continued)

Name of subsidiary	Incorporation/ establishment/ registration and operation	Proportion ownership interest held by non-controlling interests		Profit allocated to non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		2020	201	2020	201	2020	201	2020	201
		%	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
上海外灘金融服務有限公司		26	2	60,645	1,111	60,645	1,111	332,315	1,111

本公司之附屬公司均為在中國註冊之有限公司。本公司對該等附屬公司之財務及經營政策均具有控制權。本公司對該等附屬公司之財務及經營政策均具有控制權。本公司對該等附屬公司之財務及經營政策均具有控制權。

Taiyanggong Power	2020 RMB'000	201 RMB'000
上海外灘金融服務有限公司	482,862	4,000
上海外灘金融服務有限公司	1,082,747	1,200,100
上海外灘金融服務有限公司	263,091	1,200
上海外灘金融服務有限公司	24,379	20,114
上海外灘金融服務有限公司	2,084,698	2,011,111
上海外灘金融服務有限公司	233,250	2,200
上海外灘金融服務有限公司	65,991	200
上海外灘金融服務有限公司	448,886	1,100
上海外灘金融服務有限公司 (上海外灘)	13,986	(11,200)
上海外灘金融服務有限公司	(527,437)	(24,000)
上海外灘金融服務有限公司	(64,565)	(124,200)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

54. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	At 31 December	
	2020 RMB'000	2019 RMB'000
Non-current assets		
Property, plant and equipment	1,190,407	1,002,211
Intangible assets	15,742	21,411
Investments in subsidiaries	19,571	14,422
Investments in associates	16,857,908	17,400,141
Investments in structured entities	2,410,328	17,000
Financial assets at fair value through profit or loss	117,000	14,000
Financial assets at fair value through other comprehensive income	130,904	12,717
Financial assets at amortised cost	70,000	1,000
Deferred tax assets	4,257,500	2,000,000
Other non-current assets	37,913	1,212
Non-current assets held for sale	–	1,000
U.S. dollar-denominated financial assets	3,423	2,000
U.S. dollar-denominated financial liabilities	8,319	172,422
	25,119,015	21,202,212
Current assets		
Financial assets at fair value through profit or loss	1,652	2,011
Financial assets at fair value through other comprehensive income	361,035	212,442
Financial assets at amortised cost	266,875	110,111
Financial assets at cost	–	0,000
Financial assets at fair value through profit or loss	11,399,500	10,111,000
U.S. dollar-denominated financial assets	2,496	474
U.S. dollar-denominated financial liabilities	6,370,820	7,424,717
U.S. dollar-denominated financial liabilities	5,425	7,074
U.S. dollar-denominated financial liabilities	847,395	47,041
	19,255,198	17,442,212

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

54. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

	At 31 December	
	2020 RMB'000	2019 RMB'000
Current liabilities		
Accounts payable	140,202	4,000
Accounts receivable	2,910	2,000
Accounts payable to related parties	771,264	2,200,000
Accounts payable to other related parties	6,770,277	2,000,000
Accounts payable to other parties	7,060,658	1,000,000
Accounts payable to employees	96,656	10,000
Accounts payable to other parties	26,128	4,000
Accounts payable to other parties	497	1,000
Accounts payable to other parties	4,377	1,440
Accounts payable to other parties	1,949	1,200
	14,874,918	11,000,440
Net current assets	4,380,280	1,000,440
Total assets less current liabilities	29,499,295	2,000,240
Non-current liabilities		
Accounts payable to related parties	1,029,500	2,000,200
Accounts payable to other parties	4,488,679	1,400,000
Accounts payable to other parties	1,999,284	1,420,000
Accounts payable to other parties	2,792	2,000
Accounts payable to other parties	84,099	1,200
Accounts payable to other parties	11,806	1,000
	7,616,160	1,200,440
Net assets	21,883,135	1,000,000
Capital and reserves		
Capital	8,244,508	1,244,000
Reserves	12,113,045	11,100,000
Accounts payable to other parties	1,525,582	1,525,582
	21,883,135	1,000,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

54. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Other reserve RMB'000	Fair value through other comprehensive income reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2019	4,277,401	2,277,777	-	12,770	4,702,214	11,268,162
Profit for the year	-	-	-	8,678	1,701,122	1,709,800
Other comprehensive income	-	-	-	(4,666)	-	(4,666)
Transfer to statutory surplus reserve	-	152,240	-	-	(152,240)	-
Transfer to other reserve	-	-	-	-	(595,253)	(595,253)
Transfer to fair value through other comprehensive income reserve	-	-	-	(24,428)	24,428	-
Transfer to retained profits	-	-	(8,692)	-	-	(8,692)
At 31 December 2019	4,287,401	1,162,056	-	15,750	5,686,658	11,151,865
At 1 January 2020	4,287,401	1,314,296	(8,692)	(4,666)	6,524,706	12,113,045

