



大唐環境產業集團股份有限公司

Datang Environment Industry Group Co., Ltd.*

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

(在中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號: 1272

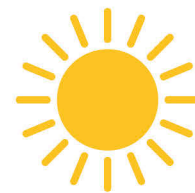


2021 年度報告

ANNUAL REPORT

* For identification purpose only

* 僅供識別



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CHAIRMAN'S STATEMENT

董事長致辭

Dear Shareholders,

In 2021, standing at the new development stage, the Company implemented the new development concept, integrated into the new development pattern, and comprehensively unlocked high-quality development. Facing the complicated external situation and arduous tasks, cadres and employees cohesively focused on development and its implementation. By virtue of advanced management experience and talent team as well as the outstanding principal business advantages, the Company continued to maintain the leading position in the field of technology and environmental protection in the PRC's power industry.

In 2021, the Company firmly grasped the national development opportunity of "carbon peaking and carbon neutrality", seized the opportunity of ecological and environmental protection and treatment along the Yangtze River and Yellow River, deeply promoted the cultivation of three new business directions of in-depth environmental treatment, resource recycling and integrated intelligent energy, and made breakthroughs in the acquisition of "specialized and advanced" cutting-edge technologies and new products under the background of continuously consolidating the existing core business advantages, comprehensively open a new chapter in the Company's high-quality development.

Looking forward to the future, the Company will take the national "14th Five-Year Plan" as the guide and take the high-speed track of ecological environment management, circular economy development and new energy industry, so as to obtain new profit growth points of the Company. The Company will continue to rely on the resource platform provided by the Controlling Shareholder, China Datang, to further strengthen in-depth exchanges with local governments, advanced enterprises in the industry, universities and research institutes. In terms of market development, production and operation, product manufacturing, technical services, and new industry layout, we will deepen pragmatic cooperation, so as to build the Company into a first-class comprehensive ecological environment management service provider.

Chairman of the Board

Wang Yanwen
31 March 2022

尊敬的股東：

2021年，本公司立足新發展階段，貫徹新發展理念，融入新發展格局，全面開啟高質量發展。面對錯綜複雜的外部形勢和艱巨繁重的工作任務，廣大幹部職工凝心聚力抓發展，聚精會神抓落實，依託先進的管理經驗和人才隊伍，憑藉突出的主營業務優勢持續保持中國電力行業科技環保領域的領先地位。

2021年，本公司牢牢抓住國家「碳達峰、碳中和」發展契機，搶抓長江、黃河流域生態環境保護治理機遇，在持續鞏固現有核心業務優勢的背景，深入推進培育環境深度治理、資源循環利用、綜合智慧能源三大新業務方向，在「專精特尖」的前沿技術和新產品獲取上實現突破，全面開啟本公司高質量發展的新篇章。

展望未來，本公司將以國家「十四五」規劃為引領，搭乘生態環境治理、循環經濟發展、新能源產業的高速列車，獲取本公司新的利潤增長點。本公司將繼續借助控股股東中國大唐提供的資源平台，進一步加強與地方政府、行業先進企業、高等院校及科研院所的深度交流，在市場開發、生產運營、產品製造、技術服務、新產業佈局等多方面深化務實合作，將本公司打造成為一流的生態環境綜合治理服務商。

董事長

王彥文
2022年3月31日

MESSAGE FROM THE GENERAL MANAGER

總經理致辭

Dear Shareholders,

In 2021, with the strong support of Shareholders, the Company adhered to the concept of green and low-carbon development, and won the awards including “Civilized Unit Pacesetter in the Capital”, “2021 Golden Bee Corporate Social Responsibility • China List – Ecological Civilization Enterprise”, “2021 Golden Key Action – Outstanding Winner”, “Top 50 Environmental Enterprises in China” and our comprehensive enterprise strength has been significantly improved.

In 2021, the Company actively responded to the national “dual carbon” goal. Four distributed photovoltaic projects including Baidu, Fangshan Liangxiang Higher Education Park, Yankai Electric and the integrated intelligent energy for office buildings were connected to the grid for power generation on schedule, becoming China Datang’s first batch of distributed photovoltaic projects in Beijing. The catalyst has achieved impressive results in overseas markets. The Company successfully entered into a four-year overall purchase contract with CLP Group and 11 catalyst projects in Daeyoung, South Korea, signed orders for the overseas steel industry of Johnson Matthey Group in the United Kingdom, and obtained the supply contract for the Reunion power plant in the Caribbean. The products of the Company have been exported to more than 10 countries and regions. The self-developed rotary atomization desulfurization wastewater treatment technology has been successfully applied to the external market. The Sanmenxia desulfurization gypsum reuse project has started construction, and the green and low-carbon transformation continued to deepen.

In 2022, the Company will closely focus on the “14th Five-Year Plan”, and accelerate the promotion of industrial upgrading in accordance with the three major business transformation directions of in-depth environmental governance, resource recycling and integrated intelligent energy. The Company will actively develop new business formats such as energy storage, battery-swapping heavy trucks and comprehensive energy services in the park, concentrate superior resources and strength to acquire a batch of “specialized and advanced” core technologies, and strive to bring better returns to all Shareholders.

General Manager

Tian Dan

31 March 2022

尊敬的股東：

2021年，本公司在廣大股東的大力支持下，堅持綠色低碳發展理念，榮獲「首都文明單位標兵」「2021金蜜蜂企業社會責任·中國榜-生態文明企業」「2021金鑰匙行動-優勝獎」「中國環境企業50強」等稱號，企業綜合實力顯著提升。

2021年，本公司積極響應國家「雙碳」目標，百度公司、房山良鄉高教園、燕開電氣、辦公樓綜合智慧能源四個分佈式光伏項目按期並網發電，成為中國大唐在北京市的第一批分佈式光伏項目。催化劑境外市場取得傲人成績，本公司成功簽訂香港中華電力集團四年統購整體合同和韓國大榮11個催化劑項目，簽訂英國莊信萬豐集團境外鋼鐵行業訂單，取得加勒比海地區留尼旺電廠供貨合同，本公司產品出口國家和地區突破10個。自主研發的旋轉霧化脫硫廢水處理技術成功應用至外部市場。三門峽脫硫石膏再利用項目已開工建設，綠色低碳轉型持續深化。

2022年，本公司緊緊圍繞「十四五」規劃，按照環境深度治理、資源循環利用、綜合智慧能源三大業務轉型方向，加快推進產業升級。本公司將積極開拓儲能、換電重卡、園區綜合能源服務等新業態，集中優勢資源和力量獲取一批「專精特尖」的核心技術，努力為廣大股東帶來更好的回報。

總經理

田丹

2022年3月31日



COMPANY PROFILE

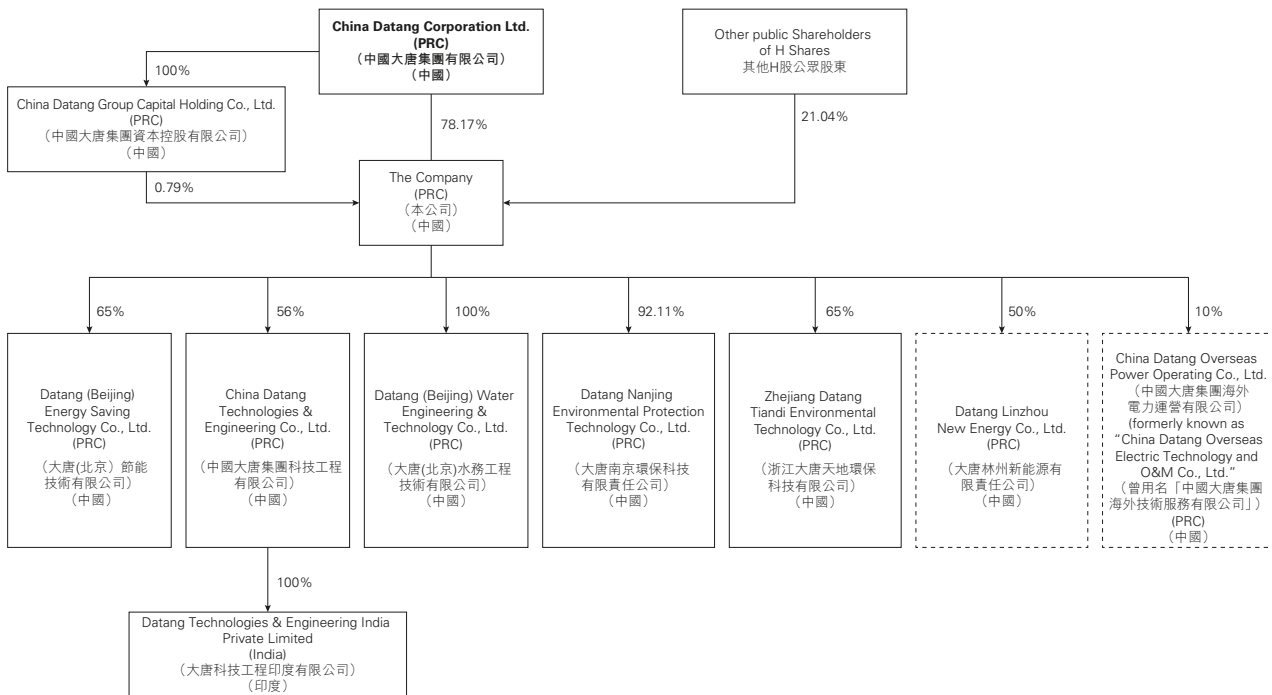
公司簡介

The predecessor of the Company (stock code: 1272) was China Datang Corporation Group Environment Technology Co., Ltd. (中國大唐集團環境技術有限公司), which was established in July 2011. Since the establishment of the Company and after several years of rapid development and a series of business restructuring, the Company has been successfully listed on the Main Board of the Stock Exchange since 15 November 2016. As at 31 December 2021, the Company had a total of 2,967,542,000 issued Shares, among which the Controlling Shareholder, China Datang, holds, directly and indirectly, an aggregate of approximately 78.96%.

本公司(股份代號: 1272)前身為2011年7月成立的中國大唐集團環境技術有限公司。本公司成立以來，經過多年的快速發展及一系列的業務重組，本公司自2016年11月15日起在聯交所主板成功上市。於2021年12月31日，本公司已發行股份總數為2,967,542,000股，其中控股股東中國大唐直接及間接合共持有約78.96%的股份。

The Group is the sole platform for the development of environmental protection and energy conservation business under China Datang Corporation, one of the major state wholly-owned power generation groups in the PRC. The principal business of the Group includes environmental protection facility concession operation, denitrification catalysts, environmental protection facilities engineering, water treatment business, energy conservation business and renewable energy engineering business. 本集團是全國大型國有獨資發電集團之一的中國大唐集團旗下發展環保節能業務的唯一平台。本集團的主要經營業務包括環保設施特許經營、脫硝催化劑、環保設施工程、水務業務、節能業務及可再生能源工程業務。

As at 31 December 2021, the Company's major corporate structure was as follows:
於2021年12月31日，本公司主要企業架構如下：



FINANCIAL AND OPERATION HIGHLIGHTS

財務及運營摘要

- For the year ended 31 December 2021, the revenue of the Group amounted to RMB5,288.4 million, representing a decrease of 22.5% as compared with last year.
- For the year ended 31 December 2021, the gross profit of the Group amounted to RMB341.4 million, representing a decrease of 70.8% as compared with last year; the gross profit margin of the Group was 6.5%, representing a decrease of 10.67 percentage point as compared with last year.
- For the year ended 31 December 2021, the total comprehensive income attributable to owners of the parent amounted to RMB-209.9 million, representing a decrease of 169.2% as compared with last year.
- For the year ended 31 December 2021, the Group continued to be the largest desulfurization and denitrification concession operator and the largest manufacturer of denitrification catalysts in the PRC.
- The Board proposed to distribute the final dividend of RMB0.0298 per share (before tax) for the year ended 31 December 2021.
- 截至2021年12月31日止年度，本集團收入為人民幣5,288.4百萬元，較去年減少22.5%。
- 截至2021年12月31日止年度，本集團毛利為人民幣341.4百萬元，較去年減少70.8%；毛利率為6.5%，較去年減少10.67個百分點。
- 截至2021年12月31日止年度，母公司擁有人應佔綜合收益總額為人民幣-209.9百萬元，較去年減少169.2%。
- 截至2021年12月31日止年度，本集團繼續穩佔中國最大脫硫、脫硝特許經營商和脫硝催化劑生產商地位。
- 董事會建議派發截至2021年12月31日止年度末期股息每股人民幣0.0298元(稅前)。



FINANCIAL HIGHLIGHTS

財務摘要

The following table sets forth the Company's consolidated statements of profit or loss and other comprehensive income for the periods indicated:

下表載列本公司所示期間的合併損益及其他綜合收益表：

| | | Year ended 31 December 截至12月31日止年度 | | | | |
|--|-----------------------|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2021 2021年 RMB'000 人民幣千元 | 2020 2020年 RMB'000 人民幣千元 | 2019 2019年 RMB'000 人民幣千元 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
| Revenue | 收入 | 5,288,416 | 6,821,071 | 6,414,621 | 8,588,070 | 8,024,494 |
| Cost of sales | 銷售成本 | (4,946,985) | (5,652,769) | (5,334,656) | (7,238,113) | (6,424,764) |
| Gross profit | 毛利 | 341,431 | 1,168,302 | 1,079,965 | 1,349,957 | 1,599,730 |
| Selling and distribution expenses | 銷售及分銷開支 | (18,151) | (23,041) | (36,898) | (42,237) | (46,036) |
| Administrative expenses | 行政開支 | (478,694) | (483,796) | (549,695) | (279,419) | (293,094) |
| Other income and losses | 其他收入及虧損 | 80,436 | 82,240 | 132,290 | 169,414 | 429 |
| Other expenses, net | 其他開支，淨額 | (42,145) | (106,603) | – | – | – |
| Finance costs | 財務支出 | (221,959) | (270,291) | (252,841) | (200,518) | (182,831) |
| Impairment losses on financial and contract assets, net | 金融資產和合同資產減值損失，淨額 | (39,130) | (44,153) | (69,678) | (59,775) | – |
| (Loss)/Profit before tax | 除稅前(虧損)/利潤 | (378,212) | 322,658 | 303,143 | 937,422 | 1,078,198 |
| Income tax expenses | 所得稅開支 | (65,058) | (111,298) | (57,766) | (154,199) | (163,286) |
| (LOSS)/PROFIT FOR THE YEAR | 年內(虧損)/利潤 | (443,270) | 211,360 | 245,377 | 783,223 | 914,912 |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | 年內其他綜合收益(扣除稅項) | (1,080) | (40) | 967 | 758 | (930) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 年內綜合收益總額 | (444,350) | 211,320 | 246,344 | 783,981 | 913,982 |
| (Loss)/Profit Attributable to: | (虧損)/利潤歸屬於： | | | | | |
| Owners of the parent | 母公司擁有人 | (208,332) | 302,872 | 218,942 | 766,736 | 874,924 |
| Non-controlling interests | 非控股權益 | (234,938) | (91,512) | 26,435 | 16,487 | 39,988 |
| | | (443,270) | 211,360 | 245,377 | 783,223 | 914,912 |
| Total comprehensive income attributable to: | 綜合收益總額歸屬於： | | | | | |
| Owners of the parent | 母公司擁有人 | (209,881) | 303,319 | 219,666 | 768,183 | 874,403 |
| Non-controlling interests | 非控股權益 | (234,469) | (91,999) | 26,678 | 15,798 | 39,579 |
| | | (444,350) | 211,320 | 246,344 | 783,981 | 913,982 |

FINANCIAL HIGHLIGHTS (CONTINUED)

財務摘要(續)

The following table sets forth selected items from our consolidated statements of financial position as at the dates indicated:

下表載列所示日期我們的合併財務狀況表的部分節選項目：

| | | 31 December 12月31日 | | | | |
|-------------------------------------|----------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2021 2021年 RMB'000 人民幣千元 | 2020 2020年 RMB'000 人民幣千元 | 2019 2019年 RMB'000 人民幣千元 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
| ASSETS | 資產 | | | | | |
| Total current assets | 流動資產總額 | 10,570,721 | 11,778,902 | 12,459,102 | 12,172,973 | 10,309,222 |
| Total non-current assets | 非流動資產總額 | 7,857,665 | 8,401,956 | 8,711,657 | 8,287,008 | 7,852,230 |
| TOTAL ASSETS | 資產總額 | 18,428,386 | 20,180,858 | 21,170,759 | 20,459,981 | 18,161,452 |
| LIABILITIES AND EQUITY | 負債及權益 | | | | | |
| Total current liabilities | 流動負債總額 | 9,478,199 | 9,927,604 | 10,574,779 | 10,195,621 | 8,181,413 |
| Total non-current liabilities | 非流動負債總額 | 2,194,611 | 2,913,976 | 3,362,099 | 2,945,038 | 3,053,678 |
| Total equity | 總權益 | 6,755,576 | 7,339,278 | 7,233,881 | 7,319,322 | 6,926,361 |
| TOTAL LIABILITIES AND EQUITY | 負債及權益總額 | 18,428,386 | 20,180,858 | 21,170,759 | 20,459,981 | 18,161,452 |

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

下表載列所示期間我們的合併現金流量表概況：

| | | Year ended 31 December 截至12月31日止年度 | | | | |
|--|-------------------|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2021 2021年 RMB'000 人民幣千元 | 2020 2020年 RMB'000 人民幣千元 | 2019 2019年 RMB'000 人民幣千元 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
| Net cash flows from/(used in) operating activities | 經營活動所得/(使用)現金流量淨額 | 987,035 | 1,838,799 | (183,225) | 487,782 | 873,831 |
| Net cash flows used in investing activities | 投資活動使用的現金流量淨額 | (396,588) | (608,905) | (1,045,933) | (839,589) | (1,145,537) |
| Net cash flows (used in)/from financing activities | 融資活動(使用)/所得現金流量淨額 | (876,728) | (1,276,650) | 1,133,442 | 370,295 | (979,554) |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As an environmental protection and energy conservation solution provider for coal-fired power generation enterprises, the principal business of the Group includes environmental protection facility concession operation, denitrification catalysts, environmental protection facility engineering, water treatment business, energy conservation business and renewable energy engineering business. Customers of the Group spread over 30 provinces, autonomous regions and municipal cities in the PRC as well as eight countries.

I. INDUSTRY OVERVIEW

Based on the overall performance of the environmental protection industry in 2021, the following highlights and industry trends are worth mentioning:

1. The “Dual Carbon” goal promotes the development of integrated intelligent energy business

In February 2021, the State Council issued the “Guiding Opinions on Accelerating the Establishment and Improvement of a Green and Low-Carbon Loop Development Economic System (《關於加快建立健全綠色低碳循環發展經濟體系的指導意見》)”, which indicates the promotion of green upgrade of the industry, strengthening of the green environmental protection industry and promotion of the green and low-carbon transformation of the energy system. In October 2021, the Central Committee of the Communist Party of China and the State Council successively issued the “Opinions on Completely, Accurately and Fully Implementing the New Development Concept and Achieving Carbon Peak and Carbon Neutrality (《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》)” and the “Carbon Peaking Action Plan by 2030 (《2030年前碳達峰行動方案》)” to put carbon peak throughout the whole process and all aspects of economic and social development, and focus on the implementation of the “Top Ten Carbon Peaking Actions”, i.e., the energy green and low-carbon transformation action, the energy conservation and carbon reduction action, the industrial carbon peaking action, the urban and rural construction carbon peaking action, the transportation green and low-carbon action, the circular economy supporting carbon reduction action, the green and low-carbon technology innovation action,

本集團作為燃煤發電企業環保節能解決方案提供商，主要業務包括環保設施特許經營、脫硝催化劑、環保設施工程、水務業務、節能業務及可再生能源工程等業務。本集團客戶遍及中國30個省、自治區及直轄市，以及八個國家。

一、行業概覽

綜合2021年環保行業的整體表現，主要有以下幾大亮點與行業趨勢：

1. 「雙碳」目標助推綜合智慧能源業務發展

2021年2月，國務院印發《關於加快建立健全綠色低碳循環發展經濟體系的指導意見》，指出推進工業綠色升級，壯大綠色環保產業，推動能源體系綠色低碳轉型。2021年10月，中國中央及國務院陸續印發《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》和《2030年前碳達峰行動方案》，將碳達峰貫穿於經濟社會發展全過程和各方面，重點實施能源綠色低碳轉型行動、節能降碳增效行動、工業領域碳達峰行動、城鄉建設碳達峰行動、交通運輸綠色低碳行動、循環經濟助力降碳行動、綠色低碳科技創新行動、碳匯能力鞏固提升行動、綠色低碳全民行動、各地區梯次有序碳達峰行動等「碳達峰十大行動」。到2030年，非化石能源消費比重達到25%左右，風電及太陽能發電總裝機容量達到12億千瓦以上，二氧化碳排放量達到峰值並實現穩中有降，順利實現2030年前碳達峰目

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

the carbon sink capacity consolidation and enhancement action, the green and low-carbon common action and orderly carbon peaking action in various regions. By 2030, the consumption proportion of non-fossil energy sources will reach approximately 25%, the total installed capacity of wind power and solar power generation will reach more than 1.2 billion kW, the carbon dioxide emissions will reach a peak and achieve stable with a slight decline. The carbon peaking goal will be successfully achieved by 2030. These policies provide policy support for the Group to promote the transformation of the integrated intelligent energy business and accelerate the development of new energy.

標。這些政策為本集團推動綜合智慧能源業務轉型，促進新能源加快發展提供了政策性支撐。

2. The circular economy plan creates opportunities for resource recycling utilization business

In July 2021, the National Development and Reform Commission has issued the "14th Five-Year" Circular Economy Development Plan (《「十四五」循環經濟發展規劃》), which specified that by 2025, recycling production should be comprehensively promoted, and green design and clean production should be generally promoted, so that the comprehensive utilization capability of resources shall be significantly improved, and the resource recycling industry system shall be basically established, and the output value of resource recycling utilization industry will reach RMB5 trillion. At present, the Company is conducting the desulfurization gypsum reuse, the treatment and disposal of waste catalysts and other businesses. Also, the Company is proactively exploring other new resource recycling utilization businesses including waste fan blade and photovoltaic components.

2. 循環經濟規劃為資源循環利用業務創造機遇

2021年7月，國家發展和改革委員會印發《「十四五」循環經濟發展規劃》，明確到2025年，循環型生產方式全面推行，綠色設計和清潔生產普遍推廣，資源綜合利用能力顯著提升，資源循環型產業體系基本建立，資源循環利用產業產值達到人民幣5萬億元。本公司目前正進行脫硫石膏再利用、廢舊催化劑處理處置等業務，同時積極探索廢舊風機葉片、光伏組件等其他新型資源循環利用業務。

3. The battle of pollution prevention and control expands the room of in-depth environmental governance business

In November 2021, the Central Committee of the Communist Party of China and the State Council issued the "Opinions on Deepening the Battle of Pollution Prevention and Control (關於深入打好污染防治攻堅戰的意見)". By 2025, the ecological environment will continue to improve, the total emissions of major pollutants will continue to decline, the carbon dioxide emissions per unit of gross domestic

3. 污染防治攻堅戰拓展環境深度治理業務空間

2021年11月，中共中央及國務院印發《關於深入打好污染防治攻堅戰的意見》。到2025年，生態環境持續改善，主要污染物排放總量持續下降，單位國內生產總值二氧化碳排放比2020年下降18%，地級及以上城市細顆粒



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

product will drop by 18% compared with 2020, and the concentration of fine particulate matter (PM2.5) in cities at the prefecture level and above will drop by 10%. The ratio of days with good air quality will reach 87.5%, the ratio of surface water I-III water bodies will reach 85%, and the ratio of coastal waters with good water quality (classes I and II) will reach approximately 79%. Heavy weather pollution and urban black and odorous water bodies will be basically eliminated, soil pollution risks will be effectively managed and controlled, solid waste and new pollutant control capabilities will be significantly enhanced, quality and stability of ecological system will continue to improve, and the ecological environment governance system will be more complete. The construction of ecological civilization will achieve new progress. By 2035, green production and lifestyles will be widely formed, carbon emissions will stabilize with some decline after peaking, the ecological environment will fundamentally improve, and the goal of building a beautiful China will be basically achieved. This policy provides a policy guarantee for the development of the Group's environmental governance business, and the environmental protection industry still has considerable room for development.

物(PM2.5)濃度下降10%，空氣質量優良天數比率達到87.5%，地表水Ⅰ—Ⅲ類水體比例達到85%，近岸海域水質優良(一、二類)比例達到79%左右，重污染天氣、城市黑臭水體基本消除，土壤污染風險得到有效管控，固體廢物和新污染物治理能力明顯增強，生態系統質量和穩定性持續提升，生態環境治理體系更加完善，生態文明建設實現新進步。到2035年，廣泛形成綠色生產生活方式，碳排放達峰後穩中有降，生態環境根本好轉，美麗中國建設目標基本實現。這一政策為本集團環境治理業務發展提供了政策性保障，環保行業仍具有較大發展空間。

II. BUSINESS OVERVIEW

In 2021, the Group recorded steady development in each business segment and maintained the leading position in business segments of environmental protection facility concession operation and denitrification catalysts. Based on the cumulative operating unit capacity as of the end of 2021, the Group continued to maintain its position as the largest flue gas desulfurization and denitrification concession operator in the PRC. Based on the total output of denitrification catalysts in 2021, the Group remained as the PRC's largest producer of denitrification catalysts.

In 2021, all of the Group's desulfurization concession operation and denitrification concession operation projects under construction have transferred into operational stage in respect of the environmental protection facility concession operation business. While consolidating its leading position in the environmental protection field of thermal power segment, the Group actively developed environmental protection governance businesses in steel, cement, metallurgy and other non-electric fields to expand its business scope and influence.

二、業務回顧

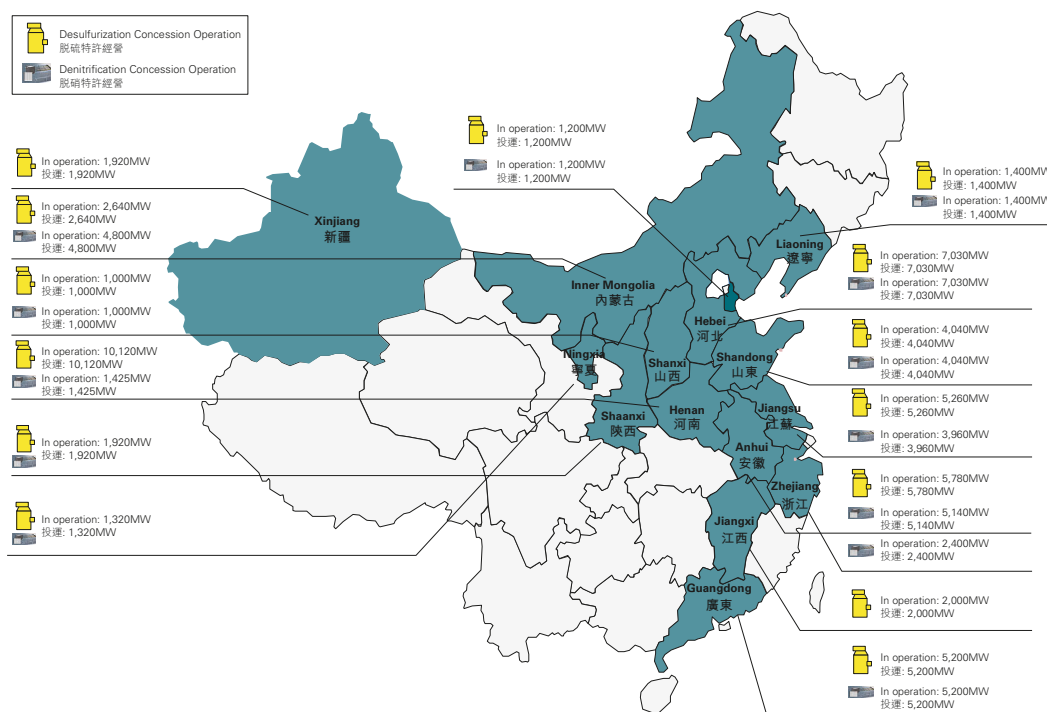
2021年，本集團各業務板塊穩步發展，環保設施特許經營業務和脫硝催化劑業務繼續保持行業領先地位。按截至2021年底的累計投運機組容量計算，本集團繼續穩佔中國最大煙氣脫硫及脫硝特許經營商的位置。按2021年催化劑總產量計算，本集團繼續保持中國最大的脫硝催化劑生產商地位。

2021年，本集團環保設施特許經營業務在建脫硫及脫硝特許經營項目已全部轉為運營。本集團在穩固火電行業環保領先地位的同時，積極開拓鋼鐵、水泥、冶金等非電領域的環保治理，不斷拓寬業務領域及影響力。

1. Environmental Protection and Energy Conservation Business

1.1 Environmental protection facility concession operation business

The Group's environmental protection facility concession operation business covers desulfurization and denitrification concession operations and its major assets are located along east coast and in the areas with relatively robust economic development and strong demands for electricity. The following map shows the geographical layout and cumulative capacity of the Group's concession operation as at 31 December 2021:



As at 31 December 2021, the cumulative installed capacity in operation for desulfurization concession operations of the Group reached 50,210MW. The cumulative installed capacity in operation for denitrification concession operations reached 41,240MW and the installed capacity of the desulfurization entrusted operation projects reached 1,960MW. Among them, there are three projects other than China Datang Group, with the desulfurization installed capacity of 3,240MW and denitrification installed capacity of 1,320MW.

1. 環保節能業務

1.1 環保設施特許經營業務

本集團環保設施特許經營業務涵蓋脫硫、脫硝特許經營，主要資產集中在東部沿海、經濟發展比較發達、用電需求旺盛的地區。下圖顯示於2021年12月31日本集團特許經營的地域分佈及累計容量：

截至2021年12月31日，本集團脫硫特許經營累計投運裝機容量50,210兆瓦，脫硝特許經營累計投運裝機容量41,240兆瓦，脫硫委託經營項目裝機容量1,960兆瓦。其中，中國大唐集團以外項目3個，脫硫裝機容量3,240兆瓦，脫硝裝機容量1,320兆瓦。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

The table below sets forth the status of the Group's desulfurization and denitrification concession operation projects as at 31 December 2021:

下表列示於2021年12月31日本集團脫硫及脫硝特許經營項目情況：

| Project location 項目所在地 | Project name 項目名稱 | Category of concession operation 特許經營類別 | Installed capacity 裝機容量 (MW) (兆瓦) |
|------------------------------------|--|--|--|
| Guangdong 廣東 | Chaozhou 潮州 | Desulfurization and denitrification 脫硫、脫硝 | 3,200 |
| | Leizhou 雷州 | Desulfurization and denitrification 脫硫、脫硝 | 2,000 |
| Jiangsu 江蘇 | Lvsigang 呂四港 | Desulfurization and denitrification 脫硫、脫硝 | 2,640 |
| | Nanjing 南京 | Desulfurization and denitrification 脫硫、脫硝 | 1,320 |
| | Xutang 徐塘 | Desulfurization 脫硫 | 1,300 |
| Shandong 山東 | Huangdao 黃島 | Desulfurization and denitrification 脫硫、脫硝 | 1,340 |
| | Binzhou 濱州 | Desulfurization and denitrification 脫硫、脫硝 | 700 |
| | Dongying 東營 | Desulfurization and denitrification 脫硫、脫硝 | 2,000 |
| Zhejiang 浙江 | Wushashan 烏沙山 | Denitrification 脫硝 | 2,400 |
| Ningxia 寧夏 | Pingluo* 平羅* | Desulfurization and denitrification 脫硫、脫硝 | 1,320 |
| Henan 河南 | Xuchang 許昌 | Desulfurization 脫硫 | 2,020 |
| | Sanmenxia 三門峽 | Desulfurization and denitrification 脫硫、脫硝 | 2,950/1,050 |
| | Anyang 安陽 | Desulfurization 脫硫 | 1,270 |
| | Shouyangshan 首陽山 | Desulfurization 脫硫 | 600 |
| | Xinyang (entrusted) 信陽(委託) | Desulfurization 脫硫 | 1,960 |
| | Gongyi 鞏義 | Desulfurization and denitrification 脫硫、脫硝 | 1,320 |
| | Hebei 河北 | Wangtan 王灘 | Desulfurization and denitrification 脫硫、脫硝 |
| Zhangjiakou Thermal Power 張家口熱電 | Desulfurization and denitrification 脫硫、脫硝 | 630 | |
| Zhangjiakou 張家口 | Desulfurization 脫硫 | 2,560 | |
| Yuxian 蔚縣 | Desulfurization and denitrification 脫硫、脫硝 | 1,320 | |
| Tangshan Beijiao 唐山北郊 | Desulfurization and denitrification 脫硫、脫硝 | 1,320 | |

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

| Project location 項目所在地 | Project name 項目名稱 | Category of concession operation 特許經營類別 | Installed capacity 裝機容量 (MW) (兆瓦) |
|---------------------------|----------------------|---|---|
| Tianjin 天津 | Jixian 藺縣 | Desulfurization and denitrification 脫硫、脫硝 | 1,200 |
| Anhui 安徽 | Luohe 洛河 | Desulfurization and denitrification 脫硫、脫硝 | 2,500 |
| | Ma'anshan 馬鞍山 | Desulfurization and denitrification 脫硫、脫硝 | 1,320 |
| | Hushan 虎山 | Desulfurization and denitrification 脫硫、脫硝 | 1,320 |
| | Tianjia'an 田家庵 | Desulfurization 脫硫 | 640 |
| Shaanxi 陝西 | Binchang 彬長 | Desulfurization and denitrification 脫硫、脫硝 | 1,260 |
| | Baoji 寶雞 | Desulfurization and denitrification 脫硫、脫硝 | 660 |
| Inner Mongolia 內蒙古 | Tuoketuo 托克托 | Desulfurization and denitrification 脫硫、脫硝 | 1,320/6,120 |
| | Xilinhot 錫林浩特 | Desulfurization and denitrification 脫硫、脫硝 | 1,320 |
| Jiangxi 江西 | Fuzhou 撫州 | Desulfurization 脫硫 | 2,000 |
| Shanxi 山西 | Shentou 神頭 | Desulfurization and denitrification 脫硫、脫硝 | 1,000 |
| Xinjiang 新疆 | Hutubi* 呼圖壁* | Desulfurization 脫硫 | 600 |
| | Wu Cai Wan* 五彩灣* | Desulfurization 脫硫 | 1,320 |
| Liaoning 遼寧 | Shendong 瀋東 | Desulfurization and denitrification 脫硫、脫硝 | 700 |
| | Huludao 葫蘆島 | Desulfurization and denitrification 脫硫、脫硝 | 700 |

Note: The projects marked with * are projects other than China Datang Group.

註：以*標示的項目為中國大唐集團以外項目。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

1.2 Denitrification catalysts business

In 2021, the Group's denitrification catalysts business remained stable. The following table sets forth the breakdown of the key figures of the Group's denitrification catalysts business in 2021:

(Unit: m³)
(單位：立方米)

| Production volume 產量 | Sales volume 銷量 | Delivery volume 交付量 | Delivery volume to customers other than China Datang Group 中國大唐集團以外客戶交付量 |
|-------------------------|--------------------|------------------------|--|
| 26,406 | 35,065 | 30,819 | 13,216 |

In 2021, the Group sold 15,727m³ of catalyst to customers other than China Datang Group and entered into 112 contracts, among which, 19 contracts were entered with overseas customers with the aggregate sales volume of 7,162.7m³, while 65 contracts were entered with customers from non-electric industry such as glass and alumina sectors with the aggregate sales volume of 2,190m³. Meanwhile, the Group has made steady progress in the disposal of waste catalysts with a total amount of 8,633.18m³ of waste catalysts disposed in 2021.

1.3 Environmental protection facility engineering business

In 2021, the Group continued to carry out its environmental protection facility engineering business, including desulfurization, denitrification, dust removal, ultra-low emission, and industrial site dust management, and actively explore the environmental market of non-electric industry such as petroleum, coking, steel, and cement.

1.2. 脫硝催化劑業務

2021年，本集團脫硝催化劑業務保持平穩。下表列示2021年本集團脫硝催化劑業務的主要數據明細：

(Unit: m³)
(單位：立方米)

| Production volume 產量 | Sales volume 銷量 | Delivery volume 交付量 | Delivery volume to customers other than China Datang Group 中國大唐集團以外客戶交付量 |
|-------------------------|--------------------|------------------------|--|
| 26,406 | 35,065 | 30,819 | 13,216 |

2021年，本集團向中國大唐集團以外客戶銷售催化劑15,727立方米，簽訂合同112個，其中海外市場簽訂19個，累計銷售7,162.7立方米，玻璃建材、氧化鋁等非電行業簽訂65個，累計銷售2,190立方米。同時，本集團在廢舊催化劑處置方面穩步推進，2021年完成8,633.18立方米廢舊催化劑處置工作。

1.3. 環保設施工程業務

2021年，本集團繼續開展包括脫硫、脫硝、除塵、超低排放及工業廠區粉塵治理在內的環保設施工程業務，並積極開拓石油、焦化、鋼鐵、水泥等非電行業的環保市場。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

The following table sets forth the breakdown of the environmental protection facility engineering business in the power industry of the Group as at 31 December 2021:

下表列示於2021年12月31日本集團電力行業環保設施工程業務開展情況明細：

| Project | 項目 | Projects put into operation in 2021 2021年投運項目 | | Projects under construction in 2021 2021年在建項目 | |
|--------------------------------|----------|--|----------------------------------|--|----------------------------------|
| | | Number 數量 | Capacity 裝機容量 (MW) (兆瓦) | Number 數量 | Capacity 裝機容量 (MW) (兆瓦) |
| Desulfurization | 脫硫 | 4 | 470 | 2 | 30 |
| Denitrification | 脫硝 | 15 | 8,740 | 11 | 3,300 |
| Dust removal | 除塵 | 2 | 420 | 0 | 0 |
| Ultra-low emission | 超低排放 | 0 | 0 | 0 | 0 |
| Industrial site dust treatment | 工業廠區粉塵治理 | 5 | 10,360 | 1 | 2,640 |

1.4. Water treatment business

In 2021, the Group entered into 4 contracts for waterworks projects, with a total contract amount of RMB106 million, among which, for the market other than China Datang Group, the Group obtained projects from China Resources (Holdings) Company Limited and Inner Mongolia Mengtai Coal & Electricity Group Co., Ltd. (內蒙古蒙泰煤電集團有限公司) for the first time. The rotary atomization desulfurization wastewater treatment technology independently developed by the Group has been successfully applied to the Nanjing project, which is of pioneering and exemplary significance.

1.4. 水務業務

2021年，本集團簽訂水務工程項目4個，總計合同金額人民幣1.06億元。其中，在中國大唐集團以外首次突破華潤(集團)有限公司和內蒙古蒙泰煤電集團有限公司項目。本集團自主研發的旋轉霧化脫硫廢水處理技術成功應用至南京項目，具有開創性和示範性意義。

2. Overseas Business

As at 31 December 2021, the Group had five overseas projects under progress. Among which, the NPP5A, NPP9 and PTG projects in Thailand have been put into operation, the desulfurization project for No. 1 and No. 2 generating units in Cuddalore in India ran steadily after officially put into operation.

2. 海外業務

截至2021年12月31日，本集團海外在執行項目5個，其中泰國NPP5A、NPP9及PTG項目已投入商業運行，印度古德洛爾脫硫項目1、2號機組正式投運後運行穩定。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

3. Renewable Energy Business

3.1 Engineering Business

In 2021, the Group entered into 7 renewable energy engineering projects, of which 6 are photovoltaic engineering projects with installed capacity of 396.09MW, and 1 is wind power engineering project with installed capacity of 130MW.

3.2 Investment Business

In 2021, the Group entered into 3 distributed photovoltaic investment projects with total installed capacity of 3.05MW, all of which have been connected to the grid for power generation.

4. Research and Development

In 2021, the Group continued to intensify technological innovation, successively set up the “technological innovation leading group” and the working group for “accelerating mastery of core technologies”, carried out special promotions for five key self-developed technological projects urgently needed by the Group. The Group organized high-level technical developers to fully investigate domestic and foreign technologies and market development condition so as to provide support for the Group’s precise positioning of medium and long-term development direction.

In 2021, the Group was awarded 137 patent authorizations in aggregate, including 24 invention patent authorizations. In March, the “ISO International Standard Evaluation Method for the Treatment and Reuse Technology of Industrial Wastewater (工業廢水處理回用技術評價方法)” (ISO 23043), jointly prepared by the Group and Nanjing University, was officially released and implemented. The Group has completed the leading preparation and publication of 3 international standards.

The “Development and Engineering Demonstration of Smart Denitrification Technology under Ultra-Low Emission (超低排放背景下智慧脫硝技術開發及工程示範)” and the “Research on Chemical Composition Analysis of Catalysts (Tablet Method) (催化劑化學成分分析(壓片法)研究)” independently developed by the Group won the first prize of technical achievement of China Electricity Technology Market Association, and the “Control System and Method of SCR Denitrification Ammonia Injection Optimization (SCR脫硝噴氨優化控制系統及方法)” won the first prize of patent of China Electricity Technology Market Association.

3. 可再生能源業務

3.1 工程業務

2021年，本集團新簽可再生能源工程項目7個，其中6個為光伏工程項目，裝機容量396.09兆瓦，1個為風電工程項目，裝機容量130兆瓦。

3.2 投資業務

2021年，本集團新簽分佈式光伏發電投資項目3個，總裝機容量3.05兆瓦，均已並網發電。

4. 研發

2021年，本集團繼續加大科技創新力度，先後成立「科技創新領導小組」和「加快掌握核心技術」工作組，對本集團急需的五項自主研發重點科技項目進行專項推進，並組織高層次技術開發人員充分調研國內外技術和市場發展狀況，為本集團精準定位中長期發展方向提供支撐。

2021年，本集團共獲得專利授權137項，其中發明專利授權24項。3月份，本集團與南京大學聯合主導編製的ISO國際標準《工業廢水處理回用技術評價方法》(ISO 23043)已正式發佈實施，本集團已累計完成主導編製並發佈國際標準3項。

本集團自主開發的「超低排放背景下智慧脫硝技術開發及工程示範」和「催化劑化學成分分析(壓片法)研究」獲得中國電力技術市場協會技術成果一等獎，「SCR脫硝噴氨優化控制系統及方法」獲得中國電力技術市場協會專利一等獎。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

III. MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL POSITION AND OPERATING RESULTS

There are inter-segment sales among the Group's segments and sub-segments, and accordingly the Group records intra-segment elimination and inter-segment elimination among these segments/sub-segments for the relevant revenue and cost of sales. In this annual report, unless otherwise specified herein, (i) all discussion about total revenue, total gross profit and overall gross profit margin are based on the amounts after all intra- and inter-segment elimination among the segments/sub-segments (being the figures reflected in our consolidated statement of profit or loss and other comprehensive income), and (ii) all discussion about the revenue, gross profit and gross profit margin of business segments and sub-segments are based on the amounts before any intra- or inter-segment elimination of such segment or sub-segment.

1. Overview

The Group's revenue decreased by 22.5% from RMB6,821.1 million in 2020 to RMB5,288.4 million in 2021. The Group's profit for 2021 amounted to RMB-443.3 million, representing a decrease of RMB654.7 million as compared with RMB211.4 million in 2020. Profit attributable to owners of the parent amounted to RMB-208.3 million. As at 31 December 2021, the Group's cash and cash equivalents decreased by 18.7% to RMB1,244.9 million as compared with RMB1,531.7 million as at 31 December 2020. The Group's total assets decreased by 8.7% to RMB18,428.4 million as at 31 December 2021 as compared with RMB20,180.9 million as at 31 December 2020. The Group's total liabilities decreased by 9.1% to RMB11,672.8 million as at 31 December 2021 as compared with RMB12,841.6 million as at 31 December 2020. The Group's return on total assets for 2021 was -2.3%, as compared with 1.0% in 2020.

三、管理層對財務狀況與經營業績的討論及分析

本集團的分部和子分部互相之間存在分部間銷售，因此發生相應收入和營業成本的分部／子分部間分部內抵銷和分部間抵銷。在本年報中，除非另有明確說明，(i)所有的總收入、總毛利及總體毛利率的討論均基於扣除分部和子分部的分部內和分部間抵銷後的金額(即反映在我們的合併損益及其他綜合收益表中的金額)進行，及(ii)所有業務分部及子分部的收入、毛利及毛利率討論均基於該分部或子分部的任何分部內或分部間抵銷前的金額進行。

1. 概覽

本集團的收入由2020年的人民幣6,821.1百萬元減少22.5%至2021年的人民幣5,288.4百萬元。本集團於2021年的利潤為人民幣-443.3百萬元，較2020年的利潤人民幣211.4百萬元減少人民幣654.7百萬元。母公司擁有人應佔利潤為人民幣-208.3百萬元。本集團的現金及現金等價物由2020年12月31日的人民幣1,531.7百萬元減少18.7%至2021年12月31日的人民幣1,244.9百萬元。本集團的總資產由2020年12月31日的人民幣20,180.9百萬元減少8.7%至2021年12月31日的人民幣18,428.4百萬元。本集團的總負債由2020年12月31日的人民幣12,841.6百萬元減少9.1%至2021年12月31日的人民幣11,672.8百萬元。本集團於2021年的總資產回報率為-2.3%，2020年則為1.0%。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

2. Results of Operations

2.1 Revenue

The Group's revenue decreased by 22.5% to RMB5,288.4 million in 2021 as compared with RMB6,821.1 million in 2020, primarily due to the decrease in revenue of engineering businesses.

2.2 Cost of sales

The Group's cost of sales decreased by 12.5% to RMB4,947.0 million in 2021 as compared with RMB5,652.8 million in 2020. The decrease of the Group's cost of sales was mainly due to the decrease in costs along with the decrease in revenue of engineering businesses.

2.3 Selling and distribution expenses

The Group's selling and distribution expenses decreased by 20.9% to RMB18.2 million in 2021 as compared with RMB23.0 million in 2020.

2.4 Administrative expenses

The Group's administrative expenses decreased by 1.1% to RMB478.7 million in 2021 as compared with RMB483.8 million in 2020. This was mainly due to the reduction of the Company's labor dispatch personnel.

2.5 Other income and losses

The Group's other income decreased to RMB80.4 million in 2021 as compared with RMB82.2 million in 2020. This was mainly due to the increase in loss on disposal of items of property, plant and equipment compared with last year.

2. 經營業績

2.1. 收入

本集團的收入由2020年的人民幣6,821.1百萬元減少22.5%至2021年的人民幣5,288.4百萬元，主要由於工程業務收入減少所致。

2.2. 銷售成本

本集團的銷售成本由2020年的人民幣5,652.8百萬元減少12.5%至2021年的人民幣4,947.0百萬元。本集團銷售成本下降主要是隨著工程業務收入的減少導致成本下降所致。

2.3. 銷售及分銷開支

本集團的銷售及分銷開支由2020年的人民幣23.0百萬元減少20.9%至2021年的人民幣18.2百萬元。

2.4. 行政開支

本集團的行政開支由2020年的人民幣483.8百萬元減少1.1%至2021年的人民幣478.7百萬元。主要是由於本公司勞務派遣人員減少所致。

2.5. 其他損益

本集團的其他收益由2020年的人民幣82.2百萬元減少至2021年的人民幣80.4百萬元，主要由於物業、廠房和設備處置損失較上年增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

2.6 Other expenses, net

The Group's other expenses decreased by 60.5% to RMB42.1 million in 2021 as compared with RMB106.6 million in 2020, mainly because Datang Hami 13th Division Clean Energy Development Co., Ltd. ("Datang Xinjiang") signed a compensation agreement with China Datang Technologies & Engineering Co., Ltd. ("Technologies & Engineering Company"), which stipulated that Datang Xinjiang would pay a total of RMB49,432,000 in compensation to Technologies & Engineering Company for the termination of a construction contract and Technologies & Engineering Company recorded the compensation in other income accordingly.

2.7 Finance costs

The Group's finance costs decreased by 17.9% to RMB222.0 million in 2021 as compared with RMB270.3 million in 2020, mainly due to the decrease in the balance of long term interest-bearing bank borrowings of the Group and the replacement of high-interest bank borrowings through the issuance of super short-term commercial papers, which lowered the finance cost.

2.8 Profit before tax

As a result of the foregoing factors, the Group's profit before tax decreased by 217.2% to RMB-378.2 million in 2021 as compared with RMB322.7 million in 2020.

2.9 Income tax expense

The Group's income tax expense was RMB65.1 million in 2021, representing a decrease of 41.5% from RMB111.3 million in 2020, mainly due to the decrease in profit before tax.

2.6 其他開支淨額

2021年本集團其他開支為人民幣42.1百萬元，較2020年的人民幣106.6百萬元減少60.5%，主要是由於大唐哈密十三師清潔能源開發有限公司(「大唐新疆」)與中國大唐集團科技工程有限公司(「科技工程公司」)訂立補償協議，約定大唐新疆就終止建造合同向科技工程公司共計支付人民幣49,432,000元的補償，而科技工程公司將相應補償計入其他收益。

2.7 財務支出

本集團的財務支出由2020年的人民幣270.3百萬元減少17.9%至2021年的人民幣222.0百萬元，主要由於本集團長期計息銀行借款餘額減少，並通過發行超短期融資券替代高息銀行借款，導致財務支出減少。

2.8 稅前利潤

基於上述因素，本集團的稅前利潤由2020年的人民幣322.7百萬元減少217.2%至2021年的人民幣-378.2百萬元。

2.9 所得稅開支

本集團於2021年的所得稅開支為人民幣65.1百萬元，較2020年的人民幣111.3百萬元減少41.5%，主要由於稅前利潤減少所致。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

2.10 Profit for the year

The Group's profit for the year decreased by RMB654.7 million from RMB211.4 million in 2020 to RMB-443.3 million in 2021. For the year ended 31 December 2021, the Group's profit for the year as a percentage of its total revenue decreased to -8.4% as compared with 3.1% in 2020.

2.11 Profit attributable to owners of the parent

The profit attributable to owners of the parent decreased by RMB511.2 million to RMB-208.3 million in 2021 as compared with RMB302.9 million in 2020.

2.12 Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group decreased by 156.7% to RMB-234.9 million in 2021 as compared with RMB-91.5 million in 2020.

2.10. 年內利潤

本集團的年內利潤由2020年的人民幣211.4百萬元減少人民幣654.7百萬元至2021年的人民幣-443.3百萬元。截至2021年12月31日止年度，本集團的年內利潤佔其總收入的比例下降至-8.4%，而2020年則為3.1%。

2.11. 歸屬於母公司擁有人的利潤

歸屬於母公司擁有人的利潤由2020年的人民幣302.9百萬元減少人民幣511.2百萬元至2021年的人民幣-208.3百萬元。

2.12. 歸屬於非控股權益的利潤

歸屬於本集團非控股權益的利潤由2020年的人民幣-91.5百萬元減少156.7%至2021年的人民幣-234.9百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

3. Results on Business Segments

The following table sets forth a breakdown of the Group's revenue by segment/sub-segment and each segment/sub-segment as a percentage of total revenue for the years ended 31 December 2021 and 2020, as well as the percentage of change:

3. 業務分部業績

本集團在截至2021年及2020年12月31日止年度的各業務分部或子分部收入明細、各自佔總收入的百分比及變化百分比如下表所示：

| | | For the year ended 31 December 截至12月31日止年度 | | | | | | |
|---|------------------------------|---|--|--|------------------|--|--|--------------|
| | | 2021 2021年 | Percentage of total revenue before elimination ⁽¹⁾ | | 2020 2020年 | Percentage of total revenue before elimination ⁽¹⁾ | | Change |
| | | Revenue | 佔抵銷前 總收入比例 ⁽¹⁾ | | Revenue | 佔抵銷前 總收入比例 ⁽¹⁾ | | 變化 |
| | | RMB'000 人民幣千元 | % | | RMB'000 人民幣千元 | % | | % |
| Environmental Protection and Energy Conservation Solutions: | 環保節能解決方案： | | | | | | | |
| Total revenue of environmental protection and energy conservation solutions before elimination | 環保節能解決方案抵銷前總收入 | 5,003,199 | 92.9 | | 4,984,935 | 71.7 | | 0.4 |
| Intra-segment elimination ⁽²⁾ | 分部內抵銷 ⁽²⁾ | (90,171) | | | (106,160) | | | |
| Total revenue of environmental protection and energy conservation solutions after intra-segment elimination | 環保節能解決方案分部內抵銷後總收入 | 4,913,028 | | | 4,878,775 | | | 0.7 |
| Inter-segment elimination | 分部間抵銷 | - | | | - | | | |
| External revenue of environmental protection and energy conservation solution | 環保節能解決方案對外部收入 | 4,913,028 | | | 4,878,775 | | | 0.7 |
| Renewable Energy Engineering: | 再生能源工程： | | | | | | | |
| Total revenue of renewable energy engineering business | 再生能源工程總收入 | 307,767 | 5.7 | | 1,851,317 | 26.6 | | -83.4 |
| Inter-segment elimination | 分部間抵銷 | - | | | - | | | |
| External revenue of renewable energy engineering | 可再生能源工程對外部收入 | 307,707 | | | 1,851,317 | | | -83.4 |
| Thermal power engineering: | 火電工程： | | | | | | | |
| Total revenue of thermal power engineering | 火電工程總收入 | 927 | 0.0 | | 1,135 | 0.0 | | -18.3 |
| Inter-segment elimination | 分部間抵銷 | - | | | - | | | |
| External revenue of thermal power engineering | 火電工程對外部收入 | 927 | | | 1,135 | | | -18.3 |
| Other businesses: | 其他業務： | | | | | | | |
| Total revenue of other businesses | 其他業務總收入 | 73,989 | 1.4 | | 117,270 | 1.7 | | -36.9 |
| Inter-segment elimination ⁽³⁾ | 分部間抵銷 ⁽³⁾ | (7,295) | | | (27,426) | | | -73.4 |
| External revenue of other businesses | 其他業務對外部收入 | 66,694 | | | 89,844 | | | -25.8 |
| Total revenue before elimination⁽⁴⁾ | 抵銷前收入總額⁽⁴⁾ | 5,385,882 | 100.0 | | 6,954,657 | 100.0 | | -22.6 |
| Total intra- and inter-segment elimination ⁽⁵⁾ | 分部內和分部間抵銷總額 ⁽⁵⁾ | (97,466) | | | (133,586) | | | |
| Total revenue | 收入總額 | 5,288,416 | | | 6,821,071 | | | -22.5 |

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Notes:

- (1) Represents the revenue of each business segment or sub-segment (before any intra- or inter-segment elimination) as a percentage of the total revenue before any intra- or inter-segment elimination.
- (2) Intra-segment elimination of revenue from sub-segments under environmental protection and energy conservation solutions segment mainly arises from the intra-segment sales between denitrification catalysts sub-segment to energy conservation sub-segment and environmental protection facility concession operation, respectively.
- (3) Inter-segment elimination of revenue from other businesses segment mainly arises from the inter-segment sales between other businesses segment and environmental protection and energy conservation solutions.
- (4) Represents the aggregate amount of the revenue of all segments/sub-segments before any intra- or inter-segment elimination.
- (5) Represents the aggregate amount of all intra- and inter-segment elimination.

附註：

- (1) 指各分部或子分部的收入(任何分部內或分部間抵銷前)佔任何分部內或分部間抵銷前的收入總額的比例。
- (2) 環保節能解決方案分部下子分部收入的分部內抵銷主要來自脫硝催化劑子分部及節能子分部和環保設施特許經營於分部提供分部內銷售。
- (3) 其他業務分部收入的分部間抵銷主要來自於其他業務與環保節能解決方案分部間的銷售。
- (4) 指所有分部／子分部在任何分部內或分部間抵銷前的收入總和。
- (5) 指所有分部內和分部間抵銷額的總和。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

The following table sets forth a breakdown of the Group's gross profit by segment/sub-segment and gross profit margin of each business segment/sub-segment for the years ended 31 December 2021 and 2020, as well as the percentage of change in gross profit:

下表載列本集團在截至2021年及2020年12月31日止年度各分部或子分部的毛利、毛利率明細以及毛利變化幅度：

| | | For the year ended 31 December 截至12月31日止年度 | | | | |
|--|------------------------------|--|---------------------------------------|--|---------------------------------------|-----------------------------------|
| | | 2021 2021年 | Gross profit margin ⁽²⁾ | 2020 2020年 | Gross profit margin ⁽²⁾ | Change of gross profit 毛利變化 |
| | | Gross profit ⁽¹⁾ 毛利 ⁽¹⁾ RMB'000 人民幣千元 | 毛利率 ⁽²⁾ % | Gross profit ⁽¹⁾ 毛利 ⁽¹⁾ RMB'000 人民幣千元 | 毛利率 ⁽²⁾ % | 毛利變化 % |
| Total gross profit of environmental protection and energy conservation solutions | 環保節能解決方案總毛利 | 297,943 | 6.0 | 1,071,257 | 21.5 | -72.2 |
| Total gross profit of renewable energy engineering | 可再生能源工程總毛利 | 225 | 0.1 | 52,721 | 2.8 | -99.6 |
| Total gross profit of thermal power engineering | 火電工程總毛利 | (35) | (3.8) | (546) | (48.1) | -93.6 |
| Total gross profit of other businesses | 其他業務總毛利 | 19,190 | 25.9 | 35,091 | 29.9 | -45.3 |
| Total gross profit and overall gross profit margin⁽³⁾ | 總毛利及毛利率⁽³⁾ | 341,431 | 6.5 | 1,168,302 | 17.1 | -70.8 |

Notes:

- (1) Calculated based on the revenue of each segment or sub-segment (before any intra- or inter-segment elimination) minus the cost of sales of such segment or sub-segment (before any intra- or inter-segment elimination).
- (2) Calculated based on the gross profit of each segment or sub-segment calculated according to note (1) divided by the revenue of such segment or sub-segment (before any intra- or inter-segment elimination).
- (3) Total gross profit equals total revenue (being the revenue reflected on our consolidated statement of profit or loss and other comprehensive income) minus total cost of sales (being the cost of sales reflected on our consolidated statement of profit or loss and other comprehensive income). Overall gross profit margin equals total gross profit divided by total revenue.

附註：

- (1) 按照各分部或子分部的收入(任何分部內或分部間抵銷前)減去該分部或子分部的銷售成本(任何分部內或分部間抵銷前)計算得出。
- (2) 按照各分部或子分部根據上述附註(1)計算得出的毛利金額除以該分部或子分部的收入(任何分部內或分部間抵銷前)計算得出。
- (3) 總毛利等於總收入(即反映在我們的合併損益及其他綜合收益表上的收入)減去總銷售成本(即反映在我們的合併損益及其他綜合收益表上的銷售成本)。總毛利率乃以前述總毛利除以總收入計算得出。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

4. Cash Flows

As at 31 December 2021, the Group's cash and cash equivalents decreased by 18.7% to RMB1,244.9 million as compared with RMB1,531.7 million as at 31 December 2020, mainly attributable to the decrease in the cash flow generated from operating activities of the Group.

5. Working Capital

As at 31 December 2021, the Group's net current assets decreased by 41.0% to RMB1,092.5 million as compared with RMB1,851.3 million as at 31 December 2020, primarily due to the decrease in contract assets, trade receivables and cash and cash equivalents.

6. Indebtedness

As at 31 December 2021, the Group's borrowings decreased by 1.9% to RMB5,952.8 million as compared with RMB6,070.9 million as at 31 December 2020.

7. Capital Expenditure

The Group's capital expenditure decreased by 70.7% to RMB129.0 million in 2021 as compared with RMB439.8 million in 2020. Capital expenditure mainly comprises costs of long-term assets including acquisition or construction of property, plant and equipment and intangible assets.

4. 現金流量

於2021年12月31日，本集團的現金及現金等價物由2020年12月31日的人民幣1,531.7百萬元減少18.7%至人民幣1,244.9百萬元，主要由於本集團經營活動產生的現金流減少所致。

5. 營運資本

本集團的流動資產淨額較2020年12月31日的人民幣1,851.3百萬元減少41.0%至2021年12月31日的人民幣1,092.5百萬元，主要由於合同資產、貿易應收款項以及現金及現金等價物減少所致。

6. 債務

本集團的借款由2020年12月31日的人民幣6,070.9百萬元減少1.9%至2021年12月31日的人民幣5,952.8百萬元。

7. 資本開支

本集團的資本開支由2020年的人民幣439.8百萬元減少70.7%至2021年的人民幣129.0百萬元。資本開支主要為購建物業、廠房及設備及無形資產等長期資產成本。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

8. Financial Ratios

The following tables set forth certain of our financial ratios as at the dates and for the periods indicated:

| | | As at 31 December | |
|-----------------------------|--------|-------------------|--------|
| | | 於12月31日 | |
| | | 2021 | 2020 |
| | | 2021年 | 2020年 |
| Current ratio | 流動比率 | 111.5% | 118.6% |
| Quick ratio | 速動比率 | 109.4% | 116.7% |
| Liabilities to assets ratio | 負債資產比率 | 63.3% | 63.6% |
| Leverage ratio | 槓桿比率 | 69.7% | 61.8% |
| Return on total assets | 總資產回報率 | -2.3% | 1.0% |
| Return on equity | 股本回報率 | -6.3% | 2.9% |

9. Significant Investment

For the year ended 31 December 2021, the Group made no significant investment.

10. Material Acquisition and Disposal

For the year ended 31 December 2021, the Group had no material acquisition or disposal.

8. 財務比率

下表載列於所示日期及期間我們的若干財務比率：

As at 31 December
於12月31日
2021
2021年
2020
2020年

9. 重大投資

截至2021年12月31日止年度，本集團並無重大投資。

10. 重大收購及出售事項

截至2021年12月31日止年度，本集團並無重大收購或出售事項。

11. Contingent Liabilities

(a) India Gujarat Project

As mentioned in note 6(b) to financial statements, on 16 March 2019, the Group's subsidiaries, Technologies & Engineering Company and Datang Technologies & Engineering India Private Limited ("**Technologies & Engineering India**") signed construction contracts for desulfurisation and wet chimney with Gujarat State Electricity Corporation Limited ("**GSECL**"). Due to the impact of COVID-19, the construction progress was delayed and GSECL issued a formal notice which accused the Company of default and stated that it might take measures such as terminating the contract, redeeming the performance guarantee letter, and entrusting the work to others to complete. The Group fully accrued provisions of RMB75,848,000 for the redemption of the performance guarantee letter, and also considers that the corresponding advance receipts of RMB25,835,000 will no longer be obligated to be returned after the redemption of the performance guarantee letter, and incurred other expenses of RMB50,013,000 accordingly, but the likelihood of occurrence of other compensations about these contract disputes cannot be estimated reliably.

(b) India NLC Project

As mentioned in note 6(b) to financial statements, on 6 March 2020, Technologies & Engineering Company signed a construction contract with NLC India Limited ("**NLC India**"). Due to the impact of COVID-19, the construction progress was delayed, and NLC India issued a formal notice to request to terminate the contract and redeem the performance guarantee letter amounting to RMB47,303,000. In addition, the claims brought by NLC India also include the costs incurred in re-tendering and the arbitration progress. The Group fully accrued a provision of RMB47,303,000 for the request of redeeming the performance guarantee letter, and incurred other expenses of RMB47,303,000 accordingly, but the likelihood of occurrence of other compensations about these contract disputes cannot be estimated reliably.

11. 或有負債

(a) 印度古吉拉特邦項目

正如在財務報表附註6(b)中提到的，於2019年3月16日，本集團之附屬公司科技工程公司和大唐科技工程印度有限公司（「科技工程印度公司」）與 Gujarat State Electricity Corporation Limited（「GSECL」）簽訂了脫硫、濕煙囪總承包合同，因受新冠疫情影响，目前工期延誤，GSECL發來通知，指責本公司違約，並提出可能會採取終止合同、兌付保函、將工程委託予他人完成等舉措。本集團針對兌付保函事項全額計提撥備人民幣75,848,000元，亦認為相應的預收款人民幣25,835,000元在兌付履約保函後不再有義務歸還，並相應產生其他開支人民幣50,013,000元，但該合同糾紛導致其他賠償的可能性無法可靠計量。

(b) 印度NLC項目

正如在財務報表附註6(b)中提到的，於2020年3月6日，科技工程公司與NLC India Limited（「NLC India」）簽署總承包合同。後因新冠疫情影响，建造工程被延誤，故NLC India發出正式通知，要求終止合同並兌付履約保函人民幣47,303,000元。除保函部分外，NLC India提出的訴訟主張還包括重新招標產生的費用、仲裁程序產生的費用等。本集團針對兌付保函事項全額計提撥備人民幣47,303,000元，並相應產生其他開支人民幣47,303,000元，但該合同糾紛導致其他賠償的可能性無法可靠計量。

IV. RISK FACTORS AND RISK MANAGEMENT

Risks on environmental protection and energy conservation policies

The Group provides substantially all of its products and services in the PRC, and the development of its business is greatly dependent on the environmental protection policies of the PRC.

Environmental protection industry is one of the major industries that benefit from the constant support of the PRC government. The market demand for the Group's environmental protection and energy conservation products and services and the revenue generated therefrom are directly affected by the environmental protection policies of the PRC. However, there is no assurance that such policies will continue to be available to the Group or there will be no adverse change. If there is any adverse change, it may result in a material and adverse effect on the business prospects, results of operations and financial condition of the Group. The management of the Group is of the view that, given the severity of pollution in the PRC, it is unlikely for the PRC government to revise such environmental protection policies regarding the adverse effect or to withdraw any resources invested in the environmental protection industry. Moreover, the Group, as a trendsetter and leader of the environmental protection and energy conservation for the PRC's electric power industry, has participated in the formulation of various industrial policies and standards, which allows it to catch the latest industry trends and respond in a timely fashion.

四、風險因素和風險管理

環保節能政策風險

本集團在中國境內提供絕大部分的產品及服務，因此本集團的業務發展主要依賴於中國的環保政策。

環保行業是受惠於中國政府持續支持的主要行業之一。本集團的環保節能產品及服務的市場需求以及本集團於該業務分部產生的收入與中國的環保節能政策直接相關。然而，本集團無法保證該等政策將持續存在或將沒有不利改變。倘有任何不利改變，則可能對本集團的業務前景、經營業績及財務狀況造成重大不利影響。本集團的管理層認為鑒於目前中國的污染問題仍十分嚴重，中國政府不大可能就不利影響修訂該等環保政策，或減少投入環保行業。此外，本集團作為中國電力行業環保節能領域的主導者和領先者，多次參與多個行業政策標準的制訂，能夠瞭解前沿的行業變化趨勢，及時採取應對策略。



Risks on connected transactions with China Datang Group and its connected persons

The Group has been conducting various transactions with China Datang Group and its connected persons, and will continue to enter into such transactions in the future. For the year ended 31 December 2021, the total value of goods sold and services provided by the Group to China Datang Group and its connected persons was approximately RMB4,738.4 million, representing approximately 89.60% of the total revenue of the Group. For the year ended 31 December 2021, the total value of goods purchased and services received by the Group from China Datang Group and its connected persons was approximately RMB1,518.9 million, representing approximately 30.70% of the total cost of the Group. The Group has been actively expanding its client base. For example, during 2021, the Group entered into contracts in the amount of RMB511 million with clients other than China Datang Group and its connected persons, representing approximately 28.54% of the total contract amount of the Group.

Liquidity risks

The Group had positive operating cash flows of RMB987.0 million for the year ended 31 December 2021. The Group cannot assure that its operating cash flow for any future period will be positive. The Group's ability to generate adequate cash inflows from operating activities in the future will depend largely on project schedule and billing arrangement, its ability to collect receivables from customers in a timely manner and the credit terms available to the Group. If the Group is not able to generate sufficient cash flows from operations or obtain sufficient financing to support its business operation, the Group's growth prospects may be materially and adversely affected. The Group plans to implement diversified measures to collect receivables in order to improve operating cash flow. In addition, the Group has been proactively seeking financing to support the development and expansion of its business. As at 31 December 2021, the Group had available bank facilities of RMB6.596 billion.

與中國大唐集團及其聯繫人關連交易的風險

本集團過往一直與中國大唐集團及其聯繫人進行各類交易，且本集團日後亦將繼續與其訂立交易。截至2021年12月31日止年度，本集團向中國大唐集團及其聯繫人銷售貨物及提供服務總價值約為人民幣4,738.4百萬元，佔本集團總收入約89.60%。截至2021年12月31日止年度，本集團向中國大唐集團及其聯繫人購買貨物及接受服務總價值約為人民幣1,518.9百萬元，佔本集團總成本約30.70%。本集團一直在積極拓展其客戶群，例如於2021年期間，本集團與中國大唐集團及其聯繫人以外客戶訂立合同價值人民幣5.11億元，佔本集團總合同金額約28.54%。

現金流量風險

本集團截至2021年12月31日止年度的經營現金流量為正人民幣987.0百萬元，本集團無法保證於任何未來期間的經營現金流量將為正數。本集團未來錄得經營活動所得現金流入的能力將大部分取決於項目時間表及開賬單的安排、本集團及時向客戶收回應收款項的能力及本集團能取得的信貸條款。倘本集團未能從營運中產生充足的現金流量或取得充足的融資以支持業務經營，本集團的增長前景可能受到重大不利影響。本集團計劃採取多種措施開展應收賬款清收工作，著力改善經營現金流。另外，本集團一直積極為業務發展以及擴張尋求融資，於2021年12月31日，本集團尚有人民幣65.96億元的可用銀行授信額度。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Industry risks

The Group's business primarily focuses on the environmental protection and energy conservation for coal-fired power plants, and therefore the market demand for the Group's environmental protection and energy conservation business relies heavily on the growth rate of the coal-fired power generation output in the PRC. In particular, the revenue generated from concession operations will be directly affected by the power generation output of coal-fired power plants. As pollution has become an increasingly severe environmental issue in the PRC, the PRC government has shown considerable concern for the adjustment to the national energy structure and development. Therefore, there can be no assurance that coal-fired power generation output in the PRC will continue to grow at the current pace. If the increase in coal-fired power generation output in the PRC slows down, it may result in a decrease in utilization hours of coal-fired power generation units, or a lower demand for the Group's products and services, which in turn will materially and adversely affect our business prospects, results of operations and financial position. The management of the Group is of the view that, in terms of the power generation portfolio in the PRC, coal-fired power generation still dominates the market. In addition, the vast majority of the Group's concession operations locate in coastal areas and economically developed areas, where the utilization hours of coal-fired power generation are higher than the average level nationwide. The Group plans to actively explore clients in the iron and steel, cement and petrochemical industries.

Risks on overseas business

The Group is aggressively developing its overseas business, especially in the Belt and Road Initiative countries, deeply explores Southeast Asia, South Asia and other core markets, and focuses on the deployment in India, Thailand and other countries. The Group's global business expansion may be hindered by risks such as: lack of availability of overseas financing, possible difficulties in the management of overseas personnel and business operations, lack of understanding of the local business environment, financial and management system or legal system, volatility in currency exchange rates, cultural differences, changes in political, regulatory or economic environments in the foreign countries or other regions, as well as the risk of barriers. If the Group fails to manage the above risks effectively, its overseas expansion may be hindered, which may in turn result in a material and adverse effect on its

行業風險

本集團的大部分業務集中於燃煤電廠的環保節能，因此本集團環保節能業務的市場需求很大程度上依賴於中國燃煤發電量的增長率，特別是特許經營業務的收入與燃煤電廠發電量直接相關。由於污染成為中國日趨嚴重的環境問題，中國政府已表示非常重視調整國家能源結構及發展。因此，本集團不能保證中國燃煤發電量會繼續按現有速度增長。如果中國燃煤發電量的增長放緩，則其可能會導致燃煤發電機組利用小時下降或對本集團的產品和服務需求下降，對我們的業務前景、經營業績和財務狀況造成重大不利影響。本集團的管理層認為，就中國的發電結構而言，燃煤發電仍是市場上的主流能源。此外，本集團大多數的特許經營業務主要集中於沿海及經濟發達地區，燃煤發電利用小時高於全國平均水平。本集團計劃積極拓展如鋼鐵、水泥及石化行業的客戶。

海外業務風險

本集團正積極開發其海外業務，尤其是積極拓展「一帶一路」沿線國家市場，深耕東南亞、南亞等核心市場，重點佈局印度、泰國等國家。本集團的全球業務拓展可能受下列風險所阻礙，例如：缺乏海外融資、人員及業務經營的管理上可能遇到困難，缺乏對當地業務環境、財務和管理體系或法律制度的瞭解，貨幣匯率的波動，文化差異，外國或其他地區的政治、監管或經濟環境的變化，以及壁壘風險。如果本集團無法有效管理上述風險，本集團的海外拓展將會受阻礙，從而對本集團的業務前景、經營業績及財務狀況造成重大不利影響。本



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

business prospects, results of operations and financial condition. The management of the Group is of the view that, the PRC government has been actively establishing friendly diplomatic relations with the Belt and Road Initiative countries and improving the overseas investment atmosphere. The Group has extensive experience in project management in certain countries, such as India and Thailand, which can serve as examples for its future overseas development. Moreover, the Group has established rather mature risk management and internal control systems to mitigate risks on overseas business to the greatest extent possible.

V. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

In 2022, the Group will focus on “three promotions and one breakthrough”, deeply promoting the three major businesses of environmental in-depth governance, resource recycling and integrated intelligent energy, and achieving breakthrough in acquiring “specialized and advanced” cutting-edge core technologies and new products. The Group will focus on serving the national strategies, and promote the optimization of structure and layout; focus on independent controllability and the forefront of the industry, and promote innovation-driven development; focus on the three-year action of state-owned enterprise reform, and promote the modernization of management system capabilities; focus on improving the quality of operation, and promote comprehensive quality and efficiency improvement; focus on key and difficult points, and promote prevention and mitigation of major risks of material investment; focus on governing the enterprise according to law and scientific management, and promote and consolidate the management foundation. The Group will implement the “six special tasks” including business breakthrough, reform, management improvement, technological innovation, risk mitigation and debt clearing. During the critical period and window period of the “14th Five-Year Plan”, the Group will base itself on the new development stage, implement the new development concept, integrate into the new development pattern, and start a new journey of entrepreneurship. The Group will focus on the following four aspects:

集團的管理層認為中國政府也一直在積極與「一帶一路」沿線國家建立良好外交關係，改善海外投資環境。本集團在一些國家例如印度及泰國，具有豐富的項目經驗，可以供其未來海外發展參考，而本集團建立了相對完善風險管理及內部控制體系，旨在最大可能程度規避海外業務風險。

五、本集團未來發展的展望

2022年，本集團將以「三個推進，一個突破」為核心，深入推進環境深度治理、資源循環利用和綜合智慧能源三大業務，在獲取「專精特尖」前沿核心技術和新產品上實現突破。聚焦服務國家戰略，推進結構佈局優化；聚焦自主可控和行業前沿，推進創新驅動發展；聚焦國企改革三年行動，推進管理體系能力現代化；聚焦提升運營質量，推進全面提質增效；聚焦重點難點，推進防範化解重大投資風險；聚焦依法治企、科學管理，推進夯實管理基礎。實施業務突圍、改革攻堅、管理提升、科技創新、風險化解、清欠攻堅「六個專項工作」。在「十四五」關鍵期、窗口期，立足新發展階段、貫徹新發展理念、融入新發展格局，開啟二次創業新徵程。本集團將重點做好以下四個方面的工作：

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

1. Focus on developing in-depth environmental governance business

The Group will serve national strategies such as the battle against pollution, material protection of Yangtze River, ecological protection of the Yellow River Basin and high-quality development, promote synergies in reduction of pollution and carbon, make up for weaknesses, strengthen weaknesses, prevent risks and optimize inventory. The Group will improve and enhance the concession operation business, product manufacturing business and engineering business, steadily promote overseas business, and actively expand new environmental governance business, striving to improve the quality and efficiency level through the traditional advantage businesses, and consolidating the foundation for high-quality development.

2. Steadily promote the resource-recycling utilization business

The Group will vigorously develop circular economy, promote intensive use of resources and saving energy, follow the principle of "reduction, reuse and recycling", closely implement the regional development strategies such as the ecological and environmental improvement in Yangtze River Economic Belt and the Yellow River Basin, make deployment in national key urban agglomerations such as Beijing-Tianjin-Hebei, Yangtze River Delta, Pearl River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and Chengdu-Chongqing Economic Zone. Taking existing resources of the Group as entry point, the Group will conduct comprehensive utilization demonstration of bulk solid waste, gradually expand the industrial park recycling renovation business, advance the cascade utilization of energy resources and waste recycling utilization, comprehensively improve the resource utilization efficiency, enhance the renewable resource utilization level and support the carbon reduction action.

1. 聚焦發展環境深度治理業務

服務深入打好污染防治攻堅戰、長江大保護、黃河流域生態保護和高質量發展等國家戰略，推動減污降碳協同增效，補短板、強弱項、防風險、優存量，做優做特許營業務，做優做強做大產品製造業務，做優做精工程業務，穩妥推進海外業務，積極拓展新型環境治理業務，努力通過傳統優勢業務提升質量效益水平，夯實高質量發展基礎。

2. 穩步推進資源循環利用業務

大力發展循環經濟，推進資源節約集約利用，遵循「減量化、再利用、資源化」原則，緊扣長江經濟帶、黃河流域生態環境治理等區域發展戰略，佈局京津冀、長三角、珠三角、粵港澳大灣區、成渝經濟區等國家級重點城市群，以本集團現有資源為切入點，開展大宗固體廢棄物綜合利用示範，逐步拓展工業園區循環化改造業務，推進能源資源梯級利用、廢物循環利用，全面提高資源利用效率，提升再生資源利用水平，助力降碳行動。



3. Proactively broaden “low-carbon” integrated intelligent energy business

The Group will implement the deployment of building a new power system with new energy as the main body, focus on building a modern energy system, accelerate the development of non-fossil energy, adhere to both centralized and distributed energy deployment, vigorously improve the wind power and photovoltaic power generation scale. The Group will take the distributed photovoltaic business as the entry point, promote the centralized photovoltaic power, wind power business, fully tap the needs of industrial parks and key energy consuming enterprises, and carry out comprehensive energy services, energy storage, intelligent energy and other new businesses and formats, adjust structure, change the mode, expand increment and open a new layout.

4. Adhere to innovation-driven and enhance core competitiveness

The Group will adhere to the self-reliance of science and technology, give full play to the basic guarantee role of technological innovation, focus on improving the level of franchise operations, focus on reducing operational energy consumption and material consumption, focus on improving engineering and technical capabilities, and focus on supporting the development of new business formats. Focusing on national strategies such as “carbon peaking, carbon neutrality, resource recycling, green and low-carbon, new energy” and other hotspots, we will organically integrate design strength, technical strength, and research and development strength with our business to achieve comprehensive output and effect. The Group will vigorously develop core technologies, strengthen the collection and storage of cutting-edge technologies in low-carbon, carbon-negative, energy efficiency management and other fields, increase investment in technological innovation, accelerate the acquisition of core technologies, and strive to build new industrial advantages.

3. 積極拓展「低碳」綜合智慧能源業務

貫徹構建以新能源為主體的新型電力系統部署，圍繞構建現代能源體系，加快發展非化石能源，堅持集中式和分佈式並舉，大力提升風電、光伏發電規模，以分佈式光伏業務為切入點，推動開展集中式光伏、風電業務，充分挖掘產業園區和重點用能企業需求，開展綜合能源服務、儲能、智慧能源等新業務新業態，調結構、轉方式、拓增量、開新局。

4. 堅持創新驅動提升核心競爭力

堅持科技自立自強，充分發揮科技創新的基礎保障作用，聚焦提升特許運營水平，聚焦降低運營能耗物耗，聚焦提升工程技術能力，聚焦支撐新業態發展，重點圍繞「碳達峰、碳中和、資源循環利用、綠色低碳、新能源」等國家戰略和熱點領域，將設計力量、技術力量、研發力量與本公司業務有機融合，實現綜合輸出創效。大力開展核心技術攻堅，加強低碳、負碳、能源效益管理等領域前沿技術的收集、儲備，加大科技創新投入力度，加快獲取核心技術，全力構建新的產業優勢。

REPORT OF DIRECTORS

董事會報告

The Board hereby presents this report of Directors and the annual report as well as the Group's audited consolidated financial statements for the year of 2021 prepared in accordance with the International Financial Reporting Standards ("IFRSs").

董事會謹此向股東提呈本董事會報告及年報，以及本集團按照國際財務報告準則（「國際財務報告準則」）編製的2021年經審計合併財務報表。

I. CORPORATE INFORMATION

The Company was incorporated as a joint stock Company in the PRC with limited liability on 25 July 2011. Basic information about the Company is set out in the sections headed "Company Profile" and "Corporate Information" on page 4 and pages 280-284 of this annual report.

II. PRINCIPAL BUSINESS

The Group is the sole platform for the development of environmental protection and energy conservation business under China Datang Group, one of the 4 major state wholly-owned power generation groups in the PRC. The principal business of the Group includes environmental protection facility concession operation, denitrification catalysts, environmental protection facilities engineering, water treatment business, energy conservation business and renewable energy engineering business.

Details of the Company's subsidiaries are set out in Note 1 to the financial statements in this annual report.

III. RESULTS AND BUSINESS REVIEW

The audited financial results of the Group for the year ended 31 December 2021 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 142-143 of this annual report. The financial position of the Group and of the Company as at 31 December 2021 is set out in the consolidated statement of financial position on pages 144-145 of and in Note 40 to the financial statements in this annual report. The cash flows of the Group for the year ended 31 December 2021 are set out in the consolidated statement of cash flows on pages 147-148 of this annual report.

一. 公司資料

本公司為於2011年7月25日在中國註冊成立的股份有限公司。本公司的基本資訊載列於本年報第4頁及第280頁至第284頁的「公司簡介」及「公司資料」章節中。

二. 主營業務

本集團是中國四大國有獨資發電集團之一的中國大唐集團旗下發展環保節能業務的唯一平台。本集團的主營業務包括環保設施特許經營、脫硝催化劑、環保設施工程、水務業務、節能業務及可再生能源工程業務。

本公司附屬公司的詳情載於本年報財務報表附註1。

三. 業績及業務回顧

本集團截至2021年12月31日止年度的經審計財務業績載於本年報第142頁至第143頁的合併損益及其他綜合收益表。本集團及本公司於2021年12月31日的財務狀況載於本年報第144頁至第145頁的合併財務狀況表及本年報財務報表附註40內。本集團截至2021年12月31日止年度的現金流量載於本年報第147頁至第148頁的合併現金流量表內。



REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

A discussion and analysis of the Group's business review, results and performance during the year ended 31 December 2021, the discussion and analysis of the key factors of its results and financial performance, risk factors and risk management and the prospect for future development are set out in the section headed "Management Discussion and Analysis" on pages 8-32 of this annual report, and the "Report of Directors" on pages 33-78 of this annual report. The description of relationship between the Group and employees is set out in the section headed "Human Resources" on pages 134-135 of this annual report. The indemnity provisions of the Company are set out in the section headed "Directors' liability insurance and the permitted indemnity provisions" under the corporate governance report on page 91 of this annual report. The aforementioned sections form part of the report of Directors.

IV. ENVIRONMENTAL POLICIES AND PERFORMANCE OF THE COMPANY

As an environmental protection technology company, the Group strictly abides by the environment and social-related laws and regulations that have a significant impact on the Group in relation to its businesses, including provision of environmental protection and energy conservation services, monitoring of the pollutants generated by coal-fired power plants, and provision of renewable energy services, etc.. Meanwhile, as a responsible company, the Group proactively performed its social responsibility in 2021, and conducted business by taking fulfillment of the concept of sustainable development as its duty. It also adheres to mutually beneficial cooperation with customers and employees to seek for common development, and strives to maintain a balance of harmony with ecological environment and social environment. The Group will keep on undertaking social responsibilities and exerting advantages as an environmental protection enterprise and making consistent efforts to forage an environment with blue sky and white clouds.

Details of the environmental, social and governance of the Company will be set out in the Environmental, Social and Governance Report (the "ESG Report") to be issued by the Company separately pursuant to Rule 13.91 and Appendix 27 to the Listing Rules.

有關本集團截至2021年12月31日止年度的業務回顧、業績表現、業績及財務表現關鍵指標的討論及分析、風險因素和風險管理及未來發展的展望，載於本年報第8頁至第32頁「管理層討論與分析」一節及本年報第33至第78頁的「董事會報告」內。有關本集團與僱員的關係說明載於本年報第134頁至第135頁「人力資源」一節中。有關本公司的彌償條文載於本年報第91頁的企業管治報告中「董事責任保險及獲准許的彌償條文」一節內。上述章節構成董事會報告的一部分。

四. 本公司的環境政策及表現

作為一個環保科技公司，本集團嚴格遵守與環保節能服務、燃煤發電廠排放的污染物監測、可再生能源服務等環境及社會方面相關的對本集團的業務有重大影響的法律法規。同時，作為一個負責任的公司，本集團在2021年積極履行企業社會責任，以踐行可持續發展理念為己任開展工作，堅持與客戶、員工互利合作，謀求共同發展，並且與生態環境、社會環境和諧共處。本集團將繼續擔當好社會責任，發揮環保企業的優勢，為打造藍天白雲而不懈努力。

有關本公司的環境、社會及管治的詳情將載列於本公司根據上市規則第13.91條及附錄27而將單獨刊發的環境、社會及管治報告（「環境、社會及管治報告」）。

V. COMPLIANCE WITH LAWS AND REGULATIONS

As an H share company incorporated in the PRC with limited liabilities and listed on the Main Board of the Stock Exchange, the Company is governed by various applicable domestic laws and regulations including the Company Law of the People's Republic of China ("Company Law"), the Production Safety Law of the People's Republic of China, the Standards for Corporate Governance of Listed Companies (《上市公司治理準則》) promulgated by the CSRC, the Guideline on Comprehensive Risk Management of Central Enterprises (《中央企業全面風險管理指引》) promulgated by the SASAC, as well as the Listing Rules and the SFO. The Group has implemented risk management and internal control measures to ensure its compliance with such laws and regulations. Having reviewed the business performance of the Group, the Board is of the view that the Group has been in compliance with the requirements of relevant laws and regulations in all material respects.

The discussion and analysis of legal risks exposed to the Company are set out in the section headed "Risk Factors and Risk Management" on pages 27-30 of this annual report.

VI. USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company has been listed on the Main Board of the Stock Exchange since 15 November 2016. The net proceeds from the initial public offering and partial exercise of the over-allotment option, after deducting the underwriting fees and relevant expenses, amounted to approximately HK\$2,032.3 million, which will be used in the ways stated in the section headed "Future Plans and Use of Proceeds" of the Prospectus and the announcement of the Company dated 30 December 2021 (the "Announcement") in relation to the change in use of net proceeds.

五. 遵守法律及法規的情況

作為在中國註冊成立並在聯交所主板上市的H股公司，本公司受《中華人民共和國公司法》(「公司法」)、《中華人民共和國安全生產法》、中國證監會頒佈的《上市公司治理準則》、國資委頒佈的《中央企業全面風險管理指引》等適用境內法律法規以及上市規則及證券及期貨條例的監管。本集團已實施風險管理及內部控制以確保符合該等法律法規。通過對於本集團業務表現的審視，董事會認為本集團在一切重大方面均符合相關法律及規例的要求。

有關本公司面對的法律風險之討論與分析載於本年報第27頁至第30頁「風險因素和風險管理」一節中。

六. 首次公開發售所得款項淨額的使用情況

本公司自2016年11月15日起在聯交所主板上市。首次公開發售及部分行使超額配股權的所得款項淨額(扣除承銷費及相關費用)約為2,032.3百萬港元，將用作招股章程「未來計劃及所得款項用途」一節及本公司日期為2021年12月30日變更募集資金淨額用途的公告(「該公告」)所載之用途。



REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

The following table sets forth the use of net proceeds from the initial public offering as at 31 December 2021:

下表載列截至2021年12月31日止首次公開發售所得款項淨額的使用情況：

| | | Intended use of net proceeds disclosed in the Prospectus | Revised use of net proceeds as at the date of the Announcement | Actual use of net proceeds up to 31 December 2021 | Unused net proceeds up to 31 December 2021 | Expected time of full utilization of remaining balance |
|---|---|--|--|---|--|--|
| | | 招股章程披露的所得款項淨額的擬定用途 | 於該公告日期所得款項淨額的修訂用途 | 截至2021年12月31日所得款項淨額的實際使用情況淨額 | 截至2021年12月31日未使用所得款項淨額 | 充分使用餘額的預期時間 |
| | | (HK\$ million) | (HK\$ million) | (HK\$ million) | (HK\$ million) | |
| | | (百萬港元) | (百萬港元) | (百萬港元) | (百萬港元) | |
| To finance the capital expenditures for expanding the desulfurization and denitrification concession operations | 擴充脫硫及脫硝特許經營業務規模所需的資本開支 | 1,219.50 | 1,219.50 | 1,219.50 | 0.00 | - |
| To develop new sources of growth in the revenue and profit, including but not limited to EMC business for coal-fired power plants, water treatment business, and providing customers with overall solution plans of ultra-low emissions | 培育收入和利潤的新增長點，包括但不限於燃煤發電廠合約能源管理業務、水務業務和為客戶提供超低排放整體解決方案 | 304.80 | 304.80 | 304.80 | 0.00 | - |
| To repay some of the existing bank loans in order to lower the finance costs and improve the financial leverage ratio | 償還部分現有銀行貸款，以降低財務成本及改善財務槓桿比率 | 203.20 | 203.20 | 203.20 | 0.00 | - |
| For working capital and other general corporate purposes | 營運資金及其他一般公司用途 | 203.20 | 203.20 | 203.20 | 0.00 | - |
| For research and development expenditures | 研發開支 | 101.60 | 93.60 | 54.74 | 38.86 | December 2025 |
| Investment in renewable energy projects | 可再生能源項目投資 | - | 8.00 | 0.00 | 8.00 | December 2022 |
| Total | 總計 | 2,032.30 | 2,032.30 | 1,985.44 | 46.86 | |

VII. PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property, plant and equipment of the Group are set out in Note 14 to the financial statements in this annual report.

At the end of the Reporting Period, the Group had no investment properties or properties held for development and/or sale with one or more of the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) exceeding 5%.

VIII. SHARE CAPITAL

As at 31 December 2021, the total registered share capital of the Company was RMB2,967,542,000, divided into 624,296,200 H Shares and 2,343,245,800 Domestic Shares. Details of the changes in issued share capital of the Company during the Reporting Period are set out in Note 29 to the financial statements in this annual report.

IX. PRE-EMPTIVE RIGHTS

As at 31 December 2021, there were no provisions for pre-emptive rights under the Articles of Association or the relevant PRC laws, which require the Company to offer new Shares to existing Shareholders in proportion to their shareholdings.

X. RESERVES

Details of the changes in reserves of the Group and of the Company during the Reporting Period are set out in the consolidated statement of changes in equity and in Note 40 to the financial statements in this annual report.

XI. RETAINED PROFITS

Pursuant to the Articles of Association, where there are differences between Accounting Standards for Business Enterprises of the PRC ("PRC GAAP") and the IFRSs, the retained profits shall be the lower of the amounts shown in the two different financial statements. There is no discrepancy between the net assets at the end of 2021 as calculated in accordance with PRC GAAP and the IFRSs. The retained profits of the Group as of 31 December 2021 is set out in the consolidated statement of changes in equity. The Board proposes to set aside 10% of the profit after tax as the statutory surplus reserve in accordance with the Company Law and the Articles of Association, and not to set aside discretionary reserve. This proposal will be submitted to the 2021 AGM for consideration and approval.

七. 物業、廠房及設備

本集團物業、廠房及設備的變動詳情載於本年報財務報表附註14。

於報告期末，本集團並無擁有投資物業或持作發展及／或出售的物業而該物業對應的一個或多個百分比率(定義見上市規則第14.04(9)條)超過5%。

八. 股本

於2021年12月31日，本公司的註冊股本總數為人民幣2,967,542,000元，分為624,296,200股H股及2,343,245,800股內資股。本公司的已發行股本於報告期內的變動詳情載於本年報財務報表附註29。

九. 優先購買權

於2021年12月31日，公司章程或中國相關法律未就優先購買權作出規定，並無要求本公司按股東的持股比例向現有股東發售新股。

十. 儲備

本集團及本公司於報告期內儲備的變動詳情載於合併權益變動表及本年報財務報表附註40。

十一. 未分配利潤

根據公司章程規定，中國企業會計準則(「中國企業會計準則」)與國際財務報告準則如有差異，未分配利潤以兩份不同財務報表中較低者為基準。本集團根據中國企業會計準則和國際財務報告準則計算的2021年末淨資產無差異。本集團截至2021年12月31日的未分配利潤載於合併權益變動表。董事會建議按照公司法及公司章程提取稅後利潤10%作為法定盈餘公積金，不提取任意公積金。此方案將提交2021年度股東週年大會審議及批准。

XII. 2021 FINAL DIVIDEND AND RELATED CLOSURE OF REGISTER OF MEMBERS

According to the resolutions of the Board passed at the sixth meeting of the third session of the Board on 31 March 2022, the Board proposed to distribute the final dividend for the year ended 31 December 2021 of RMB0.0298 per share (before tax) (the “**Proposed 2021 Final Dividend**”) in cash to the Shareholders. If the proposal is approved by the Shareholders at the 2021 AGM to be held on Thursday, 30 June 2022, the Proposed 2021 Final Dividend is expected to be distributed on or about Wednesday, 10 August 2022 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 12 July 2022. The Proposed 2021 Final Dividend to be distributed will be denominated and announced in RMB, of which dividends on Domestic Shares will be paid in RMB whereas dividends on H Shares will be paid in Hong Kong dollars (the exchange rate of RMB to Hong Kong dollars will be exchanged at the average exchange rate as announced by the People’s Bank of China for five working days prior to the date of the 2021 AGM).

In order to ascertain the entitlements of the Shareholders to receive the Proposed 2021 Final Dividend, the register of members of the Company will be closed from Thursday, 7 July 2022 to Tuesday, 12 July 2022 (both days inclusive), during which period no transfer of Shares will be effected. To be eligible to receive the Proposed 2021 Final Dividend, all transfer documents must be lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares), or the Company’s board office in the PRC at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, 100097 (for holders of Domestic Shares), no later than 4:30 p.m. on Wednesday, 6 July 2022.

十二. 2021年度末期股息及有關暫停辦理股東登記

根據於2022年3月31日舉行的第三屆董事會第六次會議上通過的董事會決議，董事會建議派發截至2021年12月31日止年度的末期股息，以現金向股東派發每股股份人民幣0.0298元(稅前)（「**建議2021年度末期股息**」）。如股東於將於2022年6月30日(星期四)舉行的2021年度股東週年大會上批准該建議，建議2021年度末期股息預計將於2022年8月10日(星期三)或左右派發予於2022年7月12日(星期二)名列本公司股東名冊的股東。待派發的建議2021年度末期股息將以人民幣計算並宣派，其中內資股股息將以人民幣支付，而H股股息將以港元支付(人民幣兌港元的匯率將為中國人民銀行於2021年度股東週年大會日期前五個工作天公佈的平均匯率)。

為確定有權收取建議2021年度末期股息的股東名單，本公司將於2022年7月7日(星期四)至2022年7月12日(星期二)(包括首尾兩日)期間暫停辦理股東登記手續，期間不會進行任何股份的過戶登記。為符合資格收取建議2021年度末期股息，所有股份過戶文件最遲須於2022年7月6日(星期三)下午四時三十分前送達本公司的H股證券登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖(就H股持有人而言)或本公司中國的董事會辦公室，地址為中國北京市海淀區紫竹院路120號，郵編：100097(就內資股持有人而言)。

XIII. TAX

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementation regulations (the "EIT Law"), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H Shares registered in the name of non-individual enterprises, including HKSCC Nominees Limited, other agents or trustees, or other organizations or groups, shall be deemed as shares held by nonresident enterprise Shareholders (as defined under the EIT Law). When the Company distributes dividends to non-resident enterprise Shareholders, it is liable to withhold enterprise income tax on their behalf at an interest rate of 10%. If H Shareholders need to change their Shareholder's status, they shall consult with the agents or trustees on the procedures. In strict compliance with laws and requirements of relevant government authorities, the Company will withhold the enterprise income tax according to the register of members of the H Shares of the Company as at the record date.

Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the Company's register of members of H Share should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to the H Share Registrar, Computershare Hong Kong Investor Services Limited, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy and Administration of Individual Income Tax after the Abolishment of Guo Shui Fa (1993) No. 045 Document (《關於國稅發(1993)045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the State Administration of Tax on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprises which have issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general.

十三. 稅項

根據《中華人民共和國企業所得稅法》及其實施條例(「企業所得稅法」)，非居民企業就其來源於中國境內的所得繳納企業所得稅的適用稅率為10%。為此，任何以非個人企業名義，包括以香港中央結算(代理人)有限公司、其他代理人或受託人或其他組織及團體名義登記的H股股份皆被視為由非居民企業股東(定義見企業所得稅法)所持有的股份。本公司向名列於H股股東名冊上的非居民企業股東派發股息時，有義務代扣代繳企業所得稅，稅率為10%。如H股股東需要更改股東身份，請向代理人或受託人查詢相關手續。本公司將嚴格依法或根據政府相關部門的要求，並依照截止記錄日期的本公司H股股東名冊代扣代繳企業所得稅。

任何名列本公司H股股東名冊上的依法在中國境內註冊成立，或者依照外國(地區)法律成立但實際管理機構在中國境內的居民企業(定義見企業所得稅法)，倘不希望由本公司代扣代繳10%企業所得稅，須向H股證券登記處香港中央證券登記有限公司呈交中國執業律師出具的認定其為居民企業的法律意見書(加蓋律師事務所公章)及相關文件。

根據國家稅務總局於2011年6月28日頒佈的《關於國稅發(1993)045號文件廢止後有關個人所得稅徵管問題的通知》，在香港發行股份的境內非外商投資企業向境外居民個人股東派發的股息，一般須按10%的稅率繳納個人所得稅。



REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

If the individual H Shareholders are residents of Hong Kong or Macau or those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of these Shareholders. If the individual H Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will make applications on their behalf to seek entitlement of the relevant agreed preferential treatment pursuant to the relevant tax treaty. Under the above circumstances, if the relevant individual H Shareholders want a refund of the extra amount withheld (the “**Extra Amount**”) due to the application of 10% tax rate, the Company can apply for the relevant agreed preferential tax treatment provided that the relevant Shareholders submit the evidence required by the notice of the tax treaty to the H Share Registrar. The Company will assist with the tax refund after receiving approval of the competent tax authority. Should the individual H Shareholders be residents of the countries which have an agreed tax rate of over 10% but less than 20% with the PRC under the tax treaty, the Company will withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax treaty. In the case that the individual H Shareholders are residents of the countries which have an agreed tax rate of 20% with the PRC, or which have not entered into any tax treaty with the PRC, or otherwise, the Company will withhold and pay the individual income tax at a rate of 20%.

The Company will strictly comply with the laws and requirements of the relevant government authorities and withhold and pay enterprise and individual income tax on behalf of the Shareholders based on the Company’s register of members of the H Shares on the record date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding of enterprise income tax. The Company assumes no liability whatsoever in respect of any claims arising from any delay in, or inaccurate determination of the status of the Shareholders or any disputes over the mechanism of withholding.

XIV. REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2021, neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any of the Company’s listed securities.

如果H股個人股東為香港或澳門居民以及其他與中國就向彼等派發的股息簽訂10%稅率的稅收協議的國家的居民，本公司將按10%的稅率代扣代繳個人所得稅。如果H股個人股東為與中國簽訂低於10%股息稅率的稅收協議的國家的居民，本公司將按照相關稅收協議，代表該等股東進行申請以尋求相關協議優惠待遇的權利。在前述情形下，如相關H股個人股東欲申請退還因適用10%的稅率而導致的多扣繳稅款(「**多繳款項**」)，本公司可根據稅收協議代為辦理享受有關稅收協議待遇的申請，但股東須向H股證券登記處呈交稅收協議通知規定的證據，經主管稅務機關審核批准後，本公司將協助對多繳款項予以退還。如果H股個人股東為與中國簽訂高於10%但低於20%股息稅率的稅收協議的國家的居民，本公司將按相關稅收協議實際稅率代扣代繳個人所得稅。如果H股個人股東為與中國簽訂20%股息稅率的稅收協議的國家的居民、或與中國並沒有簽訂任何稅收協議的國家的居民以及在任何其他情況下，本公司將最終按20%稅率代扣代繳個人所得稅。

本公司將嚴格依法或根據相關政府部門的要求，嚴格依照記錄日期的本公司H股股東名冊代扣代繳企業及個人所得稅。對於任何因股東身份未及時確定或錯誤確定而引致的任何索償及對企業所得稅代扣代繳機制的爭議，本公司概不承擔責任，亦不會受理。對於任何因股東身份未能及時確定或錯誤確定而引致的任何索償或對代扣代繳機制的任何爭議，本公司概不負責。

十四. 購回、出售或贖回本公司的上市證券

截至2021年12月31日止年度，本公司或其任何附屬公司均無購回、出售或贖回本公司任何上市證券。

XV. MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2021, total sales to the Group's five largest customers represented approximately 20.74% of total revenue of the Group for the year of 2021, among which total sales to the largest customer accounted for approximately 6.45% of total revenue of the Group for the year of 2021. The super-majority of our top five customers during the Reporting Period were subsidiaries of China Datang, and the Group was heavily reliant on sales to China Datang Group as its principal source of revenue. For the year ended 31 December 2021, the total value of products and services provided by the Group to China Datang Group and its connected persons represented approximately 89.60% of the total revenue of the Group for the corresponding period.

For the year ended 31 December 2021, total purchase from the Group's five largest suppliers represented approximately 9.92% of total cost of sales of the Group for the year of 2021, among which total purchase from the largest supplier accounted for approximately 2.08% of total cost of sales of the Group for the year of 2021. During the Reporting Period, the Group procured certain products and services from China Datang Group. For the year ended 31 December 2021, the total value of products and services procured by the Group from China Datang Group and its connected persons represented approximately 30.70% of the total costs of the Group for the year ended 31 December 2021.

To the best of the Directors' knowledge, except for certain subsidiaries of China Datang that were among our top five customers or suppliers, none of the Directors, Supervisors, Senior Management, their close associates or any Shareholders (to the best of the Directors' knowledge, who holds more than 5% of the issued Shares) have any interest in the five largest customers or suppliers of the Company during the Reporting Period.

During the Reporting Period, the Company maintained good relations with its customers and suppliers. The Company kept contact with its customers and suppliers, and maintained communication with them via various channels, such as telephone, email and physical meetings, to receive feedback and suggestions.

十五. 主要客戶及供貨商

截至2021年12月31日止年度，本公司五大客戶的銷售總額約佔2021年度本集團總收入的約20.74%，其中最大客戶的銷售總額約佔2021年度本集團總收入的約6.45%。報告期內，我們前五大客戶絕大部分都是中國大唐的附屬公司，而本集團高度倚賴向中國大唐集團的銷售為其主要收入來源。截至2021年12月31日止年度，本集團向中國大唐集團及其聯繫人提供的產品及服務總價值約佔本集團於相應期間總收入的約89.60%。

截至2021年12月31日止年度，本集團五大供貨商的採購總額約佔2021年度本集團銷售總成本的約9.92%，其中最大供貨商的採購總額約佔2021年度本集團銷售總成本的約2.08%。報告期內，本集團向中國大唐集團採購若干產品及服務。截至2021年12月31日止年度，本集團向中國大唐集團及其聯繫人採購的產品及服務總價值約佔本集團於截至2021年12月31日止年度總成本的約30.70%。

盡董事所知，除了我們的前五大客戶或供貨商中包括中國大唐若干附屬公司，董事、監事、高級管理層、彼等各自緊密聯繫人或任何股東(盡董事所知，其持有已發行股份5%以上)於報告期內概無於本公司五大客戶或供貨商擁有任何權益。

報告期內，本公司與客戶及供貨商保持了良好的關係。本公司與客戶及供貨商保持聯繫，並通過各種管道(如電話、電郵及實體會議)與客戶及供貨商保持溝通，以取得其反饋及建議。



REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

XVI. BANK BORROWINGS AND OTHER LOANS

The details of bank borrowings and other loans of the Group as at 31 December 2021 are set out in Note 28 to the financial statements in this annual report.

XVII. STAFF

Staff is the key for the Group's sustainable development. Details of the staff of the Group are set out in the sections headed "Profile of Directors, Supervisors and Senior Management" and "Human Resources" on pages 120-133 and pages 134-135 respectively in this annual report.

XVIII. ENTRUSTED DEPOSITS AND OVERDUE TERM DEPOSITS

For the year ended 31 December 2021, the Group had no entrusted deposits with financial institutions in the PRC, or term deposits which were overdue but unrecovered.

十六. 銀行借款及其他貸款

本集團於2021年12月31日有關銀行借款及其他貸款的詳情載於本年報財務報表附註28。

十七. 員工

員工為本集團可持續發展的關鍵。有關本集團的員工情況詳情分別載於本年報第120頁至第133頁及第134頁至第135頁「董事、監事及高級管理層簡介」及「人力資源」章節內。

十八. 委託存款及逾期定期存款

截至2021年12月31日止年度，本集團概無在中國境內的金融機構存放委託存款，亦無定期存款已到期而又未能取回的情況。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

XIX. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

十九. 董事、監事及高級管理層

The following table sets forth certain information concerning the Directors, Supervisors and Senior Management from 1 January 2021 to the date of publishing of this annual report:

下表載列自2021年1月1日至本年度報告公佈日期，董事、監事和高級管理層的部分資料：

| Name 姓名 | Position in the Company 在本公司擔任的職務 | Date of appointment/resignation as a Director/Supervisor/Senior Management 委任/辭任為董事/監事/高級管理層的日期 |
|----------------------|---|---|
| Directors | | |
| 董事 | | |
| WANG Yanwen 王彥文 | Chairman of the Board 董事長 Executive Director 執行董事 Authorised representative 授權代表 Former general manager 前總經理 | June 2021 2021年6月 October 2019 2019年10月 August 2020 2020年8月 Resigned in June 2021 於2021年6月辭任 |
| TIAN Dan 田丹 | Executive Director 執行董事 General manager 總經理 Former deputy general manager 前副總經理 | October 2020 2020年10月 June 2021 2021年6月 Resigned in June 2021 於2021年6月辭任 |
| WANG Junqi 王俊啟 | Non-executive Director 非執行董事 | September 2021 2021年9月 |
| WU Daqing 吳大慶 | Non-executive Director 非執行董事 | September 2021 2021年9月 |
| CHEN Kan 陳侃 | Non-executive Director 非執行董事 | September 2021 2021年9月 |
| YE Xiang 叶翔 | Independent non-executive Director 獨立非執行董事 | June 2015 2015年6月 |
| MAO Zhuanjian 毛專建 | Independent non-executive Director 獨立非執行董事 | June 2015 2015年6月 |
| GAO Jiexiang 高家祥 | Independent non-executive Director 獨立非執行董事 | April 2016 2016年4月 |
| SONG Yunpeng 宋雲鵬 | Non-executive Director (Employee representative Director) 非執行董事(職工代表董事) | 2021年9月 |
| QU Bo 曲波 | Former chairman of the Board 前董事長 Former non-executive Director 前非執行董事 | Resigned in June 2021 於2021年6月辭任 Resigned in September 2021 於2021年9月辭任 |
| LIU Quancheng 劉全成 | Former non-executive Director 前非執行董事 | Resigned in September 2021 於2021年9月辭任 |
| LIU Ruixiang 劉睿湘 | Former non-executive Director 前非執行董事 | Resigned in September 2021 於2021年9月辭任 |
| LI Zhenyu 李震宇 | Former non-executive Director 前非執行董事 | Resigned in September 2021 於2021年9月辭任 |

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

| Name 姓名 | Position in the Company 在本公司擔任的職務 | Date of appointment/resignation as a Director/Supervisor/Senior Management 委任/辭任為董事/監事/高級管理層日期 |
|--|---|--|
| Supervisors | | |
| 監事 | | |
| HUANG Yuan 黃源 | Chairman of the Supervisory Committee and Supervisor 監事會主席及監事 | September 2021 2021年9月 |
| ZHANG Xuefeng 張學峰 | Supervisor 監事 | September 2021 2021年9月 |
| LUO Li 羅莉 | Employee representative Supervisor 職工代表監事 | January 2021 2021年1月 |
| CHEN Li 陳利 | Former employee representative Supervisor 前職工代表監事 | Resigned in January 2021 於2021年1月辭任 |
| HUO Yuxia 霍雨霞 | Former chairman of the Supervisory Committee and Supervisor 前監事會主席及監事 | Resigned in September 2021 於2021年9月辭任 |
| LIU Liming 柳立明 | Former Supervisor 前監事 | Resigned in September 2021 於2021年9月辭任 |
| Senior Management⁽¹⁾ | | |
| 高級管理層⁽¹⁾ | | |
| CHEN Song 陳崧 | Chief accountant 總會計師 | July 2019 2019年7月 |
| LIU Chundong 劉春東 | Deputy general manager 副總經理 | July 2020 2020年7月 |
| ZHOU Ce 周策 | Secretary of the Discipline Inspection Committee 紀律檢查委員會書記 | March 2020 2020年3月 |
| LIANG Xiuguang 梁秀廣 | Deputy general manager 副總經理 | March 2018 2018年3月 |
| | Secretary of the Board, Joint Company Secretary and authorized representative 董事會秘書、聯席公司秘書及授權代表 | November 2020 2020年11月 |
| WANG Haijie 王海傑 | Former deputy general manager 前副總經理 | Resigned in June 2021 於2021年6月辭任 |
| BU Baosheng 卜保生 | Former deputy general manager 前副總經理 | Resigned in June 2021 於2021年6月辭任 |

Note:

(1) The list of Senior Management excludes those who are also serving as Directors or Supervisors.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and considers that each of the independent non-executive Directors is independent of the Company.

附註：

(1) 高級管理層名單不包括同時擔任董事或監事的人員。

本公司已收到每名獨立非執行董事根據上市規則第3.13條就其各自的獨立性出具的年度確認書，並認為每名獨立非執行董事均獨立於本公司。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

XX. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

From 1 January 2021 to the date of this report of Directors, according to the requirement of Rule 13.51B(1) of the Listing Rules, the changes in information of Directors are set out as follows:

- Mr. WANG Yanwen served as the chairman of the Board from June 2021.
- Mr. QU Bo resigned as the chairman of the Board from June 2021 and non-executive Director from September 2021.
- Mr. WANG Junqi served as a non-executive Director from September 2021.
- Mr. WU Daqing served as a non-executive Director from September 2021.
- Mr. CHEN Kan served as a non-executive Director from September 2021.
- Mr. LIU Quancheng resigned as a non-executive Director from September 2021.
- Mr. LIU Ruixiang resigned as a non-executive Director from September 2021.
- Mr. LI Zhenyu resigned as a non-executive Director from September 2021.
- Mr. SONG Yunpeng served as a non-executive Director (employee representative Director) from September 2021.

From 1 January 2021 to the date of this report of Directors, according to the requirement of Rule 13.51B(1) of the Listing Rules, the changes in information of Supervisors are set out as follows:

- Mr. HUANG Yuan served as the chairman of the Supervisory Committee and the Supervisor from September 2021.
- Ms. LUO Li served as the Supervisor from January 2021.
- Mr. ZHANG Xuefeng served as the Supervisor from September 2021.
- Ms. HUO Yuxia resigned as the chairman of the Supervisory Committee and the Supervisor from September 2021.

二十. 董事、監事及高級管理層變動情況

自2021年1月1日至本董事會報告日期，根據上市規則第13.51B(1)條規定，董事資料之變更載列如下：

- 王彥文先生自2021年6月起擔任董事長。
- 曲波先生自2021年6月起辭任董事長及自2021年9月起辭任非執行董事。
- 王俊啟先生自2021年9月起擔任非執行董事。
- 吳大慶先生自2021年9月起擔任非執行董事。
- 陳侃先生自2021年9月起擔任非執行董事。
- 劉全成先生自2021年9月起辭任非執行董事。
- 劉睿湘先生自2021年9月起辭任非執行董事。
- 李震宇先生自2021年9月起辭任非執行董事。
- 宋雲鵬先生自2021年9月起擔任非執行董事(職工代表董事)。

自2021年1月1日至本董事會報告日期，根據上市規則第13.51B(1)條規定，監事資料之變更載列如下：

- 黃源先生自2021年9月起擔任監事會主席及監事。
- 羅莉女士自2021年1月起擔任監事。
- 張學峰先生自2021年9月起擔任監事。
- 霍雨霞女士自2021年9月起辭任監事會主席及監事。



REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

- Mr. LIU Liming resigned as the Supervisor from September 2021.
- Mr. CHEN Li resigned as the Supervisor from January 2021.

From 1 January 2021 to the date of this report of Directors, according to the requirement of Rule 13.51B(1) of the Listing Rules, the changes in information of Senior Management are set out as follows:

- Mr. WANG Yanwen was re-designated from a general manager of the Company to the chairman of the Board from June 2021.
- Mr. TIAN Dan was re-designated from a deputy general manager to a general manager of the Company from June 2021.
- Mr. BU Baosheng resigned as a deputy general manager of the Company from June 2021.
- Mr. WANG Haijie resigned as a deputy general manager of the Company from June 2021.

For details, please refer to the announcements of the Company dated 25 January 2021, 30 June 2021, 9 September 2021 and 23 September 2021 with respect to the changes in Directors, Supervisors and Senior Management respectively.

- 柳立明先生自2021年9月起辭任監事。
- 陳利先生自2021年1月起辭任監事。

自2021年1月1日至本董事會報告日期，根據上市規則第13.51B(1)條規定，高級管理層資料之變更載列如下：

- 王彥文先生自2021年6月起由本公司總經理調任為董事長。
- 田丹先生自2021年6月起由本公司副總經理調任為總經理。
- 卜保生先生自2021年6月起辭任本公司副總經理。
- 王海傑先生自2021年6月起辭任本公司副總經理。

詳情請參閱本公司日期分別為2021年1月25日、2021年6月30日、2021年9月9日及2021年9月23日有關董事、監事及高級管理層變動的公告。

XXI. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of Directors, Supervisors and Senior Management are set out in the section headed "Profile of Directors, Supervisors and Senior Management" on pages 120-133 of this annual report.

二十一. 董事、監事及高級管理層簡歷

董事、監事及高級管理層的簡歷詳情載於本年報第120頁至第133頁「董事、監事及高級管理層簡介」的章節。

XXII. SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with each of the Directors. According to the Articles of Association, the term of office is three years. The principal particulars of these service contracts comprise (a) the term of office commencing from the effective date of their appointments to the date of the next general meeting for the re-election of Directors; and (b) termination provisions in accordance with their respective terms. Service contracts can be renewed in accordance with the Articles of Association and applicable regulations.

Each of the Supervisors has entered into a contract with the Company in respect of, among other things, compliance with relevant laws and regulations, observations of the Articles of Association and provisions on arbitration.

Save as disclosed above, none of the Directors or Supervisors has entered into a service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

XXIII. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the remuneration of the Directors, Supervisors and Senior Management during the Reporting Period are set out in Notes 9 and 35(d) to the financial statements and in the section headed "Remuneration of Directors, Supervisors and Senior Management" on page 108 of this annual report.

XXIV. INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

As at 31 December 2021, no transaction, arrangement or contract of significance to which the Company was involved in its establishment either directly or indirectly, in which a Director or Supervisor or an entity connected with a Director or Supervisor had material interests, and with which the Company's business is connected, subsisted during or at the end of the Reporting Period.

二十二. 董事及監事服務合同

本公司已與各董事訂立了服務合同。根據公司章程，任期為三年。該等服務合同主要詳情包含：(a)任期由彼等各自委任生效日期起至就重選董事召開下屆股東大會之日期止；及(b)可根據各自的條款終止。服務合同可根據公司章程及適用規章續訂。

各監事已就(其中包括)遵守相關法律、法規、遵從公司章程及仲裁條文與本公司訂立合同。

除上文披露者外，董事或監事概無與本公司訂立本公司不可於一年內不付賠償(法定賠償除外)而終止的服務合同。

二十三. 董事、監事及高級管理層的酬金

董事、監事及高級管理層於報告期內的酬金詳情載於本年報財務報表附註9及35(d)及本年報第108頁「董事、監事及高級管理層的薪酬」一節。

二十四. 董事及監事於交易、安排及合約的權益

於2021年12月31日，本公司並無直接或間接參與訂立各董事或監事或與董事或監事有關連的實體有重大利益關係、與本公司業務有關且於報告期內或結束時仍然有效的重要交易、安排或合約。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

XXV. INTEREST OF DIRECTORS IN COMPETING BUSINESS

As at 31 December 2021, Mr. WANG Junqi, a non-executive Director also acted as a director of Datang Huayin (a subsidiary of China Datang and listed on the Shanghai Stock Exchange, stock code: 600744). Mr. WANG Junqi was not involved in daily operations of Datang Huayin. As at 31 December 2021, Datang Huayin held partial interests in EMC business and energy conservation EPC business that competes with our principal business. For details, please refer to the section headed "Relationship with Our Controlling Shareholder" in the Prospectus.

Mr. WANG Junqi will abstain from voting for decision making involving any competing business with Datang Huayin.

Even if he abstains from voting, there will still remain eight Directors (including two executive Directors, three non-executive Directors (one of whom is an employee representative Director) and three independent non-executive Directors in the Board which will enable effective decision makings.

Save as disclosed above, the Directors confirm that, as of 31 December 2021, none of them had any interest in any business which competes or might compete, either directly or indirectly, with our principal business.

XXVI. INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2021, none of the Directors, Supervisors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") stated in Appendix 10 to the Listing Rules.

二十五. 董事於競爭業務的權益

於2021年12月31日，非執行董事王俊啟先生亦在大唐華銀(中國大唐的一家附屬公司，並於上海證券交易所上市，股份代號：600744)擔任董事。王俊啟先生並無涉及大唐華銀的日常運營事宜。於2021年12月31日，大唐華銀擁有部分與我們主營業務有競爭的合同能源管理和節能EPC業務的權益。具體詳情，請參閱招股章程「與控股股東關係」一節。

王俊啟先生在本公司任何涉及大唐華銀競爭的業務的決策時將放棄投票。

即使其放棄投票，董事會仍然有八名董事能夠進行有效決策，其中包括兩名執行董事、三名非執行董事(其中一名為職工代表董事)及三名獨立非執行董事。

除上述披露者外，董事確認，截至2021年12月31日，彼等概無在與我們主營業務有直接或間接競爭或可能競爭的任何業務中擁有權益。

二十六. 董事、監事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於2021年12月31日，各董事、監事或本公司主要行政人員概無在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有任何依據證券及期貨條例第XV部第7和第8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的該等條文被當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須登記於該條所指登記冊的權益或淡倉，或根據上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所的權益或淡倉。

XXVII. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

二十七. 主要股東於股份和相關股份中的權益和淡倉

As at 31 December 2021, to the best of the Directors' knowledge, having made all reasonable enquiries, the following persons (other than the Directors, Supervisors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and, which were entered in the register required to be kept by the Company pursuant to Section 336 of the SFO:

於2021年12月31日，據董事作出一切合理查詢後所盡知，下列人士(各董事、監事或本公司主要行政人員除外)於股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部向本公司披露並已記錄於本公司根據證券及期貨條例第336條須存置的登記冊內的權益或淡倉：

| As at 31 December 2021 於2021年12月31日 | | | | | |
|---|-------------------------|--|--|---|--|
| Name of Substantial Shareholder 主要股東名稱 | Class of Shares 股份類別 | Capacity 身份 | Number of Shares/ underlying Shares directly or indirectly held 直接或間接持有的股份／相關 股份數目 (Share) (股) | Percentage in the relevant class of share capital ⁽¹⁾ 佔相關 類別股本 百分比 ⁽¹⁾ (%) | Percentage in the total share capital ⁽²⁾ 佔股本總數 百分比 ⁽²⁾ (%) |
| China Datang 中國大唐 | Domestic Shares 內資股 | Beneficial owner 實益擁有人 | 2,343,245,800 (Long position) (好倉) | 100 | 78.96 |
| Anbang Investment Holdings Co., Limited ⁽³⁾ 安邦投資控股有限公司 ⁽³⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 120,540,000 (Long position) (好倉) | 19.31 | 4.06 |
| Anbang Group Holdings Co. Limited ⁽³⁾ 安邦集團控股有限公司 ⁽³⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 120,540,000 (Long position) (好倉) | 19.31 | 4.06 |
| Dajia Life Insurance Co., Ltd. ⁽³⁾ 大家人壽保險股份有限公司 ⁽³⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 120,540,000 (Long position) (好倉) | 19.31 | 4.06 |
| Dajia Insurance Group Co., Ltd. ⁽³⁾ 大家保險集團有限責任公司 ⁽³⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 120,540,000 (Long position) (好倉) | 19.31 | 4.06 |

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

| As at 31 December 2021 於2021年12月31日 | | | | | |
|---|-------------------------|---|---|---|--|
| Name of Substantial Shareholder 主要股東名稱 | Class of Shares 股份類別 | Capacity 身份 | Number of Shares/ underlying Shares directly or indirectly held 直接或間接持有的 股份/相關 股份數目 (Share) (股) | Percentage in the relevant class of share capital ⁽¹⁾ 佔相關 類別股本 百分比 ⁽¹⁾ (%) | Percentage in the total share capital ⁽²⁾ 佔股本總數 百分比 ⁽²⁾ (%) |
| | | | | | |
| China Chengtong Hong Kong Company Limited ⁽⁴⁾ 中國誠通香港有限公司 ⁽⁴⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 61,557,000 (Long position) (好倉) | 9.86 | 2.07 |
| China Chengtong Holdings Group Ltd. ⁽⁴⁾ 中國誠通控股集團有限公司 ⁽⁴⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 61,557,000 (Long position) (好倉) | 9.86 | 2.07 |
| China Energy Engineering Corporation Limited 中國能源建設集團有限公司 | H Shares H股 | Beneficial owner 實益擁有人 | 61,557,000 (Long position) (好倉) | 9.86 | 2.07 |
| State Grid Yingda Investment Management Limited ⁽⁵⁾ 國網英大投資管理有限公司 ⁽⁵⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 61,467,000 (Long position) (好倉) | 9.85 | 2.07 |
| State Grid Corporation of China ⁽⁵⁾ 國家電網公司 ⁽⁵⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 61,467,000 (Long position) (好倉) | 9.85 | 2.07 |
| Three Gorges Capital Holdings Co., Ltd. ⁽⁶⁾ 三峽資本控股有限責任公司 ⁽⁶⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 59,506,000 (Long position) (好倉) | 9.53 | 2.01 |
| China Three Gorges Corporation ⁽⁶⁾ 中國長江三峽集團公司 ⁽⁶⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 59,506,000 (Long position) (好倉) | 9.53 | 2.01 |
| China Huaneng Group Hong Kong Limited ⁽⁷⁾ 中國華能集團香港有限公司 ⁽⁷⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 49,002,000 (Long position) (好倉) | 7.85 | 1.65 |

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

As at 31 December 2021
於2021年12月31日

| Name of Substantial Shareholder 主要股東名稱 | Class of Shares 股份類別 | Capacity 身份 | Number of Shares/ underlying Shares directly or indirectly held 直接或間接持有 的股份/相關 股份數目 (Share) (股) | Percentage in the relevant class of share capital ⁽¹⁾ 佔相關 類別股本 百分比 ⁽¹⁾ (%) | Percentage in the total share capital ⁽²⁾ 佔股本總數 百分比 ⁽²⁾ (%) |
|--|-------------------------|--|---|---|--|
| China Huaneng Group ⁽⁷⁾ 中國華能集團公司 ⁽⁷⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 49,002,000 (Long position) (好倉) | 7.85 | 1.65 |
| China Huadian Hong Kong Company Limited ⁽⁸⁾ 中國華電香港有限公司 ⁽⁸⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 48,577,000 (Long position) (好倉) | 7.78 | 1.64 |
| China Huadian Corporation ⁽⁸⁾ 中國華電集團公司 ⁽⁸⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 48,577,000 (Long position) (好倉) | 7.78 | 1.64 |
| Taiping General Insurance Co., Ltd. ⁽⁹⁾ 太平財產保險有限公司 ⁽⁹⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 41,038,000 (Long position) (好倉) | 6.57 | 1.38 |
| China Taiping Insurance Holdings Company Limited ⁽⁹⁾ 中國太平保險控股有限公司 ⁽⁹⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 41,038,000 (Long position) (好倉) | 6.57 | 1.38 |
| China Taiping Insurance (HK) Company Limited ⁽⁹⁾ 中國太平保險集團(香港)有限公司 ⁽⁹⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 41,038,000 (Long position) (好倉) | 6.57 | 1.38 |
| China Taiping Insurance Group Ltd. ⁽⁹⁾ 中國太平保險集團有限責任公司 ⁽⁹⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 41,038,000 (Long position) (好倉) | 6.57 | 1.38 |
| China Life Franklin Asset Management Co., Limited ⁽¹⁰⁾ 中國人壽富蘭克林資產管理有限公司 ⁽¹⁰⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 41,038,000 (Long position) (好倉) | 6.57 | 1.38 |

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

| As at 31 December 2021 於2021年12月31日 | | | | | |
|---|-----------------|---|---|---|--|
| Name of Substantial Shareholder | Class of Shares | Capacity | Number of Shares/ underlying Shares directly or indirectly held 直接或間接持有 的股份/相關 股份數目 (Share) (股) | Percentage in the relevant class of share capital ⁽¹⁾ 佔相關 類別股本 百分比 ⁽¹⁾ (%) | Percentage in the total share capital ⁽²⁾ 佔股本總數 百分比 ⁽²⁾ (%) |
| 主要股東名稱 | 股份類別 | 身份 | | | |
| China Life Asset Management Company Limited ⁽¹⁰⁾ 中國人壽資產管理有限公司 ⁽¹⁰⁾ | H Shares H股 | Interest in controlled corporation 受控制法團權益 | 41,038,000 (Long position) (好倉) | 6.57 | 1.38 |
| China Life Insurance Company Limited ⁽¹⁰⁾ 中國人壽保險股份有限公司 ⁽¹⁰⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 20,519,000 (Long position) (好倉) | 3.29 | 0.69 |
| | | Interest in controlled corporation 受控制法團權益 | 41,038,000 (Long position) (好倉) | 6.57 | 1.38 |
| China Life Insurance (Group) Company ⁽¹⁰⁾ 中國人壽保險(集團)公司 ⁽¹⁰⁾ | H Shares H股 | Beneficial owner 實益擁有人 | 41,038,000 (Long position) (好倉) | 6.57 | 1.38 |
| | | Interest in controlled corporation 受控制法團權益 | 20,519,000 (Long position) (好倉) | 3.29 | 0.69 |
| | | Interest in controlled corporation 受控制法團權益 | 41,038,000 (Long position) (好倉) | 6.57 | 1.38 |

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

Notes:

- (1) The calculation is based on the percentage of shareholding in a total of 2,343,245,800 Domestic Shares and a total of 624,296,200 H Shares respectively as at 31 December 2021.
- (2) The calculation is based on the percentage of shareholding in a total of 2,967,542,000 Shares as at 31 December 2021.
- (3) Anbang Investment Holdings Co., Limited is a wholly-owned subsidiary of Anbang Group Holdings Co. Limited. Anbang Group Holdings Co. Limited is a wholly-owned subsidiary of Dajia Life Insurance Co., Ltd., which is wholly-owned by Dajia Insurance Group Co., Ltd..
- (4) China Chengtong Hong Kong Company Limited is a wholly-owned subsidiary of China Chengtong Holdings Group Ltd..
- (5) State Grid Yingda Investment Management Limited is a wholly-owned subsidiary of State Grid Corporation of China.
- (6) Three Gorges Capital Holdings Co., Ltd. is a wholly-owned subsidiary of China Three Gorges Corporation.
- (7) China Huaneng Group Hong Kong Limited is a wholly-owned subsidiary of China Huaneng Group.
- (8) China Huadian Hong Kong Company Limited is a wholly-owned subsidiary of China Huadian Corporation.
- (9) Taiping General Insurance Co., Ltd. is a subsidiary of China Taiping Insurance Holdings Company Limited. China Taiping Insurance Holdings Company Limited is a subsidiary of China Taiping Insurance (HK) Company Limited, which is a wholly-owned subsidiary of China Taiping Insurance Group Ltd.
- (10) China Life Asset Management Company Limited is a controlling shareholder of China Life Franklin Asset Management Co., Limited. China Life Asset Management Company Limited is a subsidiary of China Life Insurance Company Limited, which is controlled by China Life Insurance (Group) Company.

附註：

- (1) 以於2021年12月31日分別合共2,343,245,800股內資股及624,296,200股H股的股權百分比為基準計算。
- (2) 以於2021年12月31日合共2,967,542,000股股份的股權百分比為基準計算。
- (3) 安邦投資控股有限公司為安邦集團控股有限公司的全資附屬公司。安邦集團控股有限公司為大家人壽保險股份有限公司的全資附屬公司，而大家人壽保險股份有限公司為大家保險集團有限責任公司的全資附屬公司。
- (4) 中國誠通香港有限公司是中國誠通控股集團有限公司的全資附屬公司。
- (5) 國網英大投資管理有限公司是國家電網公司的全資附屬公司。
- (6) 三峽資本控股有限責任公司是中國長江三峽集團公司的全資附屬公司。
- (7) 中國華能集團香港有限公司是中國華能集團公司的全資附屬公司。
- (8) 中國華電香港有限公司是中國華電集團公司的全資附屬公司。
- (9) 太平財產保險有限公司是中國太平保險控股有限公司的附屬公司。中國太平保險控股有限公司是中國太平保險集團(香港)有限公司的附屬公司，而中國太平保險集團(香港)有限公司是中國太平保險集團有限責任公司的全資附屬公司。
- (10) 中國人壽資產管理有限公司是中國人壽富蘭克林資產管理有限公司的控股股東。中國人壽資產管理有限公司是中國人壽保險股份有限公司的附屬公司，而中國人壽保險股份有限公司由中國人壽保險(集團)公司控股。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

Save as disclosed above, as at 31 December 2021, to the best knowledge of the Directors, the Directors were not aware of any persons who had interests and/or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

XXVIII. DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or Supervisors or any of their respective associates was granted by the Company or its subsidiaries any right to acquire the Shares or debentures of the Company or any other corporate body, or had exercised any such right.

XXIX. FINANCIAL, BUSINESS AND FAMILY RELATIONSHIPS AMONG DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 31 December 2021, there is no financial, business or family relationship among the Directors, Supervisors and Senior Management.

XXX. DIRECTORS' INSURANCE

As at 31 December 2021, the Company maintained effective Directors' insurance for the Directors.

XXXI. MANAGEMENT CONTRACTS

For the year ended 31 December 2021, the Company did not enter into any contract in respect of the management or administration of the entire or any significant part of the business of the Company nor any such contract subsisted.

除上文所披露者外，於2021年12月31日，盡董事所知，董事並不知悉任何人士在股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部的條文向本公司披露並記入本公司根據證券及期貨條例第336條須存置的登記冊內的權益及／或淡倉。

二十八. 董事及監事購買股份或債券的權利

本公司或其附屬公司概無授予董事、監事或彼等各自的聯繫人士任何權利以取得本公司或任何其他法人團體的股份或債券，或已行使任何該等權利。

二十九. 董事、監事及高級管理層的財務、業務及家庭關係

於2021年12月31日，董事、監事及高級管理層之間概無財務、業務或家庭關係。

三十. 董事保險

於2021年12月31日，本公司為董事投保有效的董事保險。

三十一. 管理合約

截至2021年12月31日止年度，本公司均沒有就有關全部或任何重大部分業務的管理及行政工作簽訂或存在任何合約。

XXXII. CONNECTED TRANSACTIONS

During the Reporting Period, the Group has conducted the following connected transactions:

1. Non-Exempt Connected Transaction

On 30 December 2021, the Company entered into a joint venture agreement (the “**Joint Venture Agreement**”) with Datang Henan Power Generation Co., Ltd (大唐河南發電有限公司) (“**Datang Henan**”), a wholly-owned subsidiary of China Datang, in relation to the proposed formation of Datang Linzhou New Energy Co., Ltd. (大唐林州新能源有限責任公司) (the “**JV Company**”) with a registered capital of RMB30.096 million. Pursuant to the Joint Venture Agreement, the Company shall make a capital contribution of RMB15.048 million representing 50% equity interest in the JV Company.

The capital contribution of the Company shall be paid in accordance with the shareholders’ resolutions of the JV Company taking into account the development progress of the JV Company project, which shall be no later than 31 December 2022. During the Reporting Period, no capital contribution has been paid to the JV Company from the Company.

As Datang Henan is a wholly-owned subsidiary of China Datang while China Datang is the Controlling Shareholder, Datang Henan is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the aforementioned transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements but exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

For details of the information with respect to the connected transaction mentioned above, please refer to the announcement of the Company dated 30 December 2021.

三十二. 關連交易

報告期內，本集團進行了以下關連交易：

1. 非豁免關連交易

於2021年12月30日，本公司與中國大唐之全資附屬公司大唐河南發電有限公司(「大唐河南」)就建議成立大唐林州新能源有限責任公司(「合資公司」)訂立合資協議(「合資協議」)，註冊資本為人民幣30.096百萬元。根據合資協議，本公司出資人民幣15.048百萬元，佔合資公司50%的股權。

本公司的出資金額應根據合資公司項目開發進展，按照合資公司股東會決議的時間繳納，最遲不晚於2022年12月31日。於報告期內，本公司並未向合資公司繳納出資金額。

由於大唐河南為中國大唐的全資附屬公司，而中國大唐為控股股東，因此根據上市規則第14A章，大唐河南為本公司的關連人士。因此，根據上市規則第14A章，上述交易構成本公司的關連交易。

由於該交易之最高適用百分比率超過0.1%但低於5%，故該交易須遵守上市規則第14A章下有關申報及公告之規定，但獲豁免遵守獨立股東批准之規定。

有關上述關連交易的詳情，請參閱本公司日期為2021年12月30日的公告。



2. Exempt Continuing Connected Transaction

Pursuant to Chapter 14A of the Listing Rules, the continuing connected transaction of the Group as set out below is exempt from the requirements of reporting, annual review, announcement and independent Shareholders' approval under Chapter 14A of the Listing Rules.

Trademark Licensing Agreement

The Company and China Datang renewed a trademark licensing agreement on 27 July 2018 (the "**Trademark Licensing Agreement**"), with effect from 1 January 2019. Accordingly, China Datang agreed to grant the Group a non-exclusive license to use any of certain registered trademarks owned by China Datang for purposes of the Group's production equipment, products, services and profile documents, as well as using such licensed trademarks in the Company's business names, trade names or domain names. The term of the Trademark Licensing Agreement is three years, which can be renewed upon agreement by the parties. The trademark license is granted by China Datang at nil consideration.

During the Reporting Period, the Group did not pay any royalty fees to China Datang for the use of the licensed trademarks.

On December 2021, the Company and China Datang renewed the Trademark Licensing Agreement for a term of 3 years with effect from 1 January 2022 on substantially the same terms.

China Datang will remain as the Controlling Shareholder, and therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. The transaction above is entered into on normal commercial terms. The Directors currently expect that the applicable percentage ratios of the above transaction for the respective years are nil. By virtue of Rule 14A.76(1)(a) of the Listing Rules, the continuing connected transaction above is exempt from the requirements of reporting, annual review, announcement and independent Shareholders' approval under Chapter 14A of the Listing Rules.

2. 獲豁免的持續關連交易

下文載列的本集團持續關連交易根據上市規則第14A章獲豁免遵守上市規則第14A章項下有關申報、年度審查、公告及獨立股東批准的規定。

商標使用許可協議

於2018年7月27日，本公司與中國大唐續訂了商標使用許可協議（「商標使用許可協議」），該協議於2019年1月1日生效。據此，中國大唐同意授予本集團一項非獨家許可，可以在本集團生產設備上、產品上、服務中以及公開文件中使用任何中國大唐的若干註冊商標，以及在本公司的業務名稱、商號或域名中結合使用該等許可商標。商標使用許可協議有效期為三年，經雙方協商同意，可以續約。商標許可由中國大唐以零對價授出。

於報告期內，本集團未曾向中國大唐支付任何關於商標使用的許可費用。

於2021年12月，本公司與中國大唐以大致相同的條款續簽商標使用許可協議，為期三年，自2022年1月1日起生效。

中國大唐將繼續為控股股東，因此，根據上市規則第14A.07(1)條，為本公司的關連人士。上述交易乃按一般商業條款訂立。董事現時預期上述交易於相關年度的適用百分比率均為零。根據上市規則第14A.76(1)(a)條，上述持續關連交易獲豁免遵守上市規則第14A章項下有關申報、年度審查、公告及獨立股東批准的規定。

3. Non-exempt Continuing Connected Transactions

Continuing Connected Transactions Exempt from Circular and Shareholders' Approval Requirements

Framework agreement under which China Datang Group leases properties to the Group

The Company and China Datang entered into a property leasing framework agreement on 1 December 2015 (the “**Property Leasing Framework Agreement**”), pursuant to which China Datang Group will lease certain properties to the Group. The Property Leasing Framework Agreement is for a term of 20 years and takes effect upon the Listing and is subject to renewal.

The rental of any leased property shall be ascertained through negotiation between the Group and China Datang Group primarily based on the actual costs of the property and taking into consideration the market price of similar properties in the same region where applicable and the relevant depreciation cost. The rental shall be provided as a fixed amount in the separate lease agreement to be executed in writing and between the Group and China Datang Group under the Property Leasing Framework Agreement. If, due to any change of national policies or market fluctuation that affects the fairness and reasonableness of the rental of a leased property under any lease agreement, the Group and China Datang Group may adjust the rental based on arm's length negotiations with reference to the new market price, and ensure the compliance with relevant requirements of the Listing Rules (if necessary).

The transactions under the Property Leasing Framework Agreement were negotiated on normal commercial terms. China Datang remained as the Controlling Shareholder, and therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Therefore, the Property Leasing Framework Agreement and the transactions thereunder constituted continuing connected transactions of the Company under the Listing Rules.

3. 非豁免的持續關連交易

獲豁免遵守通函及股東批准規定的持續關連交易

中國大唐集團向本集團租賃物業的框架協議

本公司與中國大唐於2015年12月1日訂立物業租賃框架協議(「物業租賃框架協議」)，據此，中國大唐集團將向本集團租賃若干物業。物業租賃框架協議為期20年，於上市後生效，並可予續約。

任何租賃物業的租金須經本集團與中國大唐集團主要根據有關物業的實際成本並慮及同區類似物業的市場價格(如適用)以及相關折舊成本進行協商而釐定。有關租金須於由本集團與中國大唐集團根據物業租賃框架協議所另行簽署的書面租賃協議內以固定金額訂明。倘國家政策出現任何變動或市場出現任何波動，影響任何租賃協議項下租賃物業租金的公平與合理程度，則本集團與中國大唐集團有權經公平磋商並參照新市場價格調整租金，並確保遵守上市規則的相關規定(如需要)。

物業租賃框架協議項下交易乃按照一般商業條款進行磋商。中國大唐仍為控股股東，因此，根據上市規則第14A.07(1)條，為本公司關連人士。因此，物業租賃框架協議及交易構成上市規則項下本公司的持續關連交易。



REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

The exempt cap for the year of 2021 for the aforementioned property rent paid by the Group to China Datang Group and its associate(s) as approved by the Board was RMB100 million. The actual total amount of property rent paid by the Group to China Datang Group and its associate(s) under the aforesaid agreement in 2021 was RMB32.7 million.

As the Company and China Datang will continue to conduct transactions under the Property Leasing Framework Agreement, on 3 December 2021, the Company discussed with China Datang and determined on the proposed annual caps of the transactions under such agreement for 2022 to 2024. Given that one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the transactions calculated with reference to the relevant proposed annual caps under the Property Leasing Framework Agreement are more than 0.1% but all are less than 5%, the transactions contemplated under the Property Leasing Framework Agreement and the relevant proposed annual caps are subject to reporting, annual review and announcement but exempted from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer to the disclosure as set out in the section headed "Connected Transactions" of the Prospectus and the announcement of the Company dated 3 December 2021.

Non-exempt Continuing Connected Transactions subject to Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements

The following transactions are or will be conducted on normal commercial terms in the daily operations of the Group. Save as otherwise provided, the Directors currently expect that, each of the applicable percentage ratios of relevant transactions calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5% on an annual basis, and the annual transaction amount will exceed HK\$10 million. Accordingly, each of such transactions will constitute a non-exempt continuing connected transaction of the Company subject to reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2021年度經董事會批准本集團向中國大唐集團及其聯繫人支付上述物業租金的豁免上限為人民幣100百萬元。2021年，本集團根據上述協議向中國大唐集團及其聯繫人支付的物業租金實際總額為人民幣32.7百萬元。

由於本公司與中國大唐將持續進行物業租賃框架協議項下的交易，於2021年12月3日，本公司與中國大唐討論並釐定該協議項下的交易於2022年至2024年的建議年度上限。鑒於參考物業租賃框架協議項下相關建議年度上限計算之交易的一個或多個適用百分比率(定義見上市規則第14.07條)超過0.1%但均少於5%，故物業租賃框架協議項下擬進行的交易和相關建議年度上限須遵守上市規則第14A章項下的申報、年度審閱及公告規定，但獲豁免遵守獨立股東批准規定。

更多詳情請參閱招股章程「關連交易」一節及本公司日期為2021年12月3日的公告所載披露。

須遵守申報、年度審查、公告及獨立股東批准規定的非豁免的持續關連交易

以下交易於本集團的日常營運中按一般商業條款訂立。除另有規定外，董事現時預期，根據上市規則第14A章計算的各項有關交易的年度適用百分比率將超過5%，且年度交易金額將超過1,000萬港元。因此，根據上市規則第14A章的規定，該等交易各自構成本公司的非豁免的持續關連交易，須遵守申報、年度審查、公告及獨立股東批准規定。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

Integrated Product and Service Framework Agreement between the Group and China Datang Group

The Company renewed an integrated product and service framework agreement (the “**Integrated Product and Service Framework Agreement**”) with China Datang on 15 November 2018, which was approved at the general meeting and took effect on 1 January 2019 with a term of three years and can be renewed by agreement by the parties. Either party may terminate this agreement by a three-month prior written notice to the other party. The Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from strict compliance with the rules regarding the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules, on condition that the aggregate amount of non-exempt continuing connected transactions in each of the years of 2019, 2020 and 2021 would not exceed the respective annual caps. For further details, please refer to the announcement and the supplemental circular of extraordinary general meeting of the Company dated 15 November 2018.

Pursuant to the Integrated Product and Service Framework Agreement, (a) the products and services to be provided by the Group to China Datang Group include environmental protection and energy conservation solutions, renewable energy engineering services, EPC for thermal power plants and other businesses, and (b) the products and services to be procured by the Group from China Datang Group include water and power supply, ancillary services under the business model of concession operations (desulfurization and denitrification), logistics services, procurement of equipment, technology and information service and other products and services. In respect of all the products and services under the Integrated Product and Service Framework Agreement, the Company and/or its subsidiaries and China Datang and/or its subsidiaries can enter into separate contracts under and in line with the Integrated Product and Service Framework Agreement. If the terms and conditions of similar products and services offered by an independent third party to such party are no more favorable than those provided by one party, priority shall be accorded in the provision of products and services to the other party.

本集團與中國大唐集團之間的綜合產品與服務框架協議

2018年11月15日，本公司與中國大唐續訂綜合產品與服務框架協議（「綜合產品與服務框架協議」）已經股東大會批准於2019年1月1日生效，有效期為三年，並可由訂約雙方協商續約。任何一方可在三個月之前向另一方發出書面通知終止該協議。本公司已向聯交所申請而聯交所亦已向本公司授出豁免，豁免嚴格遵守上市規則第14A章有關公告及獨立股東批准的規定，條件為於2019年、2020年及2021年各自之非豁免持續關連交易總額不會超過相應年度上限。有關詳情請參閱本公司日期為2018年11月15日的公告及臨時股東大會補充函函。

根據綜合產品與服務框架協議(a)本集團將向中國大唐集團提供的產品與服務包括環保節能解決方案、可再生能源工程服務、火電廠工程總承包及其他業務，及(b)本集團將向中國大唐集團採購的產品及服務包括供水及供電、特許經營(脫硫及脫硝)業務模式下的輔助服務、後勤服務、設備採購、技術及資訊服務及其他產品及服務。就綜合產品與服務框架協議項下的所有產品和服務交易而言，本公司及／或其附屬公司與中國大唐及／或其附屬公司可按綜合產品與服務框架協議規定另行訂立符合綜合產品與服務框架協議約定的具體合同。如果獨立第三方提供類似產品及服務的條款及條件並不比其中一方所提供者優惠，則另一方須優先向對方採購所需產品及服務。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

The pricing policies of various products and services are as follows:

- For products and services to be provided by the Group to China Datang Group, in most circumstances, bidding procedures shall be applied for the determination of such prices, and only in exceptional circumstances, bidding procedures can be skipped by China Datang Group. These exceptional circumstances primarily include reoccurrence of lack of sufficient number of bidders attending the bidding procedure and urgent purchase by China Datang Group that does not allow the bidding procedure to be completed.
 - (a) The price for the products, primarily denitrification catalysts, and services other than the concession operations (desulfurization and denitrification), to be provided by the Group to China Datang Group will be determined based on the bidding results, or if no bidding procedure is conducted, China Datang Group will search in its database for projects of a similar nature and make reference to recent bidding prices for comparable products. Usually, the price is ascertained as the averaged amount of these recent bidding prices with reasonable fluctuations. However, if no recent bidding prices for comparable products can be found in its database, China Datang Group will make reference to prices of products of the similar nature published on official bidding websites operated by the PRC's government to ascertain the price.
 - (b) The tariff for desulfurized and denitrified electricity under the concession operations services shall be determined based on government-prescribed price. The price of by-products shall be determined based on market price.

各項產品及服務的定價政策如下:

- 就將由本集團向中國大唐集團提供的產品及服務而言，多數情況下，應採取招標程序釐定價格，且僅在特殊情況下，中國大唐集團方能省略招標程序。該等情況主要包括重複發生參與招標程序的競標者數量不足及中國大唐集團購買需求緊急，時間不允許完成招標程序。
 - (a) 將由本集團提供予中國大唐集團以脫硝催化劑及特許經營(脫硫和脫硝)以外的服務為主的產品的價格將按招標結果確定，倘並無進行招標程序，中國大唐集團將在其數據庫搜索類似性質的項目，並參照可比產品的近期競標價。有關價格一般以此等期競標價的平均數併計及合理波幅而釐定。然而，若數據庫內並無可比產品的近期競標價，中國大唐集團將參考中國政府營運的官方招標網站上所公佈類似性質產品的價格，從而釐定價格。
 - (b) 特許經營服務項下的脫硫脫硝電價將按政府規定價格確定，副產品價格以市場價為基準而釐定。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

- For products and services to be procured by the Group from China Datang Group, in most circumstances, bidding procedures shall be applied for determination of the price, and only in exceptional circumstances, bidding procedures can be skipped by the Group. These circumstances primarily include reoccurrence of lack of sufficient number of bidders attending the bidding procedure and urgent purchase by the Group that does not allow the bidding procedure to be completed.
 - (a) The products, primarily water and power supplied by power plants under China Datang Group to the Group, will be determined based on the government-prescribed prices, which are actual costs of water and power for the supply of water and power by power plants to third-party desulfurization and denitrification concession operations service providers.
 - (b) The price for ancillary services under the concession operations (desulfurization and denitrification) services shall be determined based on cost of human resources involved, the relevant management expenses and the maintenance fees of the equipment of relevant power plants after taking into account the average level of the industry.
 - (c) For procurement of equipment and technology and information service, in most circumstances, bidding procedures shall be applied for determination of the price, and only in exceptional circumstances, such as urgent purchase by the Group, bidding procedures can be skipped by the Group where the purchasing price shall be determined by experts of the Group based on fair market value and historical records of procurement price.
- 就將由本集團向中國大唐集團採購的產品及服務而言，多數情況下，應採取招標程序釐定價格，且僅在特殊情況下，本集團方能省略招標程序。該等情況主要包括重複發生參與招標程序的競標者數量不足及本集團購買需求緊急，時間不允許完成招標程序。
 - (a) 中國大唐集團下屬發電廠供應予本集團的產品(以水及電力為主)，將按政府定價釐定，即發電廠向第三方脫硫及脫硝特許經營服務提供商供應水電產生的實際水電成本。
 - (b) 就脫硫及脫硝特許經營下的輔助服務而言，價格根據相關發電廠涉及的人力資源成本、有關管理開支以及設備維護開支，並考慮行業平均水平而釐定。
 - (c) 就設備採購及技術及資訊服務而言，多數情況下，本集團向大唐集團採購設備時，應採取招標程序釐定價格，該價格為中標者提供的競標價。僅在本集團採購需求緊急等特殊情況下方能不經由招標程序，但採購定價應由本集團的專家參照市場公允價格和歷史採購價格進行釐定。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

- (d) The price of the services other than the ancillary services under the concession operations (desulfurization and denitrification) to be provided by the Group to China Datang Group in accordance the Integrated Product and Service Framework Agreement shall be determined based on the following policies: Prices for bidding services shall be determined pursuant to the fee standards prescribed by the PRC government. Prices for other services, including conference services and training shall be determined based on market prices by making reference to recent prices for comparable services archived in the Group's database; if no comparable services can be found, the Group will make reference to prices of services of similar nature published on official bidding websites operated by the government to ascertain the price.

The transactions under the Integrated Product and Service Framework Agreement were negotiated on normal commercial terms. China Datang remained as the Controlling Shareholder, and therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Therefore, the Integrated Product and Service Framework Agreement and the transactions thereunder constituted continuing connected transactions of the Company under the Listing Rules.

The exempt cap for the year of 2021 for products and services provided by the Group to China Datang Group as approved by the Stock Exchange and independent Shareholders was RMB12,348 million. The actual total amount of products and services provided by the Group to China Datang Group under the aforesaid agreement in 2021 was RMB4,738.4 million.

The exempt cap for the year of 2021 products and services procured by the Group from China Datang Group as approved by the independent Shareholders was RMB6,644 million. The actual total amount of products and services procured by the Group from China Datang Group under the aforesaid agreement in 2021 was RMB1,518.9 million.

- (d) 由本集團根據綜合產品與服務框架協議將提供予中國大唐集團的除脫硫及脫硝特許經營下的輔助服務外之服務的價格將按下列政策確定：招標服務的價格須根據中國政府制定的收費標準釐定。其他服務(包括會議服務及培訓)的價格須基於市場價格並參考本集團數據庫中可比較服務的近期價格釐定。倘並無可比較服務，本集團將參考政府運營的官方招標網站上發佈的性質類似服務的價格確定價格。

綜合產品與服務框架協議項下交易乃按照一般商業條款進行磋商。中國大唐仍為控股股東，因此，根據上市規則第14A.07(1)條，為本公司關連人士。因此，綜合產品與服務框架協議及其交易構成上市規則項下本公司的持續關連交易。

2021年度經聯交所及獨立股東批准本集團向中國大唐集團提供產品及服務的豁免上限為人民幣12,348百萬元。2021年，本集團根據上述協議向中國大唐集團提供產品及服務的實際總額為人民幣4,738.4百萬元。

2021年度經獨立股東批准本集團向中國大唐集團採購產品及服務的豁免上限為人民幣6,644百萬元。2021年，本集團根據上述協議向中國大唐集團採購產品及服務的實際總額為人民幣1,518.9百萬元。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

On 3 December 2021, the Company and China Datang entered into a renewed integrated product and service framework agreement (the “**Renewed Integrated Product and Service Framework Agreement**”) which was approved at the general meeting of the Company and took effect on 1 January 2022 with a term of three years and can be extended or renewed for three years as agreed by both parties. According to the Renewed Integrated Product and Service Framework Agreement, (i) the Group provides China Datang Group with products and services including service provision business such as environmental protection facility concession operation, water treatment operation and energy management contracting business, product business such as the denitrification catalyst business, and engineering business such as environmental protection facilities engineering business, renewable energy engineering and other services; and (ii) the products and services procured by the Group from China Datang Group include service procurement business such as operational ancillary business, technology and information service, and other services and equipment and raw material procurement business such as supply of water, electricity and steam, procurement of equipment and raw materials and other products and services. For further details, please refer to the announcement of the Company dated 3 December 2021 and the circular of extraordinary general meeting of the Company dated 8 December 2021.

The pricing policies of various products and services are as follows:

(a) *Products and services to be provided by the Group to China Datang Group*

In most circumstances where China Datang Group purchases products and/or services from the Group, bidding procedures shall be applied for the determination of prices. Only in exceptional circumstances, bidding procedures can be skipped by China Datang Group. These circumstances primarily include (a) reoccurrence of lack of sufficient number of bidders attending the bidding procedure; and (b) urgent purchase by China Datang Group that does not allow the bidding procedure to be completed.