Definitions

▲ 北京京能清潔能源電力股份有限公司

▲ Beijing Jingneng Clean Energy Co., Limited

北京市熱力集團有限責任公司 (Beijing Thermal Group Limited (BTG))

北京能源集團有限責任公司 (Beijing Energy Group Limited (BEG))

北京能

京能集團財務有限公司 (Beijing Energy Group Finance Co., Limited)

北京能源投資集團(香港)有限公司

Beijing Energy Investment Group (Hong Kong) Limited (BEIG) (北京能源投資集團(香港)有限公司)

北京國有資本經營管理中心

Beijing State-owned Capital Operating Management Center

北京國有資產監督管理委員會

Beijing State-owned Assets Supervision and Administration Commission

北京

北京國有資本經營管理中心 (Beijing State-owned Capital Operating Management Center)

北京京能

北京京能清潔能源電力股份有限公司 (Beijing Jingneng Clean Energy Co., Limited) (北京京能清潔能源電力股份有限公司)

北京京能清潔能源電力股份有限公司

北京京能清潔能源電力股份有限公司 (Beijing Jingneng Clean Energy Co., Limited)

北京()

Beijing ()

北京

Beijing

北京

北京能源投資集團(香港)有限公司 (Beijing Energy Investment Group (Hong Kong) Limited) (北京能源投資集團(香港)有限公司)

\$ 北京京能清潔能源電力股份有限公司

Beijing Jingneng Clean Energy Co., Limited (北京京能清潔能源電力股份有限公司)

北京京能清潔能源電力股份有限公司

Beijing Jingneng Clean Energy Co., Limited (北京京能清潔能源電力股份有限公司)

北京京能清潔能源電力股份有限公司

Beijing Jingneng Clean Energy Co., Limited (北京京能清潔能源電力股份有限公司)

Corporate Information

Registered Name 北京京能清洁能源电力股份有限公司 (Beijing Jingneng Clean Energy Co., Ltd.)

Directors

Executive Director 董事 姚俊 (Chairman)
董事 王宇 (General Manager)

董事 姚俊
董事 姚俊

Non-executive Directors

董事 王宇
董事 王宇
董事 姚俊

Independent Non-executive Directors

董事 姚俊
董事 姚俊
董事 姚俊
董事 王宇

Strategy Committee

董事 姚俊 (Chairman)
董事 姚俊
董事 姚俊
董事 王宇
董事 姚俊

Remuneration and Nomination Committee

董事 姚俊 (Chairman)
董事 姚俊
董事 王宇

Audit Committee

董事 姚俊 (Chairman)
董事 王宇
董事 姚俊

Legal and Compliance Management Committee

董事 姚俊 (Chairman)
董事 王宇
董事 姚俊

Supervisors

董事 姚俊
董事 姚俊
董事 姚俊
董事 姚俊

Company Secretary

董事 姚俊

Authorized Representatives

Chairman: **Alexander Wang**
 // / 王敏賢, 主席, 董事, 授權代表
 董事: **王敏賢**

Chairman: **Alexander Wang**
 // / 王敏賢, 主席, 董事, 授權代表
 董事: **王敏賢**

Registered Office

11, South Point Street,
 Yuen Long, New Territories,
 Hong Kong

Principal Place of Business in the PRC

// / 王敏賢, 主席, 董事, 授權代表
 董事: **王敏賢**

Principal Place of Business in Hong Kong

Level 4, South Point,
 1 South Point Street, Yuen Long

Principal Bankers

中國銀行有限公司,
 (中國銀行有限公司)
 2, South Point Street,
 Level 4, South Point,
 Yuen Long, New Territories,
 Hong Kong

渣打銀行有限公司,
 (渣打銀行有限公司)
 1, South Point Street,
 Yuen Long, New Territories,
 Hong Kong

交通銀行有限公司
 (交通銀行有限公司)
 交通銀行有限公司,
 中國銀行有限公司

中國銀行有限公司
 (中國銀行有限公司)
 中國銀行有限公司,
 中國銀行有限公司

Corporate Information

International Auditors

德勤華永會計師事務所
中國註冊會計師事務所 (A類)
德勤華永會計師事務所
/ 中國註冊會計師事務所
上海南京路，中國上海

Domestic Auditors

德勤華永會計師事務所(中國註冊會計師事務所)
中國註冊會計師事務所
22號中國註冊會計師事務所A類
中國註冊會計師事務所

Hong Kong Legal Advisors

德勤華永會計師事務所
中國註冊會計師事務所，中國註冊會計師事務所
上海南京路，中國上海

PRC Legal Advisors

中國註冊會計師事務所
10/ 中國註冊會計師事務所，2號中國註冊會計師事務所，
中國註冊會計師事務所

H Share Registrar

中國註冊會計師事務所(中國註冊會計師事務所)
1/12-1/11, 1/11
中國註冊會計師事務所，1號中國註冊會計師事務所，
中國註冊會計師事務所

Stock Code

7

Company's Website

中國註冊會計師事務所

Listing Place

中國註冊會計師事務所(中國註冊會計師事務所)