The pricing policy for service provision business under the concession operations (desulfurization and denitrification) services:

於2021年12月3日，本公司與中國大唐訂立經更新綜合產品與服務框架協議(「**經更新綜合產品與服務框架協議**」)，經本公司股東大會批准，自2022年1月1日起生效，為期三年，經訂約雙方同意可延長或續期三年。根據經更新綜合產品與服務框架協議，(i)本集團向中國大唐集團提供的產品及服務包括環保設施特許經營、水務經營、合同能源管理業務等服務提供業務；脫硝催化劑等產品業務，以及環保設施工程業務、可再生能源工程及其他服務等工程業務；及(ii)本集團向中國大唐集團採購的產品及服務包括運營類輔助業務、信息化技術服務以及其他服務及設備的服務採購業務；以及水電及蒸汽供應、設備及原材料採購以及其他產品及服務採購的原材料採購業務。更多詳情請參閱本公司日期為2021年12月3日的公告及本公司日期為2021年12月8日的臨時股東大會通函。

各項產品及服務的定價政策如下：

(a) *將由本集團向中國大唐集團提供的產品及服務*

於多數情況下，當中國大唐集團向本集團購買產品及／或服務時，應採取招標程序釐定價格。僅於特殊情況下，中國大唐集團方能省略招標程序。該等情況主要包括(a)再次出現參與招標程序的競標者數量不足；及(b)中國大唐集團急於採購，時間不允許完成招標程序。

特許經營(脫硫及脫硝服務)服務提供業務項下的定價政策：

REPORT OF DIRECTORS (CONTINUED)

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The tariff for desulfurized and denitrified electricity under the concession operation services shall be determined based on government-prescribed price, which shall be formulated and adjusted by the National Development and Reform Commission of the PRC (the "NDRC"). Provincial environmental protection administrative department shall send written document to the provincial pricing department to implement environmental electricity tariffs on the coal-fired generating companies installed with environmental protection facilities from the approval date of acceptance check on the facilities. Benchmarking prices including environmental electricity process issued by the NDRC are implemented for the entities with synchronized constructions of new coal-fired generating units and environmental protection facilities. The price of by-products shall be determined based on market price (which is obtained through quotations from public market and three independent service providers through bidding process and other negotiated prices through market mechanism in relation to provision of similar types of services in similar industries, having taken into account comparable conditions including but not limited to the technology and quality of the services).

The pricing policy for other service provision business:

The price of the services other than the concession operation (desulfurization and denitrification) to be provided by the Group to China Datang Group in accordance with the Renewed Integrated Product and Service Framework Agreement shall be determined based on the bidding results, or if, in exceptional circumstances, no bidding procedure is conducted, China Datang Group will search in its database for projects of similar nature and make reference to recent bidding prices for comparable services. Usually, the price is ascertained as the averaged amount of these recent bidding prices with reasonable fluctuations. However, if no recent bidding prices for comparable services can be found in its database, China Datang Group will make reference to prices of services of the similar nature published on official bidding websites operated by the PRC's government to ascertain the price. Meanwhile, if no bidding process is conducted, apart

特許經營服務項下的脫硫脫硝電價將按政府規定價格確定，其應由中國國家發展改革委員會(「國家發改委」)制定並調整。省級環保行政主管部門應向省級物價部門發出書面文件，要求已安裝環保設施的燃煤發電企業自設施驗收批准之日起執行環保電價。新建燃煤發電機組與環保設施同步建設的單位，執行國家發改委發佈的包括環保電力流程在內的基準電價。副產品價格以市場價為基準而釐定(其透過公開市場及三名獨立服務供應商通過競價過程釐定，以及於計及可資比較情況包括但不限於服務科技及質素，通過有關在類似行業中提供類似服務的市場機制磋商的其他價格取得)。

其他服務提供業務的定價政策：

由本集團根據經更新綜合產品與服務框架協議將提供予中國大唐集團的特許經營(脫硫及脫硝)以外的服務價格將按招標結果確定，或倘於特殊情況下不進行招標程序，中國大唐集團將在其資料庫搜索類似性質的項目，並參照可比服務的近期競標價。有關價格一般以此等近期競標價的平均數並計及合理波幅而釐定。然而，若資料庫內並無可比服務的近期競標價，中國大唐集團將參考中國政府營運的官方招標網站上所公佈類似性質服務的價格，從而釐定價格。與此同時，倘

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

from making reference to prices on official bidding websites, the Group will also make reference to the price quotes offered by, or available from, three third party customers so as to make relevant comparison with the price quotes offered by China Datang Group.

The pricing policy for product business:

In accordance with the Renewed Integrated Product and Service Framework Agreement, the price for the products, primarily denitrification catalysts, to be provided by the Group to China Datang Group will be determined based on the bidding results, or if, in exceptional circumstances, no bidding procedure is conducted, China Datang Group will search in its database for projects of similar nature and make reference to recent bidding prices for comparable products. Usually, the price is ascertained as the averaged amount of these recent bidding prices with reasonable fluctuations. However, if no recent bidding prices for comparable products can be found in its database, China Datang Group will make reference to prices of products of the similar nature published on official bidding websites operated by the PRC's government to ascertain the price. Meanwhile, if no bidding process is conducted, apart from making reference to prices on official bidding websites, the Group will also make reference to the price quotes offered by, or available from, three third party customers so as to make relevant comparison with the price quotes offered by China Datang Group.

The pricing policy for engineering business:

The price for the engineering business will be determined based on the bidding results, or if, in exceptional circumstances, no bidding procedure is conducted, China Datang Group will search in its database for projects of similar nature and make reference to recent bidding prices for comparable products. Usually, the price is ascertained as the averaged amount of these recent bidding prices with reasonable fluctuations. However, if no recent bidding prices for comparable products can be found in its database, China Datang Group will make reference to prices of products of the similar nature published on official bidding websites operated by the PRC's government to ascertain the price. Meanwhile, if no bidding process is conducted, apart

無進行招標程序，除以官方招標網站的價格作參考外，本集團亦將參考三名第三方客戶提供或獲得的報價，與中國大唐集團提供的報價作相關比較。

產品業務的定價政策：

根據經更新綜合產品與服務框架協議，由本集團將提供予中國大唐集團的產品(以脫硝催化劑為主)價格將按招標結果確定，或倘於特殊情況下不進行招標程序，中國大唐集團將在其資料庫搜索類似性質的項目，並參照可比產品的近期競標價。有關價格一般以此等近期競標價的平均數並計及合理波幅而釐定。然而，若資料庫內並無可比產品的近期競標價，中國大唐集團將參考中國政府營運的官方招標網站上所公佈類似性質產品的價格，從而釐定價格。與此同時，倘無進行招標程序，除以官方招標網站的價格作參考外，本集團亦將參考三名第三方客戶提供或獲得的報價，與中國大唐集團提供的報價作相關比較。

工程業務的定價政策：

工程業務的價格將按招標結果確定，或倘於特殊情況下不進行招標程序，中國大唐集團將在其資料庫搜索類似性質的項目，並參照可比產品的近期競標價。有關價格一般以此等近期競標價的平均數並計及合理波幅而釐定。然而，若資料庫內並無可比產品的近期競標價，中國大唐集團將參考中國政府營運的官方招標網站上所公佈類似性質產品的價格，從而釐定價格。與

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

from making reference to prices on official bidding websites, the Group will also make reference to the price quotes offered by, or available from, three third party customers so as to make relevant comparison with the price quotes offered by China Datang Group.

(b) *Products and services to be procured by the Group from China Datang Group*

In most circumstances where the Group purchases products and/or services from China Datang Group, bidding procedures shall be applied for determination of the price. Only in exceptional circumstances, bidding procedures can be skipped by the Group. These circumstances primarily include (a) reoccurrence of lack of sufficient number of bidders attending the bidding procedure; and (b) urgent purchase by the Group that does not allow the bidding procedure to be completed.

The pricing policy for service procurement business:

In respect of the ancillary services under the concession operations of desulfurization and denitrification, the price shall be determined based on cost of human resources involved, the relevant management expenses and the maintenance fees of the equipment of relevant power plants after taking into account the average level of the industry. If no bidding process is conducted, apart from making reference to prices on official bidding websites, the Group will also make reference to the price quotes offered by, or available from, third party customers so as to make relevant comparison with the price quotes offered by China Datang Group.

The pricing policy for other service businesses:

In most circumstances where the Group purchases services from China Datang Group, bidding procedures shall be applied for the determination of prices. Only in exceptional circumstances, bidding procedures can be skipped by the Group where the purchasing price shall be determined by experts of the Group based on fair market value and historical records of procurement price.

此同時，倘無進行招標程序，除以官方招標網站的價格作參考外，本集團亦將參考三名第三方客戶提供或獲得的報價，與中國大唐集團提供的報價作相關比較。

(b) *將由本集團向中國大唐集團採購的產品及服務*

多數情況下，當本集團向中國大唐集團購買產品及／或服務時，應採取招標程序釐定價格。僅於特殊情況下，本集團方能省略招標程序。該等情況主要包括(a)再次出現參與招標程序的競標者數量不足；及(b)本集團急於採購，時間不允許完成招標程序。

服務採購業務的定價政策：

就脫硫及脫硝特許經營下的輔助服務而言，價格根據相關發電廠涉及的人力資源成本、有關管理開支以及設備維修開支，並考慮行業平均水平而釐定。倘無進行招標程序，除以官方招標網站的價格作參考外，本集團亦將參考第三方客戶提供或獲得的報價，與中國大唐集團提供的報價作相關比較。

其他服務業務的定價政策：

大多數情況下，本集團向中國大唐集團採購服務時應採取招標程序釐定價格。僅於特殊情況下，即在採購價格由本集團專家根據公允市場價值及採購價格的歷史記錄釐定的情況下，本集團方能略過招標程序。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

The pricing policy for supply of water, electricity and steam:

The price for the products, primarily, water, electricity and steam, supplied by power plants under China Datang Group to the Group, will be determined based on the actual costs which reflect the market price of water and power for the supply of water and power by power plants to third-party desulfurization and denitrification concession operation service providers per the government's prescribed requirements.

The pricing policy for procurement of equipment and raw materials:

In respect of the procurement of equipment and raw materials, in most circumstances, bidding procedures shall be applied for determination of the price. Such price is the bidding price provided by the bid-winner. China Datang Group will charge a fee (the "Service Fee") not exceeding 6% of the purchasing price, which shall be determined on the basis of the actual scope of services provided by an independent third party service provider and the pricing standard of the relevant services and materials. The Service Fee shall be fairly agreed between the parties and shall not exceed the fee charged for similar services provided by China Datang Group to an independent third party or its affiliated entities. Only in exceptional circumstances, such as in case of urgent procurement demand of the Group, bidding procedures can be skipped by the Group where the purchasing price shall be determined by experts of the Group based on fair market value and historical records of procurement price.

Renewal of Financial Services Agreement between the Group and Datang Finance

The financial services agreement entered into between the Company and Datang Finance (the "Datang Finance Financial Services Agreement") on 15 October 2019 became effective after being approved by the Shareholders at the 2019 first extraordinary general meeting, and valid from 1 January 2020 to 31 December 2021, pursuant to which Datang Finance will provide the Group with loan services, deposit services and other financial services. For details, please refer to the announcement of the Company dated 15 October 2019 and the supplemental circular of the extraordinary general meeting of the Company dated 16 October 2019.

水、電及蒸汽供應的定價政策：

中國大唐集團旗下發電廠供應予本集團的產品（以水、電及蒸汽為主）價格，將按政府規定的要求，根據反映發電廠向第三方脫硫及脫硝特許經營服務提供商供應水電市場價格的實際成本釐定。

設備及原材料採購的定價政策：

就設備及原材料採購而言，多數情況下應採取招標程序釐定價格。該價格為中標方提供的競標價。中國大唐集團將收取不超過採購價格6%的費用（「服務費」），具體根據獨立第三方服務商提供的實際服務範圍及相關服務與材料的定價標準釐定。服務費由雙方公平約定，不得超過中國大唐集團向獨立第三方或其關連實體提供類似服務收取的費用。僅於本集團採購需求緊急等特殊情況下方能不經由招標程序，但採購定價應由本集團的專家參照市場公允價格和歷史採購價格進行釐定。

本集團與大唐財務之間之間續訂的金融服務協議

本公司於2019年10月15日與大唐財務訂立金融服務協議（「大唐財務金融服務協議」）已於2019年度第一次臨時股東大會獲股東批准後生效，有效期自2020年1月1日起至2021年12月31日止。據此，大唐財務將向本集團提供貸款服務、存款服務及其他金融服務。有關詳情請參閱本公司日期為2019年10月15日的公告及本公司日期為2019年10月16日臨時股東大會補充通函。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

Datang Finance has undertaken to provide the aforesaid deposit services and loan services to the Group based on the following pricing principles:

Deposit services – within the range for the floating deposit and loan interest rates published by the PBOC and by reference to the benchmark interest rates published by the PBOC, the interest rate for the Group's deposits with Datang Finance shall not be lower than the equivalent deposit interest rate as provided by other financial institutions in the PRC.

Loan services – within the range for the floating deposit and loan interest rates published by the PBOC and by reference to the benchmark interest rates published by the PBOC, the interest rate for loans granted to the Group by Datang Finance shall not be higher than the equivalent loan interest rate as charged by other financial institutions in the PRC.

The fees charged by Datang Finance for the provision of financial services to the Group other than deposit services and loan services shall not be higher than the rate charged by other financial institutions in the PRC for the same or similar type of services.

Datang Finance was the subsidiary of China Datang, and China Datang remained as the Controlling Shareholder. Therefore, Datang Finance was a connected person of the Company by virtue of being an associate of China Datang pursuant to Rule 14A.13(1) of the Listing Rules. Therefore, the Datang Finance Financial Services Agreement and the transactions thereunder constituted continuing connected transactions of the Company under the Listing Rules.

大唐財務已承諾根據下列定價原則向本集團提供上述存款及貸款服務：

存款服務—在中國人民銀行公佈的浮息存款及貸款利率區間內，且經參考中國人民銀行公佈的基準利率，本集團在大唐財務存款的利率不得低於中國其他金融機構所提供的同等存款利率。

貸款服務—在中國人民銀行公佈的浮息存款及貸款利率區間內，且經參考中國人民銀行公佈的基準利率，大唐財務向本集團授予的貸款利率不得高於中國其他金融機構所收取的同等貸款利率。

大唐財務向本集團提供除存款服務及貸款服務以外的其他金融服務所收取的費用不得高於中國其他金融機構就同樣或類似類型的服務所收取的費率。

大唐財務為中國大唐的附屬公司，中國大唐仍為控股股東，因此，根據上市規則第14A.13(1)條，由於大唐財務為中國大唐的聯繫人，故為本公司關連人士。因此，大唐財務金融服務協議及交易構成上市規則項下本公司的持續關連交易。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

The proposed caps of the deposit services for the Group's maximum daily deposit balance (including any interest accrued therefrom) in Datang Finance for the year 2021 was RMB4,000 million after being approved by the independent Shareholders. For the year of 2021, the Group's actual maximum daily deposit balance (including any interest accrued therefrom) in Datang Finance according to the aforesaid agreement was RMB2,593 million.

On 3 December 2021, the Company and Datang Finance entered into a renewed financial services agreement (the "**Renewed Financial Services Agreement**") for a term from 1 January 2022 to 31 December 2024, pursuant to which Datang Finance has agreed to provide the Group with loan services, the deposit services (the "**Deposit Services**") and financial and financing consultation and training services, transfer and settlement services, insurance agency services, entrustment loan and entrustment investment services, note financing services, guarantee services and underwriting services for the issuance of corporate bonds to the Group (except for the loan services and the Deposit Services, together the "**Other Financial Services**") subject to the terms and conditions provided therein. For further details, please refer to the announcement of the Company dated 3 December 2021 and the circular of extraordinary general meeting of the Company dated 8 December 2021.

Datang Finance has undertaken to provide the aforementioned financial services to the Group based on the following pricing principles:

- (1) Loan services – Datang Finance, based on the interest rate quotation of the loan market and taking into comprehensive considerations of the factors such as the terms, classifications and industrial policies, determines the pricing. Under the same condition, the loan interest rate shall not be higher than the applicable interest rate for the same type of loan service provided by state-owned banks to the Group;
- (2) Deposit Services – Under the same condition, the deposit interest rate provided by Datang Finance to the Group shall not be lower than the interest rate for the same type of deposit placed in state-owned banks by the Group; and
- (3) Other Financial Services – Datang Finance provides other financial services to the Group at the rates which shall not be higher than those charged by other financial institutions in the PRC for the same or similar financial services.

2021年度經獨立股東批准本集團於大唐財務的每日存款最高餘額(包括任何相關應計利息)的存款服務建議上限為人民幣4,000百萬元。2021年度,本集團根據上述協議於大唐財務的實際每日存款最高餘額(包括任何相關應計利息)為人民幣2,593百萬元。

於2021年12月3日,本公司與大唐財務訂立經重續金融服務協議(「**經重續金融服務協議**」),期限自2022年1月1日起至2024年12月31日止,據此,大唐財務已同意按其條款及條件,向本集團提供貸款服務、存款服務(「**存款服務**」)及財務及融資諮詢及培訓服務、轉賬及結算服務、保險代理服務、委託貸款及委託投資服務、票據融資服務、擔保服務及公司債券發行包銷服務(貸款服務及存款服務除外,統稱「**其他金融服務**」)。更多詳情請參閱本公司日期為2021年12月3日的公告及本公司日期為2021年12月8日的臨時股東大會通函。

大唐財務已承諾根據下列定價原則向本集團提供上述金融服務:

- (1) 貸款服務—大唐財務在貸款市場報價利率的基礎上,綜合考慮期限、類別、產業政策等因素進行定價,在同等條件下,貸款利率不高於國有銀行向本集團提供同種類貸款服務所適用的利率;
- (2) 存款服務—在同等條件下,大唐財務為本集團提供的存款利率不低於本集團在國有銀行存放的同種類存款的利率;及
- (3) 其他金融服務—大唐財務以不高於中國其他金融機構同等或相似金融服務的費用為本集團提供其他金融服務。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

The loan services to be provided by Datang Finance to the Group constitutes financial assistance provided by a connected person for the benefit of the Group. As such services are on normal commercial terms which are similar to or more favourable than those offered by independent third parties for comparable services in the PRC, and no security over the assets of the Group will be granted in respect of the loan services, the loan services are exempt from reporting, announcement and independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As each of the percentage ratio(s) applicable to the Deposit Services is more than 5%, the Deposit Services are subject to the reporting, annual review, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, given that one or more of the relevant percentage ratio(s) of the Deposit Services is more than 100%, the Deposit Services constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

In respect of the Other Financial Services to be provided by Datang Finance to the Group, each of the percentage ratio(s) is below the de minimis threshold set out in Rule 14A.76 of the Listing Rules, therefore the provision of Other Financial Services by Datang Finance to the Group is exempt from the reporting, announcement and Independent Shareholders' approval requirements of the Listing Rules.

Financial Services Framework Agreement between the Group and Datang Capital

On 3 December 2021, the Company and Datang Capital entered into a financial services framework agreement (the "**Financial Services Framework Agreement**"). According to the Financial Services Framework Agreement, Datang Capital agreed to provide the Company with commercial factoring service, financial leasing, entrusted loan service, asset securitization service, sales and leaseback service, operating lease, brokerage and consultation service in relation to transfer of property rights and assets and bespoke financial service solution. Such agreement shall be effective from 1 January 2022 and expiring on 31 December 2024. For details, please refer to the announcement of the Company dated 3 December 2021 and the circular of the extraordinary general meeting of the Company dated 8 December 2021.

大唐財務擬向本集團提供的貸款服務構成關連人士為本集團利益提供的財務援助。由於該服務乃按照類似於或優於獨立第三方就在中國提供可比服務所給予的正常商業條款而訂立，而且本集團不會就貸款服務抵押任何資產，故貸款服務可獲豁免遵守上市規則第14A.90條項下的申報、公告及獨立股東批准的規定。

由於適用於存款服務的各项百分比率均超過5%，故該存款服務須遵守上市規則第14A章項下的申報、年度審核、公告及獨立股東批准的規定。此外，鑒於存款服務的一個或多個相關百分比率超過100%，故存款服務構成上市規則第14章項下本公司的主要交易。

就大唐財務擬向本集團提供的其他金融服務而言，各項百分比率均低於上市規則第14A.76條所規定的最低值，因此大唐財務提供予本集團的其他金融服務獲豁免遵守上市規則的申報、公告及獨立股東批准規定。

本集團與大唐資本之間的金融服務協議

於2021年12月3日，本公司與大唐資本訂立金融合作服務框架協議(「**金融合作服務框架協議**」)。根據金融合作服務框架協議，大唐資本同意向本公司提供商業保理服務、金融服務、委託貸款服務、資產證券化服務、售後回租服務、經營租賃、與產權和資產轉讓有關的經紀及諮詢服務，以及針對性金融服務解決方案。該協議有效期須自2022年1月1日起至2024年12月31日止。有關詳情請參閱本公司日期為2021年12月3日的公告及本公司日期為2021年12月8日的臨時股東大會通函。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

Datang Capital has undertaken to provide the commercial factoring service, financial leasing, and entrusted loan service to the Group based on the following pricing principles:

(1) *Commercial factoring service under the Financial Services Framework Agreement*

The comprehensive interest rate relating to the commercial factoring service provided by Datang Capital to the Group shall be based on fair and reasonable market pricing and normal commercial terms. In particular, the rate shall not be higher than the interest rate level provided via email by independent third parties to the Group for the same type of service during the same period or the interest rate of the same type of service provided by Datang Capital to third parties with same credit rating.

(2) *Financial leasing service under the Financial Services Framework Agreement*

The rent paid by the Group to Datang Capital includes (i) procurement costs; and (ii) interests. The relevant interests are determined based on the benchmark interest rates for loan as implemented by the PBOC.

(3) *Entrusted loan service under the Financial Services Framework Agreement*

The entrusted loan interest paid by the Group to Datang Capital includes (i) procurement costs; and (ii) interests. The relevant interests are determined based on the benchmark interest rates for loan as implemented by the PBOC.

China Datang is the Controlling Shareholder while Datang Capital is a wholly-owned subsidiary of China Datang. Datang Capital is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the Financial Services Framework Agreement and the transactions thereunder constitute continuing connected transactions of the Company under the Listing Rules.

大唐資本已承諾根據下列定價原則向本集團提供商業保理服務、金融服務及委託貸款服務：

(1) *金融合作服務框架協議項下的商業保理服務*

大唐資本承諾向本集團提供商業保理服務相關的綜合利率，應當按照公平合理的市場定價和一般商業條款。具體而言，不高於同期獨立第三方通過電子郵件給予本集團同種類服務的利率水準或大唐資本向同等信用級別第三方發放同種類服務的利率。

(2) *金融合作服務框架協議項下的融資租賃服務*

本集團向大唐資本支付的租金包括(i)採購成本；及(ii)利息。有關利息按中國人民銀行實施的貸款基準利率釐定。

(3) *金融合作服務框架協議項下委託貸款服務*

本集團向大唐資本支付的委託貸款利息，包括(i)採購成本；及(ii)利息。有關利息按中國人民銀行實施的貸款基準利率釐定。

中國大唐為控股股東，而大唐資本為中國大唐的全資附屬公司。因此，根據上市規則第14A章，大唐資本為本公司的關連人士。因此，金融合作服務框架協議及其項下交易均構成上市規則項下本公司的持續關連交易。



REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

Given that one or more of the relevant percentage ratio(s) of the transactions (including financial leasing service and commercial factoring service) calculated with reference to the relevant proposed annual caps under the Financial Services Framework Agreement are more than 5%, the Financial Services Framework Agreement, the transactions thereunder and the proposed annual caps thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, given that one or more of the relevant percentage ratio(s) of the transactions (including commercial factoring service, financial leasing service and entrusted loan service) calculated with reference to the relevant proposed annual caps under the Financial Services Framework Agreement exceed 25% but less than 100%, the Financial Services Framework Agreement and the transactions thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

In respect of the asset securitization service, sales and leaseback service, operating lease, brokerage and consultation service in relation to transfer of property rights and assets and financial service solution (the "**Other FSFA Financial Services**"), each of the percentage ratio(s) is below the de minimis threshold set out in Rule 14A.76 of the Listing Rules, therefore the provision of the Other FSFA Financial Services by Datang Capital to the Group is exempt from the reporting, announcement and independent Shareholders' approval requirements of the Listing Rules.

鑒於參考金融合作服務框架協議項下相關建議年度上限計算之交易(包括融資租賃服務及商業保理服務)的一個或多個相關百分比比率超過5%，故金融合作服務框架協議及項下的交易和建議年度上限須遵守上市規則第14A章項下的申報、公告及獨立股東批准規定。此外，鑒於參考金融合作服務框架協議項下相關建議年度上限計算之交易(包括商業保理服務融資租賃服務及委託貸款服務)的一個或多個相關百分比比率超過25%但低於100%，故金融合作服務框架協議及其項下擬進行的交易構成上市規則第14章項下本公司的主要交易。

就資產證券化服務、銷售及回租服務、經營租賃、與產權和資產轉讓有關的經紀及諮詢服務，以及金融服務解決方案(「**金融合作服務框架協議其他金融服務**」)而言，各百分比比率均低於上市規則第14A.76條所規定的最低值，故大唐資本向本集團提供金融合作服務框架協議其他金融服務獲豁免遵守上市規則的申報、公告及獨立股東批准的規定。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

4. Confirmation by Independent Non-executive Directors

The independent non-executive Directors have reviewed each of the above mentioned continuing connected transactions conducted in the year of 2021 and confirmed that:

- (1) the transactions stated in the section headed “Exempt Continuing Connected Transaction” in this annual report have been generated during the Group’s ordinary and usual course of business on normal commercial terms (or more favorable than normal commercial terms available for the Group), and the terms governing the transactions under the agreement are fair and reasonable, and in the interests of the Company and its Shareholders as a whole; and
- (2) the transactions and proposed annual caps stated in the section headed “Non-exempt Continuing Connected Transactions” in this annual report have been generated during the Group’s ordinary and usual course of business on normal commercial terms (or more favorable than normal commercial terms available for the Group), and the terms governing the transactions under the agreement are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

4. 獨立非執行董事確認

獨立非執行董事已審閱上述各項於2021年進行的持續關連交易，並確認：

- (1) 本年報「獲豁免的持續關連交易」一節所載之交易乃於本集團之日常及一般業務過程中按一般商業條款(或優於本集團取得的一般商業條款)產生，而根據協議管理該等交易的條款屬公平合理，並符合本公司及其股東的整體利益；及
- (2) 本年報「非豁免的持續關連交易」一節所載之交易及建議年度上限乃於本集團之日常及一般業務過程中按一般商業條款(或優於本集團可取得的一般商業條款)產生，而根據協議管理該等交易的條款屬公平合理，並符合本公司及其股東的整體利益。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

5. Auditor's Letter

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditors of the Company, Ernst & Young, to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on its work, Ernst & Young has provided the Board with a letter confirming that, with respect to the aforesaid continuing connected transactions conducted in the year of 2021:

- (1) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap of each of the above disclosed continuing connected transactions set by the Company.

5. 核數師函件

根據上市規則第14A.56條，董事會已委聘本公司核數師安永會計師事務所按照香港會計師公會所頒佈的香港鑒證業務準則第3000號(經修訂)「歷史財務資料審計或審閱以外之鑒證工作」及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」申報本集團的持續關連交易。根據其工作，安永會計師事務所向董事會出具函件確認，就上述於2021年進行的持續關連交易而言：

- (1) 核數師並無注意到任何事項令他們相信該等已披露的持續關連交易未獲董事會批准；
- (2) 就本集團提供貨品或服務所涉及的交易，核數師並無注意到任何事項令他們相信該等交易在所有重大方面未有按照本集團的定價政策進行；
- (3) 核數師並無注意到任何事項令他們相信該等交易在所有重大方面未有按照規管該等交易的相關協議進行；及
- (4) 就上文所載每項持續關連交易的總金額而言，核數師並無注意到任何事項令他們相信該等已披露的持續關連交易的金額超出本公司就上述每項已披露的持續關連交易設定的年度上限。

6. Related Party Transactions

Please refer to Note 35 to the financial statements in this annual report for details of the significant related party transactions prepared in accordance with the IFRSs. For the connected transactions and continuing connected transactions pursuant to the requirements of the Listing Rules, please refer to the disclosure as set out in the above section headed “Connected Transactions” in this report of Directors. Except for those disclosed in the section headed “Connected Transactions” in this report of Directors, the other related party transactions as disclosed in Note 35 are not considered as connected transactions, or are exempt from reporting, announcement and independent Shareholders’ approval requirements under the Listing Rules.

6. 關聯方交易

有關重大關聯方交易詳情詳見於本年報內按照國際財務報告準則編製的財務報表附註35。上市規則要求的關連交易和持續關連交易，請參閱本董事會報告中「關連交易」一節所述的披露內容。除本董事會報告「關連交易」一節所披露者外，附註35所披露的其他關聯方交易不被視為關連交易，或根據上市規則獲豁免遵守申報、公告及獨立股東批准規定。

XXXIII. COMPLIANCE WITH NON-COMPETITION AGREEMENT

The Company entered into the non-competition agreement with China Datang on 1 December 2015 (the “**Non-Competition Agreement**”). Under the Non-Competition Agreement, China Datang irrevocably undertook that, other than the Retained Business (as defined in the Prospectus), China Datang and its subsidiaries (excluding the Group and listed entities under China Datang and their respective subsidiaries) did not, during the term of the Non-Competition Agreement, and would procure their close associates not to, directly or indirectly, engage in, individually or jointly, with other entities, or assist to engage in or participate in any business which competes with Our Principal Business (as defined in the Prospectus). Furthermore, China Datang undertook to grant an option to the Company to acquire new business opportunities that may compete, directly or indirectly, with Our Principal Business, an option to acquire and a right of first refusal with regard to the Retained Business and/or the New Competing Business in the future (as defined in the Prospectus).

The independent non-executive Directors are responsible for reviewing and determining whether to accept such new business opportunity provided by China Datang or its associates by taking into consideration factors such as geography and compatibility of business nature of such new business opportunity to the Group’s strategy and prospect.

During the Reporting Period, there was no new business opportunity provided by China Datang or its associate(s) in accordance with the Non-Competition Agreement.

三十三. 遵守避免同業競爭協議

於2015年12月1日，本公司與中國大唐已訂立一份避免同業競爭協議（「**避免同業競爭協議**」）。根據避免同業競爭協議，中國大唐已經在避免同業競爭協議中不可撤銷地承諾，除保留業務（定義見招股章程）外，於避免同業競爭協議期限內，中國大唐及其附屬公司（本集團及中國大唐的上市實體及彼等各自附屬公司除外）不會，並將促使其緊密聯繫人不會單獨或與其他實體直接或間接從事，或協助從事或參與任何與我們主營業務（定義見招股章程）構成競爭或可能構成競爭的任何業務。此外，中國大唐承諾授予本公司取得或會與我們主營業務直接或間接競爭的新業務機會的選擇權，以及收購保留業務及／或若干未來新競爭業務（定義見招股章程）的選擇權及優先受讓權。

獨立非執行董事負責審閱和決定是否接受中國大唐或其聯繫人提供的新業務機會，並根據該等新業務機會的地域、業務是否符合本集團的戰略和前景等因素作出相關決定。

於報告期內，中國大唐或其聯繫人並無根據避免同業競爭協議提供新業務機會。



REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

The Company has received the confirmation letter from China Datang, which confirmed that, in 2021, China Datang was in compliance with all undertakings and provisions under the Non-Competition Agreement.

The independent non-executive Directors have reviewed the implementation of the Non-Competition Agreement and confirmed that China Datang has been in full compliance with the Non-Competition Agreement and there was no breach by China Datang.

XXXIV. RETIREMENT AND EMPLOYEES BENEFIT SCHEME

Details of the Company's retirement and employees benefit scheme are set out in Note 8 to the financial statements in this annual report.

XXXV. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Main Board of the Stock Exchange, the Company strives to maintain a high standard of corporate governance practices. Save as disclosed in this annual report, for the year ended 31 December 2021, the Company has complied with the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules. Please refer to the corporate governance report as set out on pages 79-112 of this annual report for details.

XXXVI. PUBLIC FLOAT

Based on information publicly available to the Company and so far as the Directors are aware, 21.04% of the issued share capital of the Company was held by the public as at the Latest Practicable Date, which was in compliance with the requirements and public float waiver approved by the Stock Exchange under the Listing Rules. For details of the public float waiver, please refer to the section headed "Waivers from Strict Compliance with the Listing Rules" in the Prospectus.

XXXVII. MATERIAL LITIGATION

Save as disclosed in Note 6 to the financial statements of this annual report, as at 31 December 2021, the Group was not involved in any material litigation or arbitration. So far as the Directors are aware, no such litigation or claims are pending or threatened against the Group.

本公司已從中國大唐收到確認函，當中確認中國大唐於2021年已遵守避免同業競爭協議中所有承諾及條文。

獨立非執行董事已就避免同業競爭協議的執行情況進行了審閱，並確認中國大唐已充分遵守避免同業競爭協議，並無任何違約情形。

三十四. 退休及僱員福利計劃

本公司退休及僱員福利計劃詳情載於本年報內財務報表附註8。

三十五. 遵守企業管治守則

本公司作為聯交所主板上市公司，始終致力於保持高水準的企業管治。截至2021年12月31日止年度，除本年報所披露者外，本公司已遵守上市規則附錄十四所載的企業管治守則(「守則」)的守則條文。詳情請參閱本年報第79頁至第112頁的企業管治報告。

三十六. 公眾持股量

根據本公司可公開獲得的資料，就董事目前所知，於最後可行日期，公眾人士持有本公司已發行股份21.04%，符合聯交所上市規則規定及其批准的公眾持股量豁免。有關公眾持股量豁免的詳情，請參閱招股章程「豁免嚴格遵守上市規則」章節。

三十七. 重大法律訴訟

除本年報財務報表附註6所披露者外，於2021年12月31日，本集團不存在涉及任何重大法律訴訟或仲裁。就董事目前所知，也不存在任何尚未了結或可能面臨的重大法律訴訟或索賠。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

XXXVIII. AUDIT COMMITTEE

The Group's 2021 annual results and the consolidated financial statements for the year ended 31 December 2021 prepared in accordance with the IFRSs have been reviewed by the audit committee of the Company (the "Audit Committee").

XXXIX. AUDITORS

On 30 June 2021, Ernst & Young and Ernst & Young Hua Ming LLP were appointed as the international and domestic auditors of the Company, respectively for the year 2021 at the general meeting of the Company, with a term of one year.

Ernst & Young and Ernst & Young Hua Ming LLP were appointed to audit the financial statements for the year ended 31 December 2021 prepared in accordance with IFRSs and PRC GAAP, respectively.

Ernst & Young and Ernst & Young Hua Ming LLP will retire at the 2021 AGM and the resolutions for the re-appointments of auditors of the Company will be proposed at the 2021 AGM.

XL. FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the five years ended 31 December 2021 is set out on pages 6-7 of this annual report.

XLI. CHANGES IN ACCOUNTING POLICIES

Except for the disclosure in Note 2.2 to the financial statements of this annual report, there were no other changes in accounting policies of the Company during the Reporting Period. Details of the accounting policies are set out in Notes 2 and 3 to the financial statements in this annual report.

三十八. 審計委員會

本公司審計委員會(「審計委員會」)已審閱本集團2021年年度業績及按國際財務報告準則編製的截至2021年12月31日止年度的合併財務報表。

三十九. 核數師

於2021年6月30日，安永會計師事務所及安永華明會計師事務所(特殊普通合夥)於本公司股東大會分別獲委聘擔任本公司2021年度國際及境內核數師，任期為一年。

安永會計師事務所及安永華明會計師事務所(特殊普通合夥)分別獲委聘以審計截至2021年12月31日止年度按照國際財務報告準則和中國企業會計準則編製的財務報表。

安永會計師事務所及安永華明會計師事務所(特殊普通合夥)將於2021年度股東週年大會退任，而續聘本公司核數師的決議案將提呈2021年度股東週年大會審議。

四十. 財務摘要

本集團截至2021年12月31日止五個年度的業績、資產及負債摘要載列於本年報的第6頁至第7頁。

四十一. 會計政策的變化

於報告期內，除本年報財務報表附註2.2的披露外，本公司的會計政策並無其他變動。會計政策詳情載於本年報財務報表附註2及3。



REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

XLII. MATERIAL CONTRACTS

Save as the above and as disclosed in the section headed "Connected Transactions" in this report of Directors, none of the Company or any of its subsidiaries entered into material contracts with the Controlling Shareholder or any of its subsidiaries other than the Group, nor was there any material contract between the Group and the Controlling Shareholder or any of its subsidiaries other than the Group in relation to provision of services in 2021.

XLIII. EQUITY-LINKED AGREEMENT

No equity-linked agreement was entered by the Company for the year ended 31 December 2021.

XLIV. SIGNIFICANT SUBSEQUENT EVENT

On 14 January 2022, the Company and China Datang Group Overseas Investment Co., Ltd.* (中國大唐集團海外投資有限公司) ("**Datang Overseas Investment**") entered into an equity transfer agreement, pursuant to which, the Company has agreed to transfer, and Datang Overseas Investment has agreed to acquire the 10% equity interest in China Datang Overseas Power Operating Co., Ltd.* (中國大唐集團海外電力運營有限公司) held by the Company for a consideration of RMB26,389,000. The above transaction has not been completed as at the date of the report of Directors.

On 31 March 2022, the Board proposed to distribute the final dividend for the year ended 31 December 2021 of RMB0.0298 per share (before tax) in cash to the Shareholders. The proposal is subject to the approval of the Shareholders at the 2021 AGM.

Other than the above, as of the date of the report of Directors, the Group had no significant events after the Reporting Period that needs to be disclosed.

By order of the Board
WANG Yanwen
Chairman

四十二. 重大合約

於2021年，除上文及於本董事會報告「關連交易」一節中披露之外，本公司或其任何一家附屬公司概無和控股股東或其任何一家除本集團之外的附屬公司簽訂重大合同，且本集團並不存在與控股股東或其任何一家除本集團之外的附屬公司之間提供服務的任何重大合同。

四十三. 股票掛鈎協議

截至2021年12月31日止年度，本公司未訂立股票掛鈎協議。

四十四. 重大期後事項

於2022年1月14日，本公司與中國大唐集團海外投資有限公司(「大唐海投」)簽訂股權轉讓協議。據此，本公司同意轉讓而大唐海投同意收購本公司持有的中國大唐集團海外電力運營有限公司10%之股本權益，代價為人民幣26,389,000元。於董事會報告日期，上述交易尚未完成。

於2022年3月31日，董事會建議派發截至2021年12月31日止年度的末期股息，以現金向股東每股股份派發人民幣0.0298元(稅前)。該建議須待股東於2021年度股東週年大會上批准方可作實。

除上述事項外，截至本董事會報告日期，本集團無需要披露的重大報告期後事項。

承董事會命
王彥文
董事長

CORPORATE GOVERNANCE REPORT

企業管治報告

I. CORPORATE GOVERNANCE PRACTICES

The Company has always been committed to improving corporate governance since its establishment. According to provisions of the Code, it has established a modern corporate governance structure comprising a number of independently operated bodies including the general meetings, the Board, the Supervisory Committee and the Senior Management in order to provide an effective check and balance. The Company has also adopted the Code as its own corporate governance practices.

As at the Latest Practicable Date, the Company was not involved in any material litigation liable by any Director. Each Director has the necessary qualification and experience required for performing his duty. The Company has purchased liability insurance for the Directors.

As at the Latest Practicable Date, the Company had been in compliance with the principles and code provisions contained in the Code. Corporate governance practices adopted by the Company are outlined as follows:

II. BOARD

The Board carries out its duties and exercises its powers in accordance with the Articles of Association and in the best interest of the Company and its Shareholders. It reports and is held accountable to the general meetings, and implements the resolutions thereof.

1. Composition of the Board

As at the Latest Practicable Date, the Board consisted of nine Directors, including two executive Directors, four non-executive Directors (including one employee representative Director) and three independent non-executive Directors.

The biographical details of the Directors as at the Latest Practicable Date are set out on pages 120-127 of this annual report. There are no relationships (including financial, business, family or other material or relevant relationships) between members of the Board. The structure of the Board is well balanced, with each Director equipped with profound knowledge, experience and expertise relevant to the Company's business operation and development. All Directors are well aware of their joint and individual responsibilities toward the Shareholders.

一. 企業管治常規

本公司自成立以來始終致力於提升企業管治水平，參照守則的守則條文，建立了由股東大會、董事會、監事會及高級管理層有效制衡、獨立運作的現代企業治理架構。本公司採用守則作為其企業管治常規。

截至最後可行日期，本公司概無發生任何需由董事承擔責任的重大法律訴訟。每位董事均具備履行董事職責所需的有關資質和經驗。本公司已為董事購買責任保險。

截至最後可行日期，本公司已遵守守則所載的原則及守則條文。本公司所採用之企業管治常規概述如下：

二. 董事會

董事會按照公司章程規定行使其職權，以本公司及股東的最大利益為原則，於股東大會報告工作，執行股東大會的決議，對股東大會負責。

1. 董事會組成

於最後可行日期，董事會由九名董事組成，包括兩名執行董事、四名非執行董事（包括一名職工代表董事）及三名獨立非執行董事。

董事於最後可行日期的簡歷詳情在本年報第120頁至第127頁。董事會各成員之間不存在任何關係（包括財政、業務、家族或其他重大或相關關係）。董事會結構平衡，每名董事均擁有與本公司業務運營及發展有關的豐富知識、經驗及才能。所有董事均瞭解其作為整體和個人對股東所負的責任。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

As at the Latest Practicable Date, the Board had always been abiding by the requirements of the Listing Rules regarding the appointment of at least three independent non-executive Directors and that independent non-executive Directors shall represent at least one-third of the Board.

The qualifications of the three independent non-executive Directors are in full compliance with the requirements under Rules 3.10(1), 3.10(2), 3.10A and 19A.18(1) of the Listing Rules. In addition, the Company has received annual confirmations dispatched by each independent non-executive Director in accordance with Rule 3.13 of the Listing Rules as to their respective independence. Therefore, the Company is of the view that each independent non-executive Director is independent as provided in the Listing Rules.

Current members of the Board are listed in the following table:

截至最後可行日期，董事會一直符合上市規則有關委任至少三名獨立非執行董事及所委任的獨立非執行董事必須佔董事會成員人數至少三分之一的要求。

三名獨立非執行董事的資格完全符合上市規則第3.10(1)條、第3.10(2)條、第3.10A條及第19A.18(1)條的規定。此外，本公司已收到每名獨立非執行董事根據上市規則第3.13條就其各自的獨立性出具的年度確認書。因此，本公司認為每名獨立非執行董事均具備上市規則要求的獨立性。

董事會現任成員列表如下：

| Name 姓名 | Position 職位 | Date of appointment 董事委任日期 |
|----------------------|---|-------------------------------|
| WANG Yanwen 王彥文 | Chairman of the Board 董事長 | June 2021 2021年6月 |
| | Executive Director 執行董事 | October 2019 2019年10月 |
| TIAN Dan 田丹 | Executive Director 執行董事 | October 2020 2020年10月 |
| | General manager 總經理 | June 2021 2021年6月 |
| | Non-executive Director 非執行董事 | September 2021 2021年9月 |
| WU Daqing 吳大慶 | Non-executive Director 非執行董事 | September 2021 2021年9月 |
| CHEN Kan 陳侃 | Non-executive Director 非執行董事 | September 2021 2021年9月 |
| SONG Yunpeng 宋雲鵬 | Non-executive Director (Employee representative Director) 非執行董事(職工代表董事) | September 2021 2021年9月 |
| YE Xiang 叶翔 | Independent non-executive Director 獨立非執行董事 | June 2015 2015年6月 |
| MAO Zhuanjian 毛專建 | Independent non-executive Director 獨立非執行董事 | June 2015 2015年6月 |
| GAO Jiaxiang 高家祥 | Independent non-executive Director 獨立非執行董事 | April 2016 2016年4月 |

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

2. Board Meetings

According to the Articles of Association, the Board is required to hold Board meetings at least 4 times each year to be convened by the chairman of the Board. Notices of regular Board meetings shall be dispatched at least 14 days in advance. A quorum for the Board meeting can be formed by half or more than half of the Directors attending the meeting. Directors may attend the Board meeting in person or appoint other Directors as his proxy pursuant to certain requirements. Except for the circumstance provided in the Articles of Association where the Board considers connected transactions, resolutions of the Board shall be passed by more than half of all the Directors. The secretary of the Board is responsible for preparing and keeping minutes of Board meetings and making sure that such minutes are available for reference by any Director.

During the Reporting Period, the Board held ten meetings, details of which are set out as follows:

- The 22nd meeting of the second session of the Board was held on 19 March 2021, at which, resolutions regarding, among others, (1) work report on the Board of the Company for 2020; (2) work report on the general manager of the Company for 2020; (3) the independent auditor's report, audited financial statements, results announcement and the annual report for 2020 of the Company; (4) report on the final financial accounts for 2020 of the Company; (5) financial budget report of the Company for 2021; (6) the profit distribution plan for 2020 and the proposed distribution of 2020 final dividend of the Company; (7) the re-appointments of the international and domestic auditors of the Company for 2021 and grant of the Board to determine their remuneration; (8) report on remuneration policy and structure of Directors and Senior Management members of the Company for 2020; (9) performance of duties by Senior Management of the Company and annual performance appraisal reward for 2020; (10) the investment plan of the Company for 2021; (11) the financing plan of the Company for 2021; (12) the banks' comprehensive credit of the Company for 2021; (13) the report on the use of raised fund of the Company; (14) the amendments to the Articles of Association; and (15) the convening of the annual general meeting of the Company for 2020 were considered and approved.

2. 董事會會議

根據公司章程的規定，董事會每年至少召開四次會議，董事會會議由董事長召集。定期董事會會議應在召開前至少14天發出通知。董事會會議可由二分之一或以上的董事出席舉行。董事可以親自參加董事會，或根據若干規定委託其他董事代為出席董事會。除公司章程規定董事會審議關連交易的情況外，董事會決議應由超過半數董事通過。董事會秘書負責製作和保管董事會會議記錄，並確保董事能夠查閱董事會會議記錄。

報告期內，董事會共舉行十次會議，具體情況如下：

- 2021年3月19日舉行第二屆董事會第二十二次會議，審議及批准(其中包括)(1)公司2020年度董事會工作報告；(2)公司2020年度總經理工作報告；(3)關於公司2020年度獨立核數師報告、經審核的財務報表、業績公告及年度報告的議案；(4)公司2020年度財務決算報告；(5)公司2021年度財務預算報告；(6)關於公司2020年度利潤分配方案及建議分配2020年末期股息的議案；(7)關於續聘公司2021年度境內外審計師及授權董事會釐定其報酬的議案；(8)2020年度公司董事及高級管理人員的薪酬政策及架構情況報告；(9)關於2020年度公司高級管理人員履職情況及年度績效考核獎勵的議案；(10)關於公司2021年度投資計劃的議案；(11)關於公司2021年度融資計劃方案的議案；(12)關於公司2021年度銀行綜合授信的議案；(13)關於公司募集資金使用情況的報告；(14)關於修訂公司章程的議案；及(15)關於提請召開公司2020年度股東週年大會的議案。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- The 23rd meeting of the second session of the Board was held on 31 May 2021, at which, resolutions regarding (1) the establishment of ESG-related work organization of the Company; and (2) the issuance of the ESG Report of the Company for 2020 were considered and approved.
- The 24th meeting of the second session of the Board was held on 15 June 2021, at which, resolutions regarding (1) the amendments to the Administrative Measures for the Connected Transactions; and (2) the registration of super short-term commercial paper, short-term commercial paper, medium-term paper and issuance of super short-term commercial paper with the National Association of Financial Market Institutional Investors (“NAFMII”) were considered and approved.
- The 25th meeting of the second session of the Board was held on 30 June 2021, at which, resolutions regarding (1) the election of the chairman of the Board of the Company; (2) the appointment of the general manager of the Company; and (3) the adjustment to the members of special committees under the Board of the Company were considered and approved.
- The 26th meeting of the second session of the Board was held on 20 August 2021, at which, resolutions regarding (1) the 2021 interim financial statements, results announcement and interim report of the Company; (2) the amendments to the Articles of Association; (3) the merger by absorption or liquidation of certain subsidiaries; and (4) the convening of the first extraordinary general meeting of the Company for 2021 were considered and approved.
- The 27th meeting of the second session of the Board was held on 25 August 2021, at which, resolution regarding the nomination of candidates for Directors of the third session of the Board of the Company was considered and approved.
- 2021年5月31日舉行第二屆董事會第二十三次會議，審議及批准(1)關於成立公司ESG相關工作機構的議案；及(2)關於發佈公司2020年度《環境、社會與管治報告的議案》。
- 2021年6月15日舉行第二屆董事會第二十四次會議，審議及批准(1)關於修訂《關連交易管理辦法》的議案；及(2)關於在中國銀行間市場交易商協會(「交易商協會」)註冊超短期融資券、短期融資券、中期票據及發行超短期融資券的議案。
- 2021年6月30日舉行第二屆董事會第二十五次會議，審議及批准(1)關於選舉公司董事長的議案；(2)關於聘任公司總經理的議案；及(3)關於調整公司董事會專門委員會人員的議案。
- 2021年8月20日舉行第二屆董事會第二十六次會議，審議及批准(1)關於公司2021年度中期財務報表、業績公告及中期報告的議案；(2)關於修訂公司章程的議案；(3)關於部分附屬公司吸收合併或清算註銷的議案；及(4)關於提請召開2021年第一次臨時股東大會的議案。
- 2021年8月25日舉行第二屆董事會第二十七次會議，審議及批准關於提名公司第三屆董事會董事候選人的議案。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- The 1st meeting of the third session of the Board was held on 9 September 2021, at which, resolutions regarding (1) the election of the chairman of the third session of the Board of the Company; (2) the appointment of members of special committees under the Board (amendments to the Terms of Reference of the Strategy and Investment Committee); and (3) the adjustment to the depreciation policy for power generation and heating equipment and other assets were considered and approved.
- The 2nd meeting of the third session of the Board was held on 28 September 2021, at which, resolution regarding signing of the post appointment agreement and business performance responsibility letter with the management members of the Company was considered and approved.
- The 3rd meeting of the third session of the Board was held on 25 November 2021, at which, resolutions regarding (1) renewal of the Integrated Product and Service Framework Agreement with China Datang Corporation Ltd.; (2) determination of annual caps under the Land Use Rights and Real Estate Leasing Framework Agreement with China Datang Corporation Ltd.; (3) signing of the Financial Services Agreement with China Datang Finance Co., Ltd.; (4) signing of the Financial Services Agreement with China Datang Group Capital Holdings Co., Ltd.; (5) formulation of the External Directors and Supervisors Duty Performance Guarantee Plan of the Company; and (6) the convening of the second extraordinary general meeting for 2021 were considered and approved.
- The 4th meeting of the third session of the Board was held on 30 December 2021, at which, resolutions regarding (1) renewal of the Trademark Licence Agreement with China Datang Corporation Ltd.; (2) three management systems of the Company including the Implementation Measures for Implementing the “Three Importance and One Large” Decision-making System; (3) three management systems including the Administrative Measures for the Authorization of the Board of Directors of the Company (Trial); (4) investment in the establishment of Datang Linzhou New Energy Co., Ltd. (大唐林州新能源有限責任公司) and changes in the use of proceeds from listing;
- 2021年9月9日舉行第三屆董事會第一次會議，審議及批准(1)關於選舉公司第三屆董事會董事長的議案；(2)關於聘任董事會各專門委員會委員的議案（修訂戰略與投資委員會議事規則）；及(3)關於調整發電及供熱設備等資產折舊政策的議案。
- 2021年9月28日舉行第三屆董事會第二次會議，審議及批准關於與公司管理層成員簽訂崗位聘任協議和經營業績責任書的議案。
- 2021年11月25日舉行第三屆董事會第三次會議，審議及批准(1)關於與中國大唐集團有限公司續簽《綜合產品和服務框架協議》的議案；(2)關於釐定與中國大唐集團有限公司《土地使用權及房產租賃框架協議》項下年度上限金額的議案；(3)關於與中國大唐集團財務有限公司簽訂《金融服務協議》的議案；(4)關於與中國大唐集團大唐資本控股有限公司簽署《金融服務協議》的議案；(5)關於制定公司《外部董事、監事履職保障方案》的議案；及(6)關於提請召開2021年第二次臨時股東大會的議案。
- 2021年12月30日舉行第三屆董事會第四次會議，審議及批准(1)《關於與中國大唐集團有限公司續簽《商標使用許可協議》的議案；(2)關於公司《貫徹落實「三重一大」決策制度的實施辦法》等三項管理制度的議案；(3)審議關於《公司董事會授權管理辦法（試行）》等三項管理制度的議案；(4)關於投資設立大唐林州新能源有限責任

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

(5) adjustment to the investment plan for large and medium-sized as well as small-sized infrastructure projects in 2021; (6) transfer of 10% equity in China Datang Overseas Power Operation Co., Ltd.; and (7) provision for bad debts and estimated liabilities of overseas projects were considered and approved.

公司及變更上市募集資金用途的議案；(5)關於調整公司2021年度大中型及小型基建項目投資計劃的議案；(6)關於轉讓中國大唐集團海外電力運營有限公司10%股權的議案；及(7)關於計提海外項目壞賬準備及預計負債的議案。

| Name 姓名 | Position 職位 | Attendance/Number of meetings held 出席／會議舉行次數 |
|--|--|--|
| QU Bo ⁽¹⁾ 曲波 ⁽¹⁾ | Former chairman of the Board and non-executive Director 前董事長及非執行董事 | 4/6 |
| LIU Quancheng ⁽²⁾ 劉全成 ⁽²⁾ | Former non-executive Director 前非執行董事 | 0/6 |
| LIU Ruixiang ⁽³⁾ 劉睿湘 ⁽³⁾ | Former non-executive Director 前非執行董事 | 0/6 |
| LI Zhenyu ⁽⁴⁾ 李震宇 ⁽⁴⁾ | Former non-executive Director 前非執行董事 | 0/6 |
| WANG Yanwen 王彥文 | Chairman of the Board and executive Director 董事長及執行董事 | 10/10 |
| TIAN Dan ⁽⁵⁾ 田丹 ⁽⁵⁾ | Executive Director and general manager 執行董事及總經理 | 8/10 |
| WANG Junqi 王俊啟 | Executive Director 執行董事 | 4/4 |
| WU Daqing 吳大慶 | Non-executive Director 非執行董事 | 4/4 |
| CHEN Kan 陳侃 | Non-executive Director 非執行董事 | 4/4 |
| SONG Yunpeng 宋雲鵬 | Non-executive Director (employee representative Director) 非執行董事(職工代表董事) | 3/3 |
| YE Xiang 叶翔 | Independent non-executive Director 獨立非執行董事 | 10/10 |
| MAO Zhuanjian 毛專建 | Independent non-executive Director 獨立非執行董事 | 10/10 |
| GAO Jiayang 高家祥 | Independent non-executive Director 獨立非執行董事 | 10/10 |

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Notes:

- (1) Mr. QU Bo did not attend two of the meetings as he was on a business trip.
- (2) Mr. LIU Quancheng did not attend six meetings as he was on a business trip.
- (3) Mr. LIU Ruixiang did not attend six meetings as he was on a business trip.
- (4) Mr. LI Zhenyu did not attend six meetings as he was on a business trip.
- (5) Mr. TIAN Dan did not attend two of the meetings due to work adjustment.

附註：

- (1) 曲波先生因公務出差未參加其中兩次會議。
- (2) 劉全成先生因公務出差未參加六次會議。
- (3) 劉睿湘先生因公務出差未參加六次會議。
- (4) 李震宇先生因公務出差未參加六次會議。
- (5) 田丹先生因工作調整未參加其中兩次會議。

3. Powers and Responsibilities of the Board and the Management

The powers and responsibilities of the Board and the management of the Company are specified in the Articles of Association, providing a sufficient balanced and restrained mechanism for corporate governance and internal controls.

The Board shall be responsible for and shall have general power to manage and develop the Company's business. Pursuant to the Articles of Association, the functions and duties of the Board include, among other things, convening general meetings and reporting the Board's work to the general meetings, implementing the resolutions of the general meetings, determining business plans, investment plans, detailed annual business objectives of the Company and financing plans other than by ways of issue of corporate debentures or other securities and of listing, formulating annual budget, final accounts, profit distribution plan and plan for recovery of losses, proposals for increase or reductions of the Company's registered capital and the issue of corporate debentures or other securities and listing.

3. 由董事會和管理層行使的職權

董事會和本公司管理層的權力和職責已在公司章程中進行了明確規定，為本公司企業管治和內部控制提供了充分的平衡和制約機制。

董事會應負責並擁有一般權力管理及發展本公司業務。根據公司章程，董事會的職能及職責包括（其中包括）召開股東大會，並在股東大會上報告董事會工作、執行股東大會的決議、決定本公司的經營計劃和投資方案及年度具體經營目標及除發行公司債券或其他證券及上市以外的融資方案、制定年度預算方案、決算方案、利潤分配方案和彌補虧損方案、本公司增加或者減少註冊資本的方案以及發行公司債券或其他證券及上市方案。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Board is responsible for the Company's corporate governance. The Company has formulated its corporate governance policy pursuant to the requirements of Appendix 14 to the Listing Rules. For the year ended 31 December 2021, the Board performed its duties according to the corporate governance policy of the Company. In 2021, the Board mainly reviewed the Company's corporate governance policy and practices, reviewed and monitored the training and continuous professional development of Directors and Senior Management, reviewed and monitored the Company's policy and practices in respect of compliance with laws and regulatory regulations, developed, reviewed and monitored the code of conduct and compliance manual for employees and Directors, and reviewed the Company's compliance with the Code and the disclosures made in the Corporate Governance Report.

All Directors have full and timely access to all relevant information as well as the advice and services of the Joint Company Secretaries, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making a request to the Board.

The management of the Company, led by the general manager of the Company, is responsible for implementing all the resolutions issued by the Board and organising management of the Company's day-to-day operation.

4. Chairman and the General Manager

The positions of the chairman of the Board and the general manager of the Company (i. e. chief executive officer under the terms of the Listing Rules) of the Company are held by different persons in order to ensure independence, accountability of their respective functions and balanced distribution of power and authority between them. Mr. WANG Yanwen and Mr. TIAN Dan served as the chairman of the Board and the general manager of the Company respectively, whose powers and responsibilities were clearly divided.

董事會負責本公司的企業管治職責。本公司已經按照上市規則附錄十四的要求制定企業管治政策，截至2021年12月31日止年度，董事會已經按照本公司的企業管治政策履行職責。於2021年，董事會主要檢討本公司的企業管治政策及常規、檢討及監察董事及高級管理層的培訓及持續專業發展、檢討及監察本公司在遵守法律及監管規定方面的政策及常規、編寫、檢討及監察僱員及董事的操守準則及合規手冊及檢討本公司遵守守則的情況及在企業管治報告內的披露。

所有董事均可全面及時查閱所有相關資料，以及獲得聯席公司秘書的意見及服務，以確保遵守董事會程序及所有適用規則及規例。各董事在向董事會提出要求時，通常可在適當情況下尋求獨立專業意見(費用由本公司承擔)。

本公司管理層在本公司總經理的領導下，負責執行董事會作出的各項決議，組織本公司的日常經營管理。

4. 董事長及總經理

本公司董事長和總經理(即相關上市規則條文下的行政總裁)職務分別由不同人士擔任，以確保各自職責的獨立性、可問責性以及權力和授權的分佈平衡。董事長由王彥文先生擔任，本公司總經理由田丹先生擔任，董事長和總經理的職責分工明確。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

In 2021, the chairman of the Board, Mr. QU Bo, who led the Board, decided on the Company's overall development strategies, ensured the effective operation of the Board, performed his bounden duties, and brought all important matters to discussion in a timely manner, ensuring that the Company had in place good corporate governance practices and procedures and that the Board acted in the best interests of the Company and its Shareholders as a whole. He resigned in and with effect from June 2021. On the same date, the Company appointed Mr. WANG Yanwen as the chairman of the Board. In 2021, the general manager of the Company, Mr. WANG Yanwen was mainly responsible for the overall business operation and management of the Company, who resigned in June 2021. On the same date, the Company appointed Mr. TIAN Dan as the general manager of the Company.

5. Appointment, Removal and Re-election of Directors

As provided in the Articles of Association, Directors are elected by general meetings for a term of three years and are eligible for re-election and re-appointment. The Company has implemented a set of effective procedures regarding the appointment of new Directors in the Articles of Association. The nomination of new Directors is firstly discussed by the nomination committee of the Company (the "Nomination Committee") which then submits its recommendation to the Board, and is subject to approval via the election in general meeting.

The Company has entered into service contracts with all its Directors (including non-executive Directors) for a term commencing from the date of appointment to the date of the next general meeting for the re-election of Directors and subject to termination in accordance with the terms under respective service contracts.

2021年，董事長曲波先生領導董事會確定本公司的整體發展戰略，確保董事會有效運轉，履行應有職責，並及時就所有重要的適當事項進行討論，確保本公司制定良好的企業管治常規及程序及確保董事會行事符合本公司及股東作為整體的最大利益。其於2021年6月辭任並生效，本公司於同日委任王彥文先生為董事長。2021年，本公司總經理王彥文先生主要負責本公司的整體業務運營及管理，其於2021年6月辭任，本公司於同日委任田丹先生為本公司總經理。

5. 委任、解聘及重選董事

根據公司章程的規定，董事由股東大會選舉產生，每屆任期3年，可連選連任。本公司已於公司章程中就新董事的委任執行了一套有效的程序。新董事的提名先由本公司提名委員會(「提名委員會」)商議，然後再向董事會提交建議，並由股東大會選舉通過。

本公司已與各董事(包括非執行董事)簽署了服務合同，該服務合同期限為自從獲委任之日起至下屆股東大會重選董事之日止，但可根據各份合約的條款予以終止。



6. Board Diversity

The Company believes that the increasing diversity at the Board level is one of essential elements in supporting the attainment of its strategic objectives and its sustainable development. Therefore, the Company formulated board diversity policy in October 2016 (the “**Board Diversity Policy**”). While determining the composition of the Board, the Company shall consider the diversity of the Board from various perspectives, including, without limitation, gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision of the Board will be based on merit and contribution that the selected candidates will bring to the Board. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee will report the composition of the Board at the diversity level in the annual report each year, and monitor the implementation of this policy. The Nomination Committee will review this policy, as appropriate, to ensure its effectiveness. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

As a single gender board will not be considered to have achieved diversity from 1 January 2022, we will review the structure and composition of the Board, and appoint a Director of a different gender on or before 31 December 2024.

7. Remuneration of Directors

Remuneration of Directors is reviewed by the remuneration and evaluation committee of the Company (the “**Remuneration and Evaluation Committee**”) and the Board in accordance with criteria such as qualification, working experience, working performance, positions and market conditions, and determined by the general meeting based on criteria such as qualification, working experience, working performance, positions and market conditions.

6. 董事會成員多元化

本公司相信董事會層面日益多元化是支持其達到戰略目標及維持可持續發展的重要因素之一，因此本公司於2016年10月制定了董事會成員多元化政策(「**董事會成員多元化政策**」)，確定本公司在設定董事會成員構成時，應從多個方面考慮董事會成員多元化情況，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限。董事會的最終決定將基於所選候選人將為董事會帶來的功績和貢獻。董事會所有任命均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。提名委員會將每年在年報內匯報董事會在多元化層面的組成，並監察此政策的執行，並在適當時候審核該政策，以確保其行之有效。提名委員會將會討論任何所需的修訂，再向董事會提出修訂建議，由董事會審批。

自2022年1月1日起，倘董事會性別單一則不被視為多元化，我們將審查董事會的結構及組成，並在2024年12月31日或之前委任一名不同性別的董事。

7. 董事薪酬

董事薪酬根據資歷、工作經驗、工作表現、職務及市場情況等準則，由本公司薪酬與考核委員會(「**薪酬與考核委員會**」)及董事會審閱，由股東大會依據資格、工作經驗、工作表現、職務及市場條件釐定。

8. Training for Directors and Joint Company Secretaries

(1) Training for Directors

All Directors always attend to the Directors' duties and personal integrity, and the business activities and developments of the Company. In 2021, the Directors had been updated on a monthly basis with information relating to the performance, state of affairs and prospects of the Company. In addition, the Company provided Directors with the latest developments in the Listing Rules and other applicable regulatory regulations, to make sure the Directors were able to keep making contribution to the Board with extensive information and appropriate expertise.

Compliance training for Hong Kong listed company was provided by Zhong Lun Law Firm LLP, the legal advisor of the Company as to Hong Kong laws, to Directors and management of the Company during the Reporting Period (the "**Compliance Training**").

In 2021, all Directors attended the continuous professional development programme, developed and refreshed their knowledge and skills to ensure that they continue contributing to the Board with complete information and expertise as needed.

8. 董事和聯席公司秘書培訓

(1) 董事培訓

所有董事始終關注董事的責任及操守，以及有關本公司業務活動及發展的事宜，於2021年，董事持續獲得本公司表現、狀況及前景的每月更新資料。此外，本公司不時向董事提供上市規則以及其他通用監管規定的最新發展概況，以確保董事繼續在具備全面資訊及切合所需的技能下對董事會作出貢獻。

報告期內，本公司香港法律顧問中倫律師事務所有限法律責任合夥為董事及本公司管理層提供了香港上市公司合規培訓(「合規培訓」)。

於2021年度，所有董事參與了持續專業發展，發展並更新其知識及技能，確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Trainings received by all Directors during the year 2021 are as follows:

董事於2021年度接受的培訓項目如下：

| Name 姓名 | Position 職位 | Training topics 培訓事項 |
|----------------------|--|-----------------------------|
| WANG Yanwen 王彥文 | Chairman of the Board and executive Director 董事長及執行董事 | Compliance Training 合規培訓 |
| TIAN Dan 田丹 | Executive Director and general manager 執行董事及總經理 | Compliance Training 合規培訓 |
| WANG Junqi 王俊啟 | Non-executive Director 非執行董事 | Compliance Training 合規培訓 |
| WU Daqing 吳大慶 | Non-executive Director 非執行董事 | Compliance Training 合規培訓 |
| CHEN Kan 陳侃 | Non-executive Director 非執行董事 | Compliance Training 合規培訓 |
| SONG Yunpeng 宋雲鵬 | Non-executive Director (Employee representative Director) 非執行董事(職工代表董事) | Compliance Training 合規培訓 |
| YE Xiang 叶翔 | Independent non-executive Director 獨立非執行董事 | Compliance Training 合規培訓 |
| MAO Zhuanjian 毛專建 | Independent non-executive Director 獨立非執行董事 | Compliance Training 合規培訓 |
| GAO Jiaxiang 高家祥 | Independent non-executive Director 獨立非執行董事 | Compliance Training 合規培訓 |

(2) Training for Joint Company Secretaries

The Company appointed Mr. LIANG Xiuguang as the Joint Company Secretary in November 2020. In compliance with Rule 3.29 of the Listing Rules, Mr. LIANG Xiuguang, the Joint Company Secretary, had undertaken relevant professional trainings of not less than 15 hours for the year ended 31 December 2021.

The Company appointed Ms. WONG Sau Ping (associate director of the listing services department of TMF Hong Kong Limited) as another Joint Company Secretary since August 2015. In compliance with Rule 3.29 of the Listing Rules, Ms. WONG Sau Ping had undertaken no less than 15 hours of relevant profession training for the year ended 31 December 2021. Her primary internal contact in the Company is Mr. LIANG Xiuguang.

(2) 聯席公司秘書培訓

本公司於2020年11月委任梁秀廣先生為聯席公司秘書。為遵守上市規則第3.29條，截至2021年12月31日止年度，聯席公司秘書梁秀廣先生已接受不少於15個小時之相關專業培訓。

本公司於2015年8月委任黃秀萍女士(達盟香港有限公司上市服務部副董事)為另一位聯席公司秘書。為遵守上市規則第3.29條，截至2021年12月31日止年度，黃秀萍女士已接受不少於15個小時之相關專業培訓。梁秀廣先生為彼與本公司內部之主要聯絡人。

9. Directors' Liability Insurance and the Permitted Indemnity Provisions

The Company has always been in strict compliance with the principles and requirements of the Listing Rules. As at 31 December 2021, the Company was not involved in any material litigation liable by any Director. Each Director has the necessary qualification and experience required for performing his duty. The Company has purchased liability insurance for Directors.

The permitted indemnity provisions of the Company are set out in article 162 of the Articles of Association. The Directors, Supervisors, general manager of the Company and other Senior Management may be relieved of liability for specific breaches of his duty with the informed consent of Shareholders given at an annual general meeting except for certain circumstances set out under article 59 of the Articles of Association. Such permitted indemnity provisions are currently in force at the time of approval of this annual report.

9. 董事責任保險及獲准許的彌償條文

本公司一直嚴格遵守上市規則的各項原則和要求。於2021年12月31日，本公司概無發生任何需由董事承擔責任的重大法律訴訟。每位董事均具備履行董事職責所需的有關資質和經驗。本公司已為董事購買責任保險。

本公司獲准許彌償條文披露於公司章程第162條。於股東週年大會上獲股東知情同意下，董事、監事、本公司總經理及其他高級管理層可解除因違反特定職責而需承擔的責任(公司章程第59條列載的若干情況除外)。於批准本年報時，該等獲准許彌償條文目前有效。

III. PROFESSIONAL COMMITTEES UNDER THE BOARD

There are four professional committees under the Board, including the Audit Committee, Nomination Committee, Remuneration and Evaluation Committee and strategy and investment committee the ("Strategy and Investment Committee").

1. Audit Committee

As at the Latest Practicable Date, the Audit Committee consisted of three Directors, including two independent non-executive Directors, Mr. GAO Jiaxiang and Mr. YE Xiang, and one non-executive Director, Mr. CHEN Kan (appointed in September 2021). Mr. GAO Jiaxiang currently serves as the chairman of the Audit Committee. Mr. LIU Quancheng resigned as a member of the Nomination Committee in September 2021.

The primary responsibilities of the Audit Committee include, among other things, the following:

- To examine the accounting policies and practices regarding the preparation of financial statements of the Company;
- To monitor the preparation process of periodic financial reports and examine the periodic financial reports, financial results and relevant information disclosed in other announcements;

三. 董事會下設的專業委員會

董事會下設四個專業委員會，包括審計委員會、提名委員會、薪酬與考核委員會及戰略與投資委員會(「戰略與投資委員會」)。

1. 審計委員會

於最後可行日期，審計委員會由三名董事組成，包括兩名獨立非執行董事高家祥先生及叶翔先生，以及一名非執行董事陳侃先生(於2021年9月獲委任)。現由高家祥先生擔任審計委員會主席。劉全成先生於2021年9月辭任審計委員會委員。

審計委員會的主要職責為(其中包括)以下事項：

- 審核本公司用於編製財務報表的會計政策和慣例；
- 監控定期財務報告的製作流程並審核定期財務報告和財務業績及其他公告披露的相關資料；

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- To evaluate the effectiveness of the risk management and internal control framework, to consult with the management level regarding the scope and quality of the internal control system, and to ensure that the management has performed their duties for ensuring the internal control system being effective, including whether the following are sufficient: the resources required, qualifications and experiences of such accounting and financial reporting staff, and the training program and budget to relevant employees;
- To examine the internal investigation results and responses from the management with respect to any and all suspected dishonest acts, non-compliance incidents, absence of internal control or suspected violation of laws, regulations and rules;
- To inspect and monitor the scope, effectiveness and results of the functions of internal examination and verification, to ensure the mutual coordination between the internal and the external auditor(s), and to ensure that the functions of internal examination and verification can be provided with sufficient resources and are in the appropriate position within the Group;
- To investigate the financial and accounting policies and practices of the Group;
- To consult with the external auditor(s) for examining and verifying any recommendations arising from audit works; to review such management proposal regarding the status of examination and verification whereas such proposal was proposed by auditor(s) to the management; to check any material questions regarding the accounting record, financial account or control system put forward to the management by the accounting firm, the feedback of the management or other correspondence documents; and to ensure effective communication between the independent accountants and the management;
- To ensure that the Board can timely respond to the issues to be put forward in the management proposal prepared by the external auditor(s);
- 評價風險管理和內部控制框架的有效性，與管理層商討內部監控系統的範疇及質素，以及確保管理層已履行其職責確保內部監控系統有效，包括下列是否足夠：所需資源、有關會計及財務申報人員的資質及經驗，以及針對相關僱員的培訓項目及預算；
- 就任何及所有懷疑不誠實行為、不合規事件、內部監控缺失或涉嫌違反法律規則及規例情況審查內部調查結果及管理層的響應；
- 檢討及監察內部審核職能的範疇、效能及結果，確保內部及外聘核數師互相協調，以及確保內部審核職能獲足夠資源並於本集團內有恰當地位；
- 檢討本集團的財務及會計政策及實務；
- 與外聘核數師商討因審核工作所引伸的任何建議；審閱核數師給予管理層就審核情況所提出管理建議書；對會計師事務所因會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問、管理層的反饋或其他溝通文件進行檢查，並確保獨立會計師與管理層能夠進行有效溝通；
- 確保董事會對外聘核數師於管理建議書提出的事宜作出及時響應；

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

- To understand the internal control and related process implemented by the management and guarantee that such financial reports and statements obtained from the existing financial system are in compliance with the relevant standards and requirements and are examined, verified and approved by the management;
 - To check and examine the following arrangements made by the Company: the employees of the Company may secretly raise concerns in relation to possible occurrence of inappropriate actions in respect of financial reporting, internal control or other aspects; to ensure that appropriate arrangements will be made to conduct fair and independent investigation and appropriate action will be adopted regarding such matters; and
 - To report to the Board regarding the matters concerning the provisions of the Code.
- 瞭解管理層實施的內部控制和相關過程，保證從既定財務系統中獲取的財務報告及報表符合相關標準和要求，並且經過管理層審核、核實及批准；
 - 檢討及審核本公司設定的以下安排：本公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注；確保有適當安排以對此事宜作出公平獨立的調查及採取適當行動；及
 - 向董事會報告有關守則條文的事宜。

During the Reporting Period, the Audit Committee held four meetings, details of which are set out as follows:

報告期內，審計委員會共召開四次會議，有關詳情載列如下：

- The sixth meeting of the second session of the Audit Committee was held on 19 March 2021, at which resolutions, among others, (1) Resolution regarding the Independent Auditor's Report and the Audited Financial Statements, Results Announcement and Annual Report for 2020; (2) Final Financial Accounts of the Company for 2020; (3) Financial Budget Report of the Company for 2021; (4) Resolution regarding the Profit Distribution Plan for 2020 and the Proposed Distribution of Final Dividend of the Company for 2020; (5) Resolution regarding the Re-appointments of the International and Domestic Auditors of the Company for 2021 and Grant of the Board to Determine Their Remuneration; (6) Resolution on the Connected Transactions of the Company in 2020; (7) Evaluation Report on the Risk and Internal Control of the Company in 2020; and (8) 2020 Corporate Governance Report of the Company were considered and approved.
- 2021年3月19日舉行第二屆審計委員會第六次會議，審議及批准(其中包括)(1)關於公司2020年度獨立核數師報告、經審核的財務報表、業績公告及年度報告的議案；(2)公司2020年度財務決算報告；(3)公司2021年度財務預算報告；(4)關於公司2020年度利潤分配方案及建議分配2020年末期股息的議案；(5)關於續聘公司2021年度境內外審計師及授權董事會釐定其報酬的議案；(6)關於公司2020年度關連交易情況的議案；(7)公司2020年度風險內控工作報告；及(8)公司2020年度企業管治報告。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- The seventh meeting of the second session of the Audit Committee was held on 20 August 2021, at which the Resolution on 2021 Interim Financial Statements, Results Announcement and Interim Report of the Company was considered and approved.
- The first meeting of the third session of the Audit Committee was held on 25 November 2021, at which the Resolution on the Work Plan of Internal Control, Supervision and Appraisal of the Company of 2021 was considered and approved.
- The second meeting of the third session of the Audit Committee was held on 30 December 2021, at which the Resolution on the Provision for Partial Asset Impairment, Bad Debts and Estimated Liabilities was considered and approved.
- 2021年8月20日舉行第二屆審計委員會第七次會議，審議及批准關於公司2021年度中期財務報表、業績公告及中期報告的議案。
- 2021年11月25日舉行第三屆審計委員會第一次會議，審議及批准關於公司2021年度內部控制監督評價工作方案的議案。
- 2021年12月30日舉行第三屆審計委員會第二次會議，審議及批准關於計提部分資產減值準備、壞賬準備及預計負債的議案。

The record of attendance is set out as follows:

會議出席記錄如下：

| Member 成員 | Number of attendance/required number of attendance 出席次數／應出席次數 |
|--|---|
| GAO Jiexiang (Chairman of the Audit Committee) 高家祥(審計委員會主席) | 4/4 |
| YE Xiang 叶翔 | 4/4 |
| LIU Quancheng ⁽¹⁾ 劉全成 ⁽¹⁾ | 0/2 |
| CHEN Kan 陳侃 | 2/2 |

Note:

附註：

- (1) Mr. LIU Quancheng did not attend two meetings as he was on business trips.

- (1) 劉全成先生因公務出差未參加兩次會議。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

2. Nomination Committee

As at the Latest Practicable Date, the Nomination Committee consisted of three Directors, including two independent non-executive Directors, Mr. GAO Jiayang and Mr. MAO Zhuanjian, and one executive Director, Mr. WANG Yanwen (appointed in June 2021). Mr. WANG Yanwen currently serves as the chairman of the Nomination Committee. Mr. QU Bo resigned as the chairman of the Nomination Committee in June 2021.

(1) The main duties of the Nomination Committee include, among other things, the following:

- To put forward a proposal regarding the structure of the Board, its scale and constitution (including technique, knowledge and experience) to the Board based on the Company's operational activities, asset scale and equity structure;
- To study the standards and procedures for the selection of Directors and Senior Management, and to put forward relevant proposals to the Board;
- To extensively identify candidates qualified for Directors and Senior Management;
- To investigate the candidates for Directors and the candidates for Senior Management and submit relevant proposals;
- To review and make recommendations on the appointment of other Senior Management that needs to be brought to the attention of the Board;
- To evaluate the independence of independent non-executive Directors; and
- To submit proposals regarding the appointment or re-appointment of Directors, and the succession plan of Directors (and in particular the chairman and the chief executive) to the Board.

2. 提名委員會

於最後可行日期，提名委員會由三名董事組成，包括兩名獨立非執行董事高家祥先生及毛專建先生，以及一名執行董事王彥文先生（於2021年6月獲委任）。現由王彥文先生擔任提名委員會主席。曲波先生於2021年6月辭任提名委員會主席。

(1) 提名委員會的主要職責為（其中包括）以下事項：

- 根據本公司經營活動情況、資產規模和股權結構對董事會的架構、規模和構成（包括技能、知識和經驗方面）向董事會提出建議；
- 研究董事及高級管理層的選擇標準和程序，並向董事會提出相關建議；
- 廣泛搜尋合格的董事和高級管理層的人選；
- 對董事候選人和高級管理層人選進行審查並提出相關建議；
- 檢討並建議須董事會垂注的其他高級管理層委任；
- 評核獨立非執行董事的獨立性；及
- 就董事委任或重新委任以及董事（尤其是主席及主要行政人員）繼任計劃向董事會提出建議。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

(2) The process of the Nomination Committee to select Directors and Senior Management is as follows:

- The Nomination Committee shall communicate with relevant departments of the Company and study the demand for new Directors and Senior Management and present such information in writing;
- The Nomination Committee may extensively seek for candidates for Directors and Senior Management within the Company, its holding (associate) enterprises and the human resources market;
- The Nomination Committee shall gather information as to the occupation, academic qualifications, title of the position, detailed work experience and all the concurrent positions of the candidates and present such information in writing;
- The nominee shall not be deemed as the candidate for Director or Senior Management unless his/her consent for nomination is obtained;
- The Nomination Committee shall convene a meeting to review the qualifications of the candidates in accordance with the requirements for Directors and Senior Management;
- The Nomination Committee shall make suggestion to the Board regarding the candidates for the Director and Senior Management position and submit relevant information to the Board ten days prior to the election of new Directors and appointment of new Senior Management; and
- The Nomination Committee shall carry out other follow-up work according to the decision of and feedback from the Board.

(2) 提名委員會董事及高級管理層的選任程序為：

- 提名委員會與本公司有關部門進行交流，研究本公司對新董事、高級管理層的需求情況，並形成書面材料；
- 提名委員會可在本公司、控股(參股)企業內部以及人才市場等廣泛搜尋董事及高級管理層人選；
- 提名委員會搜集初選人的職業、學歷、職稱、詳細的工作經歷、全部兼職等情況，形成書面材料；
- 提名委員會徵求被提名人對提名的同意，否則不能將其作為董事及高級管理層人選；
- 召開提名委員會會議，根據董事及高級管理層的任職條件，對初選人員進行資格審查；
- 在選舉新的董事和聘任新的高級管理層前十天，向董事會提出董事候選人和高級管理層候選人的建議和相關材料；及
- 根據董事會決定和反饋意見進行其他後續工作。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

(3) Nomination policy:

The terms of paragraphs (1) and (2) above are the main standards and principles to be considered in the nomination of Directors and constitute the nomination policy of the Company.

During the Reporting Period, the Nomination Committee held three meetings, details of which are set out as follows:

- The fifth meeting of the second session of the Nomination Committee was held on 19 March 2021, at which (1) the Resolution on the Composition of the Board and the Implementation of the Board Diversity Policy of the Company for 2020; and (2) the Resolution on the Independence of the Independent Non-executive Directors of the Company were considered and approved.
- The sixth meeting of the second session of the Nomination Committee was held on 30 June 2021, at which the Resolution on the Nomination of Candidates for General Manager of the Company was considered and approved.
- The seventh meeting of the second session of the Nomination Committee was held on 25 August 2021, at which the Resolution on the Nomination of Candidates for Directors of the Third Session of the Board of the Company was considered and approved.

(3) 提名政策：

上述(1)及(2)段的條款屬於本公司提名董事時所考慮的主要標準及原則，並構成本公司的提名政策。

報告期內，提名委員會召開三次會議，有關詳情載列如下：

- 2021年3月19日舉行第二屆提名委員會第五次會議，審議及批准關於(1)2020年度公司董事會構成及董事會成員多元化政策執行情況的議案；(2)關於公司獨立非執行董事獨立性的議案。
- 2021年6月30日舉行第二屆提名委員會第六次會議，審議及批准關於提名公司總經理人選的議案。
- 2021年8月25日舉行第二屆提名委員會第七次會議，審議及批准關於提名公司第三屆董事會董事候選人的議案。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The record of attendance is set out as follows:

會議出席記錄如下：

| Member 成員 | Number of attendance/required number of attendance 出席次數／應出席次數 |
|---|---|
| QU Bo (Former chairman of the Nomination Committee) ⁽¹⁾ 曲波(前提名委員會主席) ⁽¹⁾ | 0/1 |
| WANG Yanwen ⁽¹⁾ (Chairman of the Nomination Committee) 王彥文(提名委員會主席) | 2/2 |
| GAO Jiayang 高家祥 | 3/3 |
| MAO Zhuanjian 毛專建 | 3/3 |

Note:

附註：

(1) Mr. QU Bo did not attend the meeting due to work adjustment.

(1) 曲波先生因工作調整未參加會議。

The Board Diversity Policy is set out in the section headed “Board Diversity” under the corporate governance report on page 88 of this annual report.

董事會成員多元化政策載列於本年報第88頁的企業管治報告項下「董事會成員多元化」一節。

3. Remuneration and Evaluation Committee

3. 薪酬與考核委員會

As at the Latest Practicable Date, the Remuneration and Evaluation Committee consisted of three Directors, including two independent non-executive Directors, Mr. YE Xiang and Mr. MAO Zhuanjian, and one non-executive Director, Mr. WU Daqing (appointed in September 2021). Mr. YE Xiang currently serves as the chairman of the Remuneration and Evaluation Committee. Mr. WANG Yanwen resigned as a member of the Remuneration and Evaluation Committee in September 2021.

於最後可行日期，薪酬與考核委員會由三名董事組成，包括兩名獨立非執行董事叶翔先生及毛專建先生，以及一名非執行董事吳大慶先生(於2021年9月獲委任)。現由叶翔先生擔任薪酬與考核委員會主席。王彥文先生於2021年9月辭任薪酬與考核委員會委員。

The main duties of the Remuneration and Evaluation Committee include, among other things, the following:

薪酬與考核委員會的主要職責為(其中包括)以下事項：

- With respect to the policy and structure of remuneration regarding the Directors and Senior Management and the establishment of such official and transparent procedures for formulating such remuneration policies, to propose a proposal to the Board;
- To investigate and approve the proposal on the remuneration of the Senior Management based on the corporate principles and goals set by the Board;

- 就董事及高級管理層的全體薪酬政策及架構，以及就設立正規而具透明度的程式制訂該等薪酬政策，向董事會提出建議；
- 因應董事會所訂企業方針及目標而檢討及批准高級管理層的薪酬建議；

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

- To determine the specific remuneration of all executive Directors and Senior Management, including but not limited to basic salary, warrant and non-monetary interests, pension and bonus, and indemnified amount (including the indemnification for the loss or termination of position or appointment);
 - To advise on the Board regarding the remuneration of non-executive Directors;
 - To take consideration of the remuneration paid by comparable companies, such time required to be spent by the Directors, scope of duties of the Directors, employment conditions for other positions within the Group, and whether the remuneration shall be determined based on the performance thereof;
 - To investigate and approve such compensation required to be paid to executive Directors and Senior Management due to the loss or termination of their positions or appointment, in order to ensure that such compensation shall be determined pursuant to the relevant contractual terms. Should such determination fail to be made pursuant to the relevant contractual terms, such compensation should be fair and reasonable and not excessive;
 - To investigate and approve such compensation arrangements involving the termination of employment or dismissal of the relevant Directors due to the inappropriate act of such Directors, in order to ensure that such arrangements shall be determined pursuant to the relevant contractual terms. Should such determination fail to be made pursuant to the relevant contractual terms, such relevant compensation should be reasonable and appropriate;
 - To ensure that no Directors nor any associates would determine their own remuneration by themselves;
 - To investigate the performance of duties by Directors (non-independent Directors) and Senior Management and conduct annual performance appraisal regarding such Directors and Senior Management; and
 - To study Share incentive schemes.
- 釐定全體執行董事及高級管理層的特定薪酬待遇，包括但不限於：基本薪金、認股權及非金錢利益、退休金及獎金，以及賠償金額(包括喪失或終止職務或任命的賠償)；
 - 就非執行董事的薪酬向董事會提出建議；
 - 考慮同類本公司支付的薪酬、董事須付出的時間及董事職責、本集團內其他職位的僱用條件，以及是否需要按表現而釐定薪酬；
 - 檢討及批准向執行董事及高級管理層支付因喪失或被終止職務或委任而須支付的賠償，以確保該等賠償按有關的合約條款釐定；若未能按有關合約條款釐定，賠償亦須公平合理，不致過多；
 - 檢討及批准因相關董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排乃按有關合約條款釐定；若未能按有關合約條款釐定，有關賠償亦須合理且適當；
 - 確保沒有任何董事或其任何聯繫人士自行釐定其本身薪酬；
 - 審查董事(非獨立董事)及高級管理層的履行職責情況並對其進行年度績效考評；及
 - 研究股份激勵計劃。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the Reporting Period, the Remuneration and Evaluation Committee held one meeting, details of which are set out as follows:

- The third meeting of the second session of the Remuneration and Evaluation Committee was held on 19 March 2021, at which (1) the Report on Remuneration Policies and Structure of All Directors and Senior Management of the Company for 2020; and (2) the Resolution on Performance of the Senior Management Members of the Company and Their Annual Performance Appraisal Incentives for 2020 were considered and approved.

The record of attendance is set out as follows:

Member 成員

| | |
|--|--|
| YE Xiang (Chairman of the Remuneration and Evaluation Committee) 叶翔(薪酬與考核委員會主席) | |
| MAO Zhuanjian 毛專建 | |
| WU Daqing 吳大慶 | |
| WANG Yanwen 王彥文 | |

報告期內，薪酬與考核委員會召開一次會議，有關詳情載列如下：

- 2021年3月19日舉行第二屆薪酬與考核委員會第三次會議，審議及批准有關(1)2020年度公司董事及高級管理人員的全體薪酬政策及架構情況報告；及(2)關於2020年度公司高級管理人員履職情況及年度績效考核獎勵的議案。

會議出席記錄如下：

Number of attendance/required number of attendance 出席次數/應出席次數

| | |
|--|-----|
| YE Xiang (Chairman of the Remuneration and Evaluation Committee) 叶翔(薪酬與考核委員會主席) | 1/1 |
| MAO Zhuanjian 毛專建 | 1/1 |
| WU Daqing 吳大慶 | 0/0 |
| WANG Yanwen 王彥文 | 1/1 |

4. Strategy and Investment Committee

As at the Latest Practicable Date, the Strategy and Investment Committee consisted of one executive Director, one non-executive Director and one independent non-executive Director including Mr. TIAN Dan (appointed in September 2021), Mr. WANG Junqi (appointed in September 2021) and Mr. MAO Zhuanjian. Mr. TIAN Dan currently serves as the chairman of the Strategy and Investment Committee. Mr. WANG Yanwen and Mr. LIU Ruixiang resigned as the chairman and member of the Strategy and Investment Committee in September 2021 respectively.

The main duties of the Strategy and Investment Committee include, among other things, the following:

- To study and advise on the strategic plans for the long-term development of the Company;
- To study and advise on the material investment and financing proposals required to be approved by the Board pursuant to the Articles of Association;

4. 戰略與投資委員會

於最後可行日期，戰略與投資委員會由一名執行董事、一名非執行董事及一名獨立非執行董事組成，包括田丹先生(於2021年9月獲委任)、王俊啟先生(於2021年9月獲委任)及毛專建先生。現由田丹先生擔任戰略與投資委員會主席。王彥文先生及劉睿湘先生分別於2021年9月辭任戰略與投資委員會主席及委員。

戰略與投資委員會的主要職責為(其中包括)以下事項：

- 對本公司長期發展戰略規劃進行研究並提出建議；
- 對公司章程規定須經董事會批准的重大投資融資方案進行研究並提出建議；

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

- To study and advise on the material capital operation and asset operational projects that are required to be approved by the Board pursuant to the Articles of Association;
 - To consider the acquisition and investment development strategies and the annual investment plans of the Company;
 - To consider the Company's project evaluation system, which includes effective evaluation institutions and professionals, complete evaluation procedures, reasonable evaluation criteria, and other factors;
 - To consider and determine the acquisition and disposal of projects within the scope as authorized by the Board;
 - To study and advise on the material issues that may impact the Company's development;
 - To carry out examination and checking over the above-mentioned matters; and
 - To carry out other matters authorized by the Board.
- 對公司章程規定須經董事會批准的重大資本運作、資產經營項目進行研究並提出建議；
 - 審議本公司投資及收購發展戰略、年度投資計劃；
 - 審議本公司的項目評估體系，包括有效的評估機構和專業人士、完整的評估程序、合理的評估標準等要素；
 - 根據董事會授權，對授權範圍內的項目收購及出售進行審議並決策；
 - 對其他影響本公司發展的重大事項進行研究並提出建議；
 - 對以上事項的實施進行檢查；及
 - 董事會授權的其他事宜。

During the Reporting Period, the Strategy and Investment Committee held four meetings, details of which are set out as follows:

報告期內，戰略與投資委員會舉行四次會議，具體如下：

- The second meeting of the second session of the Strategy and Investment Committee was held on 19 March 2021, at which, among others, (1) the Resolution on the Investment Plan of the Company for the year of 2021; (2) the Resolution on the Financing Plan of the Company for the year of 2021; and (3) the Resolution regarding the Banks' Comprehensive Credit of the Company for 2021 were considered and approved.
 - The third meeting of the second session of the Strategy and Investment Committee was held on 15 June 2021, at which, the Resolution on the Apply to NAFMII for Registration for Issuance of Super Short-term Commercial Paper, Short-term Commercial Paper and Medium Term Note and for Issuance of Super Short-term Commercial Paper was considered and approved.
- 2021年3月19日舉行第二屆戰略與投資委員會第二次會議，審議及批准(其中包括)(1)關於公司2021年投資計劃的議案；(2)關於公司2021年度融資計劃方案的議案；及(3)關於公司2021年度銀行綜合授信的議案。
 - 2021年6月15日舉行第二屆戰略與投資委員會第三次會議，審議及批准關於在交易商協會註冊超短期融資券、短期融資券、中期票據及發行超短期融資券的議案。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- The first meeting of the third session of the Strategy and Investment Committee was held on 25 November 2021, at which, (1) the Resolution on Entering into of the Financial Services Agreement with China Datang Finance Co., Ltd.; (2) the Resolution on Entering into of the Financial Services Agreement with China Datang Group Capital Holdings Co., Ltd. were considered and approved.
- The second meeting of the third session of the Strategy and Investment Committee was held on 30 December 2021, at which, (1) the Resolution on Investment and Establishment of Datang Linzhou New Energy Co., Ltd. and Change in Use of Net Proceeds from Listing; (2) the Resolution on Adjustment of Investment Plans for Large, Medium and Small-sized Infrastructure Projects of the Company in 2021 were considered and approved.
- 2021年11月25日舉行第三屆戰略與投資委員會第一次會議，審議及批准(1)關於與中國大唐集團財務有限公司簽訂《金融服務協議》的議案；(2)關於與中國大唐集團資本控股有限公司簽署《金融服務協議》的議案。
- 2021年12月30日舉行第三屆戰略與投資委員會第二次會議，審議及批准(1)關於投資設立大唐林州新能源有限責任公司及變更上市募集資金淨額用途的議案；(2)關於調整公司2021年度大中型及小型基建項目投資計劃的議案。

The record of attendance is set out as follows:

會議出席記錄如下：

| Member 成員 | Number of attendance/required number of attendance 出席次數／應出席次數 |
|--|---|
| TIAN Dan (Chairman of the Strategy and Investment Committee) 田丹(戰略與投資委員會主席) | 2/2 |
| WANG Yanwen (Former chairman of the Strategy and Investment Committee) 王彥文(前戰略與投資委員會主席) | 2/2 |
| MAO Zhuanjian 毛專建 | 4/4 |
| LIU Ruixiang ⁽¹⁾ 劉睿湘 ⁽¹⁾ | 0/2 |
| WANG Junqi 王俊啟 | 2/2 |

Note:

附註：

- (1) Mr. LIU Ruixiang did not attend two meetings due to work adjustment.

- (1) 劉睿湘先生因工作調整未參加兩次會議。

IV. SUPERVISORY COMMITTEE

As at the Latest Practicable Date, the Supervisory Committee comprised three Supervisors, one of whom is an employee representative Supervisor, including Mr. HUANG Yuan, Mr. ZHANG Xuefeng and Ms. LUO Li. Mr. HUANG Yuan has served as the chairman of the Supervisory Committee, who has replaced the position of Ms. HUO Yuxia, since 9 September 2021, Mr. ZHANG Xuefeng has replaced Mr. LIU Liming as the Supervisor since 9 September 2021, and Ms. LUO Li has replaced Mr. CHEN Li as the employee representative Supervisor since 25 January 2021.

The functions and duties of the Supervisory Committee include but not limited to reviewing the Company's financial reports, supervising the performance of the Company's duties of the Directors and Senior Management and proposing the dismissal of the Directors and Senior Management who are in breach of laws and regulations, the Articles of Association or the resolutions of the general meeting, requiring Directors, the general manager of the Company and other Senior Management to rectify any actions which impair the interests of the Company, proposing to convene the extraordinary general meetings, convening and presiding over the general meeting in the event that the Board fails to perform its duties to convene and preside over the general meetings, putting forward proposals to the general meetings and reviewing the periodic report formulated by the Board and putting forward written opinions on audit.

Each term of office of a Supervisor is three years and he/she may serve consecutive terms if re-elected. A Supervisor shall continue to perform his/her duties in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected Supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of Supervisors results in the number of Supervisors being less than the quorum.

四. 監事會

於最後可行日期，監事會由三名監事組成(其中一名為職工代表監事)包括黃源先生、張學峰先生和羅莉女士。黃源先生自2021年9月9日起代替霍雨霞女士擔任監事會主席，張學峰先生自2021年9月9日起代替柳立明先生擔任監事，而羅莉女士自2021年1月25日起代替陳利先生擔任職工代表監事。

監事會的職能及職責包括但不限於，審閱本公司財務報告，對董事及高級管理層執行本公司職務的行為進行監督並對違反法律法規、公司章程或股東大會決議的董事及高級管理層提出罷免的建議，當董事、本公司總經理和其他高級管理層的行為損害本公司的利益時要求其予以糾正，提議召開臨時股東大會，在董事會不履行法律規定的召集和主持股東大會職責時召集和主持股東大會，向股東大會提出提案，對董事會編製的本公司定期報告進行審計並提出書面審計意見等。

監事每屆任期為三年，可獲膺選連任。倘監事任期屆滿後未能及時進行重選，或監事辭任導致監事人數少於法定人數，則監事須按法律、行政法規和公司章程的規定繼續履行其職責，直至正式獲重選的監事上任為止。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the Reporting Period, the Supervisory Committee held three meetings, details of which are set out as follows:

- The seventh meeting of the second session of the Supervisory Committee was held on 26 March 2021, at which resolutions, among others, (1) Work Report of the Supervisory Committee of the Company for 2020; (2) Resolution regarding the Independent Auditor's Report, Audited Financial Statements, Results Announcement and the Annual Report of the Company for 2020; (3) Report on the Final Financial Accounts of the Company for 2020; (4) Final Budget Report of the Company for 2021; (5) Resolution regarding the Profit Distribution Plan of the Company for 2020 and the Proposed Distribution of Final Dividend in 2020; (6) Resolution regarding the Re-appointment of the Domestic and International Auditors of the Company for 2021 and the Authorization of the Board to Determine Their Remuneration; (7) Resolution regarding the Connected Transactions of the Company for 2020; (8) Work Report on the Risk and Internal Control of the Company for 2020; (9) Report on the Use of Raised Fund of the Company; and (10) Report on the Remuneration Policy of the Company's Supervisors for 2020 were considered and approved.
- The eighth meeting of the second session of the Supervisory Committee was held on 25 August 2021, at which, the Resolution on Nomination of Candidates for Supervisors of the Third Session of the Supervisory Committee of the Company was considered and approved.
- The first meeting of the third session of the Supervisory Committee was held on 9 September 2021, at which, the Resolution on Election of the Chairman of the Third Session of the Supervisory Committee of the Company was considered and approved.

報告期內，監事會共舉行三次會議，具體如下：

- 2021年3月26日舉行第二屆監事會第七次會議，審議及批准(其中包括)(1)公司2020年度監事會工作報告；(2)關於公司2020年度獨立核數師報告、經審核的財務報表、業績公告及年度報告的議案；(3)公司2020年度財務決算報告；(4)公司2021年度財務預算報告；(5)關於公司2020年度利潤分配方案及建議分配2020年末期股息的議案；(6)關於續聘公司2021年度境內外審計師及授權董事會釐定其報酬的議案；(7)關於公司2020年度關連交易情況的議案；(8)公司2020年度風險內控工作報告；(9)關於公司募集資金使用情況的報告；及(10)2020年度公司監事薪酬政策情況報告。
- 2021年8月25日舉行第二屆監事會第八次會議，審議及批准關於提名公司第三屆監事會監事候選人的議案。
- 2021年9月9日舉行第三屆監事會第一次會議，審議及批准關於選舉公司第三屆監事會主席的議案。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The record of attendance is set out as follows:

會議出席記錄如下：

| Member 成員 | Number of attendance/required number of attendance 出席次數／應出席次數 |
|---|---|
| HUANG Yuan (Chairman of the Supervisory Committee) 黃源(監事會主席) | 1/1 |
| HUO Yuxia (Former chairman of the Supervisory Committee) ⁽¹⁾ 霍雨霞(前監事會主席) ⁽¹⁾ | 1/2 |
| CHEN Li 陳利 | 0/0 |
| LUO Li 羅莉 | 3/3 |
| LIU Liming 柳立明 | 2/2 |

Note:

(1) Ms. HUO Yuxia did not attend one of the meetings as she was on a business trip.

附註：

(1) 霍雨霞女士因公務出差未參加其中一次會議。

V. DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board has acknowledged its responsibility for preparing the financial statements of the Group for the year ended 31 December 2021. The Directors consider that the Group has adequate resources to continue its business for the foreseeable future, and are not aware of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The Board is responsible for presenting a clear and understandable assessment of the annual and interim reports, inside information, price sensitive information and other disclosures as required under the Listing Rules and other regulatory requirements. The management of the Company has provided such explanation and information to the Board as necessary to enable the Board to make an assessment of the financial information and status of the Group before giving its approval. The Group is not exposed to any material uncertainty that may exert significant impact on the Group's ability to continue as a going concern.

五. 董事對財務報表承擔的責任

董事會已確認其承擔編製本集團截至2021年12月31日止年度財務報表的責任。董事認為，本集團在可預期的未來有足夠資源繼續經營業務，且並無發現有重大不明朗事件可能會嚴重影響本公司的持續經營能力。董事會負責就年度及中期報告、內幕資訊、價格敏感資料及根據上市規則及其他監管規定所需披露的其他事項，呈報清晰及明確的評估。本公司管理層已向董事會提供有關必要的解釋及資料，以便董事會就本集團的財務資料及狀況作出評估，供董事會審批。本集團不存在可能對本集團持續經營業務能力產生重大影響的任何重大不確定情況。

VI. COMPLIANCE WITH THE MODEL CODE FOR DEALING IN THE SECURITIES OF THE COMPANY BY ITS DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Group has adopted the Model Code as the code of conduct for dealing in the securities of the Company by all Directors, Supervisors and relevant employees of the Company (as defined in the Model Code). According to the specific enquiries of all Directors and Supervisors, the Directors and Supervisors confirmed that they had strictly complied with the standard set out in the Model Code for the year ended 31 December 2021. The Board will examine the corporate governance practices and operation of the Group from time to time to ensure that the Group is in compliance with relevant requirements under the Listing Rules and that the Shareholders' interests are safeguarded.

VII. RISK MANAGEMENT AND INTERNAL CONTROL

The Company has established complete and stable risk management and internal control systems, and has formulated a series of rules to ensure that the Company's risk management and internal control work are institutionalized and systematic. The Company has 9 functional departments responsible for works including financial operation and monitoring, risk management, internal audit and anti-fraud, in which the work related to risk management and internal control shall be carried by the legal risk control department. The Company has set up the comprehensive risk management leading group and office, which are responsible for risk management and internal control related work. The Company also establishes full-time risk management positions. The general manager of the Company holds the post of the group leader.

The Group will carry out risk assessment at the beginning of each year, set objectives of risk prevention and control, revise risk assessment standards, collect risk management information, identify key risk sources, assess risk levels, develop risk prevention strategies and improve measures for significant risks, ensuring which are to be carried out by the functional departments. The work report of risk control of the Company shall be submitted to the Audit Committee of the Board for consideration in March annually. The Company focuses on the prior control of major risks, actively carries out comprehensive risk management, establishes and improves the normalization mechanism of risk assessment, and establishes special risk assessment system for important matters such as significant domestic and foreign investment, major capital operation and management of large amounts of capital use in order to strengthen internal control. The Company has formulated the "Information Disclosure Management System", which stipulates the duties and obligations of various departments in the process of internal information processing, the procedures for the disclosure of periodic reports and interim reports, and the confidential measures and corresponding responsibilities.

六. 遵守董事、監事及有關僱員進行證券交易之標準守則

本集團已採納標準守則，作為所有董事、本公司的監事及有關僱員(定義見標準守則)進行本公司證券交易的行為守則。根據對所有董事及監事的專門查詢後，董事及監事均確認：於截至2021年12月31日止年度，彼等均已嚴格遵守標準守則所訂之標準。董事會將不時檢查本集團的企業治理及經營，以確保本集團符合上市規則有關規定，並保障股東的利益。

七. 風險管理及內部監控

本公司已建立完備及穩健的風險管理及內部監控系統，並制訂了一系列規則以確保本公司風險管理及內部監控工作的制度化及系統化。本公司在組織結構上設9個職能部門負責財務運作和監控、風險管理、內部審計及反舞弊等具體工作，其中風險管理和內部控制相關工作由法務風控部負責。本公司設立全面風險管理領導小組和辦公室，負責開展風險管理與內部監控的相關工作。本公司亦設全職風險管理崗位。本公司總經理擔任小組領導。

本集團於每年初開展風險評估工作，設定風險及防控目標，修訂風險評估標準，收集風險管理資訊，識別關鍵風險源，評估風險等級，針對重大風險制定風險防控策略和改進措施，並分析落實到各職能部門。本公司風險內控工作報告於每年3月提交董事會審計委員會審議。本公司以重大風險的事前控制為重點，積極開展全面風險管理工作，建立健全風險評估常態化機制，對重大境內外投資，重大資本運營及大額資金使用管理等重要事項建立專項風險評估制度，以加強內部控制。本公司已制定「資訊披露事務管理制度」，規定了內部資訊處理過程中，各部門的職責和義務，定期報告及中期報告之披露程序，明確了保密措施及相應責任。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

In case of inside information, all business management departments of the Company shall fill in the inside information registration form immediately and file it with the Company's inside information management department. The registration and filing materials of insiders should be kept for at least 10 years. The Company should also make the memorandum on the progress of material matters such as acquisition, major asset restructuring, issuance of securities, merger, division and share repurchase, including but not limited to the time of various key nodes in the course of planning and decision-making, list of personnel participating in planning and decision-making, and the means of planning and decision-making. The relevant personnel involved in the memorandum should sign on the memorandum for confirmation. If an insider violates the system and discloses the Company's inside information, or uses the Company's inside information for insider dealing, or suggests others to use the inside information for trading which cause serious impact and losses to the Company, the Company may, according to the seriousness of the circumstances, impose disciplinary sanctions to the relevant responsible persons and may investigate their corresponding legal liabilities. In the event of causing material losses to the Company constituting a crime, the responsible person shall be transferred to the judicial authority for criminal responsibility according to law.

The Board is responsible for maintaining a proper risk management and internal control system to safeguard Shareholders' investments and Company's assets and with the support of the Audit Committee, reviewing the effectiveness of such systems on an annual basis. The risk management and internal control system is designed to identify, assess and report on potential risks and implement control measures, to mitigate rather than to completely eliminate the risks associated with achieving our business objectives. These systems provide a reasonable but not absolute assurance against material misstatement or loss.

During the Reporting Period, the Board, through the Audit Committee, reviewed the effectiveness of the risk management and internal control system of the Group, including financial control, operation control, compliance control, and risk management system, and was not aware of any material problems or any material mistakes. The Board believes that the current monitoring systems of the Company are effective and adequate and that the Company has sufficient experience and resources as to the qualifications and experience of the staff, performing accounting and financial reporting functions and the training programmes of the Company as well as setting the budget of the Company.

當內幕信息發生時，本公司各業務管理部門應在第一時間填報《內幕信息知情人登記表》並向本公司內幕信息管理部門備案。內幕信息知情人登記備案材料至少保存十年以上。本公司進行收購、重大資產重組、發行證券、合併、分立、回購股份等重大事項，還應當製作重大事項進程備忘錄，內容包括但不限於籌劃決策過程中各個關鍵時點的時間、參與籌劃決策人員名單、籌劃決策方式等。備忘錄涉及的相關人員在備忘錄上簽名確認。內幕信息知情人違反本制度對外洩露本公司內幕信息，或利用本公司內幕信息進行內幕交易或建議他人利用內幕信息進行交易給本公司造成嚴重影響或損失的，由本公司視情節輕重對相關責任人給予處分，並可追究其相應的法律責任。給本公司造成重大損失並構成犯罪的，將移交司法機關依法追究其刑事責任。

董事會負責維持一個適當的風險管理及內部監控系統，以保障股東的投資和本公司的資產，並在審計委員會的支持下，每年審查該制度的有效性。風險管理及內部監控系統旨在識別、評估和報告潛在風險和實施控制措施，旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

董事會在報告期內通過審計委員會對本集團包括財務監控、運作監控、合規監控及風險管理系統的風險管理及內部監控系統的有效性進行審查，未發現存在任何重大問題，或出現任何重大失誤。董事會認為，本公司目前的監控體系有效及足夠，並認為本公司在員工的資歷和經驗、履行會計及財務匯報職責、培訓課程及本公司有關預算方面的經驗和資源足夠。

VIII. AUDITORS' REMUNERATION

Ernst & Young and Ernst & Young Hua Ming LLP (collectively, "Ernst & Young") were appointed as international and domestic auditors of the Company to audit the financial statements of the Company for the year ended 31 December 2021 prepared in accordance with IFRSs and the PRC GAAP, respectively. Aggregate fees in respect of audit and audit-related services provided by Ernst & Young payable by the Company for the year ended 31 December 2021 were RMB3.23 million.

IX. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

A formal and transparent procedure for fixing the remuneration packages of individual Directors, Supervisors and Senior Management is in place. The Remuneration and Evaluation Committee is responsible for formulating and reviewing the remuneration policies and plans of the Directors, Supervisors, the general manager of the Company and other Senior Management, and shall be accountable to the Board. Details of the remuneration for Directors, Supervisors and top five employees in respect of remuneration are set out in Notes 9, 10 and 35(d) to the financial statements in this annual report. For the year ended 31 December 2021, the scope of remuneration for the Senior Management is set out below:

Scope of remuneration (RMB'000) 薪酬範圍(人民幣千元)

0-500
 500-1,000

Number of Senior Management 高級管理層人數

3
 8

Note: The number of the members disclosed above includes the Senior Management and those who act as executive Directors and Supervisors.

八. 核數師酬金

安永會計師事務所及安永華明會計師事務所(特殊普通合伙)(統稱「安永」)分別獲委任為本公司國際及境內核數師，分別負責審計本公司截至2021年12月31日止年度按照國際財務報告準則及中國企業會計準則編製的財務報表。就安永提供的審計及審計相關服務，本公司於截至2021年12月31日止年度支付的酬金總額為人民幣3.23百萬元。

九. 董事、監事及高級管理層的薪酬

本公司就釐定個別董事、監事及高級管理層的薪酬待遇定有正式及透明的程序。薪酬與考核委員會負責制定及審閱董事、監事、本公司總經理及其他高級管理層的薪酬政策及計劃，並向董事會負責。董事、監事及五名最高薪酬員工的酬金詳情載列於本年度報告之財務報表附註9、10及35(d)。截至2021年12月31日止年度，高級管理層的薪酬範圍載列如下：

附註：以上披露人數包括高級管理層及作為執行董事及監事的高級管理層。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

X. GENERAL MEETINGS

During the Reporting Period, the Company held a total of three general meetings, with attendance of Directors as follows:

十. 股東大會

報告期內，本公司共舉行三次股東大會，董事出席股東大會情況如下：

| Name 姓名 | Position 職位 | Number of attendance/ number of the meeting 出席次數／應出席次數 |
|--|--|--|
| WANG Yanwen 王彥文 | Chairman of the Board and executive Director 董事長及執行董事 | 3/3 |
| TIAN Dan 田丹 | Executive Director and general manager 執行董事及總經理 | 3/3 |
| WANG Junqi 王俊啟 | Non-executive Director 非執行董事 | 2/2 |
| WU Daqing 吳大慶 | Non-executive Director 非執行董事 | 2/2 |
| CHEN Kan 陳侃 | Non-executive Director 非執行董事 | 2/2 |
| SONG Yunpeng 宋雲鵬 | Non-executive Director (Employee representative Director) 非執行董事(職工代表董事) | 1/1 |
| YE Xiang 叶翔 | Independent non-executive Director 獨立非執行董事 | 3/3 |
| MAO Zhuanjian 毛專建 | Independent non-executive Director 獨立非執行董事 | 3/3 |
| GAO Jiaxiang 高家祥 | Independent non-executive Director 獨立非執行董事 | 3/3 |
| QU Bo 曲波 | Former chairman of the Board and non-executive Director 前董事長及非執行董事 | 1/1 |
| LIU Quancheng ⁽¹⁾ 劉全成 ⁽¹⁾ | Former non-executive Director 前非執行董事 | 0/1 |
| LIU Ruixiang ⁽²⁾ 劉睿湘 ⁽²⁾ | Former non-executive Director 前非執行董事 | 0/1 |
| LI Zhenyu ⁽³⁾ 李震宇 ⁽³⁾ | Former non-executive Director 前非執行董事 | 0/1 |

Notes:

- (1) Mr. LIU Quancheng did not attend the meeting as he was on a business trip.
- (2) Mr. LIU Ruixiang did not attend the meeting as he was on a business trip.
- (3) Mr. LI Zhenyu did not attend the meeting as he was on a business trip.

附註：

- (1) 劉全成先生因公務出差未參加會議。
- (2) 劉睿湘先生因公務出差未參加會議。
- (3) 李震宇先生因公務出差未參加會議。

XI. COMMUNICATION WITH SHAREHOLDERS

The Company has highly appreciated Shareholders' opinions and advice, actively organised various investor relations activities to maintain connections with Shareholders and made timely responses to the reasonable requests of Shareholders.

The Company has also adopted a set of dividend policy, and the actual dividends declared and paid to Shareholders depend on a series of factors. For specifics of the dividend policy, please refer to the Prospectus.

1. Shareholders' Rights

The Board is committed to communicating with Shareholders and makes disclosure in due course about the Company's major developments to Shareholders and investors of the Company.

The general meeting of the Company provides Shareholders and the Board with good communication opportunities. A twenty business days' prior written notice for convening the annual general meeting of the Company shall be given. A ten business days or fifteen days' (whichever is longer) prior written notice for convening the extraordinary general meeting of the Company shall be given. Business day refers to the day on which the Hong Kong Stock Exchange is open for securities trading. The date of the general meeting and the date when the notice is dispatched shall not be included in the calculation of the period for issuing such notice.

The Company's general meetings include annual general meetings, which are held once each year within 6 months from the close of the preceding financial year, and extraordinary general meetings, which are convened in compliance with the Articles of Association and whenever the Board considers appropriate. Shareholders, individually or jointly, holding a total of more than 10% (inclusive) of the Company's issued and outstanding Shares carrying voting rights are entitled to request in writing for convening an extraordinary general meeting pursuant to the procedures set out in the Articles of Association. And such meetings shall be held within 2 months after the requisition is presented.

Shareholders who wish to put forward proposals during the general meetings may raise their hands and speak in the order of registration at any time after the resolutions to be considered at the meeting are announced. The Directors, Supervisors and Senior Management shall respond to the questions and suggestions from Shareholders.

十一. 與股東的溝通

本公司高度重視股東的意見和建議，積極開展各類投資者關係活動，與股東保持溝通，及時響應股東的合理需求。

本公司亦制定了股息政策，而實際向股東宣派及派付的股息金額須視乎一系列因素而定。關於本公司股息政策的具體內容，請見招股章程。

1. 股東權利

董事會致力於與股東保持對話，並就本公司的主要發展向股東及本公司投資者作出適時披露。

本公司的股東大會為股東及董事會提供良好的溝通機會。本公司召開股東週年大會，須提前二十個營業日發出書面通知。本公司召開臨時股東大會會議，須提前十個營業日或十五日(以較長者為準)發出書面通知。營業日指香港聯交所開市進行證券買賣的日期。股東大會日期及通知發出日期不計入通知發出期限。

本公司的股東大會分為股東週年大會和臨時股東大會。股東週年大會每年舉行一次，並於本公司上一財政年度完結後六個月內舉行。臨時股東大會可在符合公司章程並在董事會認為適當的任何時候召開。按照公司章程所載程序，於遞呈要求當日個別或共同持有本公司已發行在外的有表決權股份百分之十以上(含百分之十)的股東，有權發出書面要求召開臨時股東大會；上述大會須於相關要求遞呈後兩個月內舉行。

倘股東有意在股東大會召開過程中提出建議，可在股東大會議案內容宣讀完畢後，隨時舉手發言，發言順序將根據登記次序確定。董事、監事及高級管理層將就股東所提問題和建議進行解答。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The chairman of the Board and the chairmen of all committees under the Board (or, in whose absence, other members of the committees) will answer question(s) at the general meetings. Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Poll results are deemed resolutions of the meeting.

The Board encourages Shareholders to attend general meetings to communicate directly concern(s) they may have with the Board or the management of the Company. Shareholders holding 3% or more of the Company's Shares with voting right have the right to put up ad hoc proposals in writing to the Company, and the Company shall include such ad hoc proposals into the agenda for such general meeting if they are matters falling within the functions and powers of general meeting. The ad hoc proposals raised by Shareholders shall satisfy the following requirements: (i) free of conflicts with the provisions of laws and regulations, and fall into the terms of reference of the general meeting; (ii) with definite topics to discuss and specific matters to resolve; and (iii) submitted or served to the Board in writing 10 days prior to the date of the general meeting.

Detailed voting procedures and resolutions being voted on by way of poll are contained in the circulars dispatched to Shareholders.

2. Shareholders' Inquiries

If you have any query in connection with your shareholdings, including Share transfer, change of address or wish to report loss of Shares or dividend warrant, please write to or contact the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at:

Shops 1712-1716, 17th Floor,
Hopewell Centre, 183 Queen's Road East,
Wanchai, Hong Kong
Tel: (852) 2862-8555
Fax: (852) 2865-0990
Website: www.computershare.com.hk

董事長及所有董事會委員會之主席(或如彼等未能出席,則各委員會其他成員出席)將於股東大會上回答提問。根據上市規則,股東於股東大會上所作出之任何表決須以投票方式進行。投票表決結果視為大會的決議。

董事會鼓勵股東出席股東大會,以直接向董事會或本公司管理層提出可能擁有的疑慮。持有本公司有表決權股份總數百分之三以上(含百分之三)的股東,有權以書面形式向本公司提出臨時提案,本公司須將臨時提案中屬於股東大會職責範圍內的事項,列入該次會議的議程。股東提出的臨時議案須符合下列條件:(i)內容不違背法律、法規規定,並且屬於股東大會職責範圍; (ii)有明確議題和具體決議事項;及(iii)在股東大會召開十日前提出且以書面形式提交或送達董事會。

有關投票表決的詳細程序及以投票方式表決的決議議案在股東通函中寄送。

2. 股東查詢

倘閣下對所持股份有任何查詢事項,如股份轉讓、更改地址、報失股份及股息單等,請致函或聯絡本公司H股證券登記處香港中央證券登記有限公司:

香港灣仔
皇后大道東183號合和中心
17樓1712-1716號舖
電話:(852)2862-8555
傳真:(852)2865-0990
網頁:www.computershare.com.hk



3. Investor Relations and Communications

The Company set up a website at www.dteg.com.cn, as a channel to promote communication, publishing announcements, financial information and other relevant information of the Company. Shareholders are welcome to make enquiries directly to the Company at its principal place of business in Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner. The primary contact of the Company is Mr. WANG Xiaofeng (at email: ir@dteg.com.cn or tel: +86 10 5838 9858).

3. 投資者關係及通訊

作為促進有效溝通的管道，本公司設立網頁 www.dteg.com.cn 刊發本公司的公告、財務資料及其他相關資料。股東如有任何查詢，可直接致函至本公司於香港的主要營業地點。本公司將及時以適當方式處理所有查詢。本公司的主要聯絡人為王小楓先生（電郵：ir@dteg.com.cn或電話：+86 10 5838 9858）。

XII. CHANGE OF CONSTITUTIONAL DOCUMENTS

With the special resolutions passed at the annual general meeting held on 30 June 2021 and at the extraordinary general meeting held on 9 September 2021, the Company has amended the Articles of Association, the amendments to which were effective from 30 June 2021 and 9 September 2021, respectively. For details of the amendments to the Articles of Association, please refer to the announcements of the Company dated 28 March 2021, 30 June 2021, 20 August 2021 and 9 September 2021, the circulars of the Company dated 19 April 2021 and 20 August 2021, and the latest Articles of Association.

On 30 June 2021 and 9 September 2021, the Company passed the resolutions at the annual general meeting and extraordinary general meeting to make amendments to the then applicable Articles of Association respectively. The aforementioned versions of Articles of Association have been published on the website of the Stock Exchange. Save for the amendments to the Articles of Association disclosed above, the Company has not made any significant changes to the Articles of Association during the Reporting Period.

XIII. SIGNIFICANT SUBSEQUENT EVENT

The significant subsequent events occurred after 31 December 2021 are set out in Note 39 to the financial statements in this annual report.

十二. 憲制文件變更

本公司已於2021年6月30日舉行之股東週年大會及於2021年9月9日舉行之臨時股東大會通過特別決議案，修訂公司章程，公司章程修訂分別於2021年6月30日及2021年9月9日生效。有關公司章程之修訂詳情，請參閱本公司日期為2021年3月28日、2021年6月30日、2021年8月20日及2021年9月9日的公告、本公司日期為2021年4月19日及2021年8月20日的通函及最新公司章程。

於2021年6月30日及2021年9月9日，本公司的股東週年大會及臨時股東大會通過決議，分別對當時適用之公司章程作出修訂。上述版本的公司章程均已在聯交所網站上公佈。除上文所披露公司章程修訂外，本公司於報告期內未對公司章程作出任何重大變更。

十三. 重大期後事項

於2021年12月31日後發生的重大期後事項載於本年報財務報表附註39。

INVESTOR RELATIONS

投資者關係

I. EVENTS RELATING TO INVESTOR RELATIONS IN 2021

1. Investors' Routine Visits

During the Reporting Period, the Group always gave detailed answers to the queries raised by investors and analysts in compliance with the information disclosure rules. As at the end of 2021, the Company had adequate communications and exchange of ideas with investors and analysts from a number of institutions via meetings, telephone calls, emails and WeChat.

2. Participation in Investment Summits

During the Reporting Period, the Group actively participated in major summits and investment forums in the PRC and Hong Kong organised by world-famous investment banks, at which we had one-on-one or group meetings to promote in-depth communication with important global investors.

3. Results Briefings

During the Reporting Period, the Company published its 2020 annual results and 2021 interim results. In March 2021, the management of the Company convened the 2020 annual results presentation and the conference call with investors. In August 2021, the management of the Company held the 2021 interim results presentation and the conference call with investors.

II. OUTLOOK FOR MANAGEMENT OF INVESTOR RELATIONS IN 2021

In 2021, the Company will focus more on demands of investors and analysts, pay close attention to important policies of the environmental protection and energy conservation industry, timely make public disclosable information and continuously improve the timeliness and completeness of data disclosure to provide the public with timely access to complete business information.

一. 2021年投資者關係活動

1. 日常投資者來訪

報告期內，本集團在遵守資訊披露制度的前提下始終詳細解答投資者及分析師所提問題。截至2021年末，本公司通過會議、電話、電郵及微信等多種形式與多家機構的投資者及分析師進行了充分的溝通與交流。

2. 參加投資峰會

報告期內，本集團積極參加國際知名投資銀行在中國及香港等地舉辦的重要峰會及投資論壇，通過一對一或小組會議的形式與全球重要投資者進行深入溝通。

3. 召開業績發佈會

報告期內，本公司發佈2020年度業績及2021年中期業績。於2021年3月，本公司管理層召開2020年度業績發佈會，與投資者進行了電話會議。於2021年8月，本公司管理層召開2021年中期業績發佈會，與投資者進行了電話會議。

二. 2021年投資者關係管理展望

於2021年，本公司將更集中於投資者及分析師需求，密切關注環保及節能產業的重要政策，及時作出公開披露資料及持續改善數據披露的時間性及完整性，讓公眾能夠及時取得完整的業務資料。



REPORT OF THE SUPERVISORY COMMITTEE

監事會報告

In 2021, all members of the Supervisory Committee earnestly performed their supervisory obligations to safeguard the rights and interests of the Group and the Shareholders in accordance with the Company Law, the Articles of Association, the Rules of Procedures of the Supervisory Committee and the relevant provisions in the Listing Rules.

I. CHANGES IN COMPOSITION

In January 2021, Mr. CHEN Li resigned as the employee representative Supervisor with effect from 25 January 2021 due to the expiry of the term of office. Ms. LUO Li was elected and appointed as the employee representative Supervisor at the employee representative meeting of the Company held on 25 January 2021 to replace Mr. CHEN Li and also served as the member of the Supervisory Committee, with effect from 25 January 2021. For details, please refer to the announcement of the Company dated 25 January 2021 with respect to resignation and appointment of the employee representative Supervisor.

In September 2021, Ms. HUO Yuxia and Mr. LIU Liming resigned as the Supervisors with effect from 9 September 2021 due to the expiry of the term of office. Mr. HUANG Yuan and Mr. ZHANG Xuefeng were elected and appointed as the Supervisors at the extraordinary general meeting of the Company held on 9 September 2021 to replace Ms. HUO Yuxia and Mr. LIU Liming. Mr. HUANG Yuan was elected as the chairman of the Supervisory Committee at the first meeting of the third session of the Supervisory Committee of the Company held on 9 September 2021. For details, please refer to the poll results announcement of the extraordinary general meeting of the Company dated 9 September 2021.

2021年，監事會全體成員依照公司法、公司章程、《監事會議事規則》及上市規則的相關規定，認真履行監督職責，維護本集團及股東的權益。

一. 成員變動

於2021年1月，陳利先生因任期屆滿而辭任職工代表監事，自2021年1月25日起生效。羅莉女士在本公司於2021年1月25日舉行的職工代表大會上獲選舉及委任為職工代表監事，以接替陳利先生，並作為監事會成員，自2021年1月25日起生效。詳情請參閱本公司日期為2021年1月25日有關職工代表監事辭任及委任的公告。

於2021年9月，霍雨霞女士及柳立明先生因任期屆滿而辭任監事，自2021年9月9日起生效。黃源先生及張學峰先生在本公司於2021年9月9日舉行的臨時股東大會上獲選舉及委任為監事，以接替霍雨霞女士及柳立明先生。其中黃源先生在本公司於2021年9月9日舉行的第三屆第一次監事會會議上被選舉為監事會主席。詳情請參閱本公司日期為2021年9月9日臨時股東大會投票表決結果的公告。

REPORT OF THE SUPERVISORY COMMITTEE (CONTINUED)

監事會報告(續)

II. MEETINGS OF THE SUPERVISORY COMMITTEE

During the Reporting Period and as at the Latest Practicable Date, the Supervisory Committee held three meetings, details of which are set out as follows:

- The seventh meeting of the second session of the Supervisory Committee was held on 26 March 2021, at which resolutions, among others, (1) work report of the Supervisory Committee of the Company for 2020; (2) the proposal regarding the independent auditor's report, audited financial statements, results announcement and the annual report of the Company for 2020; (3) the report on the final financial accounts of the Company for 2020; (4) the final budget report of the Company for 2021; (5) the proposal regarding the profit distribution plan for 2020 and the proposed distribution of 2020 final dividend of the Company; (6) the proposal regarding the re-appointments of the international and domestic auditors of the Company for 2021 and grant of the Board to determine their remuneration; (7) the proposal regarding the connected transactions of the Company for 2020; (8) the report on the risk and internal control of the Company for 2020; (9) the report on the use of raised funds of the Company; and (10) the report on the remuneration policy of Supervisors of the Company for 2020 were considered and approved.
- The eighth meeting of the second session of the Supervisory Committee was held on 25 August 2021, at which the resolution regarding the nomination of the candidates for Supervisors of the third session of the Supervisory Committee of the Company was considered and approved.
- The first meeting of the third session of the Supervisory Committee was held on 9 September 2021, at which the resolution regarding the election of the chairman of the third session of the Supervisory Committee of the Company was considered and approved.

二. 監事會會議情況

報告期內及直至最後可行日期，監事會共舉行三次會議，具體如下：

- 2021年3月26日舉行第二屆監事會第七次會議，審議及批准(其中包括)(1)公司2020年度監事會工作報告；(2)關於公司2020年度獨立核數師報告、經審核的財務報表、業績公告及年度報告的議案；(3)公司2020年度財務決算報告；(4)公司2021年度財務預算報告；(5)關於公司2020年度利潤分配方案及建議分配2020年末期股息的議案；(6)關於續聘公司2021年度境內外審計師及授權董事會釐定其報酬的議案；(7)關於公司2020年度關連交易情況的議案；(8)公司2020年度風險內控工作報告；(9)關於公司募集資金使用情況的報告；及(10)2020年度公司監事薪酬政策情況報告。
- 2021年8月25日舉行第二屆監事會第八次會議，審議及批准關於提名公司第三屆監事會監事候選人的議案。
- 2021年9月9日舉行第三屆監事會第一次會議，審議及批准關於選舉公司第三屆監事會主席的議案。

REPORT OF THE SUPERVISORY COMMITTEE (CONTINUED) 監事會報告(續)

III. PRINCIPAL INSPECTION AND SUPERVISION WORK OF THE SUPERVISORY COMMITTEE IN 2021

1. Members of the Supervisory Committee carried out supervision and inspection of the financial position of the Company and its financial management, risk management and internal control systems, including regular inspections of the financial reports and financial budgets and irregular reviews of accounting documents and books of the Company.
2. Members of the Supervisory Committee attended all general meetings and Board meetings without voting rights during the Reporting Period, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.
3. The Supervisory Committee made no objection to the reports and resolutions tabled at the general meetings and were convinced that the Board had faithfully implemented the resolutions approved by the general meetings.

IV. INDEPENDENT OPINIONS ISSUED BY THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS

1. Operation and Management of the Company

During the Reporting Period, the Company maintained a stable development in its general operation, and achieved a breakthrough in the business segments such as denitrification catalysts and water treatment. The management of the Company attached great importance to safety management and ensured smooth situation in production safety, actively promoted technological innovation and achieved a series of research outcomes, vigorously developed external markets and expanded client bases significantly and continuously improved the level of management in core business. The management of the Company faithfully fulfilled their duties and responsibilities as stipulated in the Articles of Association and earnestly implemented the resolutions approved by the Board.

三. 2021年監事會主要檢查與監督工作

1. 監事會成員對本公司財務狀況，以及本公司財務管理及風險管理及內部監控等制度進行了監督檢查，包括定期檢查本公司的財務報告和財務預算，以及不定期審閱本公司的會計憑證、賬簿等資料。
2. 監事會成員於報告期內參加所有股東大會及列席了董事會會議，其並無投票之權利，對董事會會議審議之事項的程序合法性和合規性實施監督。
3. 監事會對提交股東大會審議的各項報告和議案沒有異議，董事會認真執行股東大會通過的各項決議。

四. 監事會就有關事項發表的獨立意見

1. 本公司經營管理情況

報告期內，本公司經營情況總體上保持平穩，並在脫硝催化劑、水務等業務板塊取得一定突破。本公司管理層非常重視安全管理，並確保生產安全的情況順利；積極推動技術創新，並取得一系列的研究成果；加強發展外部市場及大幅擴展客戶基礎；持續改善核心業務中管理層的水準。本公司管理層忠誠地按公司章程規定履行其職務及責任，並認真地實行董事會批准的決議案。

REPORT OF THE SUPERVISORY COMMITTEE (CONTINUED)

監事會報告(續)

2. Financial Position of the Company

Members of the Supervisory Committee monitored and examined the financial management system and the financial condition and reviewed relevant financial information of the Company. Upon examination, the Supervisory Committee concluded that the Company had strictly complied with the relevant financial laws, regulations and financial policies, and that the financial management system was sound and implemented effectively and the accounting treatment was in line with the consistency principles and the Company's financial reports gave an objective and fair view of the financial position and operating results of the Company.

The Supervisory Committee reviewed the standard and unmodified audit opinion issued by Ernst & Young in respect of the consolidated financial statements of the Group for the year ended 31 December 2021 prepared in accordance with IFRSs, and raised no objection to such reports.

3. Connected Transactions

The Supervisory Committee reviewed the connected transactions between the Group and its respective connected persons during the Reporting Period, and was of the opinion that all the connected transactions complied with the relevant requirements of the Stock Exchange and other applicable laws, and that the pricing of the connected transactions was reasonable, open and fair and there was not any matter prejudicial to the interests of the Company or Shareholders as a whole.

2. 本公司財務情況

監事會成員對本公司的財務管理制度和財務狀況進行監督檢查，審閱了本公司相關財務資料，通過審查，監事會認為本公司嚴格遵守財經法律法規和財務制度，財務管理制度健全且有效執行，會計處理方法遵循了一貫原則；及本公司財務報告客觀、公允反映本公司財務狀況和經營成果。

監事會審閱安永會計師事務所出具的有關按照國際會計準則編製的本集團截至2021年12月31日止年度的合併財務報表的標準無保留意見的審計報告，對該報告無異議。

3. 關連交易情況

監事會對報告期內本集團與其各自關連人士發生的關連交易進行審查，認為均滿足聯交所及其他適用法律的有關規定，發生的關連交易價格合理、公開及公允，並無發現損害本公司或股東整體利益的事項。



4. Implementation of the Resolutions of General Meetings

The Supervisory Committee considered that the Board earnestly implemented the resolutions approved by the general meetings; the Company further perfected and improved various risk management and internal control mechanisms; significant information about the Company was disclosed in a timely manner pursuant to the securities regulatory requirements such that the information was disclosed in a regulated manner and the securities trading system for the informed parties of inside information was conducted well; that the Directors and Senior Management were able to implement conscientiously and thoroughly relevant laws and regulations, the Articles of Association and the resolutions of the general meetings and the Board, performing the duties to the Company in a faithful, and pioneering manner; and that no Directors or Senior Management were found to have acts which violated laws, regulations or the Articles of Association or harmed the interests of the Company and the rights or interests of Shareholders during the execution of their duties.

5. Internal Control of the Company

The Supervisory Committee made a special explanation of the Company's internal control. It was of the view that the Company abode by the basic principle of internal control based on its development strategies and regulatory requirements, and further improved the risk management and internal control systems in line with its own actual situation so that the Company was able to give a reasonable assurance that the internal control objective would be achieved. In addition, the Company has established a complete internal control organizational structure to ensure that its risk management and internal control systems will be monitored and implemented effectively and its control and management capability will continue to increase.

4. 股東大會決議執行情況

監事會認為，董事會認真執行股東大會的各項決議；本公司進一步完善和健全各項風險管理和內部監控系統；依據證券監管規定，對本公司重大資訊及時進行披露，確保資訊披露受到規範，內幕資訊知情人證券交易制度執行良好；董事及高級管理層在執行本公司職務時，均能認真貫徹執行有關法律法規、公司章程和股東大會、董事會決議，忠於職守，開拓進取；未發現董事或高級管理層在執行本公司職務時違反法律法規、公司章程或損害本公司利益或股東權益的行為。

5. 本公司內部控制

監事會對本公司內部控制情況做出專項說明。監事會認為，本公司根據發展戰略及監管要求，遵循內部控制的基本原則，結合自身實際情況，進一步完善風險管理和內部監控系統，能夠合理地保證內部控制目標的達成。此外，本公司建立完整的內部控制組織機構，保證本公司風險管理和內部監控系統有效監督與執行，本公司控制和管理能力將不斷提高。

REPORT OF THE SUPERVISORY COMMITTEE (CONTINUED) 監事會報告(續)

6. Use of Proceeds by the Company

The Supervisory Committee monitored the utilization of the proceeds by the Company. It was of the view that the Company was able to manage and utilize the proceeds in accordance with the applicable laws and regulations as well as the commitments made by it in the Prospectus. The Supervisory Committee will continue to oversee and inspect the utilization of the proceeds.

By order of the Supervisory Committee
Huang Yuan
Chairman of the Supervisory Committee

6. 本公司所得款項用途

監事會對本公司使用所得款項的情況進行監督。監事會認為，本公司能夠按照適用的法律法規以及本公司在招股章程中所作承諾，管理和使用所得款項，監事會將繼續監督檢查所得款項使用情況。

承監事會命
黃源
監事會主席



PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層簡介

I. EXECUTIVE DIRECTORS

Mr. Wang Yanwen

Born in November 1964, is the chairman, executive Director, secretary of the Party Committee and the authorized representative of the Company. He holds a Bachelor's degree, and is a senior engineer and a member of the Communist Party of China. Mr. Wang successively served as an electrical technician of the engineering department, the head of the microwave office, specialized engineer and deputy director of the communication branch, as well as director of the communication engineering office of the repair and maintenance engineering division, the Party branch secretary of the heating ventilation department and head of the fuel management department of Shuangyashan Power Plant (雙鴨山發電廠); head of the general office of Heilongjiang Power Fuel Corporation (黑龍江省電力燃料總公司); head of the Heilongjiang transportation office of Datang Power Fuel Co., Ltd. (大唐電力燃料有限公司); deputy director of the fuel management center of Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司) and deputy general manager of Datang Heilongjiang Power Fuel Co., Ltd. (大唐黑龍江電力燃料有限公司); director of the fuel management center of Datang Heilongjiang Power Generation Co., Ltd. and general manager of Datang Heilongjiang Power Fuel Co., Ltd.; vice chief economist and director of the fuel management center of Datang Heilongjiang Power Generation Co., Ltd., and general manager of Datang Heilongjiang Power Fuel Co., Ltd.; vice chief economist and director of the ideological and political department as well as deputy secretary of the Party committee directly administrated and director of the labor union office of Datang Heilongjiang Power Generation Co., Ltd.; a member of Party committee, head of the discipline inspection committee and the chairman of the labor union of Datang Jilin Power Generation Co., Ltd. (大唐吉林發電有限公司); deputy director of the fuel management department of China Datang; secretary of the Party committee, deputy general manager, chairman and secretary of the Party committee of Datang Power Fuel Co., Ltd.; secretary of the Party Committee and deputy general manager of the Company; general manager and deputy secretary of the Party Committee of the Company.

I. 執行董事

王彥文先生

生於1964年11月，為本公司董事長、執行董事、黨委書記及授權代表。大學學歷，高級工程師，中共黨員。歷任雙鴨山發電廠工程科電氣技術員、通訊分場微波班班長、通訊分場專責工程師、通訊分場副主任、檢修工程處通訊工區主任兼熱通黨支部書記、燃料管理部部長；黑龍江省電力燃料總公司綜合處處長；大唐電力燃料有限公司黑龍江調運處負責人；大唐黑龍江發電有限公司燃料管理中心副主任兼大唐黑龍江電力燃料有限公司副總經理；大唐黑龍江發電有限公司燃料管理中心主任兼大唐黑龍江電力燃料有限公司總經理；大唐黑龍江發電有限公司副總經濟師兼燃料管理中心主任、大唐黑龍江電力燃料有限公司總經理；大唐黑龍江發電有限公司副總經濟師兼思想政治工作部主任、機關直屬黨委副書記兼工會辦公室主任；大唐吉林發電有限公司黨組成員、紀檢組長、工會主席；中國大唐燃料管理部副主任；大唐電力燃料有限公司黨委書記兼副總經理、董事長兼黨委書記；本公司黨委書記、副總經理；本公司總經理、黨委副書記。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

Mr. Tian Dan

Born in March 1965, is an executive Director, general manager and deputy secretary of the Party Committee of the Company. He holds a Bachelor's degree in engineering and a Master's degree in business administration. He is a member of the Communist Party of China and a principal senior engineer. Mr. Tian successively served as a shift supervisor and technician of the Shanxi Shentou No. 2 Power Plant (山西神頭第二發電廠); an engineer at the Thermal Power Simulation Training Center of Shanxi Electric Power Company (山西省電力公司); an engineer of the Engineering and Technology Department, manager of the Production Preparation Department, manager of the Power Generation Department, deputy chief engineer and deputy general manager of Yangcheng International Power Generation Co., Ltd. (陽城國際發電有限責任公司); the deputy general manager of Yangcheng International Power Generation Co., Ltd. and Datang Yangcheng Power Generation Co., Ltd.; the secretary of the Party Committee and the deputy general manager of Yangcheng International Power Generation Co., Ltd., the deputy general manager of Datang Yangcheng Power Generation Co., Ltd.; general manager and secretary of the Party Committee of Yangcheng International Power Generation Co., Ltd., general manager of Datang Yangcheng Power Generation Co., Ltd.; the secretary of the Party Leadership Group and the deputy general manager of the Chongqing branch of Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司重慶分公司), the secretary of the Party Leadership Group and the deputy general manager of Chongqing Yuneng (Group) Co., Ltd. (重慶渝能(集團)有限責任公司); the secretary of the Party Leadership Group and the general manager of the Chongqing branch of Datang International Power Generation Co., Ltd.; the general manager and the deputy secretary of the Party Committee of the Chongqing Yuneng Industry (Group) Co., Ltd. (重慶渝能產業(集團)有限責任公司); the general manager and the deputy secretary of the Communist Party Committee, the chairman and the secretary of the Communist Party Committee of the Ningxia branch of China Datang (中國大唐寧夏分公司); the director of the Ningxia Planning and Development Center of China Datang (中國大唐集團寧夏規劃發展中心); and the chairman and secretary of the Party committee of Xiong An Energy Co., Ltd. of China Datang Corporation Ltd. (中國大唐集團雄安能源有限公司); the executive Director, secretary of the Party Committee and deputy general manager of the Company; and the executive Director, general manager and the deputy secretary of the Party Committee of the Company.

田丹先生

生於1965年3月，為本公司執行董事、總經理及黨委副書記。持有工程學學士學位及工商管理碩士學位，中共黨員，正高級工程師。歷任山西神頭第二發電廠運行分場班長、技術員；山西省電力公司火電模擬培訓中心工程師；陽城國際發電有限責任公司工程技術部工程師、生產準備部經理、發電部經理、副總工程師、副總經理；陽城國際發電有限責任公司、大唐陽城發電有限責任公司副總經理；陽城國際發電有限責任公司黨委書記、副總經理，大唐陽城發電有限責任公司副總經理；陽城國際發電有限責任公司總經理、黨委書記，大唐陽城發電有限責任公司總經理；大唐國際發電股份有限公司重慶分公司黨組書記、副總經理，重慶渝能(集團)有限責任公司黨委書記、副總經理；大唐國際發電股份有限公司重慶分公司黨組書記、總經理；重慶渝能產業(集團)有限責任公司總經理、黨委副書記；中國大唐寧夏分公司總經理、黨委副書記，董事長、黨委書記；中國大唐集團寧夏規劃發展中心主任；中國大唐集團雄安能源有限公司董事長、黨委書記；本公司執行董事、黨委書記、副總經理；本公司執行董事、總經理、黨委副書記。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

II. NON-EXECUTIVE DIRECTORS

Mr. Wang Junqi

Born in September 1968, is a non-executive Director. He holds a Master's degree in engineering, and is a principal senior engineer and a member of the Communist Party of China. Mr. Wang successively served as a technician of the ontology team of the steam turbine maintenance branch of Pingdingshan Yaomeng Power Plant; a technician in the maintenance department, and steam turbine engineer in the production department of Sanmenxia Thermal Power Plant; deputy director, deputy chief engineer and deputy director of production department, deputy chief engineer, chief engineer, deputy general manager and chief engineer, and a member of Party Committee of Sanmenxia Huayang Power Generation Co., Ltd.; deputy general manager and chief engineer of Datang Sanmenxia Power Generation Co., Ltd.; the secretary of the Party Committee of Datang Luoyang Thermal Power Plant; a Party member, deputy general manager, discipline inspection team leader and chairman of the trade union of Datang Xinjiang Power Generation Co., Ltd.; general manager of Datang Hutubi Energy Development Co., Ltd.; secretary of the Party Committee and deputy general manager of Datang Xinjiang Power Generation Co., Ltd.; the general manager and deputy secretary of the Party Committee of Shanxi Branch of China Datang; the general manager and deputy secretary of the Party Committee of Datang Shanxi Power Generation Co., Ltd.; chairman and secretary of the Party Committee of Datang Henan Power Generation Co., Ltd.; a full-time director of China Datang. He concurrently serves as a director of China Datang Group Energy Investment Co., Ltd., and director of Datang Huayin (a company listed on the Shanghai Stock Exchange, stock code: 600744).

II. 非執行董事

王俊啟先生

生於1968年9月，為非執行董事。持有工程學碩士學位，正高級工程師，中共黨員。歷任平頂山姚孟電廠汽機檢修分場本體班技術員；三門峽火電廠檢修部技術員、生產部汽機工程師；三門峽華陽發電有限責任公司生產部副主任、副總工程師兼生產部副主任、副總工程師、總工程師、副總經理兼總工程師、黨委委員；大唐三門峽發電有限責任公司副總經理、總工程師；大唐洛陽熱電廠黨委書記；大唐新疆發電有限公司黨組成員、副總經理、紀檢組長、工會主席；大唐呼圖壁能源開發有限公司總經理；大唐新疆發電有限公司黨委書記、副總經理；中國大唐山西分公司總經理、黨委副書記；大唐山西發電有限公司總經理、黨委副書記；大唐河南發電有限公司董事長、黨委書記；中國大唐專職董事。現兼任中國大唐集團能源投資有限責任公司董事、大唐華銀(上海證券交易所上市公司，股份代號：600744)董事。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

Mr. Wu Daqing

Born in June 1964, is a non-executive Director. He holds a Master's degree in engineering, and is a principal senior economist and a member of the Communist Party of China. Mr. Wu successively served as a reporter editor, deputy director member, and director member of the Editorial Department of China Electric Power Newspaper Office; manager of Beijing Zhongdianxing Art Development Company; manager and director of Exhibition Office of Beijing Zhongdianxing Art Development Company; deputy director of Ideological and Political Work Department of China Datang Corporation; secretary of the Party Leadership Group and dean of China Datang Corporation Institute of Technology and Economics; dean and secretary of the Party Leadership Group of the Cadre Training Institute of China Datang Corporation; director of the School Affairs Department of the Party School of the CPC China Datang Corporation; director of the Party School of the CPC China Datang Corporation; deputy secretary of the Direct Committee of the CPC China Datang Corporation; director of the Political Work Department and director of the News Center of China Datang Corporation; general manager, deputy secretary of the Party Leadership Group, chairman and secretary of the Party Committee of Datang Hebei Power Generation Co., Ltd.; leader of the Party Group Inspection Team of China Datang; a full-time director of China Datang. He concurrently serves as a director of China Datang Corporation Energy Investment Co., Ltd..

吳大慶先生

生於1964年6月，為非執行董事。持有工程學碩士學位，正高級經濟師，中共黨員。歷任中國電力報社編輯部新聞記者編輯、副主任科員、主任科員；北京中電興藝術發展公司經理；北京中電興藝術發展公司經理兼展覽辦主任；中國大唐集團公司思想政治工作部副主任；中國大唐集團技術經濟研究院黨組書記、院長；中國大唐集團幹部培訓學院院長、黨組書記；中共中國大唐集團公司黨校校務部主任；中共中國大唐集團公司黨校教務主任；中共中國大唐集團公司直屬委員會副書記；中國大唐集團公司政工部主任兼新聞中心主任；大唐河北發電有限公司總經理、黨組副書記，董事長、黨委書記；中國大唐黨組巡視組組長；中國大唐專職董事。現兼任中國大唐集團能源投資有限責任公司董事。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

Mr. Chen Kan

Born in December 1964, is a non-executive Director. He holds a Master's degree in engineering, and is a principal senior economist and a member of the Communist Party of China. Mr. Chen successively served as an assistant teacher in Water Resources Teaching and Research Office of Wuhan College of Water Resources and Hydroelectric Engineering; economist, section chief, deputy director and director of the Operation Management Office of Guangxi Yantan Hydropower Project Construction Company; director and deputy general manager of Planning Contract Department of Longtan Hydropower Development Co., Ltd.; a member of Party Leadership Group and deputy general manager of Longtan Hydropower Development Co., Ltd.; director and deputy general manager (shareholding) of Jinsha River Midstream Hydropower Development Co., Ltd.; director of Guanyinyan Hydropower Project Preparation Office of China Datang Corporation; general manager of Datang Guanyinyan Hydropower Development Co., Ltd.; deputy secretary of the Party Leadership Group and deputy general manager of Yunnan Branch of China Datang Corporation; general manager and secretary of the Party Committee of Datang Guanyinyan Hydropower Development Co., Ltd.; secretary of the Party Leadership Group and general manager of Yunnan Branch of China Datang Corporation; general manager and deputy secretary of the Party Leadership Group of Yunnan Branch of China Datang Corporation; deputy chief engineer of Datang International Power Generation Co., Ltd. and general manager and deputy secretary of the Party Committee of Inner Mongolia Branch of Datang International Power Generation Co., Ltd.; chairman and secretary of the Party Committee of Inner Mongolia Branch of China Datang; deputy chief engineer of Datang International Power Generation Co., Ltd.; director of Inner Mongolia Planning and Development Center of China Datang Corporation; deputy director of Southern Business Department of China Datang; a full-time director of China Datang. He concurrently serves as a director of China Datang Corporation Energy Investment Co., Ltd..

陳侃先生

生於1964年12月，為非執行董事。持有工程學碩士學位，正高級經濟師，中共黨員。歷任武漢水利電力學院水資源教研室助教；廣西巖灘水電站工程建設公司經營管理處經濟師、科長、副處長、處長；龍灘水電開發有限公司計劃合同部主任、副總經理；龍灘水電開發有限公司黨組成員、副總經理；金沙江中游水電開發有限公司(參股)董事、副總經理；中國大唐集團公司觀音巖水電工程籌建處主任；大唐觀音巖水電開發有限公司總經理；中國大唐集團公司雲南分公司黨組副書記、副總經理；大唐觀音巖水電開發有限公司總經理、黨委書記；中國大唐集團公司雲南分公司黨組書記、總經理；中國大唐集團公司雲南分公司總經理、黨組副書記；大唐國際發電股份有限公司副總工程師兼大唐國際發電股份有限公司內蒙古分公司總經理、黨委副書記；中國大唐內蒙古分公司董事長、黨委書記；大唐國際發電股份有限公司副總工程師；中國大唐集團內蒙古規劃發展中心主任；中國大唐南方事業部副主任；中國大唐專職董事。現兼任中國大唐集團能源投資有限責任公司董事。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

Mr. Song Yunpeng

Born in April 1967, is a non-executive Director (employee representative Director). He holds a Master's degree, and is a member of the Communist Party of China and a principal senior engineer. Mr. Song successively served as designer, main designer, deputy chief, chief and deputy director of First Section of the Thermal Automation Department of Northeast Electric Power Design Institute (東北電力設計院); project manager and head of the Integrated Management Department of Shenzhen Branch of Beijing Guodian (北京國電深圳分公司); assistant to the dean and associate dean of Jiangsu Nanjing Thermal Power Engineering Design Institute of Datang Environmental Technology Engineering Co., Ltd. (大唐環境科技工程有限公司); deputy general manager of Design Center of Technologies & Engineering Company; deputy general manager of the Environmental Protection Branch of China Datang Corporation Environment Technology Co., Ltd. (中國大唐環境技術有限公司); deputy general manager and member of the Party Committee of the Environmental Protection Branch of Datang Technology Industry Group Co., Ltd. (大唐科技產業集團有限公司); deputy general manager, member of the Party Committee, deputy secretary of the Party Committee (in-charge) and deputy general manager of the Environmental Protection Branch of the Company, and concurrently served as deputy general manager and member of the Party Committee of Beijing Datang Hengtong Mechanical Transport Technology Co., Ltd. (北京大唐恆通機械輸送技術有限公司); deputy general manager (in-charge) and deputy secretary of the Party Committee of the Environmental Protection Branch of the Company (Beijing Datang Hengtong Science & Technology Co., Ltd. (北京大唐恆通科技有限公司)). From November 2020 to present, Mr. Song has been serving as deputy head (in-charge) of the Party and Mass Work Department, head of the Party and Mass Work Department and head of the Party Construction Work Department (Disciplinary Committee Office and Inspection Office) of the Company.

宋雲鵬先生

生於1967年4月，為非執行董事(職工代表董事)。研究生學歷，中共黨員，正高級工程師。宋先生歷任東北電力設計院熱工自動化室設計員、主要設計人、一科副科長、科長、副主任；北京國電深圳分公司項目經理、綜合管理部主任；大唐環境科技工程有限公司江蘇南京熱電工程設計院院長助理、副院長；科技工程公司設計中心副總經理；中國大唐環境技術有限公司環保分公司副總經理；大唐科技產業集團有限公司環保分公司副總經理、黨委委員；本公司環保分公司副總經理、黨委委員、黨委副書記(主持工作)、副總經理兼北京大唐恆通機械輸送技術有限公司副總經理、黨委委員；本公司環保分公司(北京大唐恆通科技有限公司)副總經理(主持工作)、黨委副書記。2020年11月至今，宋先生擔任本公司黨群工作部副主任(主持工作)、黨群工作部主任、黨建工作部(紀委辦公室、巡察辦公室)主任。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ye Xiang

Born in January 1964, is an independent non-executive Director. He holds a Doctor's degree and is a chartered financial analyst. Mr. Ye has successively served as an economist of the People's Bank of China, a senior analyst at the Hong Kong Monetary Authority (香港金融管理局), the executive director of Bank of China International Holdings Limited (中銀國際控股有限公司), the director of China Affairs of the SFC, an independent director of UBS Securities LLC (瑞銀證券有限責任公司), a member of the Public Shareholders Group of the SFC and the managing director of Vision Gain Capital limited (匯信資本有限公司). He concurrently serves as an independent non-executive director of Wuling Motors Holdings Limited (五菱汽車集團控股有限公司) (a company listed on the Stock Exchange, stock code: 0305), an independent director of Digital China Group Co., Ltd. (神州數碼集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000034), an independent non-executive director of 51 Credit Card Inc. (51信用卡有限公司) (a company listed on the Stock Exchange, stock code: 2051), and an independent non-executive director of Jinshang Bank Co., Ltd. (晉商銀行股份有限公司) (a company listed on the Stock Exchange, stock code: 2558).

III. 獨立非執行董事

叶翔先生

生於1964年1月，為獨立非執行董事。博士研究生學歷，特許金融分析師。歷任中國人民銀行經濟師、香港金融管理局高級分析師、中銀國際控股有限公司執行董事、證監會中國事務總監、瑞銀證券有限責任公司獨立董事、證監會公眾股東權益小組委員、匯信資本有限公司董事總經理。現兼任五菱汽車集團控股有限公司(聯交所上市公司，股份代號：0305)獨立非執行董事，神州數碼集團股份有限公司(深圳證券交易所上市公司，股份代號：000034)獨立董事，51信用卡有限公司(聯交所上市公司，股份代號：2051)獨立非執行董事，晉商銀行股份有限公司(聯交所上市公司，股份代號：2558)獨立非執行董事。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

Mr. Mao Zhuanjian

Born in June 1953, is an independent non-executive Director. He holds a Bachelor's degree, and is a professor-level senior engineer, a core professional of China Electricity Council ("CEC"), and expert of environmental protection and energy conservation professionals for the power industry (電力行業環保節能專家庫專家), and a member of the Communist Party of China. Mr. Mao successively served as the engineer and director member head of the environmental protection office of the planning department of the Ministry of Water and Power Industry (國家水電部); the deputy head and senior engineer of the Environmental Protection and Management Division (環境保護管理處) under the environmental protection center for CEC (中電聯環境保護中心); deputy director of the Ministry of Electric Power, State Grid Corporation of China and the CEC General Office, director and consulting engineer of the technical consulting office; the manager of environmental protection division and the manager of climate change response division of the industry development and the environment and resources department under the CEC; the vice secretary for the National Collaborative Network for Desulfurization and Denitrification Technologies for the Power Industry (全國電力行業脫硫脫硝技術協作網); the deputy secretary and deputy secretary general for the energy conservation and environmental protection sub-division under the CEC; an senior expert of the energy conservation and environmental protection sub-division under the CEC; a member of the energy and environment professional committee of China Energy Research Association; a member of the electric power environmental protection committee of the Chinese Society of Electrical Engineering; a member of the low-carbon economy working committee of the China Equipment Supervision Association (中國設備監理協會).

Mr. Gao Jiaxiang

Born in January 1974, is an independent non-executive Director. He holds a Bachelor's degree in accounting and a Master's degree in business administration. Mr. Gao is a certified public accountant and certified tax agent. Mr. Gao successively served as an audit manager at Xinxiang Juzhongyuan Certified Public Accountants (新鄉巨中元會計師事務所有限責任公司); the manager of audit department at the Beijing branch of Nanfang Minhe Certified Public Accountants; the department manager at Beijing Zhonghe Dingxin Certified Public Accountants (北京中和鼎信會計師事務所); the department manager at Beijing Tianyuanquan Certified Public Accountants (北京天圓全會計師事務所); the chief financial officer of Beijing Guanshi Foundation International Investment Management Company Limited (北京管氏基業國際投資管理有限公司); the chief accountant of Risun Chemical Co., Ltd. (旭陽化工有限公司); an executive director and the general manager of Beijing Huamai Huizhong Technology Co., Ltd. (北京華麥惠眾科技有限公司).

毛專建先生

生於1953年6月，為獨立非執行董事。大學學歷，教授級高級工程師，中國電力企業聯合會(「中電聯」)核心專家，電力行業環保節能專家庫專家，中共黨員。歷任國家水電部計劃司環保辦公室工程師及主任科員；中電聯環境保護中心環境保護管理處副處長、高級工程師；電力部、國家電力公司、中電聯綜合處副處長、技術諮詢處處長、諮詢工程師；中電聯行業發展與環境資源部環保處處長、電力應對氣候變化處處長；全國電力行業脫硫脫硝技術協作網副秘書長；中電聯節能環保分會副秘書長、常務副秘書長；中電聯節能環保分會高級專家；中國能源研究會能源與環境專業委員會委員；中國電機工程學會電力環保專業委員會委員；中國設備監理協會低碳經濟工作委員會委員。

高家祥先生

生於1974年1月，為獨立非執行董事。持有會計學學士學位及工商管理碩士學位，註冊會計師，註冊稅務師。歷任新鄉巨中元會計師事務所有限責任公司審計經理；南方民和會計師事務所北京分所審計部門經理；北京中和鼎信會計師事務所部門經理；北京天圓全會計師事務所部門經理；北京管氏基業國際投資管理有限公司財務總監；旭陽化工有限公司總會計師；北京華麥惠眾科技有限公司執行董事、總經理。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

IV. SUPERVISORS

Mr. Huang Yuan

Born in June 1972, is the chairman of the Supervisory Committee, deputy secretary of the Party Committee and chairman of the labor union. He holds a Bachelor's degree in literature and a Master's degree in engineering, and is a member of the Communist Party of China and a senior political engineer. Mr. Huang successively served as assistant editor and reporter of News Department, editor and reporter of Special Edition Department, editor and reporter of the Agriculture and Electricity Department, editor, reporter and vice chairman of the labour union, secretary to the president, and vice chairman of the labour union of China Electric Power Newspaper Office; second-level staff, deputy director and director of Publicity Division of Ideological and Political Work Department, director of Publicity Division of the Political Work Department, deputy director of News Center, deputy director of News Center of China Datang Corporation, and director of Preparation Group for Datang Culture Media Co., Ltd.; general manager, deputy secretary of the Party Committee of China Datang Group Culture Media Co., Ltd., deputy director of the News Center of China Datang; deputy director of the News Center of China Datang; and deputy secretary of the Party Committee and chairman of the labor union of the Company.

Mr. Zhang Xuefeng

Born in September 1968, a Supervisor. He holds a Bachelor's degree in accounting, and is a principal senior accountant and a member of the Communist Party of China. He successively served as an intern in the Education Division and other divisions of Chifeng Thermal Power Plant; an accountant in the Finance Division, a cashier of Finance Division, general ledger statements and cost accountant, and chief accountant of Hongshan Power Plant; deputy director of Finance Division of related parent company of Chifeng Thermal Power Plant; director of Finance Division of Donglong Industrial Co., Ltd.; manager of Finance Division of Auxiliary Industry Company; director of Finance Division of Datang Chifeng Saihanba Wind Power Co., Ltd.; deputy chief accountant and director of Finance Division of Datang Chifeng Saihanba Wind Power Co., Ltd.; chief accountant, chief accountant and director of Finance and Property Management Department, deputy chief accountant and director of Finance and Property Management Department of China Datang Corporation Renewable Power Co., Ltd.; chief accountant, member of the Party Leadership Group, chief accountant and member of the Party Committee of Datang Guizhou Power Generation Co., Ltd.; chief accountant and member of the Party Committee of China Datang Corporation Energy Investment Co., Ltd.; a full-time supervisor of China Datang. He concurrently serves as a supervisor of Zhongxin Energy and Chemical Technology Company Limited.

IV. 監事

黃源先生

生於1972年6月，為監事會主席、黨委副書記兼工會主席。持有文學學士學位及工程學碩士學位，中共黨員，高級政工師。歷任中國電力報社新聞部助理編輯、記者，專刊部編輯、記者，農電部編輯、記者，編輯、記者兼工會副主席，社長秘書、工會副主席；中國大唐集團公司思想政治工作部宣傳處二級職員、宣傳處副處長、宣傳處處長，政工部宣傳處處長，新聞中心副主任，新聞中心副主任兼大唐文化傳媒有限公司籌備組組長；中國大唐集團文化傳媒有限公司總經理、黨委副書記兼中國大唐新聞中心副主任；中國大唐新聞中心副主任；本公司黨委副書記兼工會主席。

張學峰先生

生於1968年9月，監事。持有會計學學士學位，正高級會計師，中共黨員。歷任赤峰熱電廠教育處及各分場見習，紅山電廠財務處會計員，財務處出納、總賬報表、成本會計、主管會計；赤峰熱電廠關聯總公司財務處副處長；東龍實業有限公司財務處處長；輔業公司財務部經理；大唐赤峰塞罕壩風力發電有限責任公司財務部部長；大唐赤峰塞罕壩風力發電有限公司副總會計師兼財務部部長；中國大唐集團新能源有限責任公司總會計師、總會計師兼財務與產權管理部主任、副總會計師兼財務與產權管理部主任；大唐貴州發電有限公司總會計師、黨組成員，總會計師、黨委委員；中國大唐集團能源投資有限責任公司總會計師、黨委委員；中國大唐專職監事。現兼任中新能源化科技有限公司監事。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

Ms. Luo Li

Born in August 1971, an employee representative Supervisor. She holds a Bachelor's degree, is a member of the Communist Party of China and a senior political engineer. Ms. Luo had previously served as: publicity officer of the Party Office of China Hydropower Second Bureau Construction Branch (中國水電二局建築分局); officer of the Party Office, deputy secretary and secretary of Communist Youth League of China Water Resources and Hydropower Second Engineering Bureau (中國水利水電第二工程局); assistant director, deputy director (in charge of work), and director of the Supervision and Audit Department (Department of Ideological and Political Work) of Datang Environmental Technology Engineering Co., Ltd. (大唐環境科技工程有限公司); director of the Supervision and Audit Department (Department of Ideological and Political Work) of China Datang Group Environmental Technology Co., Ltd. (中國大唐集團環境技術有限公司); director of the Supervision and Audit Department (Ideological and Political Work Department) and secretary of the Party Committee of the Environmental Protection Branch of Datang Technology Industry Group Co., Ltd. (大唐科技產業集團有限公司); secretary of the Party Committee of the Environmental Protection Branch of the Company and secretary of the Party Branch of Datang Electric Power Design and Research Institute (大唐電力設計研究院), secretary of the Party Committee of Environmental Protection Branch, party secretary and vice president of Datang Electric Power Design and Research Institute (大唐電力設計研究院); and principal of the Discipline Inspection Commission Office of the Company.

羅莉女士

生於1971年8月，為職工代表監事。大學本科學歷，中共黨員，高級政工師。歷任中國水電二局建築分局黨辦宣傳幹事；中國水利水電第二工程局黨辦幹事、團委副書記、團委書記；大唐環境科技工程有限公司監察審計部(思想政治工作部)主任助理、副主任(主持工作)、主任；中國大唐集團環境技術有限公司監察審計部(思想政治工作部)主任；大唐科技產業集團有限公司監察審計部(思想政治工作部)主任、環保分公司黨委書記；本公司環保分公司黨委書記兼任大唐電力設計研究院黨總支書記、環保分公司黨委書記、大唐電力設計研究院黨委書記、副院長；本公司紀委辦公室負責人。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

V. SENIOR MANAGEMENT

Mr. Chen Song

Born in May 1968, has been serving as the chief accountant and a member of the Party Committee of the Company since July 2019. Mr. Chen has nearly 30 years of experience in power industry. Prior to joining the Company, Mr. Chen consecutively served as an accountant of financial division of North China Power Institute (華北電力設計院) from July 1991 to January 1993; an accountant of financial department of North China Power Group Co., Ltd. (華北電力集團公司) from January 1993 to January 1998; senior head of financial department, vice director of the funds division and director of property funds division of the financial department of Beijing Datang Power Generation Company Limited (北京大唐發電股份有限公司) from January 1998 to December 2004; plant manager assistant, deputy plant manager and concurrently chief accountant of Beijing Gao Jing Thermal Power Plant (北京高井熱電廠) from December 2004 to December 2006; vice manager, vice general manager and vice director of the financial department of Datang International Power Co., Ltd. (大唐國際發電股份有限公司) from December 2006 to November 2009; general manager and director of phase II construction preparation department of Yunnan Datang International Honghe Power Generation Company Limited (雲南大唐國際紅河發電有限責任公司) from November 2009 to December 2012; director of the financial department of Datang International Power Co., Ltd. from December 2012 to December 2013; and chief accountant and a party committee member of Datang Renewable from December 2013 to July 2019. Mr. Chen graduated from Xiamen University (廈門大學) with a bachelor's degree of economics in accounting in July 1991. He obtained the qualification as a senior accountant in December 2002.

V. 高級管理層

陳崧先生

生於1968年5月，自2019年7月起擔任本公司總會計師、黨委委員。陳先生於電力行業擁有近三十年的豐富經驗。在加入本公司前，陳先生於1991年7月至1993年1月任華北電力設計院財務處會計；1993年1月至1998年1月任華北電力集團公司財務部會計；1998年1月至2004年12月任北京大唐發電股份有限公司財務部高級主管、財務部資金處副處長、財務部產權資金處處長；2004年12月至2006年12月任北京高井熱電廠廠長助理、副廠長兼總會計師；2006年12月至2009年11月任大唐國際發電股份有限公司財務部副經理、副總經理、財務部副主任；2009年11月至2012年12月任雲南大唐國際紅河發電有限責任公司總經理、二期工程籌建處主任；2012年12月至2013年12月任大唐國際發電股份有限公司財務部主任；2013年12月至2019年7月任大唐新能源總會計師、黨組成員。陳先生於1991年7月畢業於廈門大學會計系，獲得經濟學學士學位，於2002年12月取得高級會計師資格。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

Mr. Liu Chundong

Born in February 1970, is a member of the Communist Party of China, and a senior engineer. Mr. Liu has served as the deputy general manager of the Company since July 2020. Mr. Liu has nearly 30 years of extensive experience in the power industry. Prior to joining the Company, Mr. Liu served successively as a watch of operation, chief watch of operation, deputy shift leader, specialist engineer in operation, specialist engineer in electric operation and maintenance of the Production Technology Department, shift supervisor of the Production Technology Department, the director (maintenance) of the Electrical Branch of Tongliao Power Generation Plant (通遼發電總廠發電分廠) from July 1991 to January 2005. He served as a senior engineering supervisor of the Power Generation Management Department of CPI Hologol Coal (中電霍煤發電管理部) from January 2005 to May 2008. He served as deputy director of the Safety Division and Engineering Department of the Power Generation Department of CPI East Inner Mongolia Energy (中電投蒙東能源發電事業部安全生產與工程部) and the deputy director of the Tender and Bid Management Center of CPI East Inner Mongolia Energy Co., Ltd. (中電投蒙東能源集團公司招標管理中心) from May 2008 to February 2011. He served as the deputy president of Datang Renewable Power Maintenance Co., Ltd. (大唐新能源電力檢修有限公司) as well as the deputy general manager of Beijing Tanghao Electricity Engineering Technology Research Co., Ltd. (北京唐浩電力工程技術研究有限公司) from February 2011 to January 2012. He served successively as the deputy director (in charge) of the Science and Information Department and the director of President Office Department (International Cooperation Department, Policy and Law Department) of Datang Renewable from January 2012 to October 2015. He served as the dean of Datang Renewable Energy Test and Research Institute (大唐新能源試驗研究院) from October 2015 to December 2016, and the chief engineer of Datang Renewable from December 2016 to December 2017. He served as the deputy general manager and member of the Party committee of Datang Overseas Investment from December 2017 to May 2018. He served as the deputy general manager and member of the Party committee of Datang Overseas Investment as well as the director of the Preparatory Office of China Datang Group Africa Co., Ltd. (中國大唐集團非洲公司) from May 2018 to March 2019. He served as the associate dean and member of the Party committee of China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd. (中國大唐集團新能源科學技術研究院有限公司) from March 2019 to June 2020. Mr. Liu studied in Harbin Institute of Technology from July 1987 to July 1991, and obtained his bachelor's degree majoring in electric power system and automation.

劉春東先生

生於1970年2月，中共黨員，高級工程師。自2020年7月起擔任本公司副總經理。劉先生於電力行業有近三十年的豐富經驗。在加入本公司前，劉先生於1991年7月至2005年1月分別任通遼發電總廠發電分廠運行值班員、運行主值班員、運行副班長、運行專工、生產技術部電氣運行及檢修專工、生產技術部值長、電氣分廠主任(檢修)；2005年1月至2008年5月任中電霍煤發電管理部工程高級主管；2008年5月至2011年2月分別任中電投蒙東能源發電事業部安全生產與工程部副主任、中電投蒙東能源集團公司招標管理中心副主任；2011年2月至2012年1月任大唐新能源電力檢修有限公司副總經理、兼任北京唐浩電力工程技術研究有限公司副總經理；2012年1月至2015年10月分別任大唐新能源科技信息部副主任(主持工作)、總經理工作部(國際合作部、政策與法律部)主任；2015年10月至2016年12月任大唐新能源試驗研究院院長；2016年12月至2017年12月任大唐新能源總工程師；2017年12月至2018年5月任大唐海投副總經理、黨委委員；2018年5月至2019年3月任大唐海投副總經理、黨委委員兼中國大唐集團非洲公司籌備處主任；2019年3月至2020年6月任中國大唐集團新能源科學技術研究院有限公司副院長、黨委委員。劉先生於1987年7月至1991年7月在哈爾濱工業大學電力系統及其自動化專業本科學習，獲得學士學位。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

Mr. Zhou Ce

Born in September 1969, has been serving as a member of the Party Committee, the secretary of the Discipline Inspection Committee and chairman of the labor union of the Company since March 2020. Mr. Zhou possessed approximately 20 years of work experience in the power industry. Before joining the Company, Mr. Zhou worked as an intern, technician and assistant engineer in the power workshop of Shandong Heze Second Woolen Textile Factory (山東菏澤第二毛紡織廠) from July 1991 to March 1993. He served as the deputy general manager of Shandong Heze Modern Office Equipment Company (山東菏澤現代辦公設備公司) from March 1993 to June 1995. Mr. Zhou served as the secretary, judge of the fourth rank, judge of the third rank and chief judge of Shandong Heze Intermediate People's Court (山東菏澤中級人民法院) from June 1995 to September 2000. He studied for master of law (international economic law) in China University of Political Science and Law (中國政法大學) from September 2000 to August 2003. He served as the fourth-class employee of economy and law department of State Grid Corporation of China (國家電網公司) from August 2003 to December 2006. Mr. Zhou served as the deputy director and director of economy and law department of State Grid Corporation of China from December 2006 to June 2013. He served as the head of integrated administrative team, head of party committee working group, director of office and director of legal office of State Grid Integrated Energy Service Group Co., Ltd. (國網節能服務有限公司) from June 2013 to August 2017. Mr. Zhou served as the deputy director of corporate management and legal affairs department, the deputy director of monitoring division (the office of disciplinary team of the Communist Party Committee and inspection office) and the deputy director of inspection office of the Communist Party Committee of China Datang Corporation from August 2017 to March 2020. Mr. Zhou studied in Shandong University (山東大學) with the major of Law from December 1997 to June 2002 and obtained the university degree. Mr. Zhou obtained master's degree in law of China University of Political Science and Law in August 2003.

周策先生

生於1969年9月，自2020年3月起擔任本公司黨委委員、紀律檢查委員會書記、工會主席。周先生於電力行業擁有約20年經驗。加入本公司前，周先生於1991年7月至1993年3月在山東菏澤第二毛紡織廠動力車間工作，歷任實習生、技術員、助理工程師。1993年3月至1995年6月在山東菏澤現代辦公設備公司擔任副經理。1995年6月至2000年9月在山東菏澤中級人民法院歷任書記員、四級法官、三級法官、審判長。2000年9月至2003年8月在中國政法大學攻讀法律碩士(國際經濟法)專業。2003年8月至2006年12月在國家電網公司經濟法律部擔任四級職員。2006年12月至2013年6月在國家電網公司歷任經濟法律部副處長、處長。2013年6月至2017年8月在國網節能服務有限公司擔任行政綜合組負責人、黨群工作組負責人、辦公室主任、法律辦公室主任。2017年8月至2020年3月在中國大唐集團公司歷任企業管理與法律事務部副主任、監察部(黨組紀檢組辦公室、巡視工作辦公室)副主任、黨組巡視工作辦公室副主任。周先生於1997年12月至2002年6月在山東大學法學專業學習，獲得大學學歷，於2003年8月取得中國政法大學法律碩士學位。

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

董事、監事及高級管理層簡介(續)

Mr. Liang Xiuguang

Born in January 1979, has served as the secretary of the Board, Joint Company Secretary and the authorized representative of the Company since November 2020, a deputy general manager of the Company since March 2018, responsible for the materials management and market development of the Company. He has about 20 years of experience in power industry. Before joining the Company, Mr. Liang worked for Shandong Huangdao Electric Power Plant (山東黃島發電廠) from July 2000 to September 2009, serving successively as boiler operator, secretary of the general office, deputy director of the general office and director of the politics department. When serving for Datang Shandong Renewable Energy Co., Ltd. (大唐山東新能源有限公司) from September 2009 to March 2012, Mr. Liang acted successively as head of the general economics department, deputy chief economist, deputy general manager and member of Party Committee. He served concurrently as deputy general manager of Datang Shandong Clean Energy Development Co., Ltd. (大唐山東清潔能源開發有限公司) from November 2010 to March 2012, and acted as deputy general manager and member of Party Committee of Datang Shandong Clean Energy Development Co., Ltd. from March 2012 to March 2013. From March 2013 to November 2013, Mr. Liang worked for Shenyang Huachuang Wind Power Co., Ltd. (瀋陽華創風能有限公司) as member of Party Committee and deputy general manager. He served successively as deputy general manager of the automation department, deputy director of materials management department (in charge of overall operation) and director of materials management department of the Company from November 2013 to January 2017. From January 2017 to March 2018, Mr. Liang acted as general manager and member of Party Committee of Technologies & Engineering Company. Mr. Liang graduated from the Power Faculty of Shandong Electric Power College (山東省電力高等專科學校) in July 2000, with major in thermal power, and took undergraduate courses on thermal energy and power engineering from the School of Continuing Education of Harbin Institute of Technology (哈爾濱工業大學) from March 2010 to July 2012. Subsequently, he obtained a master's degree in engineering from Xidian University (西安電子科技大學) in June 2017. Mr. Liang was granted the qualification of senior politic official by China Datang in December 2016.

梁秀廣先生

生於1979年1月，自2020年11月起擔任董事會秘書、聯席公司秘書及本公司授權代表，自2018年3月起擔任本公司副總經理，負責本公司物資管理和市場開發工作。他於電力行業擁有近二十年經驗。加入本公司前，梁先生於2000年7月至2009年9月在山東黃島發電廠工作，歷任鍋爐運行值班員、辦公室文牘秘書、辦公室副主任、思政部主任，2009年9月至2012年3月在大唐山東新能源有限公司工作，歷任總經理部部長、副總經理、副總經理、黨委委員，2010年11月至2012年3月兼任大唐山東清潔能源開發有限公司副總經理，2012年3月至2013年3月任大唐山東清潔能源開發有限公司副總經理、黨委委員，2013年3月至2013年11月任瀋陽華創風能有限公司黨委委員、副總經理，2013年11月至2017年1月在本公司工作，歷任自動化事業部副總經理、物資管理部副主任(主持工作)、物資管理部主任，2017年1月至2018年3月任科技工程公司總經理、黨委委員。梁先生於2000年7月畢業於山東省電力高等專科學校動力系熱能動力專業，於2010年3月至2012年7月在哈爾濱工業大學繼續教育學院熱能與動力工程專業函授本科學習，其後於2017年6月在西安電子科技大學取得工程碩士學位。梁先生於2016年12月獲中國大唐授予高級政工師資格。

HUMAN RESOURCES

人力資源

I. PROFILE OF HUMAN RESOURCES

As at 31 December 2021, we had 1,042 employees, substantially all of whom were based in the PRC. The Group has individually established labor union branches. Currently, the Group has entered into employment agreements with all employees, in which the position, duties, remuneration, employment benefits, training, confidentiality obligations relating to trade secrets and grounds for termination are specified pursuant to the PRC Labor Law and other relevant regulations.

The table below sets forth the number of employees as at 31 December 2021 by their functions:

| Function | 職能 | Number of employees 僱員人數 | Percentage of the total number of employees 佔總僱員人數百分比 |
|---|----------|-----------------------------|--|
| Concession operation management personnel | 特許經營管理人員 | 328 | 31.48% |
| Engineering and technical personnel | 工程技術人員 | 222 | 21.31% |
| Sales personnel | 銷售人員 | 71 | 6.81% |
| Research and development personnel | 研發人員 | 314 | 30.13% |
| Administrative and management personnel | 行政管理人員 | 75 | 7.20% |
| Manufacture personnel | 生產人員 | 20 | 1.92% |
| Others | 其他 | 12 | 1.15% |
| Total | 合計 | 1,042 | 100.00% |

II. STAFF INCENTIVES

According to the development requirements, the Company further established and improved the overall responsibility management system and the whole staff performance evaluation system on the basis of clear position objectives. In order to inspire the potential and work enthusiasm of employees, to fully embody the incentive and constraint behavior, and to lay a solid foundation for the orderly career development of all the employees, the Company divides the specific task in development planning into each department and position, objectively and accurately evaluates the achievement of job targets of employees by building position performance targets and performance standard, and realizes awards and punishments according to the score that is formed by evaluation results quantification.

I. 人力資源概況

於2021年12月31日，我們共聘用1,042名僱員，其中絕大多數僱員常駐中國。本集團均設有獨立工會分支。目前，本集團已與全部員工訂立了勞動合同，按照中國勞動法及其他相關法規的規定，明確約定了僱員的職位、職責、薪酬、員工福利、培訓、有關商業秘密的保密責任及終止理由等事項。

下表列示於2021年12月31日按職能劃分的員工人數：

II. 員工激勵

根據發展要求，本公司基於明確的狀況目標，進一步建立及改善整體責任管理制度及全員績效評估制度。為了激勵僱員的潛能及工作熱誠，完全體現鼓勵及限制行為，以及為所有僱員有序的事業發展奠定下穩固基礎，本公司分配發展計劃的特定工作至各個部門及職位，透過建立職位績效目標及績效水準，客觀及確實評估僱員工作目標的實現情況，並根據量化評估結果所得出的分數實現獎懲。

III. STAFF REMUNERATION POLICY

The remuneration package of our employees includes salaries, bonuses and allowances. Our employees also receive welfare benefits, including medical care, housing subsidies, retirement and other benefits. We carry out employee performance appraisals, establish diversified and dynamic appraisal mechanisms. The department heads' salaries and remunerations will be adjusted corresponding to the results of their performance appraisals. Pursuant to applicable PRC regulations, we have contributed to social insurance funds, including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, and housing funds for our employees.

IV. STAFF TRAINING

In order to attract and retain high-quality employees and further improve their knowledge, skill level and professional attainments, we place a strong emphasis on the training of our employees. We offer in-service education, training and other opportunities to our managers and employees to improve their professional skills and knowledge.

In 2021, the Group provided 30 training programs on business management, professional techniques and production skills, and the average training hours per employee was 94 hours with 100% talents attending the trainings.

V. GUARANTEE OF STAFF RIGHTS

The Group complies with the Labour Law of the PRC and the Labour Contract Law of the PRC in all material respects and makes contributions to social insurance and housing provident fund for our employees according to the above laws, among which the social insurance includes basic pension insurance, medical insurance, occupational injury insurance, unemployment insurance and maternity insurance.

III. 員工薪酬政策

我們的員工的薪酬組合包括薪金、獎金及津貼。我們的僱員亦享有福利，包括醫療、房屋資助、退休及其他福利。我們推行僱員業績考核，建立了不同形式、靈活的考評機制，同時建立了崗位績效與部門負責人的工資薪酬相匹配的機制。根據適用的中國法規，我們已為僱員繳納社保基金(包括養老金計劃、醫療保險、工傷保險、失業保險及生育保險)及住房公積金供款。

IV. 員工培訓

為吸納及挽留高素質的僱員及進一步提高僱員的知識、技能水準及職業素養，我們十分注重對僱員的培訓。我們向管理人員及僱員提供在職教育、培訓及其他機會，提高僱員的專業技能及知識。

於2021年，本集團進行30個經營管理類、專業技術類及生產技能類的培訓計劃，僱員人均學時94小時，人才受訓率達到100%。

V. 員工權利保障

本集團於所有重大方面均遵守中國勞動法和中國勞動合同法，依法為僱員繳納了社會保險及住房公積金，其中社會保險包括基本養老保險、醫療保險、工傷保險、失業保險及生育保險。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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To the shareholders of Datang Environment Industry Group Co., Ltd.
(Established in the People's Republic of China with limited liability)

致大唐環境產業集團股份有限公司股東
(於中華人民共和國註冊成立的股份有限公司)

OPINION

We have audited the consolidated financial statements of Datang Environment Industry Group Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 142 to 275, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

意見

我們已審計列載於第142頁至第275頁的大唐環境產業集團股份有限公司(以下統稱「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)的合併財務報表，此合併財務報表包括於二零二一年十二月三十一日的合併財務狀況報表與截至該日止年度的合併損益及其他綜合收益表、合併權益變動表和合併現金流量表，以及合併財務報表附註，包括主要會計政策概要。

我們認為，該等合併財務報表已根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈的《國際財務報告準則》(「**國際財務報告準則**」)真實而公允地反映了貴集團於二零二一年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會(「**香港會計師公會**」)頒佈的《香港審計準則》(「**香港審計準則**」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「**守則**」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計證據能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在對合併財務報表整體進行審計並形成意見的背景下來進行處理的，我們不對本事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTER (CONTINUED)

關鍵審計事項(續)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

我們已經履行了本報告「核數師就審計合併財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的合併財務報表重大風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為合併財務報表整體發表審計意見提供了基礎。

| Key audit matter 關鍵審計事項 | How our audit addressed the key audit matter 該事項在審計中是如何應對的 |
|--|---|
| <p>Revenue recognition on construction contracts 建造合同收入確認</p> <p>Approximately 17% of the Group's total revenue for the year ended 31 December 2021 was related to construction contracts, which was significant to the Group's consolidated financial statements. Revenue from these fixed price construction contracts was recognised over time, measured by reference to the completion percentage of individual contracts of construction works. The completion percentage was estimated by reference to the actual costs incurred up to the end of the reporting period over the total budgeted costs. Significant management's estimation was involved in estimating the completion percentage and the total budgeted costs.</p> <p>截至二零二一年十二月三十一日止年度，建造合同收入佔貴集團營業收入總額的約17%，對貴集團合併財務報表影響重大。固定價格建造合同所得收入隨時間推移確認，參考單個合同建造工作完工百分比計量。完工百分比參考截至報告期末所產生的成本佔預計相關合同總預算成本的比例估計。預計完工百分比和合同總預算成本涉及重大管理層重大估計。</p> <p>The accounting policy, significant accounting judgements and estimates and disclosures about construction contracts are included in note 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, note 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES and note 5 REVENUE, OTHER INCOME AND LOSSES to the consolidated financial statements.</p> <p>與建造合同相關的會計政策、重大會計判斷和估計及披露載於合併財務報表附註2.4主要會計政策概要、附註3重大會計判斷和估計和附註5收入、其他收益及損失。</p> | <p>Our audit procedures included, among others, obtaining an understanding of and evaluating the revenue recognition process related to construction contracts and testing the relevant controls that the Group has put in place over its processes to record construction costs, total budgeted costs and construction contract revenue, and to calculate the completion percentage. Besides, we gained an understanding of the construction progress based on examination of the associated project documentation and discussion on the status of projects with finance and project managers of the Group. We also discussed with management to gain an understanding of their estimates for the total budgeted costs and the changes, checked the nature and components of the costs and revised the historical accuracy of such estimates. Furthermore, we performed tests of details, such as reviewing the key contract terms of significant projects, checking actual costs and tax invoices of major construction projects, and reviewing the calculation worksheets for the completion percentage of the construction works.</p> <p>我們執行了以下審計程序，包括但不限於：瞭解、評估建造合同收入確認流程，測試貴集團實施的與記錄建造合同成本、合同總預算成本、建造合同收入以計算完工百分比相關的內部控制；通過檢查工程項目的文檔，與貴集團財務部門和工程部門瞭解建造合同的進展情況來瞭解建造進度；討論和瞭解管理層對總預算成本和其變動的估計，檢查成本性質和構成，同時考慮這些估計因素的過往準確性。此外，我們執行了細節測試，如複核重大工程項目合同的關鍵條款，檢查主要建造工程項目實際發生的成本和稅票，並複核建造完工百分比計算表。</p> <p>We also evaluated the adequacy of the disclosures of the Group's construction contracts.</p> <p>我們還評估了貴集團建造合同的相關披露的充足性。</p> |

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告 (續)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

刊載於年度報告內的其他資料

董事須對其他資訊負責。其他資訊包括刊載於年度報告內的資訊，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他資訊，我們亦不對該等其他資訊發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與合併財務報表或我們在審計過程中瞭解的情況存在重大抵觸或者似乎存在重大錯報的情況。基於我們已執行的工作，如果我們認為其他資訊存在重大錯報，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就合併財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒佈的《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而公允的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯報所需的內部控制負責。

在擬備合併財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計合併財務報表承擔的 責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯報取得合理保證，並出具包括我們意見的核數師報告。根據我們協定的委聘條款，我們僅對全體股東作出報告，除此以外，本報告並無其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水準的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯報存在時總能發現。錯報可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯報被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑的態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯報的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計證據，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯報的風險高於未能發現因錯誤而導致的重大錯報的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

核數師就審計合併財務報表承擔的 責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計證據，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計證據。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否公允反映交易和事項。
- 就貴集團內實體或業務活動的財務資訊獲得充足、適當的審計證據，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Bennett S.H. Wai.

Ernst & Young
Certified Public Accountants

Hong Kong
31 March 2022

核數師就審計合併財務報表承擔的 責任(續)

從與審計委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計專案合夥人是韋少雄。

安永會計師事務所
執業會計師

香港
二零二二年三月三十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

合併損益及其他綜合收益表

Year ended 31 December 2021

截至二零二一年十二月三十一日止年度

| | | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|----------------------------|----|-----------------------------------|-----------------------------------|
| | Notes 附註 | | | |
| Revenue | 收入 | 5 | 5,288,416 | 6,821,071 |
| Cost of sales | 銷售成本 | | (4,946,985) | (5,652,769) |
| Gross profit | 毛利 | | 341,431 | 1,168,302 |
| Selling and distribution expenses | 銷售和分銷開支 | | (18,151) | (23,041) |
| Administrative expenses | 行政開支 | | (478,694) | (483,796) |
| Other income and losses | 其他收益及損失 | 5 | 80,436 | 82,240 |
| Other expenses, net | 其他開支淨額 | 6 | (42,145) | (106,603) |
| Finance costs | 財務支出 | 7 | (221,959) | (270,291) |
| Impairment losses on financial and contract assets, net | 金融資產和合同資產減值損失，淨額 | 8 | (39,130) | (44,153) |
| (Loss)/Profit before tax | 稅前(虧損)/利潤 | 8 | (378,212) | 322,658 |
| Income tax expense | 所得稅開支 | 11 | (65,058) | (111,298) |
| (LOSS)/PROFIT FOR THE YEAR | 年內(虧損)/利潤 | | (443,270) | 211,360 |
| OTHER COMPREHENSIVE INCOME | 其他綜合收益 | | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | 於往後期間將予重新分類至損益的其他綜合收益： | | | |
| Exchange differences on translation of foreign operations | 於海外運營有關的匯兌差額 | | 1,066 | (1,107) |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods | 於往後期間將予重新分類至損益的其他綜合收益淨額 | | 1,066 | (1,107) |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: | 於往後期間不能重新分類至損益的其他綜合收益： | | | |
| Equity investments designated at fair value through other comprehensive income: | 指定以公允價值計量且變動計入其他綜合收益的權益投資： | | | |
| Changes in fair value | 公允價值變動 | | (2,525) | 1,256 |
| Income tax effect | 所得稅影響 | | 379 | (189) |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | 於往後期間不能重新分類至損益的其他綜合收益淨額 | | (2,146) | 1,067 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 合併損益及其他綜合收益表(續)

Year ended 31 December 2021
 截至二零二一年十二月三十一日止年度

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-------------------------------|-----------------------------------|-----------------------------------|
| | Notes 附註 | | |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | 年內其他綜合收益(扣除稅項) | (1,080) | (40) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 年內綜合收益總額 | (444,350) | 211,320 |
| (Loss)/Profit attributable to: | (虧損)/利潤歸屬於： | | |
| Owners of the parent | 母公司擁有人 | (208,332) | 302,872 |
| Non-controlling interests | 非控股權益 | (234,938) | (91,512) |
| | | (443,270) | 211,360 |
| Total comprehensive income attributable to: | 綜合收益總額歸屬於： | | |
| Owners of the parent | 母公司擁有人 | (209,881) | 303,319 |
| Non-controlling interests | 非控股權益 | (234,469) | (91,999) |
| | | (444,350) | 211,320 |
| (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 歸屬於母公司普通股持有人的每股(虧損)/盈利 | | |
| Basic and diluted (RMB) | 基本和攤薄(人民幣元) | 13 | (0.07) |
| | | | 0.10 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

合併財務狀況表

31 December 2021

二零二一年十二月三十一日

| | | | 2021 | 2020 |
|--|----------------------------|-------|-------------------|------------|
| | | Notes | 二零二一年 | 二零二零年 |
| | | 附註 | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 |
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房和設備 | 14 | 6,828,008 | 7,294,595 |
| Intangible assets | 無形資產 | 15 | 252,900 | 273,478 |
| Right-of-use assets | 使用權資產 | 16(a) | 312,776 | 329,146 |
| Equity investments designated at fair value through other comprehensive income | 指定以公允價值計量且其變動計入其他綜合收益的權益投資 | 17 | 26,389 | 28,914 |
| Deferred tax assets | 遞延稅項資產 | 18 | 51,840 | 46,191 |
| Other non-current assets | 其他非流動資產 | 19 | 385,752 | 429,632 |
| Total non-current assets | 非流動資產總額 | | 7,857,665 | 8,401,956 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 20 | 204,931 | 190,609 |
| Contract assets | 合同資產 | 21 | 263,765 | 735,407 |
| Trade and bills receivables | 貿易應收款項和應收票據 | 22 | 8,169,933 | 8,628,443 |
| Prepayments, other receivables and other assets | 預付款項、其他應收款項及其他資產 | 23 | 565,606 | 624,977 |
| Restricted cash | 受限制現金 | 24 | 121,604 | 67,727 |
| Cash and cash equivalents | 現金和現金等價物 | 24 | 1,244,882 | 1,531,739 |
| Total current assets | 流動資產總額 | | 10,570,721 | 11,778,902 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade and bills payables | 貿易應付款項和應付票據 | 25 | 4,579,064 | 4,904,475 |
| Other payables and accruals | 其他應付款項和應計費用 | 26 | 982,683 | 1,789,559 |
| Provisions | 撥備 | 27 | 123,931 | 6,320 |
| Interest-bearing bank borrowings and other loans | 計息銀行借款和其他貸款 | 28 | 3,789,805 | 3,192,305 |
| Income tax payable | 應付所得稅 | | 2,716 | 34,945 |
| Total current liabilities | 流動負債總額 | | 9,478,199 | 9,927,604 |
| NET CURRENT ASSETS | 流動資產淨值 | | 1,092,522 | 1,851,298 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總額減流動負債 | | 8,950,187 | 10,253,254 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

合併財務狀況表 (續)

31 December 2021
二零二一年十二月三十一日

| | | | 2021 | 2020 |
|--|----------------|--------------|------------------|----------------|
| | | <i>Notes</i> | 二零二一年 | 二零二零年 |
| | | <i>附註</i> | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Provisions | 撥備 | 27 | 480 | 1,000 |
| Interest-bearing bank borrowings and other loans | 計息銀行借款和其他貸款 | 28 | 2,162,981 | 2,878,584 |
| Other non-current liabilities | 其他非流動負債 | | 31,150 | 34,392 |
| Total non-current liabilities | 非流動負債總額 | | 2,194,611 | 2,913,976 |
| Net assets | 資產淨值 | | 6,755,576 | 7,339,278 |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | | | |
| Share capital | 股本 | 29 | 2,967,542 | 2,967,542 |
| Reserves | 儲備 | 30 | 3,907,884 | 4,250,117 |
| | | | 6,875,426 | 7,217,659 |
| Non-controlling interests | 非控股權益 | | (119,850) | 121,619 |
| Total equity | 權益總額 | | 6,755,576 | 7,339,278 |

Wang Yanwen

王彥文

Director

董事

Tian Dan

田丹

General Manager

總經理

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

Year ended 31 December 2021

截至二零二一年十二月三十一日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | Non-controlling interests | Total equity |
|---|---------------------------------------|--|---------------------------|-----------------------------|---|-------------------------------|----------------------------|------------------------|---------------------------|--------------------------|
| | | Share capital | Capital reserve* | Statutory surplus reserve* | Fair value reserve of financial assets at fair value through other comprehensive income* 以公允價值計量且變動計入其他綜合收益的金融資產的公允價值儲備* | Exchange fluctuation reserve* | Retained profits* | Total | | |
| | | 股本 RMB'000 人民幣千元 | 資本儲備* RMB'000 人民幣千元 | 法定盈餘儲備* RMB'000 人民幣千元 | 公允價值儲備* RMB'000 人民幣千元 | 外匯波動儲備* RMB'000 人民幣千元 | 未分配利潤* RMB'000 人民幣千元 | 總額 RMB'000 人民幣千元 | 非控股權益 RMB'000 人民幣千元 | 權益總額 RMB'000 人民幣千元 |
| At 1 January 2021 | 於二零二一年一月一日 | 2,967,542 | 1,315,483 | 406,481 | 3,327 | (627) | 2,525,453 | 7,217,659 | 121,619 | 7,339,278 |
| Profit for the year | 年內利潤 | - | - | - | - | - | (208,332) | (208,332) | (234,938) | (443,270) |
| Other comprehensive income for the year: | 年內其他綜合收益： | | | | | | | | | |
| Change in fair value of equity investments at fair value through other comprehensive income, net of tax | 以公允價值計量且其變動計入其他綜合收益的權益投資的公允價值變動(扣除稅項) | - | - | - | (2,146) | - | - | (2,146) | - | (2,146) |
| Exchange difference on translation of foreign operations | 與海外運營有關的匯兌差額 | - | - | - | - | 597 | - | 597 | 469 | 1,066 |
| Total comprehensive income for the year | 年內綜合收益總額 | - | - | - | (2,146) | 597 | (208,332) | (209,881) | (234,469) | (444,350) |
| Appropriation to statutory surplus reserve | 撥至法定盈餘儲備 | - | - | 10,915 | - | - | (10,915) | - | - | - |
| Final 2020 dividend declared (Note 12) | 宣派二零二零年度末期股息(附註12) | - | - | - | - | - | (132,352) | (132,352) | - | (132,352) |
| Dividends declared by a subsidiary to its non-controlling shareholders | 附屬公司支付予非控股權益持有人的股息 | - | - | - | - | - | - | - | (7,000) | (7,000) |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 2,967,542 | 1,315,483 | 417,396 | 1,181 | (30) | 2,173,854 | 6,875,426 | (119,850) | 6,755,576 |
| At 1 January 2020 | 於二零二零年一月一日 | 2,967,542 | 1,315,483 | 368,312 | 2,260 | (7) | 2,361,053 | 7,014,643 | 219,238 | 7,233,881 |
| Profit for the year | 年內利潤 | - | - | - | - | - | 302,872 | 302,872 | (91,512) | 211,360 |
| Other comprehensive income for the year: | 年內其他綜合收益： | | | | | | | | | |
| Change in fair value of equity investments at fair value through other comprehensive income, net of tax | 以公允價值計量且其變動計入其他綜合收益的權益投資的公允價值變動(扣除稅項) | - | - | - | 1,067 | - | - | 1,067 | - | 1,067 |
| Exchange difference on translation of foreign operation | 與海外運營有關的匯兌差額 | - | - | - | - | (620) | - | (620) | (487) | (1,107) |
| Total comprehensive income for the year | 年內綜合收益總額 | - | - | - | 1,067 | (620) | 302,872 | 303,319 | (91,999) | 211,320 |
| Appropriation to statutory surplus reserve | 撥至法定盈餘儲備 | - | - | 38,169 | - | - | (38,169) | - | - | - |
| Final 2019 dividend declared (Note 12) | 宣派二零一九年度末期股息(附註12) | - | - | - | - | - | (100,303) | (100,303) | - | (100,303) |
| Dividends declared by a subsidiary to its non-controlling shareholders | 附屬公司支付予非控股權益持有人的股息 | - | - | - | - | - | - | - | (5,620) | (5,620) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 2,967,542 | 1,315,483 | 406,481 | 3,327 | (627) | 2,525,453 | 7,217,659 | 121,619 | 7,339,278 |

* These reserves accounts comprise the consolidated reserves of RMB3,907,884,000 (31 December 2020: RMB4,250,117,000) in the consolidated statement of financial position.

* 該等儲備賬戶包含合併財務狀況表中的合併儲備人民幣3,907,884,000元(二零二零年十二月三十一日：人民幣4,250,117,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

Year ended 31 December 2021
截至二零二一年十二月三十一日止年度

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動產生的現金流量 | | |
| (Loss)/Profit before tax: | 稅前(虧損)/利潤: | (378,212) | 322,658 |
| Adjustments for: | 調整專案: | | |
| Finance costs | 財務支出 | 221,959 | 270,291 |
| Interest income | 利息收入 | (6,978) | (11,965) |
| Depreciation of property, plant and equipment | 物業、廠房和設備折舊 | 509,722 | 527,638 |
| Amortisation of intangible assets | 無形資產攤銷 | 26,465 | 17,048 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 25,070 | 24,460 |
| Amortisation of other non-current assets | 其他非流動資產攤銷 | 123,596 | 217,775 |
| Loss on disposal of items of property, plant and equipment | 處置物業、廠房和設備專案的損失 | 21,904 | 145 |
| Loss on disposal of items of intangible assets | 處置無形資產專案的損失 | 2,533 | - |
| Gains on disposal of items of right-of-use assets | 處置使用權資產專案的收益 | (75) | - |
| Amortisation of government grants | 政府補助的攤銷 | (1,872) | (1,872) |
| Impairment loss on trade receivables, net | 貿易應收款減值虧損，淨額 | 22,924 | 43,781 |
| Impairment loss/(reversal of impairment) on other receivables, net | 其他應收款減值虧損/(減值撥回)，淨額 | 18,717 | (120) |
| Impairment loss on property, plant and equipment | 物業、廠房和設備減值虧損 | 45,638 | 40,861 |
| (Reversal of impairment)/impairment loss on contract assets, net | 合同資產(減值撥回)/減值虧損，淨額 | (2,511) | 492 |
| Increase in inventories | 存貨增加 | (14,322) | (20,689) |
| Decrease in contract assets | 合同資產減少 | 474,153 | 147,940 |
| Decrease/(Increase) in trade and bills receivables | 貿易應收款項和應收票據減少/(增加) | 432,942 | (140,197) |
| Decrease in prepayments, other receivables and other assets | 預付款項、其他應收款和其他資產減少 | 48,053 | 624,734 |
| Increase in restricted cash | 受限制現金增加 | (53,877) | (25,548) |
| Decrease in trade and bills payables | 貿易應付款項和應付票據減少 | (325,411) | (84,800) |
| Decrease in other payables and accruals | 其他應付款項和應計費用減少 | (200,925) | (53,573) |
| Increase in provisions | 撥備增加 | 117,091 | 2,741 |
| Cash generated from operations | 經營活動產生的現金 | 1,106,584 | 1,901,800 |
| Income tax paid | 已繳所得稅 | (119,549) | (63,001) |
| Net cash flows generated from operating activities | 經營活動所得現金流量淨額 | 987,035 | 1,838,799 |

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

合併現金流量表(續)

Year ended 31 December 2021

截至二零二一年十二月三十一日止年度

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|---------------------------|-----------------------------------|-----------------------------------|
| | Notes 附註 | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動產生的現金流量 | | |
| Interest received | 已收利息 | 6,978 | 11,965 |
| Purchase of items of property, plant and equipment, intangible assets and other non-current assets | 購買物業、廠房和設備、無形資產及其他非流動資產專案 | (403,566) | (602,205) |
| Capital contribution in equity investments designated at fair value through other comprehensive income | 購買按公允價值計入其他全面收入的股本工具 | - | (20,000) |
| Proceeds from disposal of items of property, plant and equipment | 處置物業、廠房和設備專案所得款項 | - | 24 |
| Receipt of government grants for property, plant and equipment | 收到政府對物業、廠房和設備專案補助 | - | 1,311 |
| Net cash flows used in investing activities | 投資活動使用現金流量淨額 | (396,588) | (608,905) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動產生的現金流量 | | |
| Proceeds from bank borrowings and other loans | 銀行借款及其他貸款所得款項 | 7,668,037 | 5,391,506 |
| Repayments of bank borrowings and other loans | 償還銀行借款及其他貸款 | (7,775,155) | (6,349,798) |
| Principal portion of lease payments | 支付租賃本金 | (20,208) | (20,882) |
| Dividends paid to shareholders | 派付予股東的股息 | (511,726) | (20,627) |
| Dividends paid to non-controlling interests | 派付予非控股權益的股息 | (14,080) | (9,580) |
| Interest paid | 已付利息 | (223,596) | (267,269) |
| Net cash flows used in financing activities | 融資活動使用現金流量淨額 | (876,728) | (1,276,650) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | 現金和現金等價物減少淨額 | (286,281) | (46,756) |
| Cash and cash equivalents at beginning of year | 年初現金和現金等價物 | 1,531,739 | 1,580,367 |
| Effect of foreign exchange rate changes, net | 匯率變動的影響淨額 | (576) | (1,872) |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末現金和現金等價物 | 24 1,244,882 | 1,531,739 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2021
二零二一年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) (the “**Company**”) was established on 25 July 2011 in the People’s Republic of China (the “**PRC**”) with limited liability. On 26 June 2015, the Company was converted into a joint stock company with limited liability from a limited liability company. The shares of the Company have been listed on the Main board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) since 15 November 2016. The address of its registered office is No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC.

The Company and its subsidiaries (together the “**Group**”) are involved in the following principal activities: environmental protection facility concession operation, the manufacture and sale of denitrification catalysts, environmental protection facility engineering, water treatment business, energy conservation business and renewable energy engineering business.

In the opinion of the directors of the Company (“**Directors**”), the immediate holding company and ultimate holding company of the Company is China Datang Corporation Ltd. (“**China Datang**”), a company established and domiciled in the PRC and wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council.

1. 公司和集團資料

大唐環境產業集團股份有限公司(「**本公司**」)為於二零一一年七月二十五日在中華人民共和國(「**中國**」)成立的有限公司。本公司於二零一五年六月二十六日從有限責任公司轉換為股份有限公司。本公司股份已於二零一六年十一月十五日在香港聯合交易所有限公司(「**香港聯交所**」)主板上市。本公司註冊辦公地址為中國北京市海淀區紫竹院路120號。

本公司及其附屬公司(統稱「**本集團**」)涉及以下主要活動：環保設施特許經營、脫硝催化劑的生產和銷售、環保設施工程、水務業務、節能工程業務及可再生能源工程業務。

本公司董事(「**董事**」)認為，本公司的直接控股公司和最終控股公司為中國大唐集團有限公司(「**中國大唐**」)，中國大唐為一家在中國註冊成立和住所在中國以及由國務院國有資產監督管理委員會全資擁有的公司。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

1. 公司和集團資料(續)

有關附屬公司的資料

本公司附屬公司的詳情如下：

| Company name # | Place of incorporation/ registration | Issued and fully paid-up capital/ registered capital 已發行和繳足股本/註冊資本 | Percentage of equity attributable to the Company (%) | | Principal activities | |
|---|---|--|--|----------|--|------|
| | | | Direct | Indirect | | |
| 公司名稱 | 註冊成立/登記地點 | | 本公司應佔股權百分比(%) | 直接 | 間接 | 主要業務 |
| China Datang Technologies & Engineering Co., Ltd. (中國大唐集團科技工程有限公司) ("Technologies & Engineering Company") 中國大唐集團科技工程有限公司(「科技工程公司」) | Beijing, the PRC 中國北京 | RMB180,000,000 人民幣180,000,000元 | 56.00 | - | Development of environmental protection technology and provision of engineering services in the PRC 在中國從事環保技術開發及提供工程服務 | |
| Datang Nanjing Environmental Protection Technology Co., Ltd. (大唐南京環保科技有限責任公司) ("Nanjing Environmental Protection") 大唐南京環保科技有限責任公司(「南京環保」) | Nanjing, the PRC 中國南京 | RMB124,630,000 人民幣124,630,000元 | 92.11 | - | Development and sale of catalysts; and provision of testing services in the PRC 在中國從事催化劑開發和銷售以及檢測服務 | |
| Datang Technologies & Engineering India Private Limited (大唐科技工程印度有限公司) ("Technologies & Engineering India") 大唐科技工程印度有限公司(「科技工程印度公司」) | Mumbai, India 印度孟買 | Indian rupees 1,000,000 印度盧比 1,000,000 | - | 100.00 | Provision of engineering services in India 在印度提供工程服務 | |
| Datang Beijing Energy Saving & Technology Co., Ltd. (大唐(北京)節能技術有限公司) ("Energy Saving & Technology") 大唐(北京)節能技術有限公司(「節能技術公司」) | Beijing, the PRC 中國北京 | RMB10,000,000 人民幣10,000,000元 | 65.00 | - | Provision of project management, engineering and technology services in the PRC 在中國從事項目管理、工程 and 技術服務 | |
| Datang Beijing Water Engineering & Technology Co., Ltd. (大唐(北京)水務工程技術有限公司) ("Water Engineering & Technology") 大唐(北京)水務工程技術有限公司(「水務工程公司」) | Beijing, the PRC 中國北京 | RMB337,976,000 人民幣337,976,000元 | 100.00 | - | Provision of technology services, energy saving technology promotion services and water engineering services in the PRC 在中國從事技術服務、節能技術推廣服務及水務工程服務 | |
| Zhejiang Datang Tiandi Environmental Technology Co., Ltd. (浙江大唐天地環保科技有限責任公司) ("Tiandi Environmental") 浙江大唐天地環保科技有限責任公司(「天地環保公司」) | Ningbo, the PRC 中國寧波 | RMB60,000,000 人民幣60,000,000元 | 65.00 | - | Development of pollution improvement environmental protection technology and provision of technology services in the PRC 在中國從事污染改善環保技術研發和提供技術服務 | |

The names of these companies referred to in this report represent management's best effort at translating the Chinese names of the companies, as no English names have been registered. The above companies are all limited companies.

Note 1: On 28 July 2021, the Company approved the liquidation of Jiangsu Nanjing Thermal Electricity Engineering Design Institute Co., Ltd. (江蘇南京熱電工程設計院有限責任公司), a subsidiary of the Company. The liquidation has been completed as at 29 October 2021.

附註1：於二零二一年七月二十八日，本公司批准清算本公司附屬公司江蘇南京熱電工程設計院有限責任公司。清算已於二零二一年十月二十九日完成。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's subsidiaries are as follows: (Continued)

Note 2: On 28 July 2021, the Company approved the liquidation of Beijing Datang Hengtong Science & Technology Co., Ltd. (北京大唐恆通科技有限公司), a subsidiary of the Company. The liquidation has been completed as at 31 December 2021.

Note 3: On 23 June 2021, the Company approved the application for Water Engineering & Technology absorbed Datang (Beijing) Energy Management Co., Ltd. (大唐(北京)能源管理有限公司), a subsidiary of the Company. The liquidation has been completed as at 23 August 2021 which is the combination date, and Water Engineering & Technology undertook its assets and liabilities as at the combination date.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board (the "IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared on a historical cost basis, except for certain trade and bills receivables and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2021. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. 公司和集團資料(續)

有關附屬公司的資料(續)

本公司附屬公司的詳情如下:(續)

附註2: 於二零二一年七月二十八日,本公司批准清算本公司附屬公司北京大唐恆通科技有限公司。清算已於二零二一年十二月三十一日完成。

附註3: 於二零二一年六月二十三日,本公司批准水務工程公司吸併本公司附屬公司大唐(北京)能源管理有限公司的申請。清算已於二零二一年八月二十三日(即合併日)完成,並且水務工程公司於合併日承擔其資產及負債。

2.1 編製基準

該等財務報表乃按照國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)(包括所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋)及香港《公司條例》的披露規定編製。除了若干貿易應收款項和應收票據及以公允價值計量的權益類投資外,該等財務報表乃根據歷史成本基準編製。該等財務報表以人民幣(「人民幣」)列示,除特別註明外,所有數值均約整至最接近的千位數。

合併基準

合併財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零二一年十二月三十一日止年度的財務報表。附屬公司指本公司直接或間接控制的實體。當本集團通過參與被投資方的相關活動而承擔可變回報的風險或有權享有可變回報,並且有能力運用對被投資方的權力(即是使本集團目前有能力主導被投資方的相關活動的現時權利)影響該等回報時,即取得控制權。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021

二零二一年十二月三十一日

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary; (ii) the carrying amount of any non-controlling interests; and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received; (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準(續)

合併基準(續)

倘本公司直接或間接持有少於大多數的投票權或與被投資方擁有相似權利，則本集團在評估其對被投資方是否擁有權力時會考慮所有相關事實和情況，包括：

- (a) 與該被投資方其他投票權持有人的合同安排；
- (b) 根據其他合同安排所享有的權利；及
- (c) 本集團的投票權和潛在投票權。

附屬公司的財務報表採用與本公司一致的會計政策及報告期間編製。附屬公司的業績自本集團取得控制權的日期起合併，並繼續合併直至控制權終止。

損益及其他綜合收益的各組成部分歸屬於本集團母公司持有者及非控股權益，即使此舉引致非控股權益結餘為負數。本集團內部各公司之間交易有關的所有資產及負債、權益、收入、開支及現金流量於合併賬目時全數抵銷。

倘事實及情況顯示上述的三項控制因素中一項或多項有變，則本集團會重新評估其是否仍然控制被投資方。附屬公司中不導致喪失控制權的所有者權益變動作為權益交易核算。

倘本集團失去對附屬公司的控制權，將終止確認：(i)附屬公司資產(包括商譽)和負債；(ii)非控股權益的賬面金額；及(iii)計入權益的累計折算差異；並確認：(i)收到對價的公允價值；(ii)剩餘投資的公允價值；以及(iii)在損益中確認由此產生的盈餘或虧損。本集團之前確認的其他綜合收益構成部分應適當地重分類計入損益或未分配利潤，基準與倘若本集團直接出售有關資產或負債所需者相同。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

| | |
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| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 | <i>Interest Rate Benchmark Reform – Phase 2</i> |
| Amendment to IFRS 16 | <i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i> |

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. These amendments had no material impact on the consolidated financial statements of the Group.

2.2 會計政策及披露變動

本集團在本年度財務報表中首次採用以下修訂的國際財務報告準則。

| | |
|---|---------------------------------|
| 國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號以及國際財務報告準則第16號之修訂 | 利率基準改革—第二階段 |
| 國際財務報告準則第16號之修訂 | 於二零二一年六月三十日之後新冠肺炎疫情相關租金減讓(提前採用) |

經修訂國際財務報告準則的性質及影響如下：

- (a) 國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號以及國際財務報告準則第16號之修訂旨在解決此前修訂中未涉及的問題，即以無風險利率(「RFR」)替代現行利率基準時對財務報告的影響。修訂提供了一項實用變通方法，即在不調整金融資產及負債賬面價值的情況下，更新於入賬確認金融資產和金融負債合同現金流量的基準變動時的實際利率，前提是該變更是利率基準改革所要求的直接後果，且用於確定合同現金流量的新基準與舊基準在經濟上相當。此外，該等修訂指出僅因利率基準改革而對套期指定和套期文檔進行的修改不會導致套期關係的終止。過渡期間可能產生的任何損益均按照現行國際財務報告準則第9號的規定處理，以衡量和確認套期無效性。該等修訂還提供了暫時性方案以解決在RFR被指定為風險成分的情況下，實體必須滿足可單獨識別的要求。當指定套期時，該等暫時性方案允許實體合理預期RFR風險將自其被指定為非合同明確的風險成分之日起24個月內滿足「可單獨識別」的要求。此外，該修訂還要求實體披露其他信息，以使財務報表的使用者能夠了解利率基準改革對實體的金融工具和風險管理策略的影響。該等修訂預期不會對本集團合併財務報表產生任何重大影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021

二零二一年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (b) Amendment to IFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The amendment did not have any impact on the financial position and performance of the Group as there were no lease payments reduced or waived by the lessors as a result of the covid-19 pandemic during the year.

2.2 會計政策及披露變動(續)

- (b) 二零二一年四月頒佈的國際財務報告準則第16號之修訂，將承租人可選擇可行權宜方法而不採用租賃變更的方法來核算因新冠疫情直接導致的租金減讓延長了12個月。因此，在滿足應用可行權宜方法的其他條件下，可行權宜方法適用於租金的減免為原定於二零二二年六月三十日前到期的租賃付款額。該修訂對二零二一年四月一日或之後開始的年度期間以追溯方式生效，首次應用該修訂之任何累計影響應以對當前會計期間開始時未分配溢利之期初結餘作出調整的方式予以確認，並允許提早應用。

由於年內出租人並無因新冠肺炎疫情而減少或豁免租賃付款，該修訂對本集團的財務狀況及表現並無任何影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

| | |
|---|--|
| Amendments to IFRS 3 | <i>Reference to the Conceptual Framework¹</i> |
| Amendments to IFRS 10 and IAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i> |
| Amendments to IAS 1 | <i>Classification of Liabilities as Current or Non-current²</i> |
| Amendments to IAS 1 and IFRS Practice Statement 2 | <i>Disclosure of Accounting Policies²</i> |
| Amendments to IAS 8 | <i>Definition of Accounting Estimates²</i> |
| Amendments to IAS 12 | <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction²</i> |
| Amendments to IAS 16 | <i>Property, Plant and Equipment: Proceeds before Intended Use¹</i> |
| Amendments to IAS 37 | <i>Onerous Contracts – Cost of Fulfilling a Contract¹</i> |
| Annual Improvements to IFRSs 2018-2020 | Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 ¹ |

2.3 已頒佈但尚未生效的國際財務報告準則

本集團尚未於本財務報表內採用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

| | |
|------------------------------|--|
| 國際財務報告準則第3號之修訂 | 參考概念框架 ¹ |
| 國際財務報告準則第10號及國際會計準則第28號之修訂 | 投資者與其聯營或合營企業之間的資產出售或投入 ³ |
| 國際會計準則第1號之修訂 | 流動或非流動負債分類 ² |
| 國際會計準則第1號及國際財務報告準則實務聲明第2號之修訂 | 會計政策的披露 ² |
| 國際會計準則第8號之修訂 | 會計估計的定義 ² |
| 國際會計準則第12號之修訂 | 從單一交易產生的資產及負債有關的遞延稅項 ² |
| 國際會計準則第16號之修訂 | 物業、廠房及設備：作擬定用途前之所得款項 ¹ |
| 國際會計準則第37號之修訂 | 虧損性合同－履行合同的成本 ¹ |
| 國際財務報告準則2018年至2020年週期之年度改進 | 國際財務報告準則第1號之修訂、國際財務報告準則第9號之修訂、國際財務報告準則第16號說明性案例及國際會計準則第41號之修訂 ¹ |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021

二零二一年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

- 1 Effective for annual periods beginning on or after 1 January 2022
- 2 Effective for annual periods beginning on or after 1 January 2023
- 3 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below:

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

- 1 於二零二二年一月一日或之後開始之年度期間生效
- 2 於二零二三年一月一日或之後開始之年度期間生效
- 3 尚未釐定強制生效日期但可供採納

預期將適用於本集團的該等國際財務報告準則的進一步資料如下：

國際財務報告準則第3號之修訂旨在以對二零一八年三月發佈的*財務報告概念框架*的引用取代對先前*財務報表編製和列報框架*的引用，且未大幅度改變其要求。該等修訂亦為國際財務報告準則第3號之確認原則增添了例外，以使企業可利用概念框架作為參考以決定資產或負債的構成。該例外規定，如果是單獨發生而不是在企業合併中產生的負債和或有負債屬於國際會計準則第37號或國際財務報告詮釋委員會21號解釋範圍，採用國際財務報告準則第3號的實體應參考國際會計準則第37號或國際財務報告詮釋委員會21號解釋而不是概念框架。此外，該修訂闡明或有資產在購買日不符合確認條件。該等修訂於二零二二年一月一日或之後開始的年度報告期間生效並追溯應用。本集團預期自二零二二年一月一日起採用該修訂。由於該修訂適用於收購日期為首次應用日或之後的企業合併，因此本集團在過渡期將不受這些修訂的影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The mandatory effective date for this amendment is not yet determined but early adoption is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments on the Group's accounting policy disclosures.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第10號及國際會計準則第28號之修訂旨在解決國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營公司或合營企業之間資產出售或投入兩者規定的不一致情況。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或投入構成一項業務時，須確認下游交易產生的全部收益或虧損。對於涉及不構成一項業務的資產的交易，由該交易產生的收益或虧損僅以不相關投資者於該聯營公司或合營公司之投資份額以外的部份確認為投資者的損益。該修訂的強制生效日期尚未釐定，允許提前採用。預期該等修訂不會對本集團的財務報表產生任何重大影響。

國際會計準則第1號*流動或非流動負債分類*之修訂澄清將負債分類為流動或非流動的要求。該等修訂規定，如果實體延遲清償債務的權利受該實體是否符合特定條件的約束，則在報告期結束時，如果該實體符合這些條件，則有權延遲清償債務。負債的分類不受實體行使其延遲清償負債權利的可能性的影響。該等修訂澄清了被視為清償債務的情形。該修訂自二零二三年一月一日或之後開始的年度期間生效，並應追溯應用。允許提前採用。預期該等修訂不會對本集團的財務報表造成重大影響。

國際會計準則第1號*會計政策披露*之修訂要求實體披露其重大的會計政策信息，而不是其重要的會計政策。如果會計政策信息與實體財務報表中包含的其他信息一起考慮時，可以合理預期它會影響通用財務報表的主要使用者根據這些財務報表做出的決策，則會計政策信息是重要的。國際財務報告準則實務聲明第2號之修訂就如何將重要性概念應用於會計政策披露提供了非強制性指導。國際會計準則第1號之修訂於二零二三年一月一日或之後開始的年度期間有效，允許提前採用。由於國際財務報告準則實務聲明第2號之修訂中提供的指導是非強制性的，因此這些修訂的生效日期並非必要。本集團目前正在評估該等修訂對本集團會計政策披露的影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021

二零二一年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have a material impact on the Group.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則第8號之修訂澄清了會計估計變更與會計政策變更之間的區別。會計估計定義為財務報表中受計量不確定性影響的貨幣金額。該等修訂亦澄清實體如何使用計量技術及參數作出會計估計。該等修訂於二零二三年一月一日或之後開始的年度報告期間生效，並適用於該期間開始時或之後發生的會計政策變動及會計估計變動。允許提早採用。該等修訂預期不會對本集團的財務報表產生任何重大影響。

國際會計準則第12號之修訂縮小了首次確認例外的範圍，使其不再適用於產生同等應課稅及可扣減暫時性差異的交易，如租賃及棄置義務。因此，實體須就該等交易產生的暫時性差異確認遞延稅項資產及遞延稅項負債。該等修訂於二零二三年一月一日或之後開始的年度報告期間生效，並應應用於與所呈列的最早比較期期初租賃及棄置義務有關的交易，任何累計影響已確認為調整於該日之留存利潤之期初結餘或權益之其他組成部分(如適用)。此外，該等修訂應未來適用於租賃及棄置義務以外的交易。允許提早採用。預期該等修訂不會對本集團產生重大影響。

國際會計準則第16號之修訂禁止企業從物業、廠房及設備的成本中扣除使資產達到管理層擬定之營運狀態所需位置與條件過程中產生的項目銷售之任何所得款項。相反，實體須於損益中確認銷售任何有關項目之所得款項及該等項目之成本。該等修訂於二零二二年一月一日或之後開始的年度期間有效，且僅可追溯地適用於該企業在其財務報表所載最早期間開始或之後可使用的物業、廠房和設備專案，並允許提前採用。該等修訂預計不會對本集團的財務報表產生任何重大影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRSs 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則第37號之修訂澄清，就根據國際會計準則第37號評估合同是否屬虧損性而言，履行合同的成本包括與合同直接相關的成本。與合同直接相關的成本包括履行該合同的增量成本(例如直接勞工及材料)及與履行該合同直接相關的其他成本分配(例如分配履行該合同所用物業、廠房及設備專案的折舊以及合同的管理和監督費用)。一般性行政費用不直接與合同有關，除非根據合同明確應由對方支付，否則不包括在內。該等修訂在二零二二年一月一日或之後開始的年度期間生效，並適用於實體在其首次適用這些修訂的年度報告期開始時尚未履行其全部義務的合同，並允許提前採用。初始應用該修訂的任何累積影響應被確認為對首次應用日期之期初權益的調整，無需重述比較信息。該等修訂預期不會對本集團的財務報表造成重大影響。

國際財務報告準則二零一八年至二零二零年週期年度改進列出了國際財務報告準則第1號之修訂、國際財務報告準則第9號之修訂、國際財務報告準則第16號說明性案例及國際會計準則第41號之修訂。預計將適用於本集團的修訂細節如下：

- 國際財務報告準則第9號金融工具：澄清了實體在評估新的或修改的金融負債條款是否與原始金融負債條款有實質性差異時所包含的費用。這些費用僅包括借入人與貸款人之間支付或收取的費用，包括借入人或貸款人代表對方支付或收取的費用。實體對於該實體首次應用該修訂的年度報告期開始時或之後被修改或交換的金融負債應用該修訂。該修訂於二零二二年一月一日或之後的年度期間生效，並允許提前採用。預計該修訂不會對本集團的財務報表產生重大影響。
- 國際財務報告準則第16號租賃：刪除了附隨國際財務報告準則第16號說明性案例13中出租人償還租賃物業裝修之說明。解決了在應用國際財務報告準則第16號關於處理租賃獎勵有關的任何潛在混淆情況。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要

企業合併及商譽

業務合併使用收購法入賬。轉讓對價按收購日期的公允價值計量，該公允價值為本集團於收購日期所轉資產、本集團向被收購方的原擁有人承擔的負債和本集團就換取被收購方控制權而發行的股本權益的公允價值的總和。就各項業務合併而言，本集團選擇是否以公允價值或於被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益，即賦予持有人在清盤時按比例分佔資產淨值的現有擁有權權益。非控股權益的所有其他組成部分均按公允價值計量。收購相關成本於產生時列為開支。

當本集團購買的活動和資產的組合具有一項投入和實質性過程，並能共同顯著的促進創造產出的能力時，本集團確認其收購了一項業務。

本集團於收購業務時根據合同條款、收購日期的經濟狀況和有關條件評估所承擔的金融資產和負債，以作出適當分類和指定用途，包括區分被收購方主合同的嵌入式衍生工具。

倘業務合併為分階段實現，先前持有的股權應按收購日期的公允價值重新計量，所產生的任何盈虧會於損益內確認。

將由收購方轉讓的任何或有對價以收購日期的公允價值確認。分類為資產或負債的或有對價以公允價值計量，公允價值變動計入當期損益。分類為權益的或有對價不會重新計量，而日後結算則於權益列賬。

商譽初步按成本計量，成本即已轉讓對價、已確認為非控股權益的金額與本集團過往所持被收購方股權任何公允價值的總和超出所收購可識別資產淨值和所承擔負債淨額的差額。如果該對價與其他項目的總和低於所收購資產淨值的公允價值，則差額經重新評估後於損益確認為議價收購收益。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its certain trade and bills receivables and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 主要會計政策概要(續)

企業合併及商譽(續)

初次確認後，商譽按成本減任何累計減值損失計量。商譽須每年進行減值測試，如果發生事件或情況改變顯示賬面值可能減值，則會更頻繁測試。本集團於每年的十二月三十一日檢測商譽有否減值。為進行減值測試，於業務合併中獲得的商譽會自收購日期起分配至本集團預期可從合併產生的協同效益獲益的各現金產生單位或現金產生單位組別，而不論本集團的其他資產或負債是否已分配至該等單位或單位組別。

減值是透過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。倘現金產生單位(或現金產生單位組別)的可收回金額低於賬面值，則確認減值損失。就商譽確認的減值損失於其後期間不得撥回。

如果商譽獲分配至現金產生單位(或現金產生單位組別)，而屬該單位元的部分業務已出售，則在釐定出售業務所得盈虧時，與所出售業務相關的商譽會計入該業務的賬面值。在該等情況下出售的商譽乃根據出售業務與保留現金產生單位元部分的相對價值計量。

公允價值計量

每一報告期末，本集團對若干貿易應收款項和應收票據及權益投資按照公允價值計量。公允價值是指市場參與者在計量日發生的有序交易中，出售一項資產所能收到或者轉移一項負債所需支付的價格。公允價值計量基於假定出售資產或者轉移負債的交易是在相關資產或負債的主要市場進行，或者不存在主要市場的，在相關資產或負債的最有利市場進行。主要市場或者最有利市場必須是本集團可以進入的市場。以公允價值計量相關資產或負債，應當採用市場參與者在對該資產或負債定價時為實現其經濟利益最大化所使用的假設。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting period.

2.4 主要會計政策概要(續)

公允價值計量(續)

以公允價值計量非金融資產，應當考慮市場參與者將該資產用於最佳用途產生經濟利益的能力，或者將該資產出售給能夠用於最佳用途的其他市場參與者產生經濟利益的能力。

本集團以公允價值計量相關資產或負債，應當採用在當前情況下適用並且有足夠可利用資料的估值技術，並且最大化使用相關可觀察輸入資料，最小化使用不可觀察輸入資料。

所有以公允價值計量或在財務報表中披露的資產和負債均按如下公允價值等級分類，由對公允價值計量具有重要意義的輸入值所屬的最低層次決定：

第1層次- 以在活躍市場中相同資產或負債的報價(未經調整)來確定公允價值

第2層次- 以使用輸入資料為可直接或間接觀察的對公允價值計量有重要影響的市場訊息的估值技術來確定公允價值

第3層次- 以使用輸入資料是對公允價值計量有重大影響，而並非可觀察的市場訊息的估值技術來確定公允價值

財務報表中持續以公允價值確認的資產和負債，於每一財務報告期末本集團需重新評估分類(基於對公允價值計量具有重要意義的輸入值所屬的最低層次)以釐定是否有各層次之間的轉換。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

非金融資產減值

當存在減值跡象，或者對於必須進行資產年度減值測試的資產(存貨、合同資產、遞延所得稅資產和金融資產除外)，需要估計資產的可收回價值。資產的可收回價值是資產或者現金產出單元的使用價值和公允價值減去處置成本中較高值，可收回價值以單項資產為基礎確定，除非資產產生的現金流很大程度上依賴其他資產或者資產組的現金流，該種情況下，以該資產所在的現金產出單元為基礎確認可收回價值。測試減值的現金產出單元時，公司資產(例如總部樓宇)的部分賬面值被分配至單項現金產出單元，前提為該賬面值能夠合理統一分配，否則將被分配至現金產出單元最小組別。

當資產的賬面值超過其可收回價值時，該資產需要確認減值損失。評估使用價值時，預計未來現金流按照稅前折現率折現為現值，稅前折現率反應了當期市場評估的貨幣時間價值以及該資產相對的風險。資產減值損失在發生當期計入綜合收益表中與該減值資產職能相一致的費用科目。

每個報告期末需評估是否有跡象表明之前確認的減值損失可能不再存在或者可能減小。如果有跡象存在，需要估計可收回價值。除商譽之外，當且僅當用於確定該資產的可收回價值的估計參數發生變化時，資產之前確認的減值損失可以轉回，但轉回後的金額不可超過如之前年度未確認減值損失的資產賬面值(減去折舊/攤銷的淨值)。減值損失的轉回計入轉回當期的損益，除非該資產是以重估價值計量，在該情況下，減值損失的轉回需根據該重估資產相應的會計政策進行會計處理。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

2.4 主要會計政策概要(續)

關聯方

一方被視為本集團的關聯方，如果：

- (a) 該方是個人或與該個人關係密切的家庭成員，如果該個人
 - (i) 對本集團實施控制或共同控制；
 - (ii) 對本集團實施重大影響；或者
 - (iii) 是本集團或其母公司的關鍵管理人員的成員；

或者

- (b) 如果該方為實體，且該方適用以下任何情形，則該方與本集團相關聯：
 - (i) 該方和本集團是同一個集團的成員；
 - (ii) 該方是另一方的聯營企業或合營企業(或是另一方的母公司，附屬公司或另一方的同系公司)；
 - (iii) 該方和本集團都是第三方的合營企業；
 - (iv) 該方是第三方的合營企業並且另一方是該第三方的聯營企業；
 - (v) 該方是為本集團或與本集團關聯的實體的僱員福利而設的離職後福利計劃；
 - (vi) 該方受(a)項所述的個人控制或共同控制；
 - (vii) (a)(i)項所述的個人對該方實施重大影響或是該方(或其母公司)的關鍵管理人員的成員；及

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| | | |
|------------------------------------|-----------|--------------|
| Buildings and other infrastructure | 樓宇和其他基礎設施 | 3.17% |
| Machinery | 機器 | 4.85%-6.33% |
| Transportation vehicles | 運輸工具 | 9.50% |
| Office equipment and others | 辦公設備及其他 | 9.50%-19.00% |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 主要會計政策概要(續)

關聯方(續)

- (viii) 該方，或者作為一個集團的一部分為上述集團或其母公司提供關鍵管理人員服務。

物業、廠房和設備與折舊

物業、廠房和設備(在建工程除外)按成本減累計折舊和任何減值損失列賬。倘物業、廠房和設備專案分類為持有待售或倘其為分類為持有待售的出售組合一部分，則不會折舊並根據國際財務報告準則第5號入賬。物業、廠房和設備專案的成本包括購買價格和任何使資產達至運營狀況和地點作擬定用途的直接應佔成本。

物業、廠房和設備專案投產後產生的維修和保養等開支，一般於產生期間自損益扣除。於符合確認標準的情況下，大型檢測開支計入資產賬面值，作為重置成本。如果物業、廠房和設備的重要部分須定期更換，則本集團確認該等部分為具特定使用年期的個別資產並作出相應折舊。

折舊以直線法計算，按每項物業、廠房和設備專案的估計使用年期撇銷成本至其剩餘價值。就此所採用的主要年率如下：

倘物業、廠房和設備專案各部分的使用年期不同，則該專案的成本按合理基準分配至各部分，單獨計算折舊。剩餘價值、使用年期和折舊方法至少於各財政年度末審閱，並作出適當調整。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents plants under construction and equipment under installation, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 主要會計政策概要(續)

物業、廠房和設備與折舊(續)

物業、廠房和設備專案，包括首次確認的任何重大部分於出售後或預期使用或出售不會再產生未來經濟利益時終止確認。於資產終止確認年度在損益內確認的任何出售或報廢盈虧，是有關資產銷售所得款項淨額與賬面值之間的差額。

在建工程指在建廠房和正在安裝的設備，按成本減任何減值損失列賬，且並無折舊。成本包括在建期間的直接建築成本和相關借貸資金的資本化借款成本。在建工程於竣工並可供使用時重新分類至物業、廠房和設備的適當類別。

無形資產(商譽除外)

單獨收購的無形資產於初步確認時按成本計量。於業務合併中收購的無形資產的成本為收購日期的公允價值。無形資產的可使用年期經評估分為有固定期限或無固定期限。使用年期有限的無形資產隨後於可用經濟年期內攤銷，並於有跡象顯示無形資產可能減值時評估是否減值。使用年期有限的無形資產的攤銷期和攤銷方法至少於各財政年度末獲審閱。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (Continued)

Patents

Purchased patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Non-patent technology

Non-patent technology represents capitalised deferred expenditures available for use and is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Development expenditures that have been recorded in profit or loss in previous periods will not be recognised as assets in subsequent periods. Capitalised development expenditures are included in intangible assets as appropriate according to their nature.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

專利

已收購的專利按成本減任何減值損失列賬，並於其為期十年的估計可使用年期限內以直線法攤銷。

非專利技術

非專利技術按成本減去任何減值損失列賬，並於其為期十年的估計可使用年期限內以直線法攤銷。

研究與開發支出

所有研究支出於產生時計入損益。

當本集團能夠證明完成該資產使其能夠使用或出售在技術上可行、管理人員有意完成該資產，並有意及有能力使用或將其出售、能夠證明該資產將可能產生未來經濟利益、有足夠的資源支持完成該資產的開發且歸屬於該資產開發階段的支出能夠可靠地計量時，專案支出才予以資本化。不符合上述條件的開發支出於發生時計入當期損益。

前期已計入損益的開發支出不存在以後期間確認為資產。資本化開發支出在適用時依據其性質計入無形資產中。

軟件

已購買軟件按成本減任何減值損失列賬，並按其為期十年的估計可使用年期限內以直線法攤銷。

租賃

就本集團在合同開始時評估該合同是否屬於或包含租賃。倘合同為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合同屬於或包含租賃。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

| | |
|---------------------------------------|-------------------|
| Leasehold land | 30 to 47 years |
| Buildings and other infrastructure | 15 to 30 years |

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要(續)

租賃(續)

集團作為承租人

本集團對所有租賃(除短期租賃和低值資產租賃外)採用單一確認及計量方法。本集團根據支付的租賃付款額來確認租賃負債及使用權資產(指使用相關資產的權利)。

於開始或重新評估包括租賃組成部分及非租賃組成部分的合同時，本集團採用可行權宜方法，不對非租賃組成部分進行分離，並考慮將租賃組成部分及相關的非租賃組成部分作為單一租賃組成部分進行核算(如：用於房地產租賃的物業管理服務)。

(a) 使用權資產

使用權資產於租賃起始之日(即相關資產可供使用之日)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債的任何重新計量作出調整。使用權資產成本包括已確認租賃負債、已產生的初始直接成本及於開始日期或之前作出的任何租賃付款扣除任何已收租賃優惠。使用權資產按資產租賃期和預計使用年限兩者中孰短者直線折舊。使用權資產預計使用年限如下：

| | |
|---------------|--------------|
| 租賃土地 | 三十年到 四十七年 |
| 樓宇和其他 基礎設施 | 十五到 三十年 |

倘已租賃資產的所有權於租賃期結束時轉移至本集團或成本反映了行使購買選擇權，則使用資產按照預計使用年限計提折舊。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank borrowings and other loans.

2.4 主要會計政策概要(續)

租賃(續)

集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日以後在租賃期內將支付的租賃付款的現值確認。租賃付款包括固定付款(包括實質性的固定付款)減任何應收租賃優惠, 取決於指數或利率的可變租賃付款及預計根據剩餘價值擔保支付的金額。租賃付款還包括本集團合理確定行使購買選擇權的行權價, 及倘租賃條款反應本集團行使終止選擇權, 則終止租賃而需支付的罰款。不依賴指數或利率的可變租賃付款在觸發付款的事件或條件發生的期間內確認為費用。

在計算租賃付款現值時倘租賃隱含的利率難以釐定, 則本集團會使用租賃開始日期的增量借貸利率計算租賃付款的現值。於開始日期後, 租賃負債金額會以實現利息增加而增加及所支付的租賃付款減少而下降。此外, 倘租期發生修改、變動, 租賃付款變動(例如: 未來租賃付款的指數或利率出現變動而導致的未來租賃付款變動)或購買有關資產的選擇權評估變更, 將對租賃負債的賬面金額進行重新計量。

本集團的租賃負債計入計息銀行借款和其他貸款。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 主要會計政策概要(續)

租賃(續)

集團作為承租人(續)

(c) 短期租賃和低價值資產租賃

本集團將短期租賃確認豁免適用於租期為十二個月或少於十二個月且不包含購買選擇權的機械設備短期租賃。本條例亦適用具有低價值的辦公設備低價值資產租賃的認可豁免。

短期租賃和低價值資產租賃的租賃付款按直線法被確認為租賃期費用。

集團作為出租人

當本集團作為出租人時，在租賃開始日(或當存在租賃變更時)將其每項租賃劃分為經營租賃或融資租賃。

本集團實質上沒有轉移資產所有權附帶的所有風險和報酬的租賃被歸類為經營租賃。當合同包含租賃和非租賃組成部分時，本集團將合同中的對價以相對獨立的銷售價格分配給每個組成部分。租金收入在租賃期內按直線法核算，並因其經營性質計入損益。在談判和安排經營租賃時產生的初始直接費用，計入租賃資產的賬面價值，並在租賃期內按與租金收入相同的基礎確認。或有租金於所賺取的期間確認為收入。

轉移承租人相關資產所有權附帶的絕大部分風險及回報的租賃入賬為融資租賃。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for section "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2.4 主要會計政策概要(續)

投資和其他金融資產

初始確認和計量

金融資產於初始確認時分類，其後按攤餘成本、按公允價值計入其他綜合收益及按公允價值計入損益計量。

金融資產在初始確認時的分類取決於金融資產的合同現金流特徵和集團管理金融資產的商業模式。除不包含重大融資部分或本集團已採取不調整重大融資部分影響的實際權宜之計的貿易應收款項外，本集團最初以公允價值計量金融資產，加上不以公允價值計量且其變動計入當期損益的金融資產及交易成本。不包含重大融資成分或本集團已應用實際權宜之計的貿易應收款項按國際財務報告準則第15號所確定的交易價格即下文「收入確認」所載的政策計量。

為使金融資產按攤餘成本或以公允價值計量且變動計入其他綜合收益進行分類及計量，需就未償還本金產生純粹支付本金及利息的現金流量。不產生純粹支付本金及利息的現金流量的金融資產，將其分類為以公允價值計量且其變動計入當期損益的的金融資產，而不考慮其業務模式。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合同現金流量、出售金融資產，或兩者兼有。以攤餘成本計量的金融資產，持有的目的是為了在業務模式下收取合同現金流，而分類為以公允價值計量且變動計入其他綜合收益的金融資產，持有其目的是為了在業務模式下收取合同現金流或將其出售。未按上述業務模式持有的金融資產，將其分類為以公允價值計量且其變動計入當期損益的的金融資產。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

2.4 主要會計政策概要(續)

投資和其他金融資產(續)

初始確認和計量(續)

所有以正常方式進行的金融資產買賣於交易日期(即本集團承諾購買或出售該資產的日期)確認。正常方式買賣指按照一般市場規例或慣例訂定的期間內交付資產的金融資產買賣。

後續計量

金融資產按其分類進行的後續計量如下：

按攤餘成本列賬的金融資產(債務工具)

按攤餘成本列賬的金融資產後續使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表中確認。

按公允價值計量且變動計入其他綜合收益的金融資產(債務工具)

按公允價值計量且變動計入其他綜合收益的債務投資，其利息收入、外匯重估及減值損失或轉回，將在損益表內確認，並以與按攤餘成本計量的金融資產相同的方式計算。其餘的公允價值變動在其他綜合收入中確認。在終止確認時，在其他綜合收益中確認的累計公允價值變動將被重新計入損益表。

指定以公允價值計量且變動計入其他綜合收益的金融資產(股權投資)

於初始確認時，本集團可選擇於股權投資符合國際會計準則第32號「金融工具：呈報」項下的股權定義且並非持作買賣時，將其股權投資分類為不可撤回地指定以公允價值計量且變動計入其他綜合收益的權益工具投資。分類乃按個別工具基準釐定。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Financial assets designated at fair value through other comprehensive income (equity investments) (Continued)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 主要會計政策概要(續)

投資和其他金融資產(續)

指定以公允價值計量且變動計入其他綜合收益的金融資產(股權投資)(續)

該等金融資產的收益及虧損概不會被重新計入損益表內。當確立支付股息時，股息於損益表中確認為其他收入，與股息相關的經濟利益很可能流入本集團，且股息能夠被可靠計量，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他綜合收益入賬。指定以公允價值計量且其變動計入其他綜合收益的權益投資不受減值評估影響。

終止確認金融資產

金融資產(或，如適用，部分金融資產或一組同類金融資產的一部分)，在下列情況下開始終止確認(即自本集團合併財務狀況表刪除)：

- 從資產收取現金流量的權利屆滿；或
- 本集團已轉讓從資產收取現金流量的權利，或根據「轉手」安排已承擔向第三方全數支付所收取的現金流量而不會重大延誤的責任；及(a)本集團已轉讓資產的絕大部分風險及回報，或(b)本集團並無轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

如本集團已轉讓從資產收取現金流量的權利或已訂立轉手安排，則評估是否保留資產所有權的風險及回報及保留程度。如並無轉讓或保留資產的絕大部分風險及回報，亦未轉讓資產的控制權，則本集團繼續按持續涉及的程度確認所轉讓的資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留權利及責任的基準計量。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are generally within 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要(續)

終止確認金融資產(續)

以擔保方式繼續參與已轉讓資產之程度，乃按資產原有賬面值與本集團可被要求償還的最高代價金額兩者的較低者計量。

金融資產的減值

本集團確認對並非以公允價值計量且變動計入當期損益的所有債務工具預期信貸損失(「預期信貸損失」)的撥備。預期信貸損失乃基於根據合同到期的合同現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合同條款的其他信貸提升措施。

一般方法

預期信貸損失分兩個階段進行確認。就自初始確認起未有顯著增加的信貸風險而言，會為未來12個月內可能發生違約事件而導致的信貸損失(12個月預期信貸損失)計提預期信貸損失撥備。就自初始確認起已顯著增加的信貸風險而言，不論何時發生違約，須就於餘下風險年限內的預期信貸損失計提損失撥備(壽命期內預期信貸損失)。

本集團於各報告日期評估金融工具的信貸風險是否自初始確認以來顯著增加。在進行該評估時，本集團將於報告日期就金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較，並會考慮無須付出過多成本或努力即可獲得的合理及有佐證的資料(包括過往及前瞻性資料)。

通常情況下倘合同付款已逾期超過90天，則本集團將相關金融資產視為違約。然而，在若干情況下，倘內部或外部資料反映，在沒有考慮任何現有信貸提升措施前，本集團不大可能悉數收到未償還合同款項，則本集團亦可將金融資產視為違約。倘無合理預期可收回合同現金流量，則對金融資產進行核銷。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach (Continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 主要會計政策概要(續)

金融資產的減值(續)

一般方法(續)

除採用下述簡化方法的貿易應收款和合同資產以外，以公允價值計量且其變動計入其他綜合收益的債務投資和以攤餘成本計量的金融資產，均須按一般方法進行減值，並於下列階段內分類計量預期信用損失。

第一階段– 自初始確認以來信貸風險沒有顯著增加及損失撥備以相當於12個月預期信用損失金額計量的金融工具

第二階段– 自初始確認以來信貸風險顯著增加但並非信用減值的金融資產及其損失撥備以相當於年限內預期信用損失金額計量的金融工具

第三階段– 於報告日期為信用減值(但並非購買或原始信用減值)且其損失撥備以相當於年限內預期信用損失金額計量的金融資產

簡化方法

就並無重大融資成分或本集團已應用可行權宜方法不調整重要融資成分影響的貿易應收款項而言，本集團採用簡化的方法計算預期信貸損失。根據該簡化方法，本集團並無追溯信貸風險變動，而是於各報告日期就壽命期內預期信貸損失確認損失撥備。本集團已設立根據其過往信貸損失經驗計算之撥備矩陣，並按債務人之特定前瞻性因素及經濟環境作出前瞻性調整。

對於具有重大融資成分的貿易應收款項和合同資產而言，本集團選擇採用簡化方法計算預期信貸損失並以上文所述政策作為其會計政策。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021

二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables by the Group as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank borrowings and other loans.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank borrowings and other loans are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 主要會計政策概要(續)

金融負債

初步確認和計量

金融負債於初步確認時分類為本集團貸款、借款及應付款項。

所有金融負債初步按公允價值確認，而如屬貸款、借款及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款項和其他應付款項以及計息銀行借款和其他貸款。

期後計量

金融負債的期後計量按如下分類進行：

以攤餘成本計量的金融負債(貸款和借款)

於初步確認後，計息貸款和借款其後採用實際利率法按攤餘成本計量，但倘折現並無重大影響，則按成本列賬。當終止確認負債時和在採用實際利率法的攤銷過程中，收益和虧損會在損益內確認。

計算攤餘成本時須計及收購時的任何折讓或溢價，且包括組成實際利率不可缺少的費用或成本。按實際利率的攤銷計入損益內的財務支出。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, which are not restricted as to use.

2.4 主要會計政策概要(續)

終止確認金融負債

如果金融負債的責任被解除、取消或到期，則會終止確認金融負債。

如果現有金融負債被來自同一貸款人的另一項與大部分條款不相同的負債所替代，或現有負債的條款大部分被修訂，該項交換或修訂作為終止確認原有負債和確認新負債處理，兩者相應賬面值的差額於損益內確認。

金融工具抵銷

倘現行存在合法可強制執行的權利以抵銷已確認金額和有意按淨額基準結算，或可同時變現資產並結算負債，則金融資產和金融負債可互相抵銷，抵銷淨額於合併財務狀況表內呈報。

存貨

存貨按成本與可變現淨值中較低者列賬。成本按先進先出基準釐定，在製品和製成品的成本包括直接材料、直接人工和按比例計算的運營費用。可變現淨值按估計售價減完成和出售時產生的任何估計成本計算。

現金和現金等價物

就合併現金流量表而言，現金和現金等價物包括手頭現金和活期存款，以及可隨時兌換為已知數額的現金、無重大價值變動風險和一般於購入後三個月內的較短期限到期的短期和高流動性投資，扣除須按要求償還且構成本集團現金管理整體部分的銀行透支。

就合併財務狀況表而言，現金和現金等價物包括用途不受限制的手頭現金和銀行存款。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the date of the consolidated statement of financial position of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

撥備

倘因過往事件須承擔現時責任(法定或推定)，而履行該責任可能導致未來資源外流，假設該責任所涉金額能夠可靠估計，則確認撥備。

倘折現影響重大，則確認為撥備的金額為預期履行責任所需未來開支於合併財務狀況表日期的現值。因時間推移而產生的折現現值增加計入損益表的財務支出內。

本集團就銷售若干工業產品和質保期內產生的一般瑕疵維修提供的建造服務提供質保。本集團授出的該等保證類質保撥備基於銷量及維修和退貨情況的過往經驗貼現至現值(如適用)確認。

所得稅

所得稅包括即期和遞延稅項。與於損益以外確認的專案相關的所得稅於損益以外確認，即於其他綜合收益或直接於權益確認。

即期稅項資產和負債，是根據於報告期末前已實施或實質實施的稅率(和稅法)，考慮到本集團經營所在國家現行詮釋和慣例，以預期可自稅務機關收回或向稅務機關支付的金額計量。

遞延稅項是使用負債法，就於報告期末資產和負債的稅基與其作財務申報用途的賬面值間所有暫時差額作出撥備。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項負債是就所有應課稅暫時差額確認，但以下情況除外：

- 倘遞延稅項負債來自商譽或非業務合併交易中的資產或負債的初步確認，且於交易時對會計利潤和應課稅利潤或虧損均無影響；及
- 對於與附屬公司和連綿人投資有關的應課稅暫時差額，如果能夠控制撥回暫時差額的時間，且於可見將來應不會撥回暫時差額。

遞延稅項資產是就所有可扣稅暫時差額、結轉的未動用稅項抵免和任何未動用稅項虧損確認。如果可能有可供動用可扣稅暫時差額、結轉的未動用稅項抵免和未動用稅項虧損的應課稅利潤，則會確認遞延稅項資產，但以下情況除外：

- 倘與可扣稅暫時差額有關的遞延稅項資產來自非業務合併交易中的資產或負債的初步確認，且於交易時對會計利潤和應課稅利潤或虧損均無影響；及
- 對於與附屬公司投資有關的可扣稅暫時差額，僅暫時差額有可能在可見將來撥回，以及可能有可供動用暫時差額的應課稅利潤，方會確認遞延稅項資產。

遞延稅項資產的賬面值會於報告期末審閱，倘不再可能有可供動用全部或部分遞延稅項資產的足夠應課稅利潤，則會予以調低。未確認的遞延稅項資產會於報告期末重估及於可能有可供收回全部或部分遞延稅項資產的足夠應課稅利潤時確認。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產和負債是根據於報告期末前已實施或大致實施的稅率(和稅法)，按預期於資產變現或負債償還期間適用的稅率計算。

倘存在以即期稅項資產抵銷即期稅項負債可強制執行的合法權利，而遞延稅項涉及同一稅務機關和同一應課稅實體，或雖然涉及不同應課稅主體，但主體間有意向在未來期間以淨額基準結算或者同時結算當期所得稅資產和負債，且在此期間將涉及重大遞延所得稅項的結算或者轉回，則遞延稅項資產和遞延稅項負債可互相抵銷。

政府補助

如能合理確保將獲得政府補助，且所有附帶條件將獲遵守，則政府補助按公允價值確認。如補助與支出專案有關，則有系統地將補助在擬補償的成本支銷期間確認為收入。

與資產相關的政府補助的公允價值確認為遞延收益，並在相關資產預期使用壽命內每年平均計入損益中，或者從資產賬面值扣除，以減少資產折舊費用的方式計入損益中。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) *Sale of industrial products*

The Group is engaged in the manufacture and sale of denitrification catalysts.

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products.

2.4 主要會計政策概要(續)

收入確認

與客戶之間合同產生的收入

與客戶之間合同產生的收入為當商品或服務的控制權轉移至客戶，且金額反映本集團預期就交換該等貨品或服務而有權獲得的對價時確認為收入。

若合同中的對價包含可變金額，本集團將就轉移予客戶的該等商品或服務而有權換取的對價金額進行估計。可變對價在合同開始時進行估計並受到約束，直至可變對價相關的不確定性隨後可以得到解決及累計已確認收入不大可能發生重大轉回。

倘合同包含融資部分，就向客戶轉移商品或服務而為其提供重大融資利益超過一年，則收入按本集團與客戶在合同開始時進行的個別融資交易所反映的貼現率貼現的應收款項可收回金額現值計量。倘合同包含融資部分，為本集團提供重大融資利益超過一年，則根據該合同確認的收入包括按實際利率法計算合同責任產生之利息開支。對於客戶付款至轉移所承諾商品或服務期間為一年或不足一年的合約，不會使用國際財務報告準則第15號的可行權宜方法就重大融資成分的影響對交易價格進行調整。

(a) *銷售工業產品*

本集團從事生產和銷售脫硝催化劑。

收入以工業產品控制權轉移至客戶時確認，即通常為工業產品發出時點。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(b) Construction contracts

The Group provides construction services with respect to the engineering projects in relation to desulfurisation and denitrification facilities at coal-fired power plants, wind power plants, solar power plants, coal-fired power plants and coal yards.

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportions of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

(c) Rendering of desulfurisation and denitrification services

The Group is engaged in providing desulfurisation and denitrification services to power plants under the concession operation contracts for a period of the life cycle of the power plants.

Revenue from the rendering of desulfurisation and denitrification services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

The considerations are stipulated by the relevant government authorities and measured at certain amounts per kWh of the electricity generated by the power plants.

2.4 主要會計政策概要(續)

收入確認(續)

與客戶之間合同產生的收入(續)

(b) 建造合同

本集團為燃煤發電廠脫硫及脫硝設施、風電廠、太陽能發電廠、燃煤發電廠及煤場的工程項目提供建造服務。

由於本集團提供的服務創造或增加了客戶的資產，且客戶在資產被創造或增加時可取得控制權，因此提供建造服務的收入在一段時間內確認，並使用投入法來衡量服務進度。投入法下，收入按實際已發生成本佔完成該項目預計總成本的比例進行確認。

(c) 提供脫硫脫硝服務

本集團根據特許經營合同於發電廠運營週期向發電廠提供脫硫及脫硝服務。

脫硫及脫硝服務的收入在預定的期限內按直線法確認，因為客戶同時獲得並消費了本集團提供的利益。

服務收入乃為就發電廠所產生的電力以每千瓦時和上網電價為基準釐定的若干金額。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 主要會計政策概要(續)

收入確認(續)

其他來源的收入

租金收入在租期內按時間比例基準確認。不依賴於指數或費率的可變租賃付款在發生的會計期間確認為收入。

其他收入

利息收入按應計基準使用實際利息法確認，當中採用將金融工具預期年期或更短期間(如適用)內的估計未來現金收入準確貼現至金融資產賬面淨額的利率。

在股東獲得付款的權利確立時，與股息有關的經濟利益有可能流入本集團，且股息金額能夠可靠計量時，確認股息收入。

合同資產

合同資產為轉讓給客戶的貨物或服務換取的收取對價的權利。如果本集團在客戶支付對價或應收款項信用期到期前將貨物或服務轉讓給客戶，則按附有條件的對價權確認合同資產。合同資產需進行減值評估，其具體內容已包括在金融資產減值會計政策。

合同負債

將商品或服務轉移予客戶前，本集團於收到客戶的付款或付款到期時(以較早者為準)確認合同負債。合同負債於本集團履行合約時確認為收入(如：將商品或服務的控制權轉移至客戶)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要(續)

借款成本

收購、建造或生產合資格資產(即需經過相當長時間才可供作其擬定用途或出售的資產)的直接應佔借款成本按該等資產的部分成本予以資本化。當資產大致可作其擬定用途或出售時,該等借款成本終止作資本化。在特定借款用作合資格資產的開支前將其暫時投資所賺取的投資收入是自資本化借款成本中扣除。所有其他借款成本於產生期間支銷。借款成本包括實體就借入資金產生的利息和其他成本。

股利

末期股息將於股東大會上獲股東批准後方確認為負債。擬分派的末期股息將在財務報表附註中披露。

外幣

該等財務報表以本公司的功能及呈列貨幣人民幣呈列。本集團旗下各實體自行釐定其功能貨幣,而各實體的財務報表所列的專案採用功能貨幣計量。本集團旗下實體所記錄的外幣交易初步採用其各自於交易日期通行的功能貨幣匯率列賬。以外幣計值的貨幣資產和負債按報告期末通行的功能貨幣匯率換算。結算或換算貨幣專案產生的差額於損益確認。

因貨幣專案的結算或折算而產生的差異,在損益表中予以確認。

以外幣歷史成本計量的非貨幣專案採用首次交易日期的匯率換算。以外幣按公允價值計量的非貨幣專案採用計量公允價值當日的匯率換算。按公允價值計量的非貨幣項目換算所產生的收益或虧損,按與確認該專案公允價值變動的收益或虧損一致的方式處理(即公允價值收益或虧損於其他合併收益或損益確認的項目的換算差額亦分別於其他綜合收益或損益確認)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and the profit or loss and other comprehensive income of these subsidiaries are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of an overseas subsidiary are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of an overseas subsidiary which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

Employee benefits

Employee benefits mainly include bonuses, allowances and subsidies, pension insurance, social insurance and housing funds, labour union fees, employees' education fees and other expenses related to the employees for their services. The Group recognises employee benefits as liabilities during the accounting period when employees render the services and allocates the related cost of assets and expenses based on different beneficiaries.

2.4 主要會計政策概要(續)

外幣(續)

在確定對與非貨幣性資產或負債相關資產、費用或因終止確認時取得的收入進行提前計量的匯率時，初始計量日是本集團提前確認非貨幣性資產或負債之日。若存在多次付款或收款，本集團將每次付款或收款日確認為初始計量日。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產和負債按報告期末通行的匯率換算為本公司呈列貨幣，而該等附屬公司的合併損益及其他綜合收益表則按交易當日的匯率換算為人民幣。

由此產生的匯兌差額於其他綜合收益中確認並累計確認至外匯波動儲備。於出售外部業務時，與該特定外部業務有關的其他綜合收益部分於損益表中確認。

就合併現金流量表而言，海外附屬公司之現金流量按現金流量產生當日之匯率折算為人民幣。海外附屬公司於整年內經常產生之現金流量按該年之加權平均匯率折算為人民幣。

職工福利

職工福利主要包括工資、獎金、津貼和補貼、養老保險、其他社會保險費及住房公積金、工會經費、職工教育經費及其他與獲得職工提供的服務相關的支出。本集團在職工提供服務的會計期間，將應付的職工福利確認為負債，並根據職工提供服務的不同受益對象計入相關資產成本和費用。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (Continued)

(a) Bonus plans

The expected cost of bonus plans is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(b) Retirement benefit obligations

The Group primarily pays contributions on a monthly basis to participate in a pension plan organised by relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired employees payable under these plans. The Group has no legal or constructive obligations for further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their current and past services. Contributions made are charged to profit or loss.

(c) Other social insurance and housing funds

The Group provides other social insurance and housing funds to the qualified employees in the PRC based on certain percentages of their salaries. These percentages are not to exceed the upper limits of the percentages prescribed by the Ministry of Human Resources and Social Security of the PRC. These benefits are paid to social security organisations and the amounts are expensed as incurred. The Group has no legal or constructive obligations for further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their current and past services.

2.4 主要會計政策概要(續)

職工福利(續)

(a) 獎金計劃

當本集團因為職工已提供之服務而產生現有法律或推定性責任，而該責任金額能可靠估算時，則將獎金計劃之預計成本確認為負債入賬。

(b) 退休福利責任

本集團主要按月就參與中國有關各省市政府所組織的養老計劃作出供款。各省市政府承擔這些計劃中所有現有和未來退休職工的退休福利責任。如果該機構無足夠資產支付所有職工現時或以前服務期間的福利，本集團無法定或推定義務作進一步供款。作出的供款計入損益。

(c) 其他社會保險費及住房公積金

本集團按工資的一定比例為在中國的符合條件的職工提供其他社會保險費及住房公積金。該比例不超過中國人力資源及社會保障部規定的百分比上限。該等福利向社會保障機構繳納，且該等金額於產生時列支。如果該機構無足夠資產支付所有職工現時或以前服務期間的福利，本集團無法定或推定義務作進一步供款。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

The Group includes the renewal period as part of the lease term for leases of buildings and other infrastructure due to the significance of these assets to its operations. These leases have a normally five-year non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

3. 重大會計判斷和估計

編製財務資訊時，管理人員須作出對收入、開支、資產和負債的報告金額、其相關披露以及或有負債的披露產生影響的判斷、估計和假設。該等假設和估計的不確定性可能引致須對日後受影響的資產或負債的賬面值作出重大調整的後果。

判斷

在應用本集團會計政策的過程中，除了對財務報表中確認的金額有重大影響的會計估計外，管理層還作出了以下判斷：

有關附有續約選擇權合同租賃期的重大判斷

本集團擁有若干附有續約選擇權的租賃合約。本集團在評估是否行使續租選擇權時，可適當判斷。本集團會考慮行使續約選擇權產生的經濟激勵等有關因素。在租賃開始日之後，如果在本集團控制範圍內發生重大事件或情況發生變化，影響其行使續租選擇權的能力，本集團將重新評估租賃期限。

由於這些租賃資產對集團運營的重要性，本集團將續租期作為租賃期限的一部分，包括在樓宇和其他基礎設施租賃期內。這些租賃通常有五年的不可撤銷期，如果沒有現成的替代品，將對生產造成重大的不利影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provision for expected credit losses on trade receivables and contract assets

The Group applies the probability of default approach to calculate ECLs for trade receivables and contract assets with related parties. The probability of default is estimated on the published credit rating of the related parties while the loss given default is estimated based on 100%, as adjusted for forward-looking information.

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets with third parties. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and credit rating). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

If forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's contract assets and trade receivables is disclosed in note 21 and note 22 to the financial statements, respectively.

3. 重大會計判斷和估計(續)

估計的不確定性

下文討論有重大風險可能導致下一財務年度內資產和負債的賬面值作重大調整的與日後有關的重要假設和於報告期末其他主要的估計不確定性來源。

貿易應收賬款和合同資產的預期信用損失的壞賬計提

本集團使用違約率方法計算關聯方貿易應收賬款和合同資產的預期信用損失。違約率基於關聯方公佈的信用評級進行預測，根據前瞻性資料調整，違約給定的損失率估計為100%。

本集團使用撥備矩陣計算第三方貿易應收賬款和合同資產的預期信用損失。撥備率乃基於逾期日數，以將具有類似損失模式(例如按產品類型、客戶類型及信用評級分類)的不同客戶進行分組。撥備矩陣最初基於本集團的歷史觀察違約率。本集團將根據前瞻性資料校準矩陣以調整歷史信用損失經驗。

倘預測經濟狀況(如國內生產總值)將在未來一年內惡化，進而可能導致製造行業違約數量增加，將對歷史違約率進行調整。於每個報告日期，對歷史觀察違約率予以更新，並對前瞻性估計的變動進行分析。

對歷史觀察違約率、經濟狀況預測及預期信用損失之間的相關性評估屬重要估計。預期信用損失的金額易受環境變化及經濟狀況預測的影響。本集團的歷史信貸損失經驗及對經濟狀況的預測亦或無法代表客戶的未來實際違約情況。有關本集團合同資產及貿易應收賬款預期信用損失的資料分別於本財務報表附註21和附註22披露。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group periodically reviews the changes in market conditions, expected physical wear and tear, and the maintenance of the asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed, at the end of the reporting period, based on changes in circumstances.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2021 was nil (31 December 2020: Nil). The amount of unrecognised tax losses at 31 December 2021 was RMB655.9 million (31 December 2020: RMB224.1 million). Further details are contained in note 18 to the financial statements.

Percentage of completion of construction contracts

Revenue from individual contracts is recognised to the progress of completion of the project. The determination of the progress of construction service is based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services. Due to the nature of the activity undertaken in construction works, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods, hence, the Group reviews and revises the percentage of completion of construction works based on the regular review of estimated total costs for construction. Where the actual contract revenue is less than expected or actual contract costs are more than expected, a foreseeable loss may arise.

3. 重大會計判斷和估計(續)

估計的不確定性(續)

物業、廠房和設備專案的可使用年期和剩餘價值

在釐定物業、廠房和設備專案的可使用年期和剩餘價值時，本集團會定期審閱資產的市場情況變動、預期實物耗損和維護。資產的可使用年期是根據本集團過往按類似方式使用的類似資產的經驗估計。如物業、廠房和設備專案的估計可使用年期及／或剩餘價值與先前的估計不同，將對折舊金額作出調整。可使用年期和剩餘價值會根據情況變動於各報告期末審閱。

遞延所得稅

稅項虧損確認為遞延所得稅資產的數額是以很可能產生的未來應納稅利潤為限而確認。對遞延所得稅資產的確認金額需要管理層運用重大判斷，基於未來應稅利潤產生的時間和金額以及未來的稅務籌劃而確定。截至二零二一年十二月三十一日，稅項虧損確認的遞延所得稅資產賬面金額為零(二零二零年十二月三十一日：零)。截至二零二一年十二月三十一日，未確認遞延所得稅資產的稅務虧損為人民幣655.9百萬元(二零二零年十二月三十一日：人民幣224.1百萬元)。更多資訊參見本財務報表附註18。

建造合同的完工百分比

單個合同根據專案進度來確認為收入。確定建造服務的進度基於按實際已發生成本佔完成該項目預計總成本的比例進行。由於在建造服務工作的性質，建造的開始日期和完成日期通常屬於不同的會計期間，因此，基於對建造的估計總成本的定期審閱，本集團複核及修訂建造工程完工百分比。如果實際合同收入低於預期收入或實際合同成本高於預期成本，則可能產生預期損失。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021

二零二一年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2021, the carrying amount of capitalised development costs was RMB76.6 million (31 December 2020: RMB154.4 million).

3. 重大會計判斷和估計(續)

估計的不確定性(續)

非金融資產減值(商譽除外)

本集團於各報告期末評估所有非金融資產(包括使用權資產)是否出現任何減值跡象。無限年期的無形資產每年及於出現減值跡象的其他時候測試減值。其他非金融資產於有跡象顯示賬面值可能無法收回時測試減值。資產或現金產生單位賬面值超逾其可回收金額時，即高出其公允價值減出售成本及其使用值，則存在減值。

計算公允價值減出售成本時，按以公平交易基準就類似資產進行具有約束力的銷售交易可得資料，或觀察所得市價減出售資產的已增加成本得出。當計算使用價值時，管理人員必須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適的貼現率，以計算該等現金流量的現值。

租賃 – 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率(「增量借款利率」)計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品於類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時或當須對利率進行調整以反映租之條款及條件時，則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據(如市場利率)估算增量借款利率並須作出若干實體特定的估計(如附屬公司之獨立信譽評級)。

開發支出

開發支出资本化與本財務報表附註2.4披露的研究與開發成本的會計政策一致。決定開發支出资本化的金額需要管理層根據預計未來資產產生的現金，適當的折現率以及預計收益期進行假設。於二零二一年十二月三十一日，賬面資本化的開發支出金額為人民幣76.6百萬元(二零二零年十二月三十一日：人民幣154.4百萬元)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to their nature. Each of the Group's operating segments represents a strategic business unit that provides services which are subject to risks and returns that are different from those of the other operating segments. Summary details of the operating segments are as follows:

(a) Environmental protection and energy conservation solutions

The environmental protection and energy conservation solutions business mainly includes flue gas desulfurisation and denitrification facility concession operation for coal-fired power plants; the manufacture and sale of denitrification catalysts; engineering for coal-fired power plants, including the engineering of denitrification, desulfurisation, dust removal, ash and slag handling and other environmental protection facilities and industrial site dust management related engineering; water treatment; and energy conservation including energy conservation facility engineering and energy management contracting ("EMC").

(b) Renewable energy engineering

The renewable energy engineering business mainly includes the engineering general contracting for newly-built wind power plants, biomass power plants and photovoltaic power plants.

(c) Thermal power engineering

The thermal power engineering business mainly includes the engineering procurement construction ("EPC") services for thermal power plants.

(d) Other businesses

Other businesses currently mainly include various businesses such as fiberglass chimney anti-corrosion and air cooling system engineering general contracting.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income and losses, other expenses, non-lease-related finance costs as well as corporate and other unallocated expenses are excluded from such measurement.

4. 經營分部資訊

為方便管理，本集團經營業務的結構和管理是按其性質分開處理。本集團各經營分部代表一個策略性業務單位，提供的服務涉及的風險和回報與其他經營分部不同。經營分部的詳情概述如下：

(a) 環保節能解決方案

環保節能解決方案業務主要包括運營燃煤發電廠煙氣脫硫、脫硝設施的特許經營業務、脫硝催化劑的生產和銷售業務、燃煤發電廠的脫硝、脫硫、除塵、除灰渣等環保設施以及工業廠區粉塵治理相關的工程業務、水務以及包括節能工程及合同能源管理（「EMC」）的節能。

(b) 可再生能源工程

可再生能源工程業務主要包括新建風電、生物質及光伏電廠的工程總承包業務。

(c) 火電工程

火電工程業務主要包括火電廠設計、採購及施工（「EPC」）服務。

(d) 其他業務

其他業務目前主要包括煙囪防腐以及空冷系統工程總承包等業務。

管理人員分開監察本集團各經營分部的業績，以作出資源配置和績效評估決定。分部表現按可呈報分部業績評估，並為經調整除稅前利潤的計量方式。經調整除稅前利潤的計量與本集團除稅前利潤一致，但該計量不計及其他收益和損失、其他開支、與租賃無關的財務支出以及企業和其他未分配開支。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
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4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities mainly comprise operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment assets exclude unallocated intangible assets, unallocated deferred tax assets, unallocated prepayments, other receivables and other assets, restricted cash, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated interest-bearing bank borrowings and other loans (other than lease liabilities) for daily operation purposes and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

4. 經營分部資訊(續)

分部資產和負債主要由該分部直接應佔或可合理分配至該分部的經營資產和負債構成。

分部資產不包括未分配無形資產、未分配遞延稅項資產、未分配預付款項、其他應收款項及其他資產、受限制現金、現金和現金等價物以及其他未分配總部和企業資產，原因為該等資產是以組合形式管理。

分部負債不包括就日常經營目的而言的未分配計息銀行借款和其他貸款(不包括租賃負債)以及其他未分配總部和企業負債，原因為該等負債是以組合形式管理。

| Year ended 31 December 2021 截至二零二一年十二月三十一日止年度 | | Environmental protection and energy conservation solutions | Renewable energy engineering | Thermal power engineering | Other businesses | Total |
|--|----------------------|--|------------------------------|---------------------------|------------------|-----------|
| | | 環保節能解決方案 | 可再生能源工程 | 火電工程 | 其他業務 | 合計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Segment revenue (note 5) | 分部收入(附註5) | | | | | |
| Sales to external customers | 向外部客戶銷售 | 4,913,028 | 307,767 | 927 | 66,694 | 5,288,416 |
| Intersegment sales | 分部間銷售 | - | - | - | 7,295 | 7,295 |
| | | 4,913,028 | 307,767 | 927 | 73,989 | 5,295,711 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | |
| Elimination of intersegment sales | 分部間銷售抵銷 | | | | | (7,295) |
| Revenue | 收入 | | | | | 5,288,416 |
| Segment results | 分部業績 | 37,670 | 22,550 | (35) | (17,884) | 42,301 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | |
| Other income and losses | 其他收益及損失 | | | | | 80,436 |
| Other expenses, net | 其他開支淨額 | | | | | (42,145) |
| Finance costs (other than interest on lease liabilities) | 財務支出(不包括租賃負債確認的利息費用) | | | | | (208,776) |
| Corporate and other unallocated expenses | 公司和其他未分配開支 | | | | | (250,028) |
| Loss before tax | 除稅前虧損 | | | | | (378,212) |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資訊(續)

| Year ended 31 December 2021 截至二零二一年十二月三十一日止年度 | | Environmental protection and energy conservation solutions 環保節能解決方案 RMB'000 人民幣千元 | Renewable energy engineering 可再生能源工程 RMB'000 人民幣千元 | Thermal power engineering 火電工程 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|---|-------------------------|--|---|--|---|---------------------------------|
| Segment assets | 分部資產 | 15,940,093 | 1,488,684 | 36,432 | 90,167 | 17,555,376 |
| <i>Reconciliation:</i> | | | | | | |
| Elimination of intersegment receivables | 對賬： 各分部間的應收款項抵銷 | | | | | (1,974,394) |
| | | | | | | 15,580,982 |
| Unallocated intangible assets | 未分配無形資產 | | | | | 21,794 |
| Unallocated deferred tax assets | 未分配遞延稅項資產 | | | | | 19,905 |
| Unallocated prepayments, other receivables and other assets | 未分配預付款項、其他應收款項及其他資產 | | | | | 232,839 |
| Restricted cash, cash and cash equivalents | 受限制現金、現金和現金等價物 | | | | | 1,366,486 |
| Other unallocated head office and corporate assets | 其他未分配總部和企業資產 | | | | | 1,206,380 |
| Total assets | 總資產 | | | | | 18,428,386 |
| Segment liabilities | 分部負債 | 9,662,489 | 1,338,619 | 59,941 | 138,630 | 11,199,679 |
| <i>Reconciliation:</i> | | | | | | |
| Elimination of intersegment payables | 對賬： 各分部間的應付款項抵銷 | | | | | (1,974,394) |
| | | | | | | 9,225,285 |
| Unallocated interest-bearing bank borrowings and other loans (other than lease liabilities) | 未分配計息銀行借款和其他貸款(不包括租賃負債) | | | | | 2,141,859 |
| Other unallocated head office and corporate liabilities | 其他未分配總部和企業負債 | | | | | 305,666 |
| Total liabilities | 總負債 | | | | | 11,672,810 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資訊(續)

| Year ended 31 December 2021 截至二零二一年十二月三十一日止年度 | | Environmental protection and energy conservation solutions 環保節能解決方案 RMB'000 人民幣千元 | Renewable energy engineering 可再生能源工程 RMB'000 人民幣千元 | Thermal power engineering 火電工程 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|---------------------------|--|---|---|--|---------------------------------|
| Other segment information | 其他分部資料 | | | | | |
| Impairment of property, plant and equipment | 物業、廠房和設備減值 | 45,638 | - | - | - | 45,638 |
| Impairment of trade receivables | 貿易應收款項減值 | 11,295 | 11,629 | - | - | 22,924 |
| Reversal of impairment on contract assets | 合同資產減值撥回 | (2,511) | - | - | - | (2,511) |
| Impairment of financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項及其他資產的金融資產減值 | - | 18,717 | - | - | 18,717 |
| Impairment losses recognised in profit or loss, net | 於損益確認的減值損失，淨額 | 54,422 | 30,346 | - | - | 84,768 |
| Depreciation and amortisation | 折舊和攤銷 | 663,600 | 62 | 51 | 21,140 | 684,853 |
| Capital expenditure* | 資本開支* | 123,944 | - | - | 5,060 | 129,004 |
| * Capital expenditure consists of additions to property, plant and equipment, and intangible assets. | | | | * 資本開支包括添置物業、廠房和設備以及無形資產。 | | |
| Year ended 31 December 2020 截至二零二零年十二月三十一日止年度 | | Environmental protection and energy conservation solutions 環保節能解決方案 RMB'000 人民幣千元 | Renewable energy engineering 可再生能源工程 RMB'000 人民幣千元 | Thermal power engineering 火電工程 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
| Segment revenue (note 5) | 分部收入(附註5) | | | | | |
| Sales to external customers | 向外部客戶銷售 | 4,878,775 | 1,851,317 | 1,135 | 89,844 | 6,821,071 |
| Intersegment sales | 分部間銷售 | - | - | - | 27,426 | 27,426 |
| | | 4,878,775 | 1,851,317 | 1,135 | 117,270 | 6,848,497 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | |
| Elimination of intersegment sales | 分部間銷售抵銷 | | | | | (27,426) |
| Revenue | 收入 | | | | | 6,821,071 |
| Segment results | 分部業績 | 817,672 | (67,592) | (546) | 6,864 | 756,398 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | |
| Other income and losses | 其他收益及損失 | | | | | 82,240 |
| Other expenses, net | 其他開支，淨額 | | | | | (106,603) |
| Finance costs (other than interest on lease liabilities) | 財務支出(不包括租賃負債的利息) | | | | | (256,624) |
| Corporate and other unallocated expenses | 公司和其他未分配開支 | | | | | (152,753) |
| Profit before tax | 除稅前利潤 | | | | | 322,658 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資訊(續)

| Year ended 31 December 2020 截至二零二零年十二月三十一日止年度 | Environmental protection and energy conservation solutions 環保節能解決方案 RMB'000 人民幣千元 | Renewable energy engineering 可再生能源工程 RMB'000 人民幣千元 | Thermal power engineering 火電工程 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 | |
|---|--|---|---|--|---------------------------------|-------------------|
| Segment assets | 分部資產 | 16,869,285 | 1,880,096 | 34,307 | 243,953 | 19,027,641 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | |
| Elimination of intersegment receivables | 各分部間的應收款項抵銷 | | | | | (1,655,898) |
| | | | | | | 17,371,743 |
| Unallocated intangible assets | 未分配無形資產 | | | | | 26,494 |
| Unallocated deferred tax assets | 未分配遞延稅項資產 | | | | | 26,532 |
| Unallocated prepayments, other receivables and other assets | 未分配預付款項、其他應收款項及其他資產 | | | | | 599,243 |
| Restricted cash, cash and cash equivalents | 受限制現金、現金和現金等價物 | | | | | 1,599,466 |
| Other unallocated head office and corporate assets | 其他未分配總部和企業資產 | | | | | 557,380 |
| Total assets | 總資產 | | | | | 20,180,858 |
| Segment liabilities | 分部負債 | 9,964,595 | 1,790,837 | 82,234 | 148,481 | 11,986,147 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | |
| Elimination of intersegment payables | 各分部間的應付款項抵銷 | | | | | (1,655,898) |
| | | | | | | 10,330,249 |
| Unallocated interest-bearing bank borrowings and other loans (other than lease liabilities) | 未分配計息銀行借款和其他貸款(不包括租賃負債) | | | | | 2,006,186 |
| Other unallocated head office and corporate liabilities | 其他未分配總部和企業負債 | | | | | 505,145 |
| Total liabilities | 總負債 | | | | | 12,841,580 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資訊(續)

| | | Environmental protection and energy conservation solutions 環保節能解決方案 RMB'000 人民幣千元 | Renewable energy engineering 可再生能源工程 RMB'000 人民幣千元 | Thermal power engineering 火電工程 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|---|---------------------------|--|---|---|--|---------------------------------|
| Year ended 31 December 2020 截至二零二零年十二月三十一日止年度 | | | | | | |
| Other segment information | 其他分部資料 | | | | | |
| Impairment of property, plant and equipment | 物業、廠房和設備減值 | 40,861 | - | - | - | 40,861 |
| Impairment of trade receivables | 貿易應收款項減值 | 26,311 | 18,090 | - | (620) | 43,781 |
| Impairment of contract assets | 合同資產減值 | (155) | 635 | - | 12 | 492 |
| Reversal of impairment on financial assets included in in prepayments, other receivables and other assets | 預付款項、其他應收款項及其他資產的金融資產減值撥回 | - | - | - | (120) | (120) |
| Impairment losses recognised in profit or loss, net | 於損益確認的減值損失，淨額 | 67,017 | 18,725 | - | (728) | 85,014 |
| Depreciation and amortisation | 折舊和攤銷 | 770,669 | 63 | 56 | 16,133 | 786,921 |
| Capital expenditure* | 資本開支* | 437,493 | - | - | 2,265 | 439,758 |

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

* 資本開支包括添置物業、廠房和設備以及無形資產。

Geographical information

The majority of the non-current assets are located in Mainland China, and the majority of revenue is generated from Mainland China. Therefore, no further geographical information is presented.

地區資訊

幾乎主要的非流動資產位於中國，幾乎主要的收入來自於中國大陸，因此並無呈列其他地區分部資料。

Information about major customers

Revenue of approximately RMB4,478 million (2020: RMB6,160 million) was derived from the sale of goods and the rendering of services to China Datang and its subsidiaries (excluding the Group) ("China Datang Group").

與主要客戶有關的資訊

來自中國大唐及其附屬公司(除本集團外) (「中國大唐集團」)銷售貨品和提供服務的收入約為人民幣4,478百萬元(二零二零年：人民幣6,160百萬元)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

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5. REVENUE, OTHER INCOME AND LOSSES

5. 收入、其他收益及損失

An analysis of revenue is as follows:

收入分析如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|------------------|-----------------------------------|-----------------------------------|
| Revenue from contracts with customers | 與客戶之間合同產生的收入 | 5,288,215 | 6,820,488 |
| Revenue from other sources | 其他來源收入 | | |
| Gross rental income from operating leases | 經營性租賃的總收入 | | |
| Other lease payments, including fixed payments | 其他租賃付款，包括固定租賃付款額 | 201 | 583 |
| | | 5,288,416 | 6,821,071 |

Revenue from contracts with customers

與客戶之間合同產生的收入

(i) Disaggregated revenue information

(i) 收入資訊分解

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

| Segments 經營分部 | Types of goods or services 商品或服務類型 | Environmental protection and energy conservation solutions 環保節能解決方案 RMB'000 人民幣千元 | Renewable energy engineering 可再生能源工程 RMB'000 人民幣千元 | Thermal power engineering 火電工程 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|------------------|--|--|---|---|--|---------------------------------|
| | Sale of industrial products | 317,464 | - | - | 55,534 | 372,998 |
| | Construction services | 580,471 | 307,767 | 927 | 10,959 | 900,124 |
| | Desulfurisation and denitrification services | 4,015,093 | - | - | - | 4,015,093 |
| | Total revenue from contracts with customers | 4,913,028 | 307,767 | 927 | 66,493 | 5,288,215 |
| | Timing of revenue recognition | | | | | |
| | Goods transferred at a point in time | 317,464 | - | - | 55,534 | 372,998 |
| | Services transferred over time | 4,595,564 | 307,767 | 927 | 10,959 | 4,915,217 |
| | Total revenue from contracts with customers | 4,913,028 | 307,767 | 927 | 66,493 | 5,288,215 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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二零二一年十二月三十一日

5. REVENUE, OTHER INCOME AND LOSSES (CONTINUED)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

For the year ended 31 December 2020

| Segments 經營分部 | Environmental protection and energy conservation solutions 環保節能解決方案 RMB'000 人民幣千元 | Renewable energy engineering 可再生能源工程 RMB'000 人民幣千元 | Thermal power engineering 火電工程 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|--|---|---|--|---------------------------------|
| Types of goods or services 商品或服務類型 | | | | | |
| Sale of industrial products 銷售工業產品 | 346,590 | – | – | 43,563 | 390,153 |
| Construction services 建造服務 | 970,637 | 1,851,317 | 1,135 | 45,698 | 2,868,787 |
| Desulfurisation and denitrification services 脫硫及脫硝服務 | 3,561,548 | – | – | – | 3,561,548 |
| Total revenue from contracts with customers 與客戶之間合同產生的收入總計 | 4,878,775 | 1,851,317 | 1,135 | 89,261 | 6,820,488 |
| Timing of revenue recognition 收入確認時點 | | | | | |
| Goods transferred at a point in time 在某一時點轉移的商品 | 346,590 | – | – | 43,563 | 390,153 |
| Services transferred over time 在一段時間內履約的義務 | 4,532,185 | 1,851,317 | 1,135 | 45,698 | 6,430,335 |
| Total revenue from contracts with customers 與客戶之間合同產生的收入總計 | 4,878,775 | 1,851,317 | 1,135 | 89,261 | 6,820,488 |

Set out below is the reconciliation of the revenue from contracts to customers with the amounts disclosed in the segment information:

下表載列與客戶之間合同產生的收入與分部資訊的對賬：

5. 收入、其他收益及損失(續)

與客戶之間合同產生的收入(續)

(i) 收入資料分解(續)

截至二零二零年十二月三十一日止年度

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

31 December 2021
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5. REVENUE, OTHER INCOME AND LOSSES
(CONTINUED)

5. 收入、其他收益及損失(續)

Revenue from contracts with customers
(Continued)

與客戶之間合同產生的收入(續)

(i) Disaggregated revenue information (Continued)

(i) 收入資料分解(續)

For the year ended 31 December 2021

截至二零二一年十二月三十一日
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| Segments 經營分部 | | Environmental protection and energy conservation solutions 環保節能解決方案 RMB'000 人民幣千元 | Renewable energy engineering 可再生能源工程 RMB'000 人民幣千元 | Thermal power engineering 火電工程 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|--------------------|--|---|--|---|---------------------------------|
| Revenue from contracts with customers | 與客戶之間合同產生的收入 | | | | | |
| External customers | 外部客戶 | 4,913,028 | 307,767 | 927 | 66,493 | 5,288,215 |
| Intersegment sales | 分部間銷售 | - | - | - | 7,295 | 7,295 |
| | | 4,913,028 | 307,767 | 927 | 73,788 | 5,295,510 |
| Intersegment adjustments and eliminations | 分部間調整和抵銷 | - | - | - | (7,295) | (7,295) |
| Total revenue from contracts with customers | 與客戶之間合同產生的收入 總計 | 4,913,028 | 307,767 | 927 | 66,493 | 5,288,215 |

For the year ended 31 December 2020

截至二零二零年十二月三十一日
止年度

| Segments 經營分部 | | Environmental protection and energy conservation solutions 環保節能解決方案 RMB'000 人民幣千元 | Renewable energy engineering 可再生能源工程 RMB'000 人民幣千元 | Thermal power engineering 火電工程 RMB'000 人民幣千元 | Other businesses 其他業務 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|--------------------|--|---|--|---|---------------------------------|
| Revenue from contracts with customers | 與客戶之間合同產生的收入 | | | | | |
| External customers | 外部客戶 | 4,878,775 | 1,851,317 | 1,135 | 89,261 | 6,820,488 |
| Intersegment sales | 分部間銷售 | - | - | - | 27,426 | 27,426 |
| | | 4,878,775 | 1,851,317 | 1,135 | 116,687 | 6,847,914 |
| Intersegment adjustments and eliminations | 分部間調整和抵銷 | - | - | - | (27,426) | (27,426) |
| Total revenue from contracts with customers | 與客戶之間合同產生的收入 總計 | 4,878,775 | 1,851,317 | 1,135 | 89,261 | 6,820,488 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021

二零二一年十二月三十一日

5. REVENUE, OTHER INCOME AND LOSSES (CONTINUED)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-------------------|-----------------------------------|-----------------------------------|
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: | 計入報告期初合同負債的已確認收入： | | |
| Sale of industrial products | 銷售工業產品 | 26,929 | 14,639 |
| Construction services | 建造服務 | 252,187 | 401,904 |
| | | 279,116 | 416,543 |

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 90 days from delivery, where payment in advance is normally required.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within one year from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

5. 收入、其他收益及損失(續)

與客戶之間合同產生的收入(續)

(i) 收入資料分解(續)

下表載列本報告期間確認的收入金額，該等金額於報告期初計入合同負債並透過達成過往期間履約義務而得以確認：

(ii) 履約義務

有關本集團履約義務的資料概列如下：

銷售工業產品

在工業產品交付時完成履約義務，通常要求預付款，付款時間為商品交付後30至90天內。

建造服務

履約義務在服務提供的一段時間內完成，客戶付款時間通常為發票開具後的一年內。客戶按合同約定的一段時間內保留一定比例的質保金，直到質保期結束後本集團在獲得客戶對服務品質認可的情況下本集團獲得收款權而獲得最終支付。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

5. REVENUE, OTHER INCOME AND LOSSES (CONTINUED)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Desulfurisation and denitrification services

Under the concession operation contracts, the Group is engaged in providing desulfurisation and denitrification services to power plants for a period of the life cycle of the power plants. The performance obligations are satisfied over time as customer simultaneously receives and consumes the benefits provided by the Group. The payment is generally due within 30 days from the date of billing.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 and 31 December 2020 are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------|-----------------------------------|-----------------------------------|
| Amounts expected to be recognised as revenue | 預計確認收入的金額 | | |
| Within one year | 一年內 | 472,428 | 683,350 |
| After one year | 一年以上 | - | - |
| | | 472,428 | 683,350 |

The amounts of transactions prices allocated to the remaining performance obligations which are expected to be recognised after one year related to construction services, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

5. 收入、其他收益及損失(續)

與客戶之間合同產生的收入(續)

(ii) 履約義務(續)

脫硫及脫硝服務

在特許經營合同下，本集團於發電廠運營週期向發電廠提供脫硫及脫硝服務。履約義務在預定的期限內按直線法確認，因為客戶同時獲得並消費了本集團提供的利益。付款日期通常在開票日起30天內。

於二零二一年十二月三十一日及二零二零年十二月三十一日分配至剩餘履約義務(未達成或部分未達成)的交易價格如下：

預計未來超過一年才予以確認的剩餘履約義務源於建造服務兩年內才將達成履約義務。預計其他剩餘履約義務將於一年內確認。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

5. REVENUE, OTHER INCOME AND LOSSES (CONTINUED)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Desulfurisation and denitrification services (Continued)

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--------------------------|-------------|-----------------------------------|-----------------------------------|
| OTHER INCOME | 其他收益 | | |
| Interest income | 利息收入 | 8,520 | 16,860 |
| Government grants (Note) | 政府補助(附註) | 100,564 | 75,507 |
| | | 109,084 | 92,367 |

Note: The amount mainly represents the income related to the VAT refunds received by the Group. As at 31 December 2021 and 2020, there were no unfulfilled conditions or other contingencies attaching to the government grants that had been recognised by the Group.

5. 收入、其他收益及損失(續)

與客戶之間合同產生的收入(續)

(ii) 履約義務(續)

脫硫及脫硝服務(續)

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| OTHER LOSSES, NET | 其他損失，淨額 | | |
| Loss on disposal of items of property, plant and equipment | 處置物業、廠房和設備專案的損失 | (21,904) | (145) |
| Loss on disposal of items of intangible assets and right of use assets | 處置無形資產及使用權資產的損失 | (2,458) | - |
| Exchange losses | 匯兌損失 | (4,286) | (9,982) |
| | | (28,648) | (10,127) |
| | | 80,436 | 82,240 |

附註：該金額主要為與本集團所收到的增值稅退稅返還所相關的收入。於二零二一年及二零二零年十二月三十一日，本集團已確認的政府補助並無附帶未達成的條件或其他或然事項。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

6. OTHER EXPENSES, NET

6. 其他開支，淨額

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|----------------|-----------------------------------|-----------------------------------|
| Compensation (gains)/losses (Note a) | 賠償(收益)／損失(附註a) | (52,671) | 102,103 |
| Estimated Pending Litigation Losses (Note b) | 估計未決訴訟損失(附註b) | 97,316 | - |
| Other (gains)/losses | 其他(收益)／損失 | (2,500) | 4,500 |
| | | 42,145 | 106,603 |

Note a: In November 2016, Technologies & Engineering Company, a subsidiary of the Company, and two other third parties have entered into an arrangement with Datang Hami 13th Division Clean Energy Development Co., Ltd., (“**Datang Xinjiang**”) to construct a wind farm. As required by the arrangement, Technologies & Engineering Company purchased 33 wind turbines from Jiangsu Jiuding Tiandi Wind Power Co., Ltd. (“**Jiuding Tiandi Wind Power**”). In March 2017, Jiuding Tiandi Wind Power received a notice from Datang Xinjiang that the construction of the wind farm may be suspended. After a series of negotiation between the parties, Jiuding Tiandi Wind Power brought an arbitration proceeding against Technologies & Engineering Company in December 2018. In June 2020, the arbitration authority ruled that Technologies & Engineering Company shall compensate Jiuding Tiandi Wind Power for economic losses in an aggregate amount of RMB98,865,000 (the “**Ruling**”).

On 21 June 2020, Technologies & Engineering Company submitted an application to the Fourth Intermediate People’s Court of Beijing (the “**Court**”) to overrule the Ruling. On 6 July 2020, the application has been duly accepted by the Court. On 3 September 2020, the Court issued a civil ruling, dismissing the application for revocation of the Ruling by Technologies & Engineering Company. Subsequent to the civil ruling, Technology & Engineering Company and Jiuding Tiandi Wind Power reached an agreement regarding the above compensation amount.

During this year, the two parties signed a settlement agreement, and the penalty interest on Jiuding Tiandi Wind Power was exempted from payment. Therefore, Technologies & Engineering Company transferred the corresponding penalty interest of RMB3,239,000 to other income, and the remaining compensation was repaid as of 31 December 2021.

In addition, in August 2021, Datang Xinjiang signed a compensation agreement with Technologies & Engineering Company, which stipulated that Datang Xinjiang would pay a total of RMB49,432,000 in compensation to Technologies & Engineering Company for above matters and Technologies & Engineering Company recorded the compensation in other income accordingly.

附註a: 二零一六年十一月，科技工程公司(本公司之附屬公司)和另外兩家第三方公司與大唐哈密十三師清潔能源開發有限公司(「**大唐新疆**」)共同簽訂了建設風電場的協議。根據協議要求，科技工程公司向江蘇九鼎天地風能有限公司(「**九鼎天地風能**」)採購了三十三台風電機組。二零一七年三月，九鼎天地風能接到了大唐新疆的通知，該風電場可能暫停建設。經過多方一系列的協商，九鼎天地風能於二零一八年十二月對科技工程公司提起仲裁程序，二零二零年六月，仲裁機構裁定科技工程公司應向九鼎天地風能賠償經濟損失共計人民幣98,865,000元(「**裁決**」)。

二零二零年六月二十一日，科技工程公司向北京市第四中級人民法院(「**法院**」)提出撤銷該裁決的申請。二零二零年七月六日，該申請正式被法院受理。二零二零年九月三日，該法院出具了民事裁定書，駁回了科技工程公司提出撤銷該裁決的申請，在此之後，科技工程公司與九鼎天地風能就上述賠償金額達成協議。

年內，訂約雙方簽訂和解協議，九鼎天地風能的罰息獲豁免支付。因此，科技工程公司將相應的罰息人民幣3,239,000元轉至其他收益，餘下賠償款於二零二一年十二月三十一日償還。

此外，於二零二一年八月，大唐新疆與科技工程公司簽訂賠償協議，當中訂明大唐新疆須就上述事宜向科技工程公司支付合共人民幣49,432,000元的賠償款，科技工程公司相應將該賠償款計入其他收益。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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6. OTHER EXPENSES, NET (CONTINUED)

Note b: On 16 March 2019, the subsidiaries of the Group Technologies & Engineering Company and Technologies & Engineering India signed construction contracts for desulfurization and wet chimney with Gujarat State Electricity Corporation Limited (the "GSECL"). Due to the impact of COVID-19, the construction progress was delayed and GSECL issued a formal notice which stated that it might take measures such as terminating the contract, redeeming the performance guarantee letter, and entrusting the work to others to complete. The Group fully accrued provisions of RMB75,848,000 for the redemption of the performance guarantee letter, and also considers that the corresponding advance receipts of RMB25,835,000 will no longer be obligated to be returned after the redemption of the performance guarantee letter, and incurred other expenses of RMB50,013,000 accordingly.

On 6 March 2020, Technologies & Engineering Company signed a construction contract with NLC India Limited ("NLC India"). Due to the impact of the COVID-19, the construction progress was delayed, and NLC India issued a formal notice to request to terminate the contract and redeem the performance guarantee letter amounting to RMB47,303,000. In addition, the claims brought by the NLC India also include the costs incurred in re-tendering and the arbitration progress. The Group fully accrued a provision of RMB47,303,000 for the request of redeeming the performance guarantee letter, and incurred other expenses of RMB47,303,000 accordingly.

7. FINANCE COSTS

An analysis of finance costs is as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|---------------|-----------------------------------|-----------------------------------|
| Interest on lease liabilities | 租賃負債的利息 | 13,183 | 13,667 |
| Interest expenses on bank borrowings and other loans | 銀行借款和其他貸款利息支出 | 208,776 | 265,783 |
| Less: interest capitalised | 減：資本化利息 | - | (9,159) |
| | | 221,959 | 270,291 |

There was no interest capitalization incurred for the year ended 31 December 2021 (for the year ended 31 December 2020: the capitalization rates were from 5.23% to 6.62%).

6. 其他開支，淨額(續)

附註b: 於二零一九年三月十六日，本集團之附屬公司科技工程公司和科技工程印度公司與Gujarat State Electricity Corporation Limited ("GSECL")簽訂了脫硫、濕煙囪總承包合同。因受新冠疫情影响，目前工期延誤，GSECL發出正式通知，並提出可能會採取終止合同、兌付保函、將工程委託予他人完成等舉措。本集團針對兌付保函事項全額計提撥備人民幣75,848,000元，亦認為相應的預收款人民幣25,835,000元在兌付履約保函後不再有義務歸還，並相應產生其他開支人民幣50,013,000元。

於二零二零年三月六日，科技工程公司與NLC India Limited ("NLC India")簽署總承包合同。後因新冠疫情影响，建造工程被延誤，故NLC India發出正式通知，要求終止合同並兌付履約保函人民幣47,303,000元。此外，NLC India提出的訴訟主張還包括重新招標產生的費用、仲裁程序產生的費用等。本集團針對兌付保函事項全額計提撥備人民幣47,303,000元，並相應產生其他開支人民幣47,303,000元。

7. 財務支出

財務支出分析如下：

截至二零二一年十二月三十一日止年度，本集團並無利息資本化(截至二零二零年十二月三十一日止年度：利息資本化率為5.23%至6.62%)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

8. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/crediting):

8. 稅前(損失)/利潤

本集團稅前(損失)/利潤乃經計入扣除/(計入)以下各項後得出：

| | | 2021 | 2020 |
|--|------------------------------------|-----------|-----------|
| | | 二零二一年 | 二零二零年 |
| Notes | | RMB'000 | RMB'000 |
| 附註 | | 人民幣千元 | 人民幣千元 |
| Cost of goods sold | 商品銷售成本 | 277,915 | 266,635 |
| Cost of services provided | 提供服務成本 | 4,669,070 | 5,386,134 |
| Cost of sales (Note a) | 銷售成本(附註a) | 4,946,985 | 5,652,769 |
| Depreciation of property, plant and equipment | 物業、廠房和設備折舊 | 509,722 | 527,638 |
| Amortisation of intangible assets | 無形資產攤銷 | 26,465 | 17,048 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 25,070 | 24,460 |
| Amortisation of other non-current assets | 其他非流動資產攤銷 | 123,596 | 217,775 |
| Research and development expenses | 研發費用 | 59,891 | 44,089 |
| Lease payments not included in the measurement of lease liabilities | 未計入計量租賃負債的租賃付款額 | 15,014 | 18,385 |
| Auditor's remuneration | 核數師酬金 | 3,230 | 3,080 |
| Employee benefit expense (excluding Directors' and Supervisors' remuneration (note 9)): | 僱員福利開支(不包括董事和監事薪酬(附註9)): | | |
| Wages, salaries and allowances, social securities and benefits | 工資、薪金和津貼、社會保障和福利 | 335,060 | 361,621 |
| Pension scheme contributions (defined contribution scheme) (Note b) | 退休金計劃供款(界定供款計劃)(附註b) | 47,495 | 30,919 |
| | | 382,555 | 392,540 |
| Impairment of financial and contract assets, net: | 金融資產和合同資產減值淨額: | | |
| (Reversal of impairment)/impairment loss on contract assets | 合同資產(減值撥回)/減值 | (2,511) | 492 |
| Impairment of trade receivables | 貿易應收款項減值 | 22,924 | 43,781 |
| Impairment loss/(reversal of impairment) on financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項及其他資產的金融資產減值虧損/(減值撥回) | 18,717 | (120) |
| | | 39,130 | 44,153 |
| Impairment of property, plant and equipment | 物業、廠房和設備減值 | 45,638 | 40,861 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

8. (LOSS)/PROFIT BEFORE TAX (CONTINUED)

Note a: Cost of sales include RMB482,993,000 (2020: RMB501,037,000), RMB14,078,000 (2020: RMB7,706,000), RMB25,070,000 (2020: RMB24,460,000), RMB123,347,000 (2020: RMB217,564,000) and RMB112,017,000 (2020: RMB100,310,000) for the year ended 31 December 2021, relating to depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of right-of-use assets, amortisation of other non-current assets and employee benefit expense which are also included in the respective total amounts disclosed separately above.

Note b: Pension scheme contributions

The Group is required to make specific contributions to the state-sponsored retirement plan at rates ranging from 14% to 20% (2020: 14% to 20%) of the specified salaries of the employees in the PRC. The PRC government is responsible for the pension liability to the retired employees. The PRC employees of the Group are entitled to a monthly pension upon their retirements.

In addition, the Group has implemented a supplementary defined contribution retirement scheme in accordance with China Datang's policy. Under this scheme, the Group is required to make specified contributions at a rate of 8% (2020: 8%) of the total salaries of qualified employees. These employees will receive the total contributions and any returns thereon upon their retirements.

8. 稅前(損失)/利潤(續)

附註a: 截至二零二一年十二月三十一日止年度的銷售成本包括物業、廠房和設備折舊、無形資產攤銷、使用權資產折舊、其他非流動資產攤銷以及僱員福利開支分別為人民幣482,993,000元(二零二零年: 人民幣501,037,000元)、人民幣14,078,000元(二零二零年: 人民幣7,706,000元)、人民幣25,070,000元(二零二零年: 人民幣24,460,000元)、人民幣123,347,000元(二零二零年: 人民幣217,564,000元)、人民幣112,017,000元(二零二零年: 人民幣100,310,000元), 該款項亦計入於上文分開披露的各個款項總額。

附註b: 退休金計劃供款

本集團需按中國員工特定工資的14%至20%(二零二零年: 14%至20%)的款項支付予國家規定的職工退休金計劃。中國政府負責該等退休員工的養老金責任。本集團的所有中國員工退休後可按月領取退休金。

此外, 本集團按照中國大唐的政策實行了設定提存的補充養老金計劃。根據此計劃, 本集團需為符合條件的員工繳付員工工資的8%(二零二零年: 8%)的款項。此等員工於退休時將獲得該計劃的總供款及因此產生的任何回報。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

The aggregate amounts of remuneration of the Directors and Supervisors of the Company during the year are as follows:

9. 董事和監事薪酬

本公司董事和監事年內薪酬總額如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Fees | 袍金 | 300 | 300 |
| Other emoluments: | 其他酬金： | | |
| – Salaries, housing benefits, other allowances and benefits in kind | – 薪金、住房福利、其他津貼和實物福利 | 3,103 | 2,032 |
| – Pension scheme contributions (defined contribution scheme) | – 退休金計劃供款(界定供款計劃) | 243 | 144 |
| Total | 合計 | 3,646 | 2,476 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

The remuneration of each director and supervisor of the Company for the year ended 31 December 2021 is set out below:

9. 董事和監事薪酬(續)

本公司各董事和監事截至二零二一年十二月三十一日止年度的薪酬如下：

| | | | Fees | Salaries, housing benefits, other allowances and benefits in kind | Pension scheme contributions (defined contribution scheme) | Total remuneration |
|---|-----------------|-------------------|---------|---|--|--------------------|
| | 袍金 | 薪金、住房福利、其他津貼和實物福利 | 袍金 | 薪金、住房福利、其他津貼和實物福利 | 退休金計劃供款(界定供款計劃) | 總薪酬 |
| | Notes | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 附註 | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Executive directors: | 執行董事： | | | | | |
| Mr. Tian Dan | 田丹先生 | (i) | - | 690 | 53 | 743 |
| Mr. Wang Yanwen | 王彥文先生 | (ii) | - | 909 | 53 | 962 |
| | | | - | 1,599 | 106 | 1,705 |
| Non-executive directors: | 非執行董事： | | | | | |
| Mr. Wu Daqing | 吳大慶先生 | (i) | - | - | - | - |
| Mr. Chen Kan | 陳侃先生 | (i) | - | - | - | - |
| Mr. Wang Junqi | 王俊啟先生 | (i) | - | - | - | - |
| Mr. Qu Bo | 曲波先生 | (i) | - | - | - | - |
| Mr. Li Zhenyu | 李震宇先生 | (i) | - | - | - | - |
| Mr. Liu Ruixiang | 劉睿湘先生 | (i) | - | - | - | - |
| Mr. Liu Quancheng | 劉全成先生 | (i) | - | - | - | - |
| Mr. Song Yunpeng | 宋雲鵬先生 | (ii) | - | 685 | 53 | 738 |
| | | | - | 685 | 53 | 738 |
| Independent non-executive directors: | 獨立非執行董事： | | | | | |
| Mr. Ye Xiang | 叶翔先生 | (iii) | 100 | - | - | 100 |
| Mr. Mao Zhuanjian | 毛專建先生 | (iii) | 100 | - | - | 100 |
| Mr. Gao Jiaxiang | 高家祥先生 | (iii) | 100 | - | - | 100 |
| | | | 300 | - | - | 300 |
| Supervisors: | 監事： | | | | | |
| Mr. Huang Yuan | 黃源先生 | (iii) | - | 251 | 31 | 282 |
| Mr. Zhang Xuefeng | 張學峰先生 | (iii) | - | - | - | - |
| Mrs. Luo Li | 羅莉女士 | (iv) | - | 568 | 53 | 621 |
| Mrs. Huo Yuxia | 霍雨霞女士 | (iii) | - | - | - | - |
| Mr. Liu Liming | 柳立明先生 | (iii) | - | - | - | - |
| Mr. Chen Li | 陳利先生 | (iv) | - | - | - | - |
| | | | - | 819 | 84 | 903 |
| | | | 300 | 3,103 | 243 | 3,646 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

Notes:

- (i) Mr. Wu Daqing, Mr. Chen Kan and Mr. Wang Junqi were appointed as non-executive directors with effect from 9 September 2021, while Mr. Qu Bo, Mr. Li Zhenyu, Mr. Liu Ruixiang and Mr. Liu Quancheng resigned the positions on the same date.
- (ii) Mr. Song Yunpeng was appointed as a non-executive director with effect from 23 September 2021.
- (iii) Mr. Huang Yuan and Mr. Zhang Xuefeng were appointed as supervisors with effect from 9 September 2021, while Mrs. Huo Yuxia and Mr. Liu Liming resigned the positions on the same date.
- (iv) Mrs. Luo Li was appointed as a supervisor with effect from 25 January 2021, while Mr. Chen Li resigned the position on the same date.

9. 董事和監事薪酬(續)

附註：

- (i) 吳大慶先生、陳侃先生及王俊啟先生獲委任為非執行董事，自二零二一年九月九日生效。於同日，曲波先生、李震宇先生、劉睿湘先生及劉全成先生辭任非執行董事。
- (ii) 宋雲鵬先生獲委任為非執行董事，自二零二一年九月二十三日生效。
- (iii) 黃源先生及張學峰先生獲委任為監事，自二零二一年九月九日生效。於同日，霍雨霞女士及柳立明先生辭任監事。
- (iv) 羅莉女士獲委任為監事，自二零二一年一月二十五日生效。於同日，陳利先生辭任監事。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

The remuneration of each director and supervisor of the Company for the year ended 31 December 2020 is set out below:

9. 董事和監事薪酬(續)

本公司各董事和監事截至二零二零年十二月三十一日止年度的薪酬如下：

| | | Notes 附註 | Fees 袍金 RMB'000 人民幣千元 | Salaries, housing benefits, other allowances and benefits in kind 薪金、 住房福利、其他 津貼和實物福利 RMB'000 人民幣千元 | Pension scheme contributions (defined contribution scheme) 退休金計劃供款 (界定供款計劃) RMB'000 人民幣千元 | Total remuneration 總薪酬 RMB'000 人民幣千元 |
|---|-----------------|-------------|--------------------------------|--|---|--|
| Executive directors: | 執行董事： | | | | | |
| Mr. Hou Guoli | 侯國力先生 | (i) | - | 533 | 23 | 556 |
| Mr. Tian Dan | 田丹先生 | (ii) | - | 230 | 25 | 255 |
| Mr. Wang Yanwen | 王彥文先生 | | - | 601 | 48 | 649 |
| | | | - | 1,364 | 96 | 1,460 |
| Non-executive directors: | 非執行董事： | | | | | |
| Mr. Hou Guoli | 侯國力先生 | (i) | - | - | - | - |
| Mr. Jin Yaohua | 金耀華先生 | (iii) | - | - | - | - |
| Mr. Qu Bo | 曲波先生 | (iii) | - | - | - | - |
| Mr. Liu Quancheng | 劉全成先生 | | - | - | - | - |
| Mr. Liu Ruixiang | 劉睿湘先生 | | - | - | - | - |
| Mr. Li Zhenyu | 李震宇先生 | | - | - | - | - |
| | | | - | - | - | - |
| Independent non-executive directors: | 獨立非執行董事： | | | | | |
| Mr. Ye Xiang | 叶翔先生 | | 100 | - | - | 100 |
| Mr. Mao Zhuanjian | 毛專建先生 | | 100 | - | - | 100 |
| Mr. Gao Jiaxiang | 高家祥先生 | | 100 | - | - | 100 |
| | | | 300 | - | - | 300 |
| Supervisors: | 監事： | | | | | |
| Mrs. Huo Yuxia | 霍雨霞女士 | (iv) | - | - | - | - |
| Mr. Wang Yuanchun | 王元春先生 | (iv) | - | - | - | - |
| Mr. Liu Liming | 柳利明先生 | | - | - | - | - |
| Mr. Chen Li | 陳利先生 | | - | 668 | 48 | 716 |
| | | | - | 668 | 48 | 716 |
| | | | 300 | 2,032 | 144 | 2,476 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

Notes:

- (i) Mr. Hou Guoli was re-designated from an executive director to a non-executive director with effect from 24 July 2020 and resigned the position from 23 October 2020.
- (ii) Mr. Tian Dan was appointed as an executive director with effect from 23 October 2020.
- (iii) Mr. Jin Yaohua resigned as a non-executive director with effect from 23 October 2020 while Mr. Qu Bo was appointed the position on the same date.
- (iv) Mr. Wang Yuanchun resigned as a supervisor from 18 June 2020 while Mrs. Huo Yuxia was appointed the position on the same date.

In 2020, the remuneration of Mr. Jin Yaohua, Mr. Qu Bo, Mr. Liu Quancheng, Mr. Liu Ruixiang, Mr. Li Zhenyu, Mrs. Huo Yuxia, Mr. Wang Yuanchun and Mr. Liu Liming was paid by China Datang, and no remuneration was paid by the Company.

In 2021, the remuneration of Mr. Wu Daqing, Mr. Chen Kan, Mr. Wang Junqi, Mr. Qu Bo, Mr. Li Zhenyu, Mr. Liu Ruixiang, Mr. Liu Quancheng, Mr. Zhang Xuefeng, Mrs. Huo Yuxia and Mr. Liu Liming was paid by China Datang, and no remuneration was paid by the Company. Mr. Chen Li did not receive remuneration from the Company as a supervisor.

There was no arrangement under which the Directors waived or agreed to waive any remuneration during the year.

9. 董事和監事薪酬(續)

附註：

- (i) 侯國力先生由執行董事調任為非執行董事，自二零二零年七月二十四日生效，並於二零二零年十月二十三日辭任非執行董事。
- (ii) 田丹先生獲委任為執行董事，自二零二零年十月二十三日生效。
- (iii) 金耀華先生辭任非執行董事，自二零二零年十月二十三日生效。於同日，曲波先生獲委任為非執行董事。
- (iv) 王元春先生辭任監事，自二零二零年六月十八日生效。於同日，霍雨霞女士獲委任為監事。

二零二零年，金耀華先生、曲波先生、劉全成先生、劉睿湘先生、李震宇先生、霍雨霞女士、王元春先生及柳立明先生之薪酬由中國大唐支付，本公司並未支付任何薪酬。

二零二一年，吳大慶先生、陳侃先生、王俊啟先生、曲波先生、李震宇先生、劉睿湘先生、劉全成先生、張學峰先生、霍雨霞女士及柳立明先生之薪酬由中國大唐支付，本公司並未支付任何薪酬。陳利先生本年未作為監事在本公司領取薪酬。

年內概無董事放棄或同意放棄任何薪酬的安排。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees included two directors (Mr. Tian Dan and Mr. Wang Yanwen) and three senior executives during the year ended of 31 December 2021 (2020: one supervisor, one director and three senior executives). Details of directors' and supervisors' remuneration are set out in note 9 of this section above. Details of the remuneration for the year of the highest paid senior executives who are not directors or supervisors of the company are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Salaries, housing benefits, other allowances and benefits in kind | 薪金、住房福利、其他津貼和實物福利 | 2,257 | 2,080 |
| Pension scheme contributions (defined contribution scheme) | 退休金計劃供款(界定供款計劃) | 158 | 144 |
| Total | 合計 | 2,415 | 2,224 |

The number of non-director and non-supervisor highest paid employees whose remuneration fell within the following band is as follows:

| | | Number of employees 僱員人數 | |
|----------------------|---------------|-----------------------------------|-----------------------------------|
| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 3 | 3 |
| Total | 合計 | 3 | 3 |

10. 五名最高薪酬僱員

截至二零二一年十二月三十一日止年度，五名最高薪酬人員包括兩名董事(田丹先生及王彥文先生)及三名高級行政人員(二零二零年：一名監事、一名董事及三名高級行政人員)。有關董事和監事薪酬詳情載於財務報表附註9。有關並非本公司董事或監事的最高薪酬高級行政人員的年度薪酬詳情載列如下：

非董事及非監事的最高薪酬人員落於如下區間的人數如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

11. INCOME TAX EXPENSE

Pursuant to the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法) and the PRC Enterprise Income Tax Law Implementation Regulations (中華人民共和國企業所得稅法實施條例), the Company and its certain subsidiaries have been recognised as high-technology enterprises and are subject to a preferential corporate income tax rate of 15%.

Under the above tax law and regulations, except for preferential treatments available to certain branches and subsidiaries of the Company as mentioned above, subsidiaries within the Group are subject to corporate income tax at the statutory rate of 25%.

The subsidiary of the Company in India was subject to corporate income tax at a rate of 29.12% during the period from 1 January 2021 to 31 December 2021 (26% during the period from 1 January 2020 to 31 December 2020).

The components of income tax expense for the year are as follows:

11. 所得稅開支

根據《中華人民共和國企業所得稅法》和《中華人民共和國企業所得稅法實施條例》，本公司和若干附屬公司獲認可為高科技企業，按15%的優惠稅率繳納企業所得稅。

根據上述的稅法和法規，除本公司、上述若干分公司和附屬公司適用優惠待遇外，本集團內的其他附屬公司須按25%的法定稅率繳納企業所得稅。

本公司於印度的附屬公司按照29.12%的稅率繳納二零二一年一月一日至二零二一年十二月三十一日的企業所得稅(按照26%的稅率繳納二零二零年一月一日至二零二零年十二月三十一日的企業所得稅)。

年內所得稅開支組成部分如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| Current tax | 即期所得稅 | | |
| Provision for the year | 年內撥備 | 64,795 | 84,366 |
| Under provision in respect of prior years | 以往年度撥備不足 | 5,533 | 3,226 |
| Deferred tax (note 18) | 遞延所得稅(附註18) | (5,270) | 23,706 |
| | | 65,058 | 111,298 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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11. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of the income tax expense applicable to (loss)/profit before tax using the statutory income tax rate applicable in the PRC to the income tax expense at the Group's effective income tax rate for the year is as follows:

11. 所得稅開支(續)

年內使用中國適用的法定所得稅稅率計算的除稅前(損失)/利潤適用的所得稅開支與按本集團的實際所得稅稅率計算的所得稅開支對賬如下:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|--------------------------------|-----------------------------------|-----------------------------------|
| (Loss)/Profit before tax | 除稅前(損失)/利潤 | (378,212) | 322,658 |
| Income tax at the statutory income tax rate of 25% (2020: 25%) | 按25%的法定所得稅稅率計算的所得稅(二零二零年: 25%) | (94,553) | 80,665 |
| Effect of a different tax rate applicable in another country | 其他國家適用不同稅率的影響 | (1,890) | (301) |
| Effect of the preferential income tax rate | 所得稅優惠稅率的影響 | 35,468 | (33,399) |
| Expenses not deductible for tax | 不可扣稅開支 | 1,868 | 1,677 |
| Additional deduction of research and development expenses | 研發費用額外扣減 | (4,735) | (3,629) |
| Adjustments in respect of current tax of previous periods | 對以往期間所得稅的調整 | 5,533 | 3,226 |
| Effect of utilisation of unrecognised tax losses in prior years | 使用前期未確認遞延所得稅資產的稅務虧損的影響 | - | (1,648) |
| Reversal of deferred tax recognised in prior years | 前期已確認遞延所得稅資產於本年度沖回的影響 | - | 22,220 |
| Deductible temporary differences and tax losses not recognised | 未確認的可抵扣時間性差異和稅項虧損 | 123,367 | 42,487 |
| Income tax charge for the year | 年內所得稅支出 | 65,058 | 111,298 |
| The Group's effective rate | 本集團的實際稅率 | (17.20%) | 34.49% |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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12. DIVIDENDS

The dividends during the years ended 31 December 2021 and 2020 are set out below:

12. 股息

截至二零二一年及二零二零年十二月三十一日止年度之股息列示如下：

| | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Dividends declared to owners of the parent | 132,352 | 100,303 |

(i) During 2021, the final dividend of RMB132,352,000 at RMB0.0446(2020: RMB0.0338) per ordinary share (before tax) in respect of the year of 2020, based on the issued shares of the Company of 2,967,542,000 shares, was declared to owners of the parent (2020: RMB100,303,000).

On 31 March 2022, the Board of Directors proposed to distribute the final dividend for the year ended 31 December 2021 of RMB0.0298 per share (before tax) of the Company in cash to the shareholders. The proposal is subject to the approval of the shareholders at the 2021 annual general meeting of the Company.

(ii) Pursuant to the applicable provisions of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation rules, the Company will withhold and pay enterprise income tax at the rate of 10% when it distributes final dividends to non-resident enterprise holders of H shares (including any H shares registered in the name of HKSCC Nominees Limited).

Pursuant to the applicable provisions of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules as well as the Tax Notice, the Company will withhold and pay individual income tax at the rate ranging from 10% to 20% on behalf of individual holders of H shares.

(i) 於二零二一年，本公司按已發行股本2,967,542,000股股份派發二零二零年度的末期股息，每股普通股派發人民幣0.0446元(二零二零年：人民幣0.0338元)(稅前)，合計人民幣132,352,000元(二零二零年：人民幣100,303,000元)。

於二零二二年三月三十一日，董事會建議派發截至二零二一年十二月三十一日止年度的末期股息，以現金向股東每股股份派發人民幣0.0298元(稅前)。該建議須待本公司股東於二零二一年度股東週年大會上批准方可作實。

(ii) 根據《中華人民共和國企業所得稅法》及其實施條例之適用條文，本公司將在其向H股非居民企業持有人(包括以香港中央結算(代理人)有限公司名義登記之任何H股)派發末期股息時按10%稅率預扣及繳納企業所得稅。

根據《中華人民共和國個人所得稅法》及其實施條例之適用條文以及稅務通知，本公司將實行有關代表H股個人持有人預扣及繳納介乎10%至20%不等之個人所得稅之安排。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the years ended 31 December 2021 and 2020.

The Company did not have any potential dilutive shares in issue during the years ended 31 December 2021 and 2020. Accordingly, the diluted earnings per share amounts are the same as the basic earnings per share amounts.

The calculation of basic and diluted earnings per share is based on:

13. 母公司普通股持有人應佔每股(虧損)/盈利

截至二零二一年及二零二零年十二月三十一日止年度，每股基本(虧損)/盈利金額乃基於母公司普通股持有人應佔(虧損)/利潤除以當年已發行的普通股加權平均數計算。

截至二零二一年及二零二零年十二月三十一日止年度，本公司並無任何潛在攤薄股份，故每股攤薄盈利金額與每股基本盈利金額相同。

每股基本和攤薄盈利是根據下列各項計算：

| (Loss)/Earnings (虧損)/盈利 | | 2021 二零二一年 | 2020 二零二零年 |
|---|--|-------------------------------|----------------------|
| (Loss)/Profit attributable to ordinary equity holders of the parent, used in the basic/diluted earnings per share calculation (RMB'000) | 計算每股基本/攤薄盈利時採用的母公司普通股持有人應佔(損失)/利潤(人民幣千元) | (208,332) | 302,872 |
| Shares 股份 | | Number of shares 股數 | |
| | | 2021 二零二一年 | 2020 二零二零年 |
| Weighted average number of ordinary shares in issue during the year, used in the basic/diluted earnings per share calculation (share) | 計算每股基本/攤薄盈利時採用的年內已發行普通股加權平均數(股) | 2,967,542,000 | 2,967,542,000 |
| Earnings per share 每股盈利 | | 2021 二零二一年 | |
| | | 2020 二零二零年 | |
| Basic/diluted earnings per share (RMB) | 每股基本/攤薄盈利(人民幣元) | (0.07) | 0.10 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房和設備

| | | Buildings and other infrastructure 樓宇和其他 基礎設施 RMB'000 人民幣千元 | Machinery 機器 RMB'000 人民幣千元 | Transportation vehicles 運輸工具 RMB'000 人民幣千元 | Office equipment and others 辦公設備及其他 RMB'000 人民幣千元 | Construction in progress ("CIP") 在建工程 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|----------------------------------|---------------|---|-------------------------------------|--|--|--|---------------------------------|
| Cost: | 成本: | | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | 1,330,883 | 8,519,673 | 30,334 | 130,365 | 512,167 | 10,523,422 |
| Addition | 添置 | - | 1,447 | - | 4,354 | 93,624 | 99,425 |
| Transfer from CIP | 由在建工程轉撥 | 66,814 | 268,114 | - | - | (334,928) | - |
| Transfer from/to IA | 由無形資產轉撥 | - | 14,912 | - | - | (3,660) | 11,252 |
| Disposals | 處置 | (1,858) | (35,100) | (1,147) | (1,167) | - | (39,272) |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 1,395,839 | 8,769,046 | 29,187 | 133,552 | 267,203 | 10,594,827 |
| Accumulated depreciation: | 累計折舊: | | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | (297,096) | (2,681,547) | (27,900) | (68,160) | - | (3,074,703) |
| Provision | 撥備 | (56,468) | (447,901) | (356) | (4,997) | - | (509,722) |
| Disposals | 處置 | 552 | 12,338 | 1,147 | 1,061 | - | 15,098 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | (353,012) | (3,117,110) | (27,109) | (72,096) | - | (3,569,327) |
| Impairment: | 減值: | | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | (13,508) | (137,816) | - | - | (2,800) | (154,124) |
| Provision | 撥備 | - | (45,638) | - | - | - | (45,638) |
| Disposals | 處置 | - | 2,270 | - | - | - | 2,270 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | (13,508) | (181,184) | - | - | (2,800) | (197,492) |
| Net carrying amount: | 賬面淨值: | | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | 1,020,279 | 5,700,310 | 2,434 | 62,205 | 509,367 | 7,294,595 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 1,029,319 | 5,470,752 | 2,078 | 61,456 | 264,403 | 6,828,008 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

14. 物業、廠房和設備(續)

| | | Buildings and other infrastructure 樓宇和其他基礎設施 RMB'000 人民幣千元 | Machinery 機器 RMB'000 人民幣千元 | Transportation vehicles 運輸工具 RMB'000 人民幣千元 | Office equipment and others 辦公設備及其他 RMB'000 人民幣千元 | Construction in progress ("CIP") 在建工程 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|----------------------------------|---------------|---|-------------------------------------|---|--|--|---------------------------------|
| Cost: | 成本: | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 1,123,503 | 7,546,391 | 30,334 | 127,729 | 1,452,616 | 10,280,573 |
| Addition | 添置 | - | 5,749 | - | 5,246 | 372,899 | 383,894 |
| Transfer from CIP | 由在建工程轉撥 | 207,380 | 968,569 | - | 521 | (1,176,470) | - |
| Disposals | 處置 | - | - | - | (3,131) | - | (3,131) |
| Other adjustment | 其他調整 | - | (1,036) | - | - | (136,878) | (137,914) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 1,330,883 | 8,519,673 | 30,334 | 130,365 | 512,167 | 10,523,422 |
| Accumulated depreciation: | 累計折舊: | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | (253,156) | (2,205,489) | (27,142) | (64,240) | - | (2,550,027) |
| Provision | 撥備 | (43,940) | (476,058) | (758) | (6,882) | - | (527,638) |
| Disposals | 處置 | - | - | - | 2,962 | - | 2,962 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | (297,096) | (2,681,547) | (27,900) | (68,160) | - | (3,074,703) |
| Impairment: | 減值: | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | (13,508) | (99,755) | - | - | - | (113,263) |
| Provision | 撥備 | - | (38,061) | - | - | (2,800) | (40,861) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | (13,508) | (137,816) | - | - | (2,800) | (154,124) |
| Net carrying amount: | 賬面淨值: | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 856,839 | 5,241,147 | 3,192 | 63,489 | 1,452,616 | 7,617,283 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 1,020,279 | 5,700,310 | 2,434 | 62,205 | 509,367 | 7,294,595 |

As at 31 December 2021, the Group has been in the process of applying for the ownership certificates of buildings with a net carrying amount of RMB13,489,000 (31 December 2020: RMB5,145,000).

於二零二一年十二月三十一日，本集團正在申請樓宇的所有權證，該等樓宇的賬面淨值為人民幣13,489,000元(二零二零年十二月三十一日：人民幣5,145,000元)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year ended 31 December 2021, an impairment loss of RMB45,638,000 was recognised for machinery of environmental protection and energy conservation solutions segment as a result of technical innovation during the year. The Group's management assessed that the recoverable amounts of those assets are minimal and full amount of impairment loss was made.

During the year ended 31 December 2020, an impairment loss of RMB40,861,000 was recognised for machinery and construction in progress of environmental protection and energy conservation solutions segment as a result of technical innovation during the year. The Group's management assessed that the recoverable amounts of those assets are minimal and full amount of impairment loss was made.

In accordance with the IAS 16 Property, Plant and Equipment and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group adjusted the expected useful life of automobile transportation equipment (“汽車運輸設備”), power generation and heat supply equipment and assets (“發電及供熱設備”) to ensure the adjusted expected useful life to meet the estimates on the period that the future economic benefits by considering actual useful life of the fixed assets accordingly. The expected useful life increased by 4 years from 6 years to 10 years for automobile transportation equipment (“汽車運輸設備”), and by 3 years from 17 years to 20 years for power generation and heat supply equipment and assets (“發電及供熱設備”) respectively. The new expected useful life came into effect from 1 July 2021. The management adopts prospective application for the changes in accounting estimates.

Based on preliminary calculation, if there were no changes in accounting estimates, the accumulated depreciation would have been approximately RMB3,617,240,000 as at 31 December 2021. After the changes in accounting estimates, the accumulated depreciation amounted to approximately RMB3,569,328,000 as at 31 December 2021, which increased the total profit of the Group for the year ended 31 December 2021 by approximately RMB47,912,000.

The above changes in accounting estimates were approved by the board of directors of the Company during the first meeting of the third session in 2021.

14. 物業、廠房和設備(續)

截至二零二一年十二月三十一日止年度，由於技術革新，環保節能解決方案分部的機器確認人民幣45,638,000元的減值損失。本集團管理層認為該等資產的可回收金額較小，全額計提上述減值損失。

截至二零二零年十二月三十一日止年度，由於技術革新，環保節能解決方案分部的機器和在建工程確認人民幣40,861,000元的減值損失。本集團管理層認為該等資產的可回收金額較小，全額計提上述減值損失。

根據國際會計準則第16號物業、廠房及設備及國際會計準則第8號會計政策，會計估計變更及差錯更正，本集團根據固定資產的實際使用情況，對汽車運輸設備、發電及供熱設備的預計使用壽命進行調整，以確保調整後的預計使用壽命更符合對期間未來經濟利益的估算。汽車運輸設備的預計使用壽命從六年延長四年至十年。發電及供熱設備的預計使用壽命由十七年延長三年至二十年。新預計使用壽命自二零二一年七月一日起生效。管理層對會計估計變更採用未來適用法。

根據初步計算，如若未發生會計估計變更，二零二一年十二月三十一日的累計折舊約為人民幣3,617,240,000元。會計估計變更後，二零二零年十二月三十一日的累計折舊約為人民幣3,569,328,000元，會計估計變更導致本集團截至二零二一年十二月三十一日止年度利潤總額增加了約人民幣47,912,000元。

上述會計估計變更經本集團二零二一年第三屆董事會第一次會議通過。

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財務報表附註(續)

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15. INTANGIBLE ASSETS

15. 無形資產

| | | Patents 專利 RMB'000 人民幣千元 | Non-patented technology 非專利技術 RMB'000 人民幣千元 | Development expenditure 開發支出 RMB'000 人民幣千元 | Software 軟件 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|---------------|-----------------------------------|---|--|------------------------------------|---------------------------------|
| Cost: | 成本： | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | 82,005 | 108,168 | 154,420 | 28,666 | 373,259 |
| Addition | 添置 | - | - | 28,617 | 962 | 29,579 |
| Reclassification | 重新分類 | 69,755 | 2,751 | (81,619) | 9,113 | - |
| Recognised in research and development expenses | 於研發費用中確認 | - | - | (9,907) | - | (9,907) |
| Disposals | 處置 | (5,798) | - | - | (1,213) | (7,011) |
| Transfer from/to PPE | 由物業、廠房和設備轉撥 | - | - | (14,912) | 3,660 | (11,252) |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 145,962 | 110,919 | 76,599 | 41,188 | 374,668 |
| Accumulated amortisation: | 累計攤銷： | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | (30,091) | (55,372) | - | (12,943) | (98,406) |
| Provision | 撥備 | (13,548) | (9,425) | - | (3,492) | (26,465) |
| Disposals | 處置 | 2,375 | - | - | 728 | 3,103 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | (41,264) | (64,797) | - | (15,707) | (121,768) |
| Impairment: | 減值： | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | (1,375) | - | - | - | (1,375) |
| Disposals | 處置 | 1,375 | - | - | - | 1,375 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | - | - | - | - | - |
| Net carrying amount: | 賬面淨值： | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | 50,539 | 52,796 | 154,420 | 15,723 | 273,478 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 104,698 | 46,122 | 76,599 | 25,481 | 252,900 |

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財務報表附註(續)

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15. INTANGIBLE ASSETS (CONTINUED)

15. 無形資產(續)

| | | Patents 專利 RMB'000 人民幣千元 | Non-patented technology 非專利技術 RMB'000 人民幣千元 | Development expenditure 開發支出 RMB'000 人民幣千元 | Software 軟件 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|---------------|-----------------------------------|---|--|------------------------------------|---------------------------------|
| Cost: | 成本： | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 55,586 | 105,019 | 137,101 | 23,360 | 321,066 |
| Addition | 添置 | - | - | 50,558 | 5,306 | 55,864 |
| Reclassification | 重新分類 | 26,419 | 3,149 | (29,568) | - | - |
| Recognised in research and development expenses | 於研發費用中確認 | - | - | (3,671) | - | (3,671) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 82,005 | 108,168 | 154,420 | 28,666 | 373,259 |
| Accumulated amortisation: | 累計攤銷： | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | (24,024) | (46,267) | - | (11,067) | (81,358) |
| Provision | 撥備 | (6,067) | (9,105) | - | (1,876) | (17,048) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | (30,091) | (55,372) | - | (12,943) | (98,406) |
| Impairment: | 減值： | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | (1,375) | - | - | - | (1,375) |
| Provision | 撥備 | - | - | - | - | - |
| At 31 December 2020 | 於二零二零年十二月三十一日 | (1,375) | - | - | - | (1,375) |
| Net carrying amount: | 賬面淨值： | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 30,187 | 58,752 | 137,101 | 12,293 | 238,333 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 50,539 | 52,796 | 154,420 | 15,723 | 273,478 |

As at 31 December 2021 and 2020, there were no intangible assets of the Group pledged to secure bank borrowings and other loans.

於二零二一年及二零二零年十二月三十一日，本集團無以無形資產作為本集團銀行借款和其他貸款的擔保。

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財務報表附註(續)

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16. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings and other infrastructure, machinery, transportation vehicles and office equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 47 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings and other infrastructure generally have lease terms between 1 and 5 years. Machinery, transportation vehicles and office equipment generally have lease terms of 12 months or less and/or are individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

| | | Leasehold land 預付土地 租賃款項 RMB'000 人民幣千元 | Buildings and other infrastructure 樓宇和 其他基礎設施 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|---------------------------------|--|---|---------------------------------|
| As at 1 January 2020 | 於二零二零年一月一日 | 18,601 | 337,442 | 356,043 |
| Additions | 增加 | - | 2,370 | 2,370 |
| Lease modification | 租賃變更 | - | (4,807) | (4,807) |
| Depreciation charge | 折舊 | (465) | (23,995) | (24,460) |
| As at 31 December 2020 and 1 January 2021 | 於二零二零年 十二月三十一日及 二零二一年一月一日 | 18,136 | 311,010 | 329,146 |
| Additions | 增加 | - | 9,813 | 9,813 |
| Lease termination | 租賃終止 | - | (2,176) | (2,176) |
| Lease modification | 租賃變更 | - | 1,063 | 1,063 |
| Depreciation charge | 折舊 | (465) | (24,605) | (25,070) |
| As at 31 December 2021 | 於二零二一年 十二月三十一日 | 17,671 | 295,105 | 312,776 |

16. 租賃

本集團作為承租人

本集團擁有在其業務中使用的各類樓宇和其他基礎設施、機械、運輸工具和辦公設備的租賃合同。本集團已提前作出一次性付款以向業主租入租賃土地，租期為三十至四十七年，根據這些土地契約的條款，無需繼續支付任何款項。樓宇和其他基礎設施的租期一般為一至五年。機器、運輸工具及辦公室設備的租期一般為十二個月或以下，而個別價值較低。一般來說，本集團不應將已租賃的資產向本集團外轉讓和轉租。

(a) 使用權資產

本集團使用權資產的賬面值及年內的變動情況如下：

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財務報表附註(續)

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16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank borrowings and other loans) and the movements during the year are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|--------------|-----------------------------------|-----------------------------------|
| Carrying amount at 1 January | 於一月一日的賬面值 | 319,683 | 343,002 |
| New leases | 新增租賃 | 9,813 | 2,370 |
| Lease termination | 租賃終止 | (2,251) | - |
| Lease modification | 租賃變更 | 1,063 | (4,807) |
| Accretion of interest recognised during the year | 本年度確認利息費用 | 13,183 | 13,667 |
| Payments | 付款 | (33,391) | (34,549) |
| Carrying amount at 31 December | 於十二月三十一日的賬面值 | 308,100 | 319,683 |
| Analysed into: | 分析為： | | |
| Current portion | 流動部分 | 35,106 | 32,160 |
| Non-current portion | 非流動部分 | 272,994 | 287,523 |

The maturity analysis of lease liabilities is disclosed in note 38 to the financial statements.

租賃負債的到期日分析在財務報表附註38中披露。

(c) The amounts recognised in profit or loss in relation to leases are as follows:

(c) 於損益表中確認的租賃相關款項如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|---|-----------------------------------|-----------------------------------|
| Interest on lease liabilities | 租賃負債利息 | 13,183 | 13,667 |
| Depreciation charge of right-of-use assets | 使用權資產折舊 | 25,070 | 24,460 |
| Expense relating to short-term leases (included in cost of sales, administrative expenses and selling and distribution expenses) | 與短期租賃相關的費用和其他於二零二零年十二月三十一日到期的其他租賃相關的費用(計入銷售成本、行政開支、銷售和分銷開支) | 14,837 | 18,250 |
| Expense relating to leases of low-value assets (included in administrative expenses) | 與租賃低價值資產相關的費用(計入行政開支) | 177 | 135 |
| Total amount recognised in profit or loss | 確認為損益的總額 | 53,267 | 56,512 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(d) **The total cash outflow for leases is disclosed in note 32(c) to the financial statements.**

The Group as a lessor

The Group leases its buildings and other infrastructure in China under operating lease arrangements. Rental income recognised by the Group during the year was RMB201,000 (2020: RMB583,000), details of which are included in note 5 to the financial statements.

At 31 December 2021, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

| | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-----------------|-----------------------------------|-----------------------------------|
| Within one year | - | 583 |

17. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity investments designated at fair value through other comprehensive income

Unlisted equity investments, at fair value (Note)

China Datang Overseas Power Operating Co., Ltd. (中國大唐集團海外電力運營有限公司) (formerly known as "China Datang Overseas Electric Technology and O&M Co., Ltd" (中國大唐集團海外技術服務有限公司))

指定以公允價值計量且其變動計入其他綜合收益的權益投資

非上市權益投資，按公允價值(附註)

中國大唐集團海外電力運營有限公司 (曾用名「中國大唐集團海外技術服務有限公司」)

| | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| | 26,389 | 28,914 |

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

16. 租賃(續)

本集團作為承租人(續)

(d) **與租賃相關的現金總流出在財務報表附註32(c)中披露。**

本集團作為出租人

根據經營租賃協議，本集團在中國出租其建築和其他基礎設施。本集團在本年度確認的租金收入為人民幣201,000元(二零二零年：人民幣583,000元)，詳情於財務報表附註5中披露。

於二零二一年十二月三十一日，本集團與租戶簽訂的不可撤銷的經營租賃在未來期間的未折現應收租賃款項如下：

17. 指定以公允價值計量且其變動計入其他綜合收益的權益投資

本集團管理層已評估上述權益投資為戰略性投資，並不可撤銷地將其分類為指定以公允價值計量且其變動計入其他綜合收益的權益投資。

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財務報表附註(續)

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18. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

| | | Impairment of financial and contract assets 金融資產及合 同資產減值 RMB'000 人民幣千元 | Accrued expenses 應計費用 RMB'000 人民幣千元 | Deferred income 遞延收益 RMB'000 人民幣千元 | Elimination of unrealised profit 未實現 利潤抵銷 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|---|------------------------|---|---|--|--|---------------------------------|
| At 1 January 2021 | 於二零二一年一月一日 | 31,479 | 423 | 5,159 | 9,718 | 46,779 |
| Deferred tax credited/(charged) to profit or loss during the year (note 11) | 年內計入/(扣除)損益的遞延稅項(附註11) | 9,527 | (234) | (487) | (3,536) | 5,270 |
| Gross deferred tax assets at 31 December 2021 | 於二零二一年十二月三十一日的遞延稅項資產總額 | 41,006 | 189 | 4,672 | 6,182 | 52,049 |
| At 1 January 2020 | 於二零二零年一月一日 | 52,762 | 687 | 5,243 | 11,793 | 70,485 |
| Deferred tax credited/(charged) to profit or loss during the year (note 11) | 年內計入/(扣除)損益的遞延稅項(附註11) | (21,283) | (264) | (84) | (2,075) | (23,706) |
| Gross deferred tax assets at 31 December 2020 | 於二零二零年十二月三十一日的遞延稅項資產總額 | 31,479 | 423 | 5,159 | 9,718 | 46,779 |

Deferred tax liabilities

| | | Fair value adjustments of equity investments at fair value through other comprehensive income 以公允價值計量且其變動 計入其他綜合收益的權益 投資的公允價值變動 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|------------------------|---|---------------------------------|
| At 1 January 2021 | 於二零二一年一月一日 | 588 | 588 |
| Deferred tax charged to other comprehensive income during the year | 年內計入其他綜合收益的遞延稅項 | (379) | (379) |
| Gross deferred tax liabilities at 31 December 2021 | 於二零二一年十二月三十一日的遞延稅項負債總額 | 209 | 209 |
| At 1 January 2020 | 於二零二零年一月一日 | 399 | 399 |
| Deferred tax charged to other comprehensive income during the year | 年內計入其他綜合收益的遞延稅項 | 189 | 189 |
| Gross deferred tax liabilities at 31 December 2020 | 於二零二零年十二月三十一日的遞延稅項負債總額 | 588 | 588 |

18. 遞延稅項

有關年內確認的遞延稅項資產及負債的變動如下：

遞延稅項資產

| | | Impairment of financial and contract assets 金融資產及合 同資產減值 RMB'000 人民幣千元 | Accrued expenses 應計費用 RMB'000 人民幣千元 | Deferred income 遞延收益 RMB'000 人民幣千元 | Elimination of unrealised profit 未實現 利潤抵銷 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|---|------------------------|---|---|--|--|---------------------------------|
| At 1 January 2021 | 於二零二一年一月一日 | 31,479 | 423 | 5,159 | 9,718 | 46,779 |
| Deferred tax credited/(charged) to profit or loss during the year (note 11) | 年內計入/(扣除)損益的遞延稅項(附註11) | 9,527 | (234) | (487) | (3,536) | 5,270 |
| Gross deferred tax assets at 31 December 2021 | 於二零二一年十二月三十一日的遞延稅項資產總額 | 41,006 | 189 | 4,672 | 6,182 | 52,049 |
| At 1 January 2020 | 於二零二零年一月一日 | 52,762 | 687 | 5,243 | 11,793 | 70,485 |
| Deferred tax credited/(charged) to profit or loss during the year (note 11) | 年內計入/(扣除)損益的遞延稅項(附註11) | (21,283) | (264) | (84) | (2,075) | (23,706) |
| Gross deferred tax assets at 31 December 2020 | 於二零二零年十二月三十一日的遞延稅項資產總額 | 31,479 | 423 | 5,159 | 9,718 | 46,779 |

遞延稅項負債

| | | Fair value adjustments of equity investments at fair value through other comprehensive income 以公允價值計量且其變動 計入其他綜合收益的權益 投資的公允價值變動 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|------------------------|---|---------------------------------|
| At 1 January 2021 | 於二零二一年一月一日 | 588 | 588 |
| Deferred tax charged to other comprehensive income during the year | 年內計入其他綜合收益的遞延稅項 | (379) | (379) |
| Gross deferred tax liabilities at 31 December 2021 | 於二零二一年十二月三十一日的遞延稅項負債總額 | 209 | 209 |
| At 1 January 2020 | 於二零二零年一月一日 | 399 | 399 |
| Deferred tax charged to other comprehensive income during the year | 年內計入其他綜合收益的遞延稅項 | 189 | 189 |
| Gross deferred tax liabilities at 31 December 2020 | 於二零二零年十二月三十一日的遞延稅項負債總額 | 588 | 588 |

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18. DEFERRED TAX (CONTINUED)

Deferred tax liabilities (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Net deferred tax assets recognised in the consolidated statement of financial position | 在合併財務狀況表確認的遞延稅項資產淨額 | 51,840 | 46,191 |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | 在合併財務狀況表確認的遞延稅項負債淨額 | - | - |
| Net deferred tax assets | 遞延稅項資產淨額 | 51,840 | 46,191 |

As at 31 December 2021, the Group has tax losses arising in India of RMB33,383,000 (31 December 2020: RMB27,945,000) that will expire up to eight years for offsetting against future taxable profits of Technologies & Engineering India, an overseas subsidiary of the Group. As at 31 December 2021, the Group had tax losses arising in the PRC of RMB622,555,000 (31 December 2020: RMB196,166,000). As at 31 December 2021, the Group has deductible temporary differences of RMB507,269,000 (2020: RMB233,883,000) in respect of impairment losses.

Deferred tax assets have not been recognised in respect of these losses or deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

18. 遞延稅項(續)

遞延稅項負債(續)

上述遞延稅項資產及負債在合併財務狀況表上以淨額列示。以下為本集團用於報告目的列示的遞延稅項的分析：

於二零二一年十二月三十一日，本集團來自於印度的稅項虧損金額為人民幣33,383,000元(二零二零年十二月三十一日：人民幣27,945,000元)，可於未來八年內抵扣本集團之海外子公司科技工程印度公司的未來應課稅所得額。於二零二一年十二月三十一日，本集團來自中國大陸的稅項虧損金額為人民幣622,555,000元(二零二零年十二月三十一日：人民幣196,166,000元)。於二零二一年十二月三十一日，本集團因資產減值損失而形成的可抵扣暫時性差異金額為人民幣507,269,000元(二零二零年：人民幣233,883,000元)。

上述可抵扣暫時性差異以及子公司的累計稅務虧損由於未來未能產生足夠應納稅利潤而未確認為遞延所得稅資產。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

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19. OTHER NON-CURRENT ASSETS

19. 其他非流動資產

| | | 2021 二零二一年 <i>RMB'000</i> 人民幣千元 | 2020 二零二零年 <i>RMB'000</i> 人民幣千元 |
|----------------------------|-----------|--|--|
| Long-term prepaid expenses | 長期待攤費用 | 288,893 | 337,395 |
| Deductible VAT | 待抵扣增值稅進項稅 | 45,531 | 45,508 |
| Prepayments for equipment | 預付設備款 | 15,512 | 19,021 |
| Others | 其他 | 35,816 | 27,708 |
| | | 385,752 | 429,632 |

20. INVENTORIES

20. 存貨

| | | 2021 二零二一年 <i>RMB'000</i> 人民幣千元 | 2020 二零二零年 <i>RMB'000</i> 人民幣千元 |
|------------------|-----|--|--|
| Raw materials | 原材料 | 99,867 | 84,604 |
| Work in progress | 半製品 | 12,129 | 7,482 |
| Finished goods | 製成品 | 92,935 | 98,523 |
| | | 204,931 | 190,609 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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21. CONTRACT ASSETS

21. 合同資產

| | | 31 December 2021 | 31 December 2020 | 1 January 2020 |
|--------------------------------|--------------|-----------------------------|---------------------|-------------------|
| | | 於二零二一年 十二月三十一日 | 於二零二零年 十二月三十一日 | 於二零二零年 一月一日 |
| | | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Contract assets arising from: | 下列各項產生的合同資產： | | | |
| construction services | 建造服務 | 240,005 | 712,625 | 889,309 |
| sale of industrial products | 銷售工業產品 | 27,186 | 28,744 | - |
| | | 267,191 | 741,369 | 889,309 |
| Less: provision for impairment | 減：減值 | (3,426) | (5,962) | (5,470) |
| Total | 總計 | 263,765 | 735,407 | 883,839 |

Contract assets are initially recognised for revenue earned from the sale of industrial products and construction services as the receipt of consideration is conditional on successful completion of construction, respectively. Upon completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2021 and 2020 were both the results of the decrease in the provision of construction services at the end of the year.

During the year ended 31 December 2021, RMB2,511,000 (2020: RMB492,000) was reversed/(recognized) as impairment loss on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 22 to the financial statements.

合同資產的確認分別源自於銷售工業產品以及建造服務產生的收入，確認條件是工程施工完畢。在施工完成並經客戶驗收後，確認為合同資產的金額將重新分類為貿易應收款項。二零二一年和二零二零年合同資產減少為年末建造服務供應減少所致。

截至二零二一年十二月三十一日止年度，本集團合同資產預計信用損失的轉回／(計提)金額為人民幣2,511,000元(二零二零年：人民幣492,000元)。本集團與客戶的交易條款及信貸政策參見財務報表附註22。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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21. CONTRACT ASSETS (CONTINUED)

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|------------------------------|---------------|-----------------------------------|-----------------------------------|
| Within one year | 一年以內 | 263,765 | 735,407 |
| After one year | 一年以上 | - | - |
| Total contract assets | 合同資產總額 | 263,765 | 735,407 |

The movements in the loss allowance for impairment of contract assets are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-------------------------------------|------------|-----------------------------------|-----------------------------------|
| At beginning of year | 於年初 | 5,962 | 5,470 |
| Impairment losses, net | 減值損失，淨額 | (2,511) | 492 |
| Amount written off as uncollectible | 撇銷為不可收回之款項 | (25) | - |
| At end of year | 於年末 | 3,426 | 5,962 |

An impairment analysis is performed at each reporting date to measure expected credit losses on contract assets. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. Similar to trade receivables, the contract assets from related parties and third parties are assessed separately based on their different credit risks characteristics, the detailed analysis of which can be referred to note 22.

21. 合同資產(續)

於十二月三十一日，合同資產預計收回或結算時間如下：

合同資產減值之損失準備的變動如下：

本集團於每個報告日進行合同資產減值分析，以計量預計信用損失金額。因為合同資產與貿易應收款項來自相同的客戶，合同資產預計信用損失撥備率以貿易應收款項預計信用損失率為基礎。與貿易應收款項相似，關聯方與第三方的合同資產依據其不同的信用風險特徵分別評估，具體分析參見財務報表附註22。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

21. CONTRACT ASSETS (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's contract assets:

As at 31 December 2021

| | | Related Parties 關聯方 | Third Parties 第三方 | Total 合計 |
|----------------------------------|---------------|------------------------|----------------------|-------------|
| Expected credit loss rate | 預期信用損失率 | 0.303% | 3.936% | |
| Gross carrying amount (RMB'000) | 總賬面值(人民幣千元) | 195,174 | 72,017 | 267,191 |
| Expected credit losses (RMB'000) | 預期信用損失(人民幣千元) | 591 | 2,835 | 3,426 |

As at 31 December 2020

| | | Related Parties 關聯方 | Third Parties 第三方 | Total 合計 |
|----------------------------------|---------------|------------------------|----------------------|-------------|
| Expected credit loss rate | 預期信用損失率 | 0.157% | 2.690% | |
| Gross carrying amount (RMB'000) | 總賬面值(人民幣千元) | 551,856 | 189,513 | 741,369 |
| Expected credit losses (RMB'000) | 預期信用損失(人民幣千元) | 866 | 5,096 | 5,962 |

22. TRADE AND BILLS RECEIVABLES

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--------------------------------|--------|-----------------------------------|-----------------------------------|
| Trade receivables | 貿易應收款項 | 7,838,390 | 7,932,517 |
| Less: provision for impairment | 減：減值撥備 | (292,965) | (272,662) |
| | | 7,545,425 | 7,659,855 |
| Bills receivable | 應收票據 | 624,508 | 968,588 |
| | | 8,169,933 | 8,628,443 |

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally within one year. Each customer has a maximum credit limit. The Group seeks to maintain strict control over the outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

21. 合同資產(續)

以下載列有關本集團合同資產信用風險敞口的資料：

於二零二一年十二月三十一日

22. 貿易應收款項和應收票據

除新客戶需支付預付款外，本集團與客戶的貿易條款主要是信用條款。信用期間一般為一年以內。每一客戶均有其最高信用額度。本集團對於未收回的應收款項採取嚴格的控制以儘量減低信用風險，逾期未收款項由高級管理層定期複核。貿易應收款項不計息。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

22. TRADE AND BILLS RECEIVABLES
(CONTINUED)

(a) Ageing analysis

An ageing analysis of the trade and bills receivables, based on the invoice date, at the end of the reporting period is as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--------------------------------|--------|-----------------------------------|-----------------------------------|
| Within 1 year | 一年內 | 4,630,198 | 5,231,239 |
| Between 1 and 2 years | 一至兩年 | 1,260,312 | 798,872 |
| Between 2 and 3 years | 兩至三年 | 435,405 | 890,505 |
| Over 3 years | 超過三年 | 2,136,983 | 1,980,489 |
| | | 8,462,898 | 8,901,105 |
| Less: provision for impairment | 減：減值撥備 | (292,965) | (272,662) |
| | | 8,169,933 | 8,628,443 |

(b) Impairment of trade receivables

The movements in the loss allowance for impairment of trade receivables are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-------------------------------------|-----------|-----------------------------------|-----------------------------------|
| At beginning of the year | 於年初 | 272,662 | 234,844 |
| Impairment losses, net | 減值損失，淨額 | 22,924 | 43,781 |
| Amount written off as uncollectible | 沖銷無法收回的金額 | (2,621) | (5,963) |
| At end of the year | 於年末 | 292,965 | 272,662 |

22. 貿易應收款項和應收票據
(續)

(a) 賬齡分析

於各報告期末，貿易應收賬款和應收票據按發票日期的賬齡分析如下：

(b) 貿易應收款項減值

貿易應收款項減值撥備的變動如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

22. TRADE AND BILLS RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables (Continued)

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables.

As at 31 December 2021, the gross carrying amounts of trade receivables from the related parties are RMB6,827,717,000 (2020: RMB6,677,115,000) which are mainly due from China Datang Group and certain associates and joint ventures of China Datang Group. The Group has assessed the expected losses for trade receivables from related parties by reference to the published credit rating of China Datang Group and the corresponding probability of default of 0.303%. The loss given default was estimated to be 100%.

For the trade receivables from third parties, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and credit rating). The calculation reflects the probability-weighted outcome, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

22. 貿易應收款項和應收票據 (續)

(b) 貿易應收款項減值(續)

本集團按國際財務報告準則第9號規定的預期信用損失準備採用簡化方法，即允許對貿易應收款項使用終生預期損失準備。

於二零二一年十二月三十一日，關聯方貿易應收款項總額為人民幣6,827,717,000元(二零二零年：人民幣6,677,115,000元)，主要是應收中國大唐集團及其合聯營公司的款項。本集團已參考中國大唐集團公佈的信用評級及對應的違約率0.303%評估了關聯方貿易應收款項的預期信用損失。違約給定的損失率估計為100%。

對於來自第三方的貿易應收款項，於每個報告日期使用撥備矩陣進行減值分析，以計量預期信用損失金額。撥備率基於具有相同損失模式的不同客戶分部(例如：按產品類型，客戶類型以及信用評級)。該計算反映了概率加權結果，以及截至報告日可獲得的反映過往及當前狀況和未來經濟狀況預測的合理和可佐證資訊。

以下表格提供了有關本集團貿易應收款項信用風險敞口和預期信用損失的資料：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

22. TRADE AND BILLS RECEIVABLES
(CONTINUED)

(b) Impairment of trade receivables
(Continued)

As at 31 December 2021

| | Related parties | Within 1 year | Third parties 第三方 | | | Subtotal | Individually assessed trade receivables 單項評估的 應收款項 (Note a) (附註a) | Total | |
|----------------------------------|-------------------|---------------|-----------------------|-----------------------|--------------|----------|---|---------|-----------|
| | | | Between 1 and 2 years | Between 2 and 3 years | Over 3 years | | | | |
| | 關聯方 | 一年內 | 一至兩年 | 兩至三年 | 超過三年 | 小計 | 應收款項 (Note a) (附註a) | 合計 | |
| Expected credit loss rate | 預期信用損失率 | 0.303% | 1.33% | 8.09% | 12.25% | 26.65% | 13.96% | 86.87% | 3.74% |
| Gross carrying amount (RMB'000) | 賬面價值 (人民幣千元) | 6,827,717 | 197,158 | 244,263 | 70,635 | 318,655 | 830,711 | 179,962 | 7,838,390 |
| Expected credit losses (RMB'000) | 預期信用損失 (人民幣千元) | 20,688 | 2,623 | 19,752 | 8,652 | 84,911 | 115,938 | 156,339 | 292,965 |

As at 31 December 2020

二零二零年十二月三十一日

| | Related parties | Within 1 year | Third parties 第三方 | | | Subtotal | Individually assessed trade receivables 單項評估的應 收款項 (Note a) (附註a) | Total | |
|----------------------------------|-------------------|---------------|-----------------------|-----------------------|--------------|----------|---|---------|-----------|
| | | | Between 1 and 2 years | Between 2 and 3 years | Over 3 years | | | | |
| | 關聯方 | 一年內 | 一至兩年 | 兩至三年 | 超過三年 | 小計 | 應收款項 (Note a) (附註a) | 合計 | |
| Expected credit loss rate | 預期信用損失率 | 0.157% | 1.54% | 9.07% | 17.61% | 33.54% | 13.10% | 70.75% | 3.44% |
| Gross carrying amount (RMB'000) | 賬面價值 (人民幣千元) | 6,677,115 | 398,951 | 109,355 | 424,069 | 153,469 | 1,085,844 | 169,558 | 7,932,517 |
| Expected credit losses (RMB'000) | 預期信用損失 (人民幣千元) | 10,483 | 6,155 | 9,920 | 74,675 | 51,468 | 142,218 | 119,961 | 272,662 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

22. TRADE AND BILLS RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables (Continued)

Note a:

An overseas third-party company in India (the “**Indian Company**”) of which a subsidiary is a customer of the Group (the “**Indian Customer**”) is undergoing a proceeding of bankruptcy and reorganisation. The Group received the preliminary restructuring plan approved by National Company Law Appellate Tribunal, New Delhi (the “**Local Court**”) during the year. According to the restructuring plan and considering the present value, the expected accumulated credit loss is estimated to be RMB140,863,000.

An overseas third-party company in Thailand (the “**Thailand Company**”) which is a customer of the Group (the “**Thailand Customer**”) had a dispute over the receivables with the Group due to construction delay and some project performance factors. During this year, the Thailand Customer issued a letter stating that the Group’s construction progress had been delayed and filed a reverse claim to the Group accordingly. Considering the current situation, management of the Group believes that the receivables are less likely to be recovered, and therefore a full impairment provision of RMB10,228,000 was made as at 31 December 2021.

In addition to above two impairment provisions, there are three third-party receivables with the amount of RMB5,248,000 that are fully made impairment provision due to their low possibilities of recovery as at 31 December 2021.

22. 貿易應收款項和應收票據 (續)

(b) 貿易應收款項減值(續)

附註a:

一家位於印度的第三方海外公司(「**印度公司**」)正在進行破產和重組，其附屬公司是本集團的客戶(「**印度客戶**」)。年內，本集團收到新德里國家公司法上訴法庭(「**當地法院**」)批准的初步重組計劃。根據重組計劃及考慮現值，預期信貸累計損失估計為人民幣140,863,000元。

一家位於泰國的第三方海外公司(「**泰國公司**」)是本集團之客戶(「**泰國客戶**」)，與本集團因工程延遲及若干項目履約因素而對應收款項有爭議。年內，泰國客戶發函表示本集團的施工進度已延遲，並因此向本集團提出反向索賠。鑒於當前狀況，本集團管理層認為相關應收款項收回的可能性甚微，因此於二零二一年十二月三十一日全額計提減值撥備人民幣10,228,000元。

除上述兩項減值撥備外，另有三筆金額為人民幣5,248,000元的應收第三方款項因收回的可能性極低而於二零二一年十二月三十一日全額計提減值撥備。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

22. TRADE AND BILLS RECEIVABLES (CONTINUED)

(c) Transferred financial assets

Transferred financial assets that are derecognised in their entirety

At 31 December 2021, the Group endorsed certain bills receivable to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB163,645,000 (2020: RMB73,712,000) (the “**Derecognised Bills**”).

The derecognised bills receivable had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the derecognised bills receivable have a right of recourse against the Group if the PRC banks default (the “**Continuing Involvement**”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the derecognised bills receivable. Accordingly, it has derecognised the full carrying amounts of the derecognised bills receivable and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the derecognised bills receivable and the undiscounted cash flows to repurchase these derecognised bills receivable is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the derecognised bills receivable are not significant.

During the years ended 31 December 2021 and 2020, the Group has not recognised any gain or loss on the date of transfer of the derecognised bills receivable. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

22. 貿易應收款項和應收票據 (續)

(c) 金融資產轉移

全部終止確認的轉移金融資產

於二零二一年十二月三十一日，本集團背書了若干對其特定供應商的應收票據，以結算對這些供應商的貿易應付款項，其賬面金額總計為人民幣163,645,000元（二零二零年：人民幣73,712,000元）（「終止確認票據」）。

終止確認的應收票據將於本報告日後一到六個月內到期。根據中國票據法規定，如中國銀行違約，已終止確認的應收票據持有人對本集團有追索權（「繼續涉入」）。董事認為，本集團已將與終止確認的應收票據相關的全部風險與報酬轉移，因此，本集團按全部賬面金額對已終止確認的應收票據及貿易應付賬款進行了終止確認。因本集團已終止確認的應收票據引發繼續涉入導致的最大損失，以及回購相應已終止確認的應收票據的未折現現金流等於其賬面值。董事認為，本集團已終止確認的應收票據的繼續涉入導致損失的相關公允價值並不重大。

截至二零二一年及二零二零年十二月三十一日止年度，本集團並未確認任何與轉移已終止確認應收票據當日產生的利得或損失。無論當年或以前年度，繼續涉入並未確認任何利得或損失。背書在本年度均勻發生。

NOTES TO FINANCIAL STATEMENTS (CONTINUED) 財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

22. TRADE AND BILLS RECEIVABLES (CONTINUED)

(c) Transferred financial assets (Continued)

Transferred financial assets that are not derecognised in their entirety

At 31 December 2021, the Group endorsed certain bills receivable accepted by banks and financial institutions of certain large central enterprises in Mainland China (the “**Endorsed Bills**”) with a carrying amount of RMB91,708,000 (2020: RMB81,456,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB91,708,000 (2020: RMB81,456,000) as at 31 December 2021.

As at 31 December 2021, trade and bills receivables amounting to RMB5,981,000 were pledged for bills payable granted to the Group (31 December 2020: Nil).

22. 貿易應收款項和應收票據 (續)

(c) 金融資產轉移(續)

未全部終止確認的轉移金融資產

於二零二一年十二月三十一日，本集團背書若干對其特定供應商的中國內地銀行和若干大型央企的財務公司承兌的應收票據(「**背書票據**」)，載列金額為人民幣91,708,000元(二零二零年：人民幣81,456,000元)，以結算對該等供應商的貿易應付款項(「**背書**」)。董事認為，本集團保留了大量的風險和回報，其中包括與此類背書票據有關的違約風險，因此，本集團未終止確認背書票據和相關貿易應付款項的全部賬面金額。背書後，本集團沒有保留任何使用已背書票據的權利，包括將已背書票據出售、轉讓或質押給任何其他第三方。截至二零二一年十二月三十一日，在供應商有追索權的年度內，通過背書票據結算的貿易應付款項的總賬面金額為人民幣91,708,000元(二零二零年：人民幣81,456,000元)。

於二零二一年十二月三十一日，本集團存在貿易應收款項及應收票據人民幣5,981,000元作為本集團應付票據的擔保抵押(二零二零年十二月三十一日：無)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

23. 預付款項、其他應收款項及其他資產

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-------------------------------|--------|-----------------------------------|-----------------------------------|
| Prepayments | 預付款項 | 100,769 | 133,734 |
| Deposits | 保證金 | 52,441 | 59,443 |
| Other receivables | 其他應收款項 | 151,828 | 62,226 |
| Other current assets | 其他流動資產 | 288,828 | 379,117 |
| | | 593,866 | 634,520 |
| Less: provision of impairment | 減：減值撥備 | (28,260) | (9,543) |
| Total | 合計 | 565,606 | 624,977 |

Deposits and other receivables are mainly related to the guarantee deposits for auction and the funds held by employees, and an impairment analysis is performed at each reporting date by considering the probability of default. Except the separate item of prepayments for certain terminated projects already impaired, as the financial assets included in the above balances relate to receivables for which there was no recent history of default, no impairment was provided during the year.

As at 31 December 2021, a provision of RMB28,260,000 (2020: RMB9,543,000) has been made for the prepayments for certain terminated projects.

As supplier of the Group has not returned the prepaid construction payment after the completion and settlement of the project, the Group made a provision for impairment at 24.24% of expected credit loss rate, which resulted in an increase in impairment provision of RMB18,717,000.

保證金及其他應收款項主要是與投標保證金及僱員備用金相關的，於每個報告日均考慮違約概率已進行減值分析。除對某些終止項目的預付款項計提減值準備外，由於上述餘額中包含的金融資產與應收款項相關，而該應收款項近期並無違約歷史，因此本年內未計提減值準備。

於二零二一年十二月三十一日，已為某些終止項目的預付款項計提壞賬準備人民幣28,260,000元(二零二零年：人民幣9,543,000元)。

由於本集團的供應商在項目竣工結算後並無歸還預付工程款，故本集團按24.24%的預期信用損失率計提減值撥備，導致減值撥備增加人民幣18,717,000元。

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24. CASH AND CASH EQUIVALENTS, A TIME DEPOSIT AND RESTRICTED CASH

24. 現金和現金等價物、定期存款及受限制現金

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Cash and bank balances | 現金和銀行結餘 | 1,366,486 | 1,599,466 |
| Less: restricted cash (Note a) | 減：受限制現金(附註a) | (121,604) | (67,727) |
| Cash and cash equivalents | | 1,244,882 | 1,531,739 |
| Cash and bank balances denominated in: | 現金和銀行結餘以下列貨幣計值： | | |
| – RMB | – 人民幣 | 1,358,014 | 1,568,278 |
| – United States dollar | – 美元 | 842 | 17,484 |
| – Hong Kong dollar | – 港元 | 6,283 | 6,698 |
| – Indian rupee | – 印度盧比 | 1,347 | 7,006 |
| | | 1,366,486 | 1,599,466 |

Note a: Restricted cash mainly represents deposits held for issued bills payable and performance obligations for engineering services, property maintenance and frozen deposits for construction contract disputes.

The RMB is not freely convertible into other currencies. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

附註a：受限制現金主要指持有有關工程服務、物業維修等發行的應付票據及履約保函的押金和與建造合同糾紛有關的銀行凍結款項。

人民幣不得自由兌換為其他貨幣。然而，根據中國外匯管制規定和對外匯結算、銷售和付款的管理規定，本集團獲準通過獲授權從事外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金根據每日銀行存款利率按浮動利率賺取利息。短期定期存款的期限為七日至三個月不等，取決於本集團對於即期現金的需求，並且根據相應的短期存款利率取得利息。銀行結餘及有抵押存款存入近期並無拖欠記錄的信譽良好銀行。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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25. TRADE AND BILLS PAYABLES

Trade and bills payables are non-interest-bearing and are normally to be settled within one year.

25. 貿易應付款項和應付票據

貿易應付款項和應付票據不計息並通常於一年內結算。

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|----------------------|----------|-----------------------------------|-----------------------------------|
| Bills payable (note) | 應付票據(附註) | 115,091 | 122,600 |
| Trade payables | 貿易應付款項 | 4,463,973 | 4,781,875 |
| | | 4,579,064 | 4,904,475 |

An ageing analysis of the trade and bills payables, based on the invoice date, at the end of the reporting period is as follows:

於各報告期末，基於發票日期確定的貿易應付款項和應付票據的賬齡分析如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--------------------|------|-----------------------------------|-----------------------------------|
| Within 1 year | 一年內 | 2,329,536 | 2,379,678 |
| 1 year to 2 years | 一至兩年 | 579,393 | 605,142 |
| 2 years to 3 years | 兩至三年 | 354,407 | 679,509 |
| More than 3 years | 超過三年 | 1,315,728 | 1,240,146 |
| | | 4,579,064 | 4,904,475 |

Note: Part of the above bills payable are secured by trade and bills receivables with a net carrying value of RMB5,981,000 (31 December 2020: Nil) (note 22).

附註：上述應付票據部分由賬面淨值為人民幣5,981,000元(二零二零年十二月三十一日：無)的貿易應收款項和應收票據擔保(附註22)。

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財務報表附註(續)

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26. OTHER PAYABLES AND ACCRUALS

26. 其他應付款項和應計費用

| | | | 2021 | 2020 |
|--------------------------------------|------------|-------|----------------|----------------|
| | | Notes | 二零二一年 | 二零二零年 |
| | | 附註 | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 |
| Contract liabilities | 合同負債 | (a) | 145,420 | 338,123 |
| Taxes payable, other than income tax | 除所得稅外的應付稅項 | | 41,163 | 26,415 |
| Interest payables | 應付利息 | | 13,232 | 15,467 |
| Dividends payable | 應付股息 | | 30,920 | 417,374 |
| Other payables | 其他應付款項 | (b) | 751,948 | 992,180 |
| | | | 982,683 | 1,789,559 |

Notes:

附註：

(a) Details of contract liabilities are as follows:

(a) 合同負債明細列示如下：

| | | 31 December | 31 December | 1 January |
|--|----------------|----------------|----------------|----------------|
| | | 2021 | 2020 | 2020 |
| | | 二零二一年 | 二零二零年 | 二零二零年 |
| | | 十二月三十一日 | 十二月三十一日 | 一月一日 |
| | | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| <i>Short-term advances received from customers</i> | <i>短期預收客戶款</i> | | | |
| Sale of industrial products | 銷售工業產品 | 3,533 | 27,484 | 25,995 |
| Construction services | 建造服務 | 141,887 | 310,639 | 494,782 |
| Total contract liabilities | 合同負債合計 | 145,420 | 338,123 | 520,777 |

Contract liabilities include short-term advances received to deliver industrial products and construction services. The decrease in contract liabilities in 2021 and 2020 was mainly due to the decrease in short-term advances received from customers in relation to the provision of construction services at the end of the year.

合同負債包括銷售工業產品及提供建造服務收到的短期預收款。二零二一年及二零二零年合同負債的減少主要是由於年底與建造服務相關的短期預收客戶款項的下降。

(b) Other payables are non-interest-bearing and have no fixed terms of repayment.

(b) 其他應付款項無需承擔利息且無固定還款期。

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27. PROVISIONS

27. 撥備

| | | Warranties (note a) 保證金 (附註a) <i>RMB'000</i> 人民幣千元 | Other losses (note b) 其他損失 (附註b) <i>RMB'000</i> 人民幣千元 | Total 合計 <i>RMB'000</i> 人民幣千元 |
|---|---------------|---|--|--|
| At 1 January 2021 | 於二零二一年一月一日 | 2,820 | 4,500 | 7,320 |
| Additional provision | 額外撥備 | - | 123,151 | 123,151 |
| Amounts utilised during the year | 已使用撥備 | (1,560) | (4,500) | (6,060) |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 1,260 | 123,151 | 124,411 |
| Portion classified as current liabilities | 分類為流動負債部分 | (780) | (123,151) | (123,931) |
| Non-current portion | 非流動負債 | 480 | - | 480 |

Note a:

The Group provides one to three years of maintenance service to its customers for certain industrial products sales related to the prior year sales. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of maintenance service. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

Note b:

Other losses of provisions mainly represented the accrued liabilities recognized for the provisions for the litigations or contract disputes mainly related to the issues of the Indian construction projects mentioned in note 6(b).

附註a:

本集團對過往年度銷售予客戶的部分工業產品提供一到三年的維修服務。本集團基於銷量及維修服務水平的過往經驗估算保修期的撥備金額。本集團會不斷審閱該估計及相關假設，並在適當時修訂。

附註b:

其他撥備損失主要指就上文附註6(b)所述主要與印度建造項目事宜有關的訴訟或合同爭議所確認的應計負債。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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28. INTEREST-BEARING BANK BORROWINGS AND OTHER LOANS

28. 計息銀行借款和其他貸款

| | | Effective interest rate | Maturity | 31 December 2021 二零二一年十二月三十一日 RMB'000 人民幣千元 | 31 December 2020 二零二零年十二月三十一日 RMB'000 人民幣千元 |
|---|-------------------------|-------------------------|-----------|--|--|
| | | 實際利率 | 到期日 | | |
| Current | 即期 | | | | |
| Bank borrowings: | 銀行借款： | | | | |
| – unsecured | – 無抵押 | 3.10%-4.35% | 2022 | 2,676,495 | 1,590,560 |
| Other loans: | 其他貸款 | | | | |
| – unsecured | – 無抵押 | 3.90%-4.50% | 2022 | 78,080 | – |
| – secured | – 有抵押 | | | – | 70,000 |
| – short-term bonds (Note a) | – 短期融資券(附註a) | 2.69% | 2022 | 500,000 | 500,000 |
| | | | | 3,254,575 | 2,160,560 |
| Current portion of long term bank borrowings and other loans | 長期銀行借款和其他貸款的即期部分 | | | | |
| Bank borrowings – unsecured | 銀行借款 – 無抵押 | 3.85%-4.41% | 2022 | 404,574 | 461,232 |
| Bank borrowings – guaranteed (Note b) | 銀行借款 – 有擔保(附註b) | 4.41% | 2022 | 9,000 | 35,167 |
| Other loans – unsecured | 其他貸款 – 無抵押 | 5.15%-5.70% | 2022 | 86,550 | 153,186 |
| Other loans – secured | 其他貸款 – 有抵押 | | | – | 350,000 |
| Lease liabilities (Note 16b) | 租賃負債(附註16b) | 4.41% | 2022 | 35,106 | 32,160 |
| | | | | 535,230 | 1,031,745 |
| | | | | 3,789,805 | 3,192,305 |
| Non-current | 非即期 | | | | |
| Long term bank borrowings and other loans: | 長期銀行借款及其他貸款： | | | | |
| Bank borrowings – unsecured | 銀行借款 – 無抵押 | 3.25%-4.41% | 2023-2027 | 1,275,587 | 1,948,661 |
| Bank borrowings – guaranteed (Note b) | 銀行借款 – 有擔保(附註b) | 4.41% | 2026 | 5,500 | 27,700 |
| Other loans – unsecured | 其他貸款 – 無抵押 | 5.15% | 2023 | 8,900 | 14,700 |
| Other loans – bonds | 其他貸款 – 債券 | 3.65% | 2024 | 600,000 | 600,000 |
| Lease liabilities (Note 16b) | 租賃負債(附註16b) | 4.41% | 2023-2038 | 272,994 | 287,523 |
| | | | | 2,162,981 | 2,878,584 |
| | | | | 5,952,786 | 6,070,889 |
| Interest-bearing bank borrowings and other loans denominated in: | 計息銀行借款和其他貸款以下列貨幣計值： | | | | |
| – RMB | – 人民幣 | | | 5,952,786 | 6,070,889 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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28. INTEREST-BEARING BANK BORROWINGS AND OTHER LOANS (CONTINUED)

Note a:

On 11 January 2021, 9 April 2021 and 5 July 2021, the Company issued three tranches of short-term bonds at a par value of RMB100 amounting to RMB500 million each. The bonds had annual effective interest rates of 2.65%, 2.64% and 2.69% respectively. The first and second tranches of short-term bonds were already matured in April 2021 and July 2021, respectively, and the third tranche of short-term bond will be matured in April 2022.

Note b:

The above secured bank borrowings were guaranteed by the Company for certain subsidiaries.

28. 計息銀行借款和其他貸款(續)

附註a:

於二零二一年一月十一日、二零二一年四月九日及二零二一年七月五日，本公司各發行人民幣500,000,000元的超短期融資券，票面金額均為人民幣100元，票面利率分別為2.65%、2.64%及2.69%。第一期及第二期超短期融資券已經於二零二一年四月及二零二一年七月到期，第三期超短期融資券將於二零二二年四月到期。

附註b:

上述銀行借款由本公司為若干附屬公司進行擔保。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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28. INTEREST-BEARING BANK BORROWINGS AND OTHER LOANS (CONTINUED)

The maturity profile of the interest-bearing bank borrowings and other loans as at the end of the reporting period is as follows:

28. 計息銀行借款和其他貸款(續)

計息銀行借款和其他貸款於各報告期末的到期情況如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|----------------|-----------------------------------|-----------------------------------|
| Analysed into: | 分析如下： | | |
| Bank borrowings repayable: | 應付銀行借款： | | |
| Within one year | 一年內 | 3,090,069 | 2,086,959 |
| In the second year | 第二年 | 781,294 | 579,784 |
| In the third to fifth years, inclusive | 第三至第五年(包括首尾兩年) | 494,711 | 1,298,331 |
| Beyond five years | 五年後 | 5,082 | 98,246 |
| | | 4,371,156 | 4,063,320 |
| Other loans repayable: | 應付其他貸款： | | |
| Within one year | 一年內 | 699,736 | 1,105,346 |
| In the second year | 第二年 | 38,993 | 35,289 |
| In the third to fifth years, inclusive | 第三至第五年(包括首尾兩年) | 682,836 | 690,073 |
| Beyond five years | 五年後 | 160,065 | 176,861 |
| | | 1,581,630 | 2,007,569 |
| Total | 合計 | 5,952,786 | 6,070,889 |

29. SHARE CAPITAL

29. 股本

| Shares 股份 | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------------------|
| Issued and fully paid: | 已發行和繳足： | | |
| 2,967,542,000 | 2,967,542,000股(二零二零年： | | |
| (2020: 2,967,542,000) ordinary shares | 2,967,542,000股)普通股 | 2,967,542 | 2,967,542 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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30. RESERVES

The amounts of the Group's reserves and the movements therein for the years ended 31 December 2021 and 2020 are presented in the consolidated statement of changes in equity.

30. 儲備

截至二零二一年及二零二零年十二月三十一日止年度，本集團的儲備與變動金額呈列在合併權益變動表內。

31. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

31. 擁有重大非控股權益的非全資附屬公司

擁有重大非控股權益的本集團附屬公司詳情載列如下：

| | | 2021 二零二一年 | 2020 二零二零年 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Percentage of equity interests held by non-controlling interests: | 非控股權益持有的股權比例： | | |
| Technologies & Engineering Company | 科技工程公司 | 44% | 44% |
| Nanjing Environmental Protection | 南京環保 | 7.89% | 7.89% |
| Tiandi Environmental | 天地環保 | 35% | 35% |
| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
| Profit/(loss) for the year attributable to non-controlling interests: | 年內歸屬於非控股權益的利潤/(損失)： | | |
| Technologies & Engineering Company | 科技工程公司 | (247,994) | (107,958) |
| Nanjing Environmental Protection | 南京環保 | 1,621 | 3,872 |
| Tiandi Environmental | 天地環保 | 10,651 | 11,928 |
| Dividends declared to non-controlling interests: | 已支付予非控股權益的股息： | | |
| Technologies & Engineering Company | 科技工程公司 | - | 3,520 |
| Nanjing Environmental Protection | 南京環保 | - | - |
| Tiandi Environmental | 天地環保 | 7,000 | 1,785 |
| Accumulated balances of non-controlling interests at the reporting date: | 於報告日期非控股權益的累計餘額： | | |
| Technologies & Engineering Company | 科技工程公司 | (240,687) | 6,838 |
| Nanjing Environmental Protection | 南京環保 | 36,841 | 35,220 |
| Tiandi Environmental | 天地環保 | 79,318 | 75,667 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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31. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following table illustrates the summarised financial information of Technologies & Engineering Company, Nanjing Environmental Protection and Tiandi Environmental. The amounts disclosed are before any inter-company eliminations:

31. 擁有重大非控股權益的非全資附屬公司(續)

下表闡明科技工程公司、南京環保及天地環保的財務資訊概要。所披露的金額為集團公司間抵銷前的金額：

| 2021 二零二一年 | | Technologies & Engineering Company 科技工程公司 RMB'000 人民幣千元 | Nanjing Environmental Protection 南京環保 RMB'000 人民幣千元 | Tiandi Environmental 天地環保 RMB'000 人民幣千元 |
|--|-------------------|--|--|---|
| Revenue | 收入 | 560,923 | 423,317 | 91,321 |
| Total expenses | 總開支 | (1,124,546) | (402,777) | (60,889) |
| Profit/(loss) for the year | 年內利潤/(損失) | (563,623) | 20,540 | 30,432 |
| Total comprehensive income for the year | 年內綜合收益總額 | (562,557) | 20,540 | 30,432 |
| Current assets | 流動資產 | 2,594,057 | 1,208,082 | 93,522 |
| Non-current assets | 非流動資產 | 310,670 | 464,305 | 169,483 |
| Current liabilities | 流動負債 | (3,310,953) | (968,571) | (35,624) |
| Non-current liabilities | 非流動負債 | (140,790) | (236,883) | (759) |
| Net cash flows from operating activities | 經營活動所得現金流量淨額 | 105,838 | 44,022 | 312 |
| Net cash flows used in investing activities | 投資活動所用現金流量淨額 | (5,442) | (4,877) | (15,552) |
| Net cash flows used in financing activities | 融資活動所用現金流量淨額 | (24,621) | (41,463) | (20,073) |
| Effect of foreign exchange rate changes, net | 匯率變動影響淨額 | (388) | - | - |
| Net increase/(decrease) in cash and cash equivalents | 現金和現金等價物增加/(減少)淨額 | 75,387 | (2,318) | (35,313) |

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31. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

31. 擁有重大非控股權益的非全資附屬公司(續)

| 2020 二零二零年 | | Technologies & Engineering Company 科技工程公司 RMB'000 人民幣千元 | Nanjing Environmental Protection 南京環保 RMB'000 人民幣千元 | Tiandi Environmental 天地環保 RMB'000 人民幣千元 |
|--|-------------------|--|--|--|
| Revenue | 收入 | 2,156,213 | 455,896 | 87,349 |
| Total expenses | 總開支 | (2,401,573) | (406,818) | (53,270) |
| Profit/(loss) for the year | 年內利潤/(損失) | (245,360) | 49,078 | 34,079 |
| Total comprehensive income for the year | 年內綜合收益總額 | (246,467) | 49,078 | 34,079 |
| Current assets | 流動資產 | 3,527,253 | 1,183,360 | 70,216 |
| Non-current assets | 非流動資產 | 342,697 | 487,514 | 161,302 |
| Current liabilities | 流動負債 | (3,835,721) | (964,555) | (14,529) |
| Non-current liabilities | 非流動負債 | (18,689) | (259,925) | (800) |
| Net cash flows (used in)/ from operating activities | 經營活動(所用)/所得現金流量淨額 | (43,240) | (88,314) | 49,953 |
| Net cash flows used in investing activities | 投資活動所用現金流量淨額 | (3,377) | (13,299) | (7) |
| Net cash flows (used in)/ from financing activities | 融資活動(所用)/所得現金流量淨額 | (83,757) | 108,201 | (45,949) |
| Effect of foreign exchange rate changes, net | 匯率變動影響淨額 | (1,390) | - | - |
| Net (decrease)/increase in cash and cash equivalents | 現金和現金等價物(減少)/增加淨額 | (131,764) | 6,588 | 3,997 |

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

32. 合併現金流量表附註

(a) Major non-cash transactions

(a) 主要非現金交易

During the year, the Group had non-cash reductions to right-of-use assets and lease liabilities of RMB8,700,000 (2020:RMB2,437,000) and RMB8,625,000 (2020: RMB2,437,000), respectively, in respect of lease arrangements for buildings and other infrastructure. The difference is due to the early termination of two leases during the current year, with the amount of RMB75,000 for gains on disposal of right-of-use assets.

本年度，涉及廠房和設備的租賃安排，本集團的使用權資產和租賃負債非現金減少金額分別為人民幣8,700,000元(二零二零年：人民幣2,437,000元)和人民幣8,625,000元(二零二零年：人民幣2,437,000元)。差異主要是因為本年有兩份租賃合同提前終止，產生處置使用權資產的收益人民幣75,000元。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

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32. NOTES TO THE CONSOLIDATED
STATEMENT OF CASH FLOWS
(CONTINUED)

32. 合併現金流量表附註(續)

(b) Changes in liabilities arising from financing activities

(b) 融資活動引起的負債變動

| | | Interest-bearing bank borrowings and other loans (other than lease liabilities) 計息銀行借款和其他貸款 (除租賃負債外) | Lease liabilities 租賃負債 | Other payables and accruals 其他應付款項和應計費用 |
|---|--------------------|--|---------------------------|--|
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| 2021 | | | | |
| 二零二一年 | | | | |
| As at 1 January 2021 | 於二零二一年一月一日 | 5,751,206 | 319,683 | 1,789,559 |
| Changes from financing cash flows | 融資活動現金流的影響 | (107,118) | (33,391) | (736,219) |
| New leases | 新增租賃 | - | 9,813 | - |
| Lease modification | 租賃變更 | - | 1,063 | - |
| Lease termination | 租賃終止 | - | (2,251) | - |
| Interest expenses | 利息支出 | 598 | 13,183 | 208,178 |
| 2020 final dividends | 二零二零年末股息 | - | - | 132,352 |
| Dividends declared by a subsidiary to its non-controlling shareholder | 附屬公司分派予非控股權益持有人的股息 | - | - | 7,000 |
| Changes from operating cash flows | 經營活動現金流的影響 | - | - | (200,925) |
| Exchange gains and losses | 匯兌收益和虧損 | - | - | (4,286) |
| Changes from investing cash flows | 投資活動現金流的影響 | - | - | (212,976) |
| As at 31 December 2021 | 於二零二一年十二月三十一日 | 5,644,686 | 308,100 | 982,683 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

32. 合併現金流量表附註(續)

(b) Changes in liabilities arising from financing activities (Continued)

(b) 融資活動引起的負債變動(續)

| | | Interest-bearing bank borrowings and other loans (other than lease liabilities) 計息銀行借款和其他貸款 (除租賃負債外) | Lease liabilities 租賃負債 | Other payables and accruals 其他應付款項和應計費用 |
|---|--------------------|--|---------------------------|--|
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| 2020 | | | | |
| 二零二零年 | | | | |
| As at 1 January 2020 | 於二零二零年一月一日 | 6,702,876 | 343,002 | 1,852,722 |
| Changes from financing cash flows | 融資活動現金流的影響 | (958,292) | (34,549) | (283,809) |
| New leases | 新增租賃 | - | 2,370 | - |
| Lease medication | 租賃變更 | - | (4,807) | - |
| Interest expenses | 利息支出 | 6,622 | 13,667 | 259,161 |
| 2019 final dividends | 二零一九年末股息 | - | - | 100,303 |
| Dividends paid by a subsidiary to its non-controlling shareholder | 附屬公司分派予非控股權益持有人的股息 | - | - | 5,620 |
| Changes from operating cash flows | 經營活動現金流的影響 | - | - | (54,456) |
| Exchange gains and losses | 匯兌收益和虧損 | - | - | (9,982) |
| Changes from investing cash flows | 投資活動現金流的影響 | - | - | (80,000) |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 5,751,206 | 319,683 | 1,789,559 |

(c) Total cash outflow for leases

(c) 租賃現金流出總額

The total cash outflow for leases included in the statement of cash flows is as follows:

現金流量表中的租賃現金總流出總額如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-----------------------------|------|-----------------------------------|-----------------------------------|
| Within operating activities | 經營活動 | 13,133 | 6,453 |
| Within financing activities | 融資活動 | 33,391 | 34,549 |
| | | 46,524 | 41,002 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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33. CONTINGENT LIABILITIES

(a) India Gujarat Project

As mentioned in Note 6(b), on 16 March 2019, the Group's subsidiaries of Technologies & Engineering Company and the Technologies & Engineering India signed construction contracts for desulfurisation and wet chimney with GSECL. Due to the impact of COVID-19, the construction progress was delayed and GSECL issued a formal notice which stated that it might take measures such as terminating the contract, redeeming the performance guarantee letter, and entrusting the work to others to complete. The Group fully accrued provisions of RMB75,848,000 for the redemption of the performance guarantee letter, and also considers that the corresponding advance receipts of RMB25,835,000 will no longer be obligated to be returned after the redemption of the performance guarantee letter, and incurred other expenses of RMB50,013,000 accordingly, but the likelihood of occurrence of other compensations about these contract disputes cannot be estimated reliably.

(b) India NLC Project

As mentioned in Note 6(b), on 6 March 2020, Technologies & Engineering Company signed a construction contract with NLC India. Due to the impact of COVID-19, the construction progress was delayed, and NLC India issued a formal notice to request to terminate the contract and redeem the performance guarantee letter amounting to RMB47,303,000. In addition, the claims brought by the NLC India also include the costs incurred in re-tendering and the arbitration progress. The Group fully accrued a provision of RMB47,303,000 for the request of redeeming the performance guarantee letter, and incurred other expenses of RMB47,303,000 accordingly, but the likelihood of occurrence of other compensations about these contract disputes cannot be estimated reliably.

33 或有負債

(a) 印度Gujarat項目

如上述附註6(b)所述，於二零一九年三月十六日，本集團附屬公司科技工程公司及科技工程印度公司與GSECL就脫硫及濕煙囪簽訂建造合同。由於新冠肺炎疫情的影響，建造工程被延誤，故GSECL發出正式通知，表明將採取終止合同、兌付履約保函及委託其他方完成工作等措施。本集團就兌付履約保函悉數計提撥備人民幣75,848,000元，亦認為相應的預收款人民幣25,835,000元在兌付履約保函後不再有義務歸還，並相應計提其他開支人民幣50,013,000元，但其他賠償金額無法可靠估計。

(b) 印度NLC項目

如上述附註6(b)所述，於二零二零年三月六日，科技工程公司與NLC India簽訂建造合同。由於新冠肺炎疫情的影響，建造工程被延誤，故NLC India發出正式通知，要求終止合同並兌付履約保函人民幣47,303,000元。此外，NLC India提起的索賠亦包括重新招標及仲裁進度所產生的成本。本集團就要求兌付履約保函悉數計提撥備人民幣47,303,000元，並相應計提其他開支人民幣47,303,000元，但其他賠償金額無法可靠估計。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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34. COMMITMENTS

- (a) The Group had the following capital commitments at the end of the reporting period:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|----------------------------------|----------|-----------------------------------|-----------------------------------|
| Contracted, but not provided for | 已訂約但尚未撥備 | | |
| Buildings | 樓宇 | 827 | 8,613 |
| Plant and machinery | 廠房和設備 | 155,018 | 187,792 |
| Equity investment (Note) | 權益投資(附註) | 15,048 | - |
| | | 170,893 | 196,405 |

Note: On 30 December 2021, the Company has entered into the joint venture agreement with Datang Henan Power Generation Co., Ltd, a wholly-owned subsidiary of China Datang, in relation to the proposed formation of the joint venture company with a registered capital of RMB30,096,000. Pursuant to the joint venture agreement, the Company shall make a capital contribution of RMB15,048,000, representing 50% equity interest in the joint venture company. The capital contribution has not been paid as at the reporting date.

- (b) The Group had no lease contracts that have not yet commenced as at 31 December 2021.

35. RELATED PARTY TRANSACTIONS

The Group is part of China Datang and had significant transactions with China Datang Group during the year.

The related party transactions in respect of the sales and purchase of goods, the rendering of and receiving of services to and from China Datang Group and certain associates and joint ventures of China Datang Group, and loans from/to and interest expense/income to/from China Datang Group as detailed in note 35(a) also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

In addition to the related party transactions disclosed elsewhere in the financial statements, the following is a summary of the significant related party transactions entered into the ordinary course of business between the Group and its related parties during the year.

34. 承擔

- (a) 本集團於各報告期末擁有如下資本承擔：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|----------------------------------|----------|-----------------------------------|-----------------------------------|
| Contracted, but not provided for | 已訂約但尚未撥備 | | |
| Buildings | 樓宇 | 827 | 8,613 |
| Plant and machinery | 廠房和設備 | 155,018 | 187,792 |
| Equity investment (Note) | 權益投資(附註) | 15,048 | - |
| | | 170,893 | 196,405 |

附註：於二零二一年十二月三十一日，本公司與中國大唐之全資附屬公司大唐河南發電有限公司已就建議成立合資公司訂立合資協議，註冊資本為人民幣30,096,000元。根據合資協議，本公司出資人民幣15,048,000元，佔合資公司50%的股權。截至報告日，該出資額尚未支付。

- (b) 於二零二一年十二月三十一日，本集團並無任何尚未生效的租賃協議。

35. 關聯方交易

本集團為中國大唐的成員公司，於本年中國大唐集團擁有重大的交易。

向中國大唐集團及其若干合聯營公司出售和購買貨物、提供或接受服務有關的關聯方交易，以及附註35(a)所述的自中國大唐集團獲得貸款／向中國大唐集團提供貸款及向中國大唐集團支付的利息開支／收入／自中國大唐集團獲得的利息支出／收入也構成上市規則第14A章所定義的關連交易或持續關連交易。

除在財務報表其他部分披露的關聯方交易外，下文概述由本集團及其關聯方於本年在日常業務過程中訂立的重大關聯方交易。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

35. 關聯方交易(續)

(a) Significant related party transactions

(a) 重大關聯方交易

| | | | 2021 | 2020 |
|--|-------------------------------|-------|-----------|-----------|
| | | Notes | 二零二一年 | 二零二零年 |
| | | 附註 | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 |
| Sales of goods and rendering of services to China Datang Group | 向中國大唐集團銷售貨物及提供服務 | (i) | | |
| Environmental protection and energy conservation solutions | 環保節能解決方案 | | 4,142,999 | 4,376,813 |
| Renewable energy engineering | 可再生能源工程 | | 334,714 | 1,773,369 |
| Thermal power engineering | 火電工程 | | - | 1,135 |
| Others | 其他 | | 126 | 9,177 |
| | | | 4,477,839 | 6,160,494 |
| Sales of goods and rendering of services to the associates and joint ventures of China Datang Group | 向中國大唐集團合聯營公司銷售貨物及提供服務 | (i) | | |
| Environmental protection and energy conservation solutions | 環保節能解決方案 | | 277,575 | 61,974 |
| Purchases of goods and receiving of services from China Datang Group | 自中國大唐集團購買貨物及接受服務 | (i) | | |
| Water supply and electricity supply | 供水及供電 | | 708,703 | 767,726 |
| Ancillary services under the concession operations | 特許經營業務項下的輔助服務 | | 91,577 | 82,678 |
| Logistics services | 後勤服務 | | 69,328 | 65,018 |
| Wind power electricity and other products | 風能電力及其他產品 | | 564,980 | 1,346,098 |
| | | | 1,434,588 | 2,261,520 |
| Purchases of goods and receiving of services from the associates and joint ventures of China Datang Group | 自中國大唐集團合聯營公司購買貨物及接受服務 | (i) | | |
| Water supply and electricity supply | 供水及供電 | | 84,289 | 29,182 |
| Ancillary services under the concession operations | 特許經營業務項下的輔助服務 | | - | 2,123 |
| Wind power electricity and other products | 風能電力及其他產品 | | 274 | - |
| | | | 84,563 | 31,305 |
| Loans from subsidiaries of China Datang Group | 向中國大唐集團附屬公司借款 | (ii) | | |
| China Datang Finance Co., Ltd. ("Datang Finance") (Note a) | 中國大唐財務有限公司(「大唐財務」) (附註a) | | 1,408,080 | 1,200,000 |
| Datang Commercial Factoring Co., Ltd. ("Datang Commercial Factoring") (Note a) | 大唐商業保理有限公司(「大唐商業保理」) (附註a) | | 70,000 | 70,000 |
| | | | 1,478,080 | 1,270,000 |
| Interest expense on loans from subsidiaries of China Datang Group | 向中國大唐集團附屬公司借款的利息支出 | (ii) | | |
| Datang Finance | 大唐財務 | | 2,776 | 7,233 |
| Datang Financial Lease Co., Ltd. ("Datang Financial Lease") | 大唐融資租賃有限公司(「大唐融資租賃」) | | 15,398 | 21,922 |
| Datang Commercial Factoring | 大唐商業保理 | | 3,163 | 2,671 |
| | | | 21,337 | 31,826 |
| Interest income from a subsidiary of China Datang Group | 向中國大唐集團附屬公司存款取得的利息收入 | (ii) | | |
| Datang Finance | 大唐財務 | | 5,195 | 10,540 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (Continued)

All transactions with related parties were conducted at prices and on terms mutually agreed by the parties involved, which are determined as follows:

(i) Sales of goods and rendering of services to China Datang Group and its associates and joint ventures, purchases of goods and receiving of services from China Datang Group and its associates and joint ventures (excluding property leases)

a. *Pricing policies for products:* The pricing policies for products are as follows:

- (a) the bidding price where the bidding process is required; or
- (b) where no bidding process is involved, the market price.

b. *Pricing policies for concession operations (desulfurisation and denitrification) services:* The desulfurisation and denitrification tariffs under the concession operation services are determined based on the government-prescribed price, while the prices for by-products are determined based on the market price. In respect of the auxiliary services offered to the Group by China Datang Group under the desulfurisation and denitrification concession operations, the price is determined in accordance with the costs of human resources in connection with the auxiliary services and related management expenses as well as relevant maintenance expenses for the equipment of power plants and with reference to the industry average level.

c. *Pricing policies for services other than concession operations services:* The pricing policies for these kinds of services are as follows:

- (a) the bidding price where the bidding process is required; or
- (b) where no bidding process is involved, the market price.

35. 關聯方交易(續)

(a) 重大關聯方交易

所有關聯方交易經涉及各方按互相同意的價格和條款進行，由以下各項釐定：

(i) 向中國大唐集團及其合聯營公司銷售貨物及提供服務、向中國大唐集團其合聯營公司購買貨物及接受服務(不包括物業租賃)

a. *產品的定價政策：*產品的定價政策如下：

- (a) 如須經招標程序，則執行競標價；或
- (b) 如不涉及招標程序，則執行市場價。

b. *特許經營(脫硫及脫硝)服務的定價政策：*特許經營服務項下的脫硫脫硝電價按政府規定價格確定，副產品價格以市場價為基準而釐定。就中國大唐集團向本集團提供的脫硫及脫硝特許經營下的輔助服務而言，價格根據輔助服務涉及的人力資源成本及有關管理開支以及相關發電廠設備維護的開支為基準並考慮行業平均水準而釐定。

c. *非特許經營服務的定價政策：*該類型服務的定價政策如下：

- (a) 如須經招標程序，則執行競標價；或
- (b) 如不涉及招標程序，則執行市場價。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (Continued)

(i) Sales of goods and rendering of services to China Datang Group and its associates and joint ventures, purchases of goods and receiving of services from China Datang Group and its associates and joint ventures (excluding property leases) (Continued)

- d. *Pricing policy for procurement of equipment:* In respect of equipment procurement from China Datang Group, in most circumstances, bidding procedures shall apply for the determination of the price. Only in exceptional circumstances, such as urgent purchases by the Group, bidding procedures can be skipped by the Group where the purchase price shall be determined by experts of the Group based on the fair market value and historical records of the procurement price.

(ii) Financial services

Datang Finance provides loan services, deposit services and other financial services to the Group.

Pricing policy: The pricing policies for financial services are as follows:

- (a) the interest rate for the Group's deposits with Datang Finance shall not be lower than the equivalent deposit interest rate as provided by other financial institutions in the PRC by reference to the benchmark interest rates published by the PBOC;
- (b) the interest rate for loans granted to the Group by Datang Finance shall not be higher than the equivalent loan interest rate as charged by other financial institutions in the PRC by reference to the benchmark interest rates published by the PBOC; and
- (c) the fees charged by Datang Finance for the provision of financial services to the Group other than deposit services and loan services shall not be higher than the rate charged by other financial institutions in the PRC for the same or similar type of services.

China Datang Group Capital Holdings Co., Ltd. ("Datang Capital") provides financial leasing and commercial factoring services to the Group.

35. 關聯方交易(續)

(a) 重大關聯方交易(續)

(i) 向中國大唐集團及其合聯營公司銷售貨物及提供服務、向中國大唐集團其合聯營公司購買貨物及接受服務(不包括物業租賃)(續)

- d. 設備採購的定價政策：就中國大唐集團的設備採購而言，多數情況下應採取招標程序釐定價格。僅在本集團採購需求緊急等特殊情況下方能不經由招標程序，但採購定價應由本集團的專家參照市場公允價格和歷史採購價格進行釐定。

(ii) 金融服務

大唐財務向本集團提供借款服務、存款服務及其他金融服務。

定價政策：以上金融服務定價政策如下：

- (a) 經參考中國人民銀行公佈的基準利率，本集團在大唐財務存款的利率不得低於中國其他金融機構所提供的同等存款利率；
- (b) 經參考中國人民銀行公佈的基準利率，大唐財務向本集團授予的貸款利率不得高於中國其他金融機構所收取的同等貸款利率；及
- (c) 大唐財務向本集團提供除存款服務及貸款服務以外的其他金融服務所收取的費用不得高於中國其他金融機構就同樣或類似類型的服務所收取的費率。

中國大唐集團資本控股有限公司(「大唐資本」)向本集團提供融資租賃和商業保理服務。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (Continued)

(ii) Financial services (Continued)

Pricing Policy: Datang Capital has undertaken to provide the aforementioned financial services to the Group based on the following pricing principles:

- (a) financial leasing service – the rent paid by the Group to Datang Capital includes (i) procurement costs and (ii) interest. The relevant interest is determined based on the benchmark interest rates for borrowings as implemented by the PBOC;
- (b) loan service – the interest rate for loans granted to the Group by Datang Financial Lease and Datang Commercial Factoring shall not be higher than the equivalent loan interest rate as charged by other financial institutions in the PRC by reference to the benchmark interest rates published by the PBOC. During this year, all the loans granted from Datang Financial Lease and Datang Commercial Factoring are unsecured.

The above services are provided by Datang Financial Lease and Datang Commercial Factoring, the subsidiaries of Datang Capital, respectively.

(iii) Purchases of lease services from China Datang Group

Pricing policy: The rental for property leases is determined via negotiations between the parties with reference to the market rental for properties with similar conditions.

35. 關聯方交易(續)

(a) 重大關聯方交易(續)

(ii) 金融服務

定價政策：大唐資本基於以下定價政策向本集團提供以上金融服務：

- (a) 融資租賃服務—本集團向大唐資本支付的租金包括(i)採購成本和(ii)利息。有關利息按中國人民銀行實施的貸款基準利率釐定。
- (b) 貸款服務—大唐融資租賃及大唐商業保理向本集團授出的貸款利率，應參考中國人民銀行發佈的基準利率，不高於其他金融機構收取的等同貸款利率。年內，大唐融資租賃及大唐商業保理授出的所有貸款均無抵押。

以上服務由大唐資本之附屬公司大唐融資租賃和大唐商業保理分別提供。

(iii) 向中國大唐集團購買的租賃服務

定價政策：租賃物業的租金是經參考具備相似條件的物業的市場價由雙方協商釐定。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties

Other than those disclosed elsewhere in the financial statements, the outstanding balances with related parties at 31 December 2021 and 2020 are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|----------------------------------|-----------------------------------|-----------------------------------|
| Cash and cash equivalents | 現金和現金等價物 | | |
| Datang Finance | 大唐財務 | 1,115,765 | 1,361,014 |
| Trade and bills receivables | 貿易應收款項和應收票據 | | |
| China Datang Group | 中國大唐集團 | 6,632,222 | 6,431,807 |
| The associates and joint ventures of China Datang Group | 中國大唐集團合聯營公司 | 547,274 | 471,401 |
| | | 7,179,496 | 6,903,208 |
| Prepayments, other receivables and other assets | 預付款項、其他應收款項及其他資產 | | |
| Prepayments | 預付款項 | | |
| China Datang Group | 中國大唐集團 | 17,356 | 18,827 |
| Other receivables | 其他應收款項 | | |
| China Datang Group | 中國大唐集團 | 51,116 | 63,995 |
| The associates and joint ventures of China Datang Group | 中國大唐集團合聯營公司 | 866 | 947 |
| | | 51,982 | 64,942 |
| | | 69,338 | 83,769 |
| Other non-current assets | 其他非流動資產 | | |
| China Datang Group | 中國大唐集團 | 33,545 | 28,228 |
| Contract assets | 合同資產 | | |
| China Datang Group | 中國大唐集團 | 173,777 | 543,535 |
| The associates and joint ventures of China Datang Group | 中國大唐集團合聯營公司 | 21,397 | 8,321 |
| | | 195,174 | 551,856 |
| Interest-bearing bank borrowings and other loans (other than lease liabilities) | 計息銀行借款和其他貸款 (不包括租賃負債) | | |
| Datang Finance | 大唐財務 | 22,780 | 20,500 |
| Datang Financial Lease | 大唐融資租賃 | 80,750 | 369,305 |
| Datang Commercial Factoring | 大唐商業保理 | 70,000 | 70,000 |
| | | 173,530 | 459,805 |
| Trade and bills payables | 貿易應付款項和應付票據 | | |
| China Datang Group | 中國大唐集團 | 1,283,103 | 1,297,813 |
| The associates and joint ventures of China Datang Group | 中國大唐集團合聯營公司 | 28,449 | 55,418 |
| | | 1,311,552 | 1,353,231 |
| Other payables and accruals | 其他應付款項和應計費用 | | |
| China Datang Group | 中國大唐集團 | 115,070 | 625,295 |
| The associates and joint ventures of China Datang Group | 中國大唐集團合聯營公司 | 10,354 | 8,257 |
| | | 125,424 | 633,552 |

35. 關聯方交易(續)

(b) 關聯方未償還結餘

除財務報表中所披露外，於二零二一年及二零二零年十二月三十一日，關聯方未償還結餘如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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二零二一年十二月三十一日

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with other government-related entities in the PRC

The Group operates in an economic regime currently dominated by entities directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government and numerous government authorities and agencies (collectively referred to as “**government-related entities**”). China Datang, the parent and ultimate holding company of the Company, is a PRC state-owned enterprise and these government-related entities are also considered the related parties of the Group in this respect.

Apart from the transactions with China Datang Group mentioned above, the Group also conducts some business activities with other government-related entities in the ordinary course of business. These transactions are carried out on terms similar to those that would be entered into with non-government-related entities.

The Group prices its services and products based on commercial negotiations. The Group has also established its approval process for the sale of goods, provision of services, purchase of products and receiving of services and its financing policy for borrowings. Such approval process and financing policy do not depend on whether the counterparties are government-related entities or not.

Having considered the possibility for transactions to be impacted by related party relationships, the Group’s approval processes and financing policy, and what information would be necessary for an understanding of the potential effect of the relationship on the consolidated financial statements, the Directors are of the opinion that further information about the following transactions that are collectively significant is required for disclosure:

— **Deposits and borrowings**

Except for the cash and cash equivalents deposited in Datang Finance and Wing Lung Bank in Hong Kong, the Group deposits most of its cash in government-related financial institutions, and also obtains short-term and long-term loans from these financial institutions in the ordinary course of business. The interest rates of the bank deposits and loans are regulated by the PBOC.

35. 關聯方交易(續)

(c) 與中國其他政府相關實體的交易

本集團現時在以中國政府和眾多政府機關和機構直接或間接控制、共同控制或對其有重大影響的實體(統稱為「**政府相關實體**」)為主的經濟體制中運營。本公司的母公司和最終控股公司中國大唐是中國國有企業，就此而言，政府相關實體亦被視作本集團的關聯方。

除上文提及的與中國大唐集團的交易外，本集團於日常業務過程中與其他政府相關實體也進行一些業務活動。該等交易按與非政府相關實體所訂立交易的條款相似的條款進行。

本集團基於商業協商對其服務和產品定價。本集團亦已確立有關銷售貨物、提供服務、購買產品和服務的審批程序以及借款的融資政策。該審批程序和融資政策概不基於交易雙方是否為政府相關實體。

經考慮關聯方關係、本集團的審批程序和融資政策擬對交易造成的潛在影響，以及理解該關係對合併財務報表造成的潛在影響的必要資料，董事認為須披露有關下列交易的進一步資料：

— **存款和借款**

除存入大唐財務及香港永隆銀行的現金和現金等價物外，本集團將其大部分現金存入政府相關金融機構，並且於日常業務中從該等金融機構獲得短期和長期貸款。銀行存款和貸款利率受中國人民銀行規管。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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35. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Compensation of key management personnel of the Group

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|----------------|-----------------------------------|-----------------------------------|
| Short term employee benefits | 短期僱員福利 | 6,810 | 6,100 |
| Post-employment benefits | 離職後福利 | 503 | 437 |
| Total compensation paid to key management personnel | 支付予主要管理人員的薪酬總額 | 7,313 | 6,537 |

Further details of directors' and supervisors' emoluments are included in note 9 to the financial statements.

(e) Property leases

As a lessee, the Group leases buildings for desulfurisation and denitrification facilities from Datang Financial Lease and some power plants from the China Datang Group, with a general lease term of 20 years. The related right-of-use assets and lease liabilities, payment of lease liabilities as at the end of the reporting period and the related expenses recognised during the year are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---------------------|-------|-----------------------------------|-----------------------------------|
| Right-of-use assets | 使用權資產 | 289,940 | 308,214 |
| Lease liabilities | 租賃負債 | 304,180 | 318,255 |
| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
| Depreciation charge | 折舊撥備 | 24,190 | 23,714 |
| Interest expense | 利息費用 | 12,976 | 13,606 |
| Payments | 付款 | 32,702 | 34,394 |

35. 關聯方交易(續)

(d) 本集團主要管理人員的薪酬

| | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
|--|-----------------------------------|-----------------------------------|

| | | |
|------------------------------|-------|-------|
| Short term employee benefits | 6,810 | 6,100 |
| Post-employment benefits | 503 | 437 |

| | | |
|---|-------|-------|
| Total compensation paid to key management personnel | 7,313 | 6,537 |
|---|-------|-------|

董事和監事酬金的進一步詳情載於本財務報表附註9。

(e) 物業租賃

作為承租人，本集團向大唐融資租賃及中國大唐集團下屬發電廠租賃放置脫硫脫硝設備的樓宇，租賃期限通常為20年。關聯方使用權資產和租賃負債、於報告期內償付的租賃負債及於年內確認的相關開支如下：

| | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
|--|-----------------------------------|-----------------------------------|

| | | |
|---------------------|---------|---------|
| Right-of-use assets | 289,940 | 308,214 |
| Lease liabilities | 304,180 | 318,255 |

| | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
|--|-----------------------------------|-----------------------------------|

| | | |
|---------------------|--------|--------|
| Depreciation charge | 24,190 | 23,714 |
| Interest expense | 12,976 | 13,606 |
| Payments | 32,702 | 34,394 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of the Group's financial instruments as at the end of the reporting period are as follows:

36. 按類別劃分的金融工具

於報告期末，本集團各類別金融工具的賬面值如下：

| Financial assets | 31 December 2021 二零二一年十二月三十一日 | | | 31 December 2020 二零二零年十二月三十一日 | | |
|--|------------------------------------|------------------------------------|------------------|------------------------------------|------------------------------------|------------------|
| | Financial assets at fair value | | | Financial assets at fair value | | |
| | Financial assets at amortised cost | through other comprehensive income | Total | Financial assets at amortised cost | through other comprehensive income | Total |
| | 按攤餘成本計量的金融資產 | 以公允價值計量且其變動計入其他綜合收益的金融資產 | 合計 | 按攤餘成本計量的金融資產 | 以公允價值計量且其變動計入其他綜合收益的金融資產 | 合計 |
| | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Equity investments designated at fair value through other comprehensive income | - | 26,389 | 26,389 | - | 28,914 | 28,914 |
| Financial assets included in other non-current assets | - | - | - | 9,253 | - | 9,253 |
| Trade and bills receivables | 7,989,440 | 180,493 | 8,169,933 | 7,659,855 | 968,588 | 8,628,443 |
| Financial assets included in prepayments, other receivables and other assets | 176,009 | - | 176,009 | 112,126 | - | 112,126 |
| Restricted cash | 121,604 | - | 121,604 | 67,727 | - | 67,727 |
| Cash and cash equivalents | 1,244,882 | - | 1,244,882 | 1,531,739 | - | 1,531,739 |
| | 9,531,935 | 206,882 | 9,738,817 | 9,380,700 | 997,502 | 10,378,202 |

| Financial liabilities | 31 December 十二月三十一日 | | Financial liabilities at amortised cost 按攤餘成本計量的金融負債 RMB'000 人民幣千元 | Financial liabilities at amortised cost 按攤餘成本計量的金融負債 RMB'000 人民幣千元 | |
|---|---|--|---|---|---|
| | 2021 二零二一年 | | | | 2020 二零二零年 |
| | Financial liabilities at amortised cost | | | | Financial liabilities at amortised cost |
| | 按攤餘成本計量的金融負債 | | | | 按攤餘成本計量的金融負債 |
| Trade and bills payables | 貿易應付款項和應付票據 | | 4,579,064 | 4,904,475 | |
| Financial liabilities included in other payables and accruals | 計入其他應付款項和應計費用的金融負債 | | 776,886 | 1,384,583 | |
| Interest-bearing bank borrowings and other loans | 計息銀行借款和其他貸款 | | 5,952,786 | 6,070,889 | |
| | | | 11,308,736 | 12,359,947 | |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value

The carrying amounts and fair values of the Group's financial instruments are as follows:

| | Carrying amounts | | Fair values | |
|---|------------------------------|-----------|-------------|-----------|
| | 賬面值 | | 公允價值 | |
| | 2021 | 2020 | 2021 | 2020 |
| | 二零二一年 | 二零二零年 | 二零二一年 | 二零二零年 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Financial assets | 金融資產 | | | |
| Financial assets included in other non-current assets | 計入其他非流動資產的金融資產 | | | |
| | - | 9,253 | - | 8,807 |
| Financial liabilities | 金融負債 | | | |
| Long term interest-bearing bank borrowings and other loans (other than lease liabilities) (note 28) | 長期計息銀行借款和其他貸款(不包括租賃負債)(附註28) | | | |
| | 1,889,987 | 2,591,061 | 1,879,888 | 2,568,420 |

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank borrowings and other loans, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value disclosure of financial instruments. The corporate finance team reports directly to management. As at 31 December 2021 and 2020, the corporate finance team analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by management.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

37. 金融工具公允價值和公允價值等級

公允價值

本集團的金融工具賬面值和公允價值列示如下：

管理層已評估，現金和現金等價物、受限制現金、貿易應收款項和應收票據、計入預付款項、其他應收款項和其他資產的金融資產、貿易應付款項和應付票據、計入其他應付款項和應計費用的金融負債、計息銀行借款和其他貸款的流動部分的公允價值均與其賬面值相若，主要是由於該等工具於短期內到期。

由財務經理領導的本集團公司財務團隊負責制定金融工具公允價值披露的政策和程序。公司財務團隊直接向管理層報告。截至於二零二一年及二零二零年十二月三十一日，公司財務團隊分析了金融工具的價值變動，並確定了在估值中應用的主要投入。管理層對評估進行了審查和批准。

金融資產和負債的公允價值按自願方於一項現行交易(強迫或清盤出售除外)中交換有關工具的金額列值。以下為估計公允價值所用的方法和假設：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (Continued)

- The fair values of the financial assets included in other non-current assets have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.
- The fair values of the non-current portion of long term interest-bearing bank borrowings and other loans (other than lease liabilities) have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair values as a result of the Group's own non-performance risks for interest-bearing bank borrowings and other loans as at 31 December 2021 and 2020 were assessed to be insignificant.
- The fair values of the bills receivable which are measured at fair value through other comprehensive income have been calculated by discounting the expected future cash flows using the one-year bank loan interest rate published by the People's Bank of China.
- The fair values of the unlisted equity investments designated at fair value through other comprehensive income had been measured based on valuation multiples of enterprise value ("EV") to sales ("EV/sales") multiple, adjusted by a discount for lack of marketability. The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

37. 金融工具公允價值和公允價值等級(續)

公允價值(續)

- 其他非流動資產的金融資產的公允價值是使用有近似條款、信用風險和剩餘期間金融工具目前適用的折現率對預計未來現金流折現計算。
- 長期計息銀行借款和其他貸款的即期部分(除租賃負債外)的公允價值乃將預期未來現金流量按具備相若條款、信用風險和剩餘有效期的工具目前適用的折現率貼現而計算。於二零二一年及二零二零年十二月三十一日，本集團本身計息銀行借款和其他貸款的不履行風險而導致的公允價值變動被評定為並不重大。
- 以公允價值計量且其變動計入其他綜合收益的應收票據的公允價值，是按照中國人民銀行公佈的一年期銀行貸款利率對預計未來現金流折現計算。
- 按公允價值計入其他綜合收益的非上市股權投資的公允價值，是基於可比企業價值(「企業價值」)比收入平均值(「企業價值／收入平均值」)的估值倍數進行衡量的，並根據流動性折扣進行調整。市場參與者在投資定價時將考慮由本集團確認的流動性折扣的補價和折價金額。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (Continued)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2021 and 2020:

| | Valuation technique | Significant unobservable input | Input | Sensitivity of fair value to the input |
|-----------------------------|---------------------|------------------------------------|----------------------------|--|
| | 估值方法 | 重大不可觀察輸入資料 | 輸入 | 公允價值對輸入資料之敏感度 |
| Unlisted equity investments | Valuation multiples | Average EV/SALES multiple of peers | 2021: Nil* (2020: 4.0x) | Nil* (2020: 10%) increase/decrease in multiple would result in increase/decrease in fair value by Nil* (2020: 6%) |
| 非上市股權投資 | 估值乘數 | 可比企業價值／銷售收入的平均乘數 | 二零二一年：零* (二零二零年：4.0x) | 零*(二零二零年：10%) 乘數增加／減少，將導致公允價值增加／減少零*(二零二零年：6%) |
| | | Discount for lack of marketability | 2021: Nil* (2020: 25%) | Nil* (2020: 10%) increase/decrease in discount would result in decrease/increase in fair value by Nil* (2020: 3%) |
| | | 缺乏流動性的折扣 | 二零二一年：零* (二零二零年：25%) | 零*(二零二零年：10%) 折扣增加／減少，將導致公允價值減少／增加零*(二零二零年：3%) |

* In January 2022, the Group and China Datang Group Overseas Investment Co., Ltd. (“**Datang Overseas Investment**”) entered into the equity transfer agreement, pursuant to which, the Group has agreed to transfer, and Datang Overseas Investment has agreed to acquire the 10% equity interest in China Datang Overseas Power Operating Co., Ltd. held by the Group with the amount of RMB26,389,000, and the fair value of the unlisted equity investments designated at fair value through other comprehensive income was measured with the contract price accordingly as at 31 December 2021.

37. 金融工具公允價值和公允價值等級(續)

公允價值(續)

於二零二一年及二零二零年十二月三十一日，對金融工具估值的重大不可觀察輸入資料及定量敏感性分析的摘要如下：

* 於二零二二年一月，本集團與中國大唐集團海外投資有限公司(「大唐海投」)簽訂股權轉讓協議，據此，本集團同意轉讓，大唐海投同意收購本集團持有中國大唐集團海外電力運營有限公司的10%股權，金額為人民幣26,389,000元，且指定為以公允價值計量且其變動計入其他綜合收益的未上市權益投資之公允價值乃相應按二零二一年十二月三十一日的合同價格計量。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's Financial Instruments:

Assets measured at fair value

| | | Fair value measurement using 採用以下公允價值等級計量 | | | Total 合計 |
|--|-----------------------------|---|---|--|-------------|
| | | Quoted prices in active markets (Level 1) 活躍市場的報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重要可觀察輸入資料 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重要不可觀察輸入資料 (第三級) RMB'000 人民幣千元 | |
| As at 31 December 2021 | 於二零二一年十二月三十一日 | | | | |
| Equity investments designated at fair value through other comprehensive income | 指定為以公允價值計量且其變動計入其他綜合收益的權益投資 | - | 26,389 | - | 26,389 |
| Trade and bills receivables | 貿易應收款項和應收票據 | - | 180,493 | - | 180,493 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | | | | |
| Equity investments designated at fair value through other comprehensive income | 指定為以公允價值計量且其變動計入其他綜合收益的權益投資 | - | - | 28,914 | 28,914 |
| Trade and bills receivables | 貿易應收款項和應收票據 | - | 968,588 | - | 968,588 |

The movements in fair value measurements within Level 3 during the year are as follows:

本年內以第三級公允價值計量的變動如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|------------------------------------|-----------------------------------|-----------------------------------|
| Equity investments at fair value through other comprehensive income – unlisted: | 指定為以公允價值計量且其變動計入其他綜合收益的權益投資 – 未上市： | | |
| At 1 January | 於一月一日 | 28,914 | 7,658 |
| Total gains recognised in other comprehensive income | 其他綜合收入確認的收益總額 | (2,525) | 1,256 |
| Addition | 增資 | - | 20,000 |
| At 31 December | 於十二月三十一日 | 26,389 | 28,914 |

37. 金融工具公允價值和公允價值等級(續)

公允價值等級

下表闡明本集團金融工具的公允價值計量等級：

以公允價值計量的資產

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed

| | | Fair value measurement using 採用以下公允價值等級計量 | | | Total 合計 |
|---|----------------|---|---|--|-------------|
| | | Quoted prices in active markets (Level 1) 活躍市場的報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重要可觀察輸入資料 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重要不可觀察輸入資料 (第三級) RMB'000 人民幣千元 | |
| As at 31 December 2021 | 於二零二一年十二月三十一日 | | | | |
| Financial assets included in other non-current assets | 計入其他非流動資產的金融資產 | - | - | - | - |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | | | | |
| Financial assets included in other non-current assets | 計入其他非流動資產的金融資產 | - | 8,807 | - | 8,807 |

Liabilities for which fair values are disclosed

披露公允價值的負債

| | | Fair value measurement using 採用以下公允價值等級計量 | | | Total 合計 |
|---|------------------------|---|---|--|-------------|
| | | Quoted prices in active markets (Level 1) 活躍市場的報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重要可觀察輸入資料 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重要不可觀察輸入資料 (第三級) RMB'000 人民幣千元 | |
| As at 31 December 2021 | 於二零二一年十二月三十一日 | | | | |
| Long term interest-bearing bank borrowings and other loans (other than lease liabilities) | 長期計息銀行借款和其他貸款(不包括租賃負債) | - | 1,879,888 | - | 1,879,888 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | | | | |
| Long term interest-bearing bank borrowings and other loans (other than lease liabilities) | 長期計息銀行借款和其他貸款(不包括租賃負債) | - | 2,568,420 | - | 2,568,420 |

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財務報表附註(續)

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and other loans, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Generally, senior management of the Company meets regularly to analyse and formulate measures to manage the Group's exposure to these risks. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. Management of the Company reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. The Group's interest-bearing bank borrowings and other loans, restricted cash, and cash and cash equivalents are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to profit or loss as earned/incurred.

As at 31 December 2021, if there had been a general increase/decrease in the market interest rates by 10 basis points, with all other variables held constant, the Group's consolidated pre-tax profit would have decreased/increased by approximately RMB2,041,000 (31 December 2020: RMB1,641,000) and there had been no impact on other components of the consolidated equity, except for retained profits, of the Group. The estimated 10 basis points, increase or decrease represents management's assessment of a reasonably possible change in market interest rates over the period until the next annual year end.

38. 財務風險管理目標和政策

本集團的主要金融工具包括計息銀行借款和其他貸款、現金和現金等價物。該等金融工具主要用於為本集團的經營籌集資金。本集團擁有直接來自其運營的多種其他金融資產和負債，如貿易應收款項和應收票據及貿易應付款項和應付票據。

本集團金融工具產生的主要風險為利率風險、外匯風險、信用風險和流動性風險。一般而言，本公司高級管理層會定期召開會議分析和制定措施，管理本集團面臨的該等風險。由於本集團將該等風險維持在最低水準，故本集團未使用任何衍生工具和其他工具作對沖用途。本集團並無持有或發行用作交易的衍生金融工具。本公司管理層檢討和批准管理各類風險的政策，其概要如下：

(a) 利率風險

本集團承受主要與本集團按浮動利率計息的長期債務義務有關的市場利率變動的風險。

本集團會定期審閱及監察固定和浮動利率借款的組合，以管理其利率風險。本集團的計息銀行借款及其他貸款、受限制現金和現金和現金等價物按攤餘成本列賬，且不會定期重估其價值。浮動利率利息收入和開支於賺取/產生時在損益計入/扣除。

於二零二一年十二月三十一日，如市場利率全面上升/下降十個基點，而所有其他變數保持不變，則本集團的合併除稅前利潤將分別減少/增加約人民幣2,041,000元(二零二零年十二月三十一日：人民幣1,641,000元)，且除未分配利潤外，不會對本集團合併權益的其他組成部分構成影響。估計十個基點上升或下降指管理層對期間內至下一個年度末市場利率可能合理變動的評估。

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Foreign currency risk

Foreign currency risk primarily arises from certain significant foreign currency deposits, trade receivables, and trade payables denominated in United States Dollars (“USD”), Hong Kong Dollars (“HKD”), and Indian Rupee (“INR”). The treasury management department of the Group closely monitors the international foreign currency market on the change of exchange rates and takes this into consideration when depositing foreign currency deposits and borrowing loans. As at 31 December 2021, the Group had significant exposures to USD and INR.

The Group has transactional currency exposures which arise from sales or purchases by operating units in currencies other than the units’ functional currencies. The exposure was insignificant for the years ended 31 December 2021 and 31 December 2020.

38. 財務風險管理目標和政策(續)

(b) 外匯風險

外匯風險主要來自於若干以美元(「美元」)、港元(「港元」)及印度盧比(「印度盧比」)計值的若干外匯存款、貿易應收款項及貿易應付款項。本集團財務管理部密切監控國際外匯市場的匯率變動，並於存入外匯存款及借入貸款時納入考慮。於二零二一年十二月三十一日，本集團對美元及印度盧比有重大敞口。

本集團要面對交易貨幣風險。該等風險乃因為經營單位以單位之功能貨幣以外之貨幣進行買賣而產生。截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度，本集團交易貨幣風險並不重大。

| | | Increase/ (decrease) in rate 匯率 上升/(下降) % | Increase/ (decrease) in profit after tax 除稅後利潤 增加/(減少) RMB'000 人民幣千元 | Increase/ (decrease) in equity 權益 增加/(減少) RMB'000 人民幣千元 |
|--------------------------------|-------------|--|--|---|
| 2021 | 二零二一年 | | | |
| If RMB weakens against USD | 倘人民幣對美元貶值 | 5 | 5,703 | 5,703 |
| If RMB strengthens against USD | 倘人民幣對美元升值 | (5) | (5,703) | (5,703) |
| 2020 | 二零二零年 | | | |
| If RMB weakens against USD | 倘人民幣對美元貶值 | 5 | 7,297 | 7,297 |
| If RMB strengthens against USD | 倘人民幣對美元升值 | (5) | (7,297) | (7,297) |
| | | | | |
| | | Increase/ (decrease) in rate 匯率 上升/(下降) % | Increase/ (decrease) in profit after tax 除稅後利潤 增加/(減少) RMB'000 人民幣千元 | Increase/ (decrease) in equity 權益 增加/(減少) RMB'000 人民幣千元 |
| 2021 | 二零二一年 | | | |
| If RMB weakens against INR | 倘人民幣對印度盧比貶值 | 5 | 310 | 310 |
| If RMB strengthens against INR | 倘人民幣對印度盧比升值 | (5) | (310) | (310) |
| 2020 | 二零二零年 | | | |
| If RMB weakens against INR | 倘人民幣對印度盧比貶值 | 5 | 856 | 856 |
| If RMB strengthens against INR | 倘人民幣對印度盧比升值 | (5) | (856) | (856) |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 80% (2020: 71%) of the total trade and bills receivables, financial assets included in prepayments, other receivables and other assets, and contract assets were due from China Datang Group, the Group's largest customer. As the Group's major customers are China Datang's subsidiaries or other state-owned enterprises, the Group believes that they are reliable and of high credit quality, and hence, there is no significant credit risk with these customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Senior management of the Company keeps reviewing and assessing the creditworthiness of the Group's existing customers on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

38. 財務風險管理目標和政策(續)

(c) 信用風險

本集團的信用風險主要受到每個客戶的具體情況影響，而不會受到客戶所從事行業或所處國家的影響，因此，當本集團頻繁地接觸個別客戶時，信用風險的集中度就會增加。於報告期末，有80%（二零二零年：71%）的應收賬款及票據、計入預付款項、其他應收款項及其他資產的金融資產及合同資產來自於中國大唐集團（本集團最大的客戶）。由於本集團主要客戶為中國大唐附屬公司或其他國有企業，本集團相信其可信賴和具有高信用品質，因此該等客戶並無重大信用風險。本集團對所有客戶進行信用審查並對應收賬款項餘額持續監控，因此信用敞口並不重大。本公司高級管理層會持續檢查和評估本集團現有客戶的信用可靠性。

最大風險敞口以及階段

下表列示基於本集團信用政策的信用品質、信用風險的最大敞口以及十二月三十一日的年末階段劃分，主要基於過去的資訊（除非獲取其他資訊無需付出過度成本以及努力）。所呈列金額為金融資產的總賬面價值。

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2021

| | | 12-month ECLs 12個月預期信用 損失 | | | Lifetime ECLs 終身預期信用損失 | |
|--|-----------------------------|------------------------------------|------------------------------------|------------------------------------|--|---------------------------------|
| | | Stage 1 階段1 RMB'000 人民幣千元 | Stage 2 階段2 RMB'000 人民幣千元 | Stage 3 階段3 RMB'000 人民幣千元 | Simplified approach 簡易方法 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
| Contract assets* | 合同資產* | - | - | - | 267,191 | 267,191 |
| Trade and bills receivables* | 貿易應收款項和應收票據* | 180,493 | - | - | 8,282,405 | 8,462,898 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項和其 他資產的金融資產 | | | | | |
| - Normal** | - 正常** | 117,510 | 58,499 | - | - | 176,009 |
| - Doubtful** | - 可疑** | - | - | - | - | - |
| Restricted cash | 受限制現金 | | | | | |
| - Not yet past due | - 仍未到期 | 121,604 | - | - | - | 121,604 |
| Cash and cash equivalents | 現金和現金等價物 | | | | | |
| - Not yet past due | - 仍未到期 | 1,244,882 | - | - | - | 1,244,882 |
| | | 1,664,489 | 58,499 | - | 8,549,596 | 10,272,584 |

As at 31 December 2020

於二零二零年十二月三十一日

| | | 12-month ECLs 12個月預期信用 損失 | | | Lifetime ECLs 終身預期信用損失 | |
|--|-----------------------------|------------------------------------|------------------------------------|------------------------------------|--|---------------------------------|
| | | Stage 1 階段1 RMB'000 人民幣千元 | Stage 2 階段2 RMB'000 人民幣千元 | Stage 3 階段3 RMB'000 人民幣千元 | Simplified approach 簡易方法 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
| Contract assets* | 合同資產* | - | - | - | 741,369 | 741,369 |
| Trade and bills receivables* | 貿易應收款項和應收票據* | 968,588 | - | - | 7,932,517 | 8,901,105 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項和其 他資產的金融資產 | | | | | |
| - Normal** | - 正常** | 112,126 | - | - | - | 112,126 |
| - Doubtful** | - 可疑** | - | - | - | - | - |
| Restricted cash | 受限制現金 | | | | | |
| - Not yet past due | - 仍未到期 | 67,727 | - | - | - | 67,727 |
| Cash and cash equivalents | 現金和現金等價物 | | | | | |
| - Not yet past due | - 仍未到期 | 1,531,739 | - | - | - | 1,531,739 |
| | | 2,680,180 | - | - | 8,673,886 | 11,354,066 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

- * For contract assets and trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 21 and 22 to the financial statements, respectively.
- ** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

(d) Liquidity risk

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure.

38. 財務風險管理目標和政策(續)

(c) 信用風險(續)

最大風險敞口以及階段(續)

- * 對於本集團採用簡易方法計提減值的合同資產以及貿易應收款項，基於撥備矩陣的資訊分別於財務報表附註21及附註22披露。
- ** 當計入預付款項、其他應收款項和其他資產的金融資產未逾期，亦無資訊表明自初始確認後其信用風險有顯著提升時，可以認為其信用品質為「正常」。否則，認為其信用品質為「可疑」。

有關本集團就貿易應收款所承擔的信用風險的其他量化資料於財務報表附註22披露。

(d) 流動性風險

本集團的流動性主要依賴其維持充足經營現金流入以於債務責任到期時履行相關責任的能力和取得外部融資以履行已承擔未來資本開支的能力。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at 31 December 2021 and 2020, based on the contractual undiscounted payments, is as follows:

38. 財務風險管理目標和政策(續)

(d) 流動性風險(續)

於二零二一年及二零二零年十二月三十一日，本集團的金融負債根據合同未貼現付款作出的到期狀況如下：

| | | 31 December 2021 二零二一年十二月三十一日 | | | | |
|--|---------------------------|---|---|---|--|---------------------------------|
| | | Within 1 year 一年內 RMB'000 人民幣千元 | 1 to 2 years 一至兩年 RMB'000 人民幣千元 | 2 to 5 years 兩至五年 RMB'000 人民幣千元 | More than 5 years 五年以上 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
| Lease liabilities | 租賃負債 | 34,962 | 34,962 | 104,887 | 271,612 | 446,423 |
| Trade and bills payables | 貿易應付款項和應付票據 | 4,579,064 | - | - | - | 4,579,064 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項和應計 費用的金融負債 | 776,886 | - | - | - | 776,886 |
| Short term interest-bearing bank borrowings and other loans (excluding lease liabilities) | 短期計息銀行借款和其他 貸款(除租賃負債外) | 3,754,699 | - | - | - | 3,754,699 |
| Long term interest-bearing bank borrowings and other loans (excluding lease liabilities) | 長期計息銀行借款和其他 貸款(除租賃負債外) | 242,986 | 873,769 | 1,154,553 | 5,308 | 2,276,616 |
| | | 9,388,597 | 908,731 | 1,259,440 | 276,920 | 11,833,688 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38. 財務風險管理目標和政策(續)

(d) Liquidity risk (Continued)

(d) 流動性風險(續)

| | | 31 December 2020 二零二零年十二月三十一日 | | | | |
|---|-----------------------|--|--|--|---|--|
| | | Within 1 year 一年內 <i>RMB'000</i> 人民幣千元 | 1 to 2 years 一至兩年 <i>RMB'000</i> 人民幣千元 | 2 to 5 years 兩至五年 <i>RMB'000</i> 人民幣千元 | More than 5 years 五年以上 <i>RMB'000</i> 人民幣千元 | Total 合計 <i>RMB'000</i> 人民幣千元 |
| Lease liabilities | 租賃負債 | 33,938 | 33,938 | 101,815 | 298,455 | 468,146 |
| Trade and bills payables | 貿易應付款項和應付票據 | 4,904,475 | - | - | - | 4,904,475 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項和應計費用的金融負債 | 1,384,583 | - | - | - | 1,384,583 |
| Short term interest-bearing bank borrowings and other loans (excluding lease liabilities) | 短期計息銀行借款和其他貸款(除租賃負債外) | 3,160,145 | - | - | - | 3,160,145 |
| Long term interest-bearing bank borrowings and other loans (excluding lease liabilities) | 長期計息銀行借款和其他貸款(除租賃負債外) | 262,572 | 711,544 | 2,075,320 | 103,021 | 3,152,457 |
| | | 9,745,713 | 745,482 | 2,177,135 | 401,476 | 13,069,806 |

(e) Capital management

The Group's primary objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratio in order to support its business and maximise shareholders' value.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No change was made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 2020.

(e) 資本管理

本集團資本管理的首要目標是保障本集團的持續經營能力和維持穩健的資本比率，以支持業務及為股東帶來最大價值。

本集團按風險比例設定資本金額。本集團根據經濟狀況變動和相關資產的風險特點管理和調整資本結構。為維持或調整資本結構，本集團或會調整派付予股東的股息金額、向股東歸還資本、發行新股或出售資產以減少債務。截至二零二一年及二零二零年十二月三十一日止年度，資本管理目標、政策或程序並無任何變動。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes trade and bills payables, other payables and accruals and interest-bearing bank borrowings and other loans, less cash and cash equivalents, restricted cash. Capital includes the equity attributable to owners of the parent and non-controlling interests stated in the consolidated statement of financial position.

The Group's strategy is to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary. The gearing ratios as at the end of the reporting periods were as follows:

38. 財務風險管理目標和政策(續)

(e) 資本管理(續)

本集團以資產負債比率監管資本，該比率以債務淨額除以資本加債務淨額計算。債務淨額包括貿易應付款項和應付票據、其他應付款項和應計費用以及計息銀行借款和其他貸款減現金和現金等價物和受限制現金。資本包括合併財務狀況表所列母公司擁有人應佔權益和非控股權益。

本集團的戰略為維持資產負債比率在健康資本水準，以支持其業務。本集團採取的主要戰略包括但不限於檢討未來現金流量需求和於債務到期時按時間表還款的能力、維持可動用銀行融資在合理水準以及調整投資計劃和融資計劃(如有需要)。於各報告期末的資產負債比率如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------------|-----------------------------------|-----------------------------------|
| Trade and bills payables (note 25) | 貿易應付款項和應付票據 (附註25) | 4,579,064 | 4,904,475 |
| Other payables and accruals (note 26) | 其他應付款項和應計費用 (附註26) | 982,683 | 1,789,559 |
| Interest-bearing bank borrowings and other loans (note 28) | 計息銀行借款和其他貸款 (附註28) | 5,952,786 | 6,070,889 |
| Less: cash and cash equivalents (note 24) | 減：現金和現金等價物 (附註24) | (1,244,882) | (1,531,739) |
| Less: restricted cash (note 24) | 減：受限制現金(附註24) | (121,604) | (67,727) |
| Net debt | 債務淨額 | 10,148,047 | 11,165,457 |
| Total equity | 總權益 | 6,755,576 | 7,339,278 |
| Capital and net debt | 資本和債務淨額 | 16,903,623 | 18,504,735 |
| Gearing ratio | 資產負債比率 | 60% | 60% |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

39. EVENTS AFTER THE REPORTING PERIOD

On 14 January 2022, the Company and Datang Overseas Investment entered into an equity transfer agreement, pursuant to which, the Company has agreed to transfer, and Datang Overseas Investment has agreed to acquire the 10% equity interest in China Datang Overseas Power Operating Co., Ltd. held by the Company for a consideration of RMB26,389,000. The above transaction has not been completed as at the reporting date.

On 31 March 2022, the Board of Directors proposed to distribute the final dividend for the year ended 31 December 2021 of RMB0.0298 per share (before tax) of the Company in cash to the shareholders. The proposal is subject to the approval of the shareholders at the 2021 annual general meeting of the Company.

Apart from above, as of the report date, the Group had no other significant events after the reporting period that need to be disclosed.

39. 報告期後事項

於二零二二年一月十四日，本公司與大唐海投簽訂股權轉讓協議。據此，本公司同意轉讓而大唐海投同意收購本公司持有的中國大唐集團海外電力運營有限公司10%之股本權益，代價為人民幣26,389,000元。截至本報告日，上述交易尚未完成。

於二零二二年三月三十一日，董事會建議派發截至二零二一年十二月三十一日止年度的末期股息，以現金向股東每股份派發人民幣0.0298元(稅前)。該建議須待本公司股東於二零二一年度股東周年大會上批准方可作實。

除上述事項外，於財務報表批准報出日，本集團無其他需要披露的重大資產負債表日後事項。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

40. 本公司財務狀況表

Information about the statement of financial position of the Company is as follows:

本公司財務狀況表資料如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|----------------------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房和設備 | 5,588,149 | 5,960,730 |
| Intangible assets | 無形資產 | 167,424 | 169,993 |
| Right-of-use assets | 使用權資產 | 302,734 | 315,578 |
| Equity investments designated at fair value through other comprehensive income | 指定以公允價值計量且其變動計入其他綜合收益的權益投資 | 26,389 | 28,914 |
| Investments in subsidiaries | 於附屬公司的投資 | 585,010 | 687,810 |
| Deferred tax assets | 遞延稅項資產 | 42,677 | 33,521 |
| Other non-current assets | 其他非流動資產 | 518,592 | 639,363 |
| Total non-current assets | 非流動資產總額 | 7,230,975 | 7,835,909 |
| CURRENT ASSETS | 流動資產 | | |
| Inventories | 存貨 | 80,175 | 64,444 |
| Contract assets | 合同資產 | 64,732 | 197,808 |
| Trade and bills receivables | 貿易應收款項和應收票據 | 5,514,102 | 5,308,399 |
| Prepayments, other receivables and other assets | 預付款項、其他應收款項及其他資產 | 1,641,142 | 1,166,938 |
| Restricted cash | 受限制資金 | 32,316 | 6,140 |
| Cash and cash equivalents | 現金和現金等價物 | 1,010,998 | 1,086,585 |
| Total current assets | 流動資產總額 | 8,343,465 | 7,830,314 |
| CURRENT LIABILITIES | 流動負債 | | |
| Trade and bills payables | 貿易應付款項和應付票據 | 2,378,748 | 2,295,747 |
| Other payables and accruals | 其他應付款項和應計費用 | 1,116,876 | 1,597,938 |
| Provisions | 撥備 | - | 4,500 |
| Interest-bearing bank borrowings | 計息銀行借款 | 2,980,627 | 1,944,393 |
| Income tax payable | 應付所得稅 | - | 31,200 |
| Total current liabilities | 流動負債總額 | 6,476,251 | 5,873,778 |
| NET CURRENT ASSETS | 流動資產淨值 | 1,867,214 | 1,956,536 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總額減流動負債 | 9,098,189 | 9,792,445 |
| NON-CURRENT LIABILITIES | 非流動負債 | | |
| Interest-bearing bank borrowings | 計息銀行借款 | 2,057,621 | 2,724,372 |
| Other non-current liabilities | 其他非流動負債 | 20,327 | 22,487 |
| Total non-current liabilities | 非流動負債總額 | 2,077,948 | 2,746,859 |
| Net assets | 資產淨值 | 7,020,241 | 7,045,586 |
| EQUITY | 權益 | | |
| Share capital | 股本 | 2,967,542 | 2,967,542 |
| Reserves (Note) | 儲備(附註) | 4,052,699 | 4,078,044 |
| Total equity | 權益總額 | 7,020,241 | 7,045,586 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 December 2021
二零二一年十二月三十一日

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

40. 本公司財務狀況表(續)

Note:

A summary of the Company's reserves is as follows:

附註：

本公司儲備概要如下：

| | | Capital reserve 資本儲備 RMB'000 人民幣千元 | Statutory surplus reserve 法定盈餘儲備 RMB'000 人民幣千元 | Fair value reserve 公允價值儲備 RMB'000 人民幣千元 | Retained profits 未分配利潤 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|--|---------------|--|---|---|--|---------------------------------|
| As at 1 January 2020 | 於二零二零年一月一日 | 1,299,413 | 368,312 | 2,260 | 2,125,602 | 3,795,587 |
| Total comprehensive income | 綜合收益總額 | - | - | 1,067 | 381,693 | 382,760 |
| Appropriation to statutory surplus reserve | 撥至法定盈餘儲備 | - | 38,169 | - | (38,169) | - |
| Dividends declared to owners of the parent | 向母公司擁有人宣派股息 | - | - | - | (100,303) | (100,303) |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 1,299,413 | 406,481 | 3,327 | 2,368,823 | 4,078,044 |
| As at 1 January 2021 | 於二零二一年一月一日 | 1,299,413 | 406,481 | 3,327 | 2,368,823 | 4,078,044 |
| Total comprehensive income | 綜合收益總額 | - | - | (2,146) | 109,153 | 107,007 |
| Appropriation to statutory surplus reserve | 撥至法定盈餘儲備 | - | 10,915 | - | (10,915) | - |
| Dividends declared to owners of the parent | 向母公司擁有人宣派股息 | - | - | - | (132,352) | (132,352) |
| As at 31 December 2021 | 於二零二一年十二月三十一日 | 1,299,413 | 417,396 | 1,181 | 2,334,709 | 4,052,699 |

41. APPROVAL OF THE FINANCIAL STATEMENTS

41. 批准財務報表

The financial statements were approved and authorised for issue by the board of directors on 31 March 2022.

本財務報表已於二零二二年三月三十一日經董事會批准及授權刊發。

DEFINITION AND GLOSSARY OF TERMS

釋義與名詞解釋

| | | |
|---------------------------|---|---|
| “2021 AGM” | | the annual general meeting of the Company for the year of 2021, to be held at 3:30 p.m. on Thursday, 30 June 2022 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC |
| 「2021年度股東週年大會」 | 指 | 本公司將於2022年6月30日(星期四)下午三時三十分於中國北京市海澱區紫竹院路120號召開的2021年度股東週年大會 |
| “Articles of Association” | | the articles of association of the Company, as amended on 9 September 2021 |
| 「公司章程」 | 指 | 本公司於2021年9月9日修訂的公司章程 |
| “Board” | | the board of Directors of the Company |
| 「董事會」 | 指 | 本公司董事會 |
| “China Datang” | | China Datang Corporation Ltd. (中國大唐集團有限公司), a state-owned enterprise established on 9 April 2003 in accordance with the PRC laws and the Controlling Shareholder and a promoter of the Company |
| 「中國大唐」 | 指 | 中國大唐集團有限公司，為一間於2003年4月9日根據中國法律成立的國有企業，並為本公司的控股股東及發起人 |
| “China Datang Group” | | China Datang and its subsidiaries (excluding the Group) |
| 「中國大唐集團」 | 指 | 中國大唐及其附屬公司(本集團除外) |
| “Company” | | Datang Environment Industry Group Co., Ltd.* (大唐環境產業集團股份有限公司) which was converted to a joint stock limited company on 26 June 2015, unless otherwise stated, including its predecessor China Datang Corporation Environment Technology Co., Ltd. (中國大唐集團環境技術有限公司) (a limited liability company established on 25 July 2011 pursuant to the PRC laws and was renamed to Datang Technology Industry Co., Ltd. (大唐科技產業有限公司) in September 2013 and further to Datang Technology Industry Group Co., Ltd. (大唐科技產業集團有限公司) in December 2013) |
| 「本公司」 | 指 | 大唐環境產業集團股份有限公司，於2015年6月26日改制成立為股份有限公司，除非文義另有所指，否則包括其前身中國大唐集團環境技術有限公司(於2011年7月25日根據中國法律成立的有限責任公司，於2013年9月更名為大唐科技產業有限公司，並於2013年12月進一步更名為大唐科技產業集團有限公司) |
| “Controlling Shareholder” | | has the meaning ascribed under the Listing Rules, and in this annual report, refers to the controlling shareholder of the Company, China Datang |
| 「控股股東」 | 指 | 具上市規則所賦予的涵義，於本年報指本公司的控股股東中國大唐 |
| “CSRC” | | China Securities Regulatory Commission (中國證券監督管理委員會), a regulator responsible for supervising and regulating the Chinese securities market |
| 「中國證監會」 | 指 | 中國證券監督管理委員會，負責監督及規管中國證券市場的監管機構 |
| “Datang Capital” | | China Datang Group Capital Holding Co., Ltd. (中國大唐集團資本控股有限公司), a company established on 30 November 2011 in accordance with the PRC laws, and a subsidiary of China Datang, the Controlling Shareholder |
| 「大唐資本」 | 指 | 中國大唐集團資本控股有限公司，於2011年11月30日根據中國法律成立的公司，為控股股東中國大唐的附屬公司 |

DEFINITION AND GLOSSARY OF TERMS (CONTINUED)

釋義與名詞解釋(續)

| | | |
|---------------------|---|---|
| “Datang Finance” | | China Datang Finance Co., Ltd. (中國大唐集團財務有限公司), a company incorporated in the PRC with limited liability, and a non-wholly-owned subsidiary of China Datang |
| 「大唐財務」 | 指 | 中國大唐集團財務有限公司，於中國註冊成立的有限公司，中國大唐的非全資附屬公司 |
| “Datang Huayin” | | Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司), a joint stock limited company established on 22 March 1993 in accordance with the PRC laws and a subsidiary of China Datang, which is listed on the Shanghai Stock Exchange (stock code: 600744) |
| 「大唐華銀」 | 指 | 大唐華銀電力股份有限公司，於1993年3月22日根據中國法律成立的股份有限公司，為中國大唐附屬公司，並於上海證券交易所上市(股份代號：600744) |
| “Datang Renewable” | | China Datang Corporation Renewable Power Co., Ltd. (中國大唐集團新能源股份有限公司), a joint stock limited company established on 23 September 2004 in accordance with the PRC laws and a subsidiary of China Datang, which is listed on the Main Board of the Stock Exchange (stock code: 1798) |
| 「大唐新能源」 | 指 | 中國大唐集團新能源股份有限公司，於2004年9月23日根據中國法律成立的股份有限公司，為中國大唐附屬公司，並於聯交所主板上市(股份代號：1798) |
| “Director(s)” | | the director(s) of the Company |
| 「董事」 | 指 | 本公司董事 |
| “Domestic Share(s)” | | ordinary shares in the Company’s share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB |
| 「內資股」 | 指 | 本公司股本中每股面值人民幣1.00元的普通股，以人民幣認購及支付 |
| “EMC” | | a business model that the energy conservation companies provide energy-conservation services to customers according to the energy conservation service contracts entered into with customers, and recover the investment and gain profit from the energy efficiency achieved upon the completion of energy conservation facilities refurbishment |
| 「合同能源管理」 | 指 | 節能服務公司根據與客戶訂立的節能服務合同，為客戶提供節能服務，並從節能設施改造後獲得的節能效益中收回投資和取得利潤的一種商業運作模式 |
| “EPC” | | contracting arrangement whereby the contractor is commissioned by the customer to carry out works, such as design, procurement, construction and trial operations, either through the contractor’s own employees or by subcontracting part or all of the works, and be responsible for the quality, safety, timely delivery and cost of the project |
| 「EPC」或「工程總承包」 | 指 | 設計、採購及建造，承包安排之常見形式，即承包商受客戶之委託進行設計、採購、施工及試工等工作(無論是通過承包商本身之僱員或分包部分或所有工作)，並對項目之質量、安全、工期及成本負責 |

DEFINITION AND GLOSSARY OF TERMS (CONTINUED)

釋義與名詞解釋(續)

| | | |
|--|---|--|
| “Group”, “our Group”, “we” or “us” | | the Company and all or any of our subsidiaries (as the context so requires) |
| 「本集團」或「我們」 | 指 | 本公司及其所有或其中任何一間附屬公司(視文義而定) |
| “H Share(s)” | | overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, subscribed for and traded in Hong Kong dollars and listed and traded on the Stock Exchange |
| 「H股」 | 指 | 本公司普通股股本中每股面值人民幣1.00元的海外上市外資股，以港元認購及買賣，並於聯交所上市及買賣 |
| “Joint Company Secretary” or “Joint Company Secretaries” | | joint company secretary/secretaries of the Company |
| 「聯席公司秘書」 | 指 | 本公司的聯席公司秘書 |
| “Latest Practicable Date” | | 25 April 2022, being the latest practicable date prior to the printing of this annual report for ascertaining certain information contained in this annual report |
| 「最後可行日期」 | 指 | 2022年4月25日，即於本年報付印前確定當中所載若干資訊的最後可行日期 |
| “Listing” | | listing of our H Shares on the Main Board of the Stock Exchange |
| 「上市」 | 指 | 我們的H股於聯交所主板上市 |
| “Listing Rules” | | Rules Governing the Listing of Securities on the Stock Exchange |
| 「上市規則」 | 指 | 聯交所證券上市規則 |
| “Model Code” | | Model Code for Securities Transactions by Directors of Listed Issuers |
| 「標準守則」 | 指 | 上市發行人董事進行證券交易的標準守則 |
| “Nanjing Environmental Protection” | | Datang Nanjing Environmental Protection Technology Co., Ltd. (大唐南京環保科技有限責任公司), a limited liability company established on 14 December 2011 in accordance with the PRC laws and a subsidiary of the Company |
| 「南京環保」 | 指 | 大唐南京環保科技有限責任公司，為一間於2011年12月14日根據中國法律成立的有限責任公司，並為本公司附屬公司 |
| “PBOC” or “People’s Bank of China” | | the People’s Bank of China |
| 「中國人民銀行」 | 指 | 中國人民銀行 |
| “PRC” | | the People’s Republic of China, unless it has specifically specified, it excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan |
| 「中國」 | 指 | 中華人民共和國，除非特別說明，本文中不包括香港特別行政區、澳門特別行政區和台灣 |
| “Prospectus” | | the prospectus of the Company dated 3 November 2016 with respect to the listing of the Company on the Main Board of the Stock Exchange |
| 「招股章程」 | 指 | 本公司日期為2016年11月3日的招股章程，內容有關本公司於聯交所主板上市 |

DEFINITION AND GLOSSARY OF TERMS (CONTINUED)

釋義與名詞解釋(續)

| | | |
|--|---|--|
| “Reporting Period” 「報告期」 | 指 | the year ended 31 December 2021 截至2021年12月31日止年度 |
| “RMB” 「人民幣」 | 指 | Renminbi, the current lawful currency of the PRC 人民幣，中國法定貨幣 |
| “SASAC” 「國資委」 | 指 | State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會), responsible for the management of state assets 中國國務院國有資產監督管理委員會，負責管理國有資產 |
| “Senior Management” 「高級管理層」 | 指 | senior management of the Company 本公司高級管理層 |
| “SFC” 「證監會」 | 指 | the Securities and Futures Commission 證券及期貨事務監察委員會 |
| “SFO” 「證券及期貨條例」 | 指 | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 香港法例第571章證券及期貨條例，經不時修訂、補充或以其他方式修改 |
| “Shareholder(s)” 「股東」 | 指 | holder(s) of the Share(s) 股份持有人 |
| “Share(s)” 「股份」 | 指 | ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company, composed of the Domestic Shares and H Shares 本公司股本中每股面值人民幣1.00元的普通股，由內資股及H股所組成 |
| “Stock Exchange” 「聯交所」 | 指 | The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| “Supervisor(s)” or “Supervisory Committee” 「監事」或「監事會」 | 指 | supervisor(s) or supervisory committee of the Company 本公司監事或監事會 |
| “%” 「%」 | 指 | per cent 百分比 |

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail.

於中國成立的實體或企業的中文名稱倘若與英文譯名不符，概以中文名稱為準。

CORPORATE INFORMATION

公司資料

LEGAL NAME OF THE COMPANY

大唐環境產業集團股份有限公司

ENGLISH NAME OF THE COMPANY

Datang Environment Industry Group Co., Ltd.*

DIRECTORS

Executive Directors

Mr. Wang Yanwen (*Chairman*) (appointed as the chairman in June 2021)

Mr. Tian Dan

Non-executive Directors

Mr. Wang Junqi (appointed in September 2021)

Mr. Wu Daqing (appointed in September 2021)

Mr. Chen Kan (appointed in September 2021)

Mr. Song Yunpeng (appointed in September 2021)

Mr. Qu Bo (resigned as Chairman in June 2021, and resigned as non-executive Director in September 2021)

Mr. Liu Quancheng (resigned in September 2021)

Mr. Liu Ruixiang (resigned in September 2021)

Mr. Li Zhenyu (resigned in September 2021)

Independent non-executive Directors

Mr. Ye Xiang

Mr. Mao Zhuanjian

Mr. Gao Jiayang

SUPERVISORS

Mr. Huang Yuan (*Chairman*) (appointed in September 2021)

Mr. Zhang Xuefeng (appointed in September 2021)

Ms. Luo Li (appointed in January 2021)

Ms. Huo Yuxia (*former chairman*) (resigned in September 2021)

Mr. Liu Liming (resigned in September 2021)

Mr. Chen Li (resigned in January 2021)

LEGAL REPRESENTATIVES OF THE COMPANY

Mr. Wang Yanwen (appointed in June 2021)

Mr. Qu Bo (resigned in June 2021)

公司法定名稱

大唐環境產業集團股份有限公司

公司英文名稱

Datang Environment Industry Group Co., Ltd.*

董事

執行董事

王彥文先生(董事長)(於2021年6月獲委任
董事長)

田丹先生

非執行董事

王俊啟先生(於2021年9月獲委任)

吳大慶先生(於2021年9月獲委任)

陳侃先生(於2021年9月獲委任)

宋雲鵬先生(於2021年9月獲委任)

曲波先生(於2021年6月辭任董事長，
於2021年9月辭任非執行董事)

劉全成先生(於2021年9月辭任)

劉睿湘先生(於2021年9月辭任)

李震宇先生(於2021年9月辭任)

獨立非執行董事

叶翔先生

毛專建先生

高家祥先生

監事

黃源先生(主席)(於2021年9月獲委任)

張學峰先生(於2021年9月獲委任)

羅莉女士(於2021年1月獲委任)

霍雨霞女士(前主席)(於2021年9月辭任)

柳立明先生(於2021年9月辭任)

陳利先生(於2021年1月辭任)

本公司法定代表

王彥文先生(於2021年6月獲委任)

曲波先生(於2021年6月辭任)

AUTHORIZED REPRESENTATIVES

Mr. Wang Yanwen
Mr. Liang Xiuguang

JOINT COMPANY SECRETARIES

Mr. Liang Xiuguang
Ms. Wong Sau Ping (FCG; HKFCG)

COMMITTEES UNDER THE BOARD

Audit Committee

Mr. Gao Jiayang (*Chairman*)
Mr. Ye Xiang
Mr. Chen Kan (appointed in September 2021)
Mr. Liu Quancheng (resigned in September 2021)

Nomination Committee

Mr. Wang Yanwen (*Chairman*) (appointed in June 2021)
Mr. Mao Zhuanjian
Mr. Gao Jiayang
Mr. Qu Bo (resigned in June 2021)

Remuneration and Evaluation Committee

Mr. Ye Xiang (*Chairman*)
Mr. Mao Zhuanjian
Mr. Wu Daqing (appointed in September 2021)
Mr. Wang Yanwen (resigned in September 2021)

Strategy and Investment Committee

Mr. Tian Dan (*Chairman*) (appointed in September 2021)
Mr. Wang Junqi (appointed in September 2021)
Mr. Mao Zhuanjian
Mr. Wang Yanwen (resigned in September 2021)
Mr. Liu Ruixiang (resigned in September 2021)

REGISTERED OFFICE

No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC

HEAD OFFICE IN THE PRC

No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC

授權代表

王彥文先生
梁秀廣先生

聯席公司秘書

梁秀廣先生
黃秀萍女士(FCG : HKFCG)

董事會轄下委員會

審計委員會

高家祥先生(主席)
叶翔先生
陳侃先生(於2021年9月獲委任)
劉全成先生(於2021年9月辭任)

提名委員會

王彥文先生(主席)(於2021年6月獲委任)
毛專建先生
高家祥先生
曲波先生(於2021年6月辭任)

薪酬與考核委員會

叶翔先生(主席)
毛專建先生
吳大慶先生(於2021年9月獲委任)
王彥文先生(於2021年9月辭任)

戰略與投資委員會

田丹先生(主席)(於2021年9月獲委任)
王俊啟先生(於2021年9月獲委任)
毛專建先生
王彥文先生(於2021年9月辭任)
劉睿湘先生(於2021年9月辭任)

註冊辦事處

中國北京市海淀區紫竹院路120號

中國總部

中國北京市海淀區紫竹院路120號

CORPORATE INFORMATION (CONTINUED) 公司資料(續)

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square, 1 Matheson Street,
Causeway Bay, Hong Kong

AUDITORS

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

Ernst & Young Hua Ming LLP
16/F, Ernst & Young Tower, Oriental Plaza,
No. 1 East Chang An Ave., Dong Cheng District,
Beijing, the PRC

LEGAL ADVISORS

As to Hong Kong law

Zhong Lun Law Firm LLP
4/F, Jardine House,
1 Connaught Place, Hong Kong

As to the PRC law

Zhong Lun Law Firm
23-31/F, South Tower of CP Center
20 Jin He East Avenue, Chaoyang District
Beijing, PRC

PRC PRINCIPAL BANKS

China Development Bank Corporation
China Development Bank 11088,
Fortune Resource International Center,
No. 16 Taipingqiao Street, Xicheng District, Beijing, the PRC

China Construction Bank Corporation
Beijing Xuanwu Sub-branch
No. 314 Guang'anmennei Street, Xicheng District,
Beijing, the PRC

Industrial and Commercial Bank of China Limited
Beijing Haidian Sub-branch
No. 100 Zhongguancun East Road, Haidian District,
Beijing, the PRC

香港主要營業地點

香港銅鑼灣勿地臣街1號
時代廣場二期31樓

核數師

安永會計師事務所
香港鯉魚涌英皇道979號
太古坊一座27樓

安永華明會計師事務所(特殊普通合伙)
中國北京市東城區
東長安街1號東方廣場
安永大樓16樓

法律顧問

香港法律

中倫律師事務所有限法律責任合夥
香港中環
康樂廣場一號怡和大廈四樓

中國法律

中倫律師事務所
北京市朝陽區
金和東路20號院
正大中心3號樓南塔23-31層

主要往來銀行

國家開發銀行股份有限公司
中國北京市西城區
太平橋大街16號豐融國際中心
國家開發銀行11088

中國建設銀行股份有限公司
北京宣武支行
中國北京市西城區
廣安門內大街314號

中國工商銀行股份有限公司
北京海淀支行
中國北京市海淀區
中關村東路100號

CORPORATE INFORMATION (CONTINUED) 公司資料(續)

Agricultural Bank of China
Beijing Xuanwu Sub-branch
No. 1A Xuanwumenwai Avenue,
Xicheng District, Beijing, the PRC

中國農業銀行股份有限公司
北京宣武支行
中國北京市西城區
宣武門外大街甲1號

Bank of Beijing Co., Ltd.
Shangdi Sub-branch
No. 1 Shangdi Xinx Road,
Haidian District, Beijing, the PRC

北京銀行股份有限公司
上地支行
中國北京市海淀區
上地信息路1號

Ningbo Bank Corporation
Beijing Zhongguancun Sub-Branch
1st Floor, Dream Laboratory, 1 Haidian Avenue,
Haidian District, Beijing

寧波銀行股份有限公司
北京中關村支行
北京市海淀區海淀大街1號·
夢想實驗室1層

Agricultural Bank of China Limited
Beijing Luoma City Sub-branch
F1, Block A, Fenghua Haojing,
No. 6-4 Guang'an Men Nei Da Jie, Xicheng District, Beijing

中國農業銀行股份有限公司
北京驪馬市支行
北京市西城區廣安門內大街6-4號
楓樺豪景A座1層

China Minsheng Bank Wanliu Branch
Block 2, 6 Wanliuzhong Road, Haidian District,
Beijing

民生銀行
萬柳支行
北京市海淀區萬柳中路6號院2號樓

Post Savings Bank of China
Dashanzi Branch
13 Jiuxianqiao Road, Chaoyang District, Beijing

中國郵政儲蓄銀行
大山子支行
北京市朝陽區酒仙橋路13號

China Merchant Bank
Beijing East Third Ring Branch
1 East Third Ring North Road, Chaoyang District, Beijing

招商銀行
北京東三環支行
北京市朝陽區東三環北路1號

Bank of Jiangsu Beijing Branch
1 Building, Guangxi Homeland,
Chaoyang District, Beijing

江蘇銀行
北京分行
北京市朝陽區光熙家園1號樓



CORPORATE INFORMATION (CONTINUED) 公司資料(續)

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong

STOCK ABBREVIATION AND STOCK CODE

DATANG ENVIRO (1272)

INVESTOR INQUIRIES

Investor Hotline: +86 10 5838 9858
Fax: +86 10 5838 9860
Website: www.dteg.com.cn
E-mail: ir@dteg.com.cn

* For identification purpose only

H股證券登記處

香港中央證券登記有限公司
香港灣仔皇后大道東183號合和中心17樓
1712-1716號舖

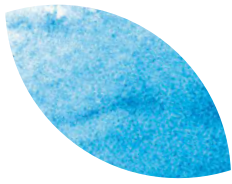
股份簡稱及股份代號

大唐環境(1272)

投資者查詢

投資者專線：+86 10 5838 9858
傳真：+86 10 5838 9860
網站：www.dteg.com.cn
電郵：ir@dteg.com.cn

* 僅供識別



大唐環境產業集團股份有限公司
Datang Environment Industry Group Co., Ltd.*

