



Beijing J

2020

ANNUAL REPORT



Contents

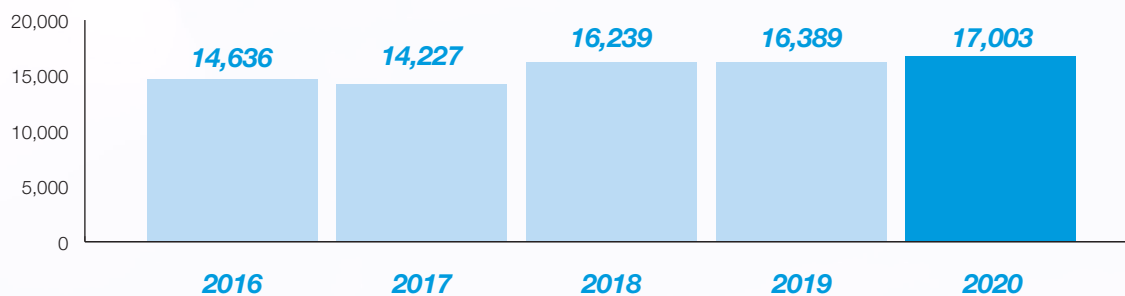
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Financial Highlights

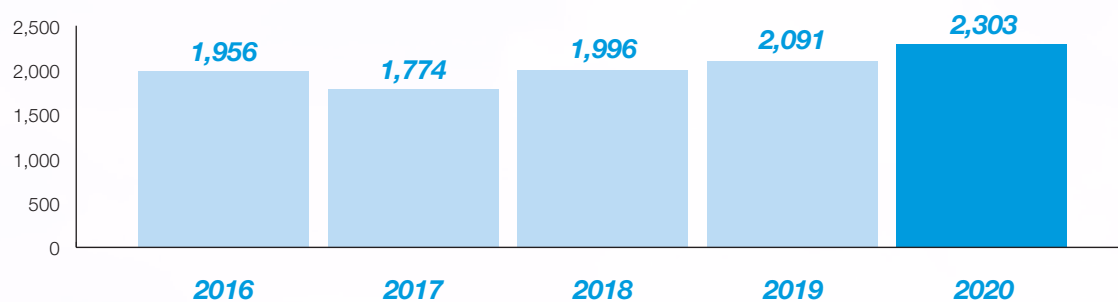
REVENUE

RMB in millions



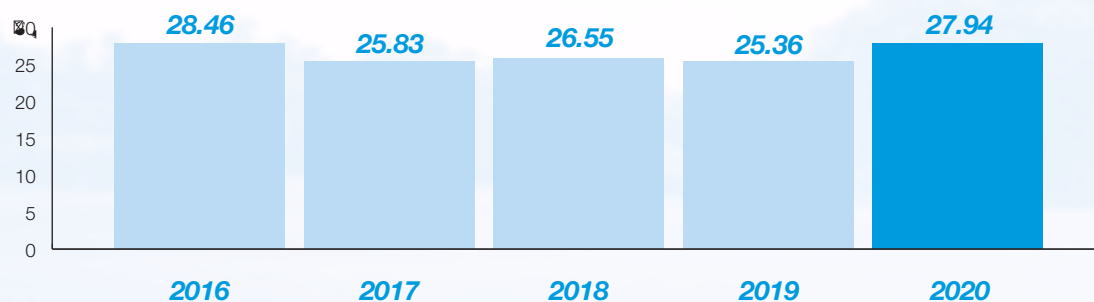
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

RMB in millions



EARNINGS PER SHARE

RMB cents



Financial Summary

	Year ended December 31				
	2020 RMB'000	2019 RMB'000	2018 RMB'000	2017 RMB'000	2016 RMB'000
Revenue	17,003,306	14,227,015	14,227,015	1,227,015	1,155,014
Cost of sales	797,393	1,051,000	1,020,000	1,050,070	1,150,000
Gross profit	3,917,090	3,721,014	3,741,015	1,417,015	1,175,014
Operating expenses	2,953,026 (557,041)	2,752,202 (507,011)	2,725,755 (121,050)	2,520,011 (511,711)	2,570,000 (1,200,000)
Operating profit	2,395,985	2,117,011	2,111,017	1,055,015	2,127,014
Finance income	2,518,122	2,100,010	1,000,012	2,100,011	1,000,010
Finance expenses					
Profit before income tax	2,303,390	2,007,010	1,000,012	1,770,015	1,550,014
Income tax	31,950		50,010	77,250	77,250
Profit after income tax	60,645	71,011	95,002	92,765	121,014
Operating profit	2,395,985	2,117,011	2,111,017	1,055,015	2,127,014
Finance income					
Finance expenses					
Profit before income tax	2,425,527	2,100,011	1,700,010	1,077,527	1,077,015
Income tax	31,950		50,010	77,250	77,250
Profit after income tax	60,645	71,011	95,002	150,015	122,014
Operating profit	2,518,122	2,100,010	1,000,012	2,100,011	1,000,010
Finance income					
Finance expenses					
Profit before income tax					
Income tax					
Profit after income tax					
Profit after income tax (RMB cents)	27.94	25.01	21.55	25.01	20.01

Financial Summary

	Year ended December 31				
	2020 RMB'000	2019 RMB'000	2018 RMB'000	2017 RMB'000	2016 RMB'000
Total assets	70,538,308	55,728,115	50,111,110	50,551,110	77,722,110
Non-current assets	55,656,303	5,221,110	2,110,110	2,110,577	0,211,110
Current assets	14,882,005	10,110,110	12,111,522	7,510,710	1,110,110
Total liabilities	44,171,461	11,111,750	11,111,210	12,050,510	10,111,750
Non-current liabilities	25,244,624	1,111,750	1,111,117	1,111,111	20,271,250
Current liabilities	18,926,837	17,210,110	1,000,110	12,227,110	10,050,110
Total equity	26,366,847	20,075,110	21,511,110	17,051,101	17,111,512
Non-current equity	8,244,508	2,111,500	2,111,500	1,111,700	1,111,700
Current equity	16,249,142	17,211,110	12,111,700	15,111,110	15,111,512
Quoted shares	24,493,650	22,111,710	21,111,710	11,111,511	15,111,710
Reserves	1,525,582	1,525,582	1,525,582	1,527,110	1,527,110
Minority interests	347,615	428,818	474,222	512,479	474,550
Total equity	26,366,847	20,075,110	21,511,110	17,051,101	17,111,512

Chairman's Statement

2020 年，面对全球新冠肺炎疫情的严峻挑战，公司坚持稳中求进工作总基调，深入贯彻新发展理念，统筹疫情防控和生产经营，各项工作取得积极成效。全年实现营业收入 10.11 亿元，同比增长 12.0%，利润总额 2.50 亿元，同比增长 10.0%，净资产收益率 20.0%，总资产周转率 0.77%，各项指标均保持良好水平。

报告期内，公司紧紧围绕年度经营目标，扎实推进各项重点工作。一是加大市场开拓力度，积极拓展新客户、新业务，实现营业收入稳步增长。二是强化成本管控，优化资源配置，提高运营效率，有效降低经营成本。三是加大研发投入，推动技术创新，提升核心竞争力。四是加强风险管理，确保资金链安全，维护公司稳健经营。五是履行社会责任，积极参与公益事业，提升企业形象。

2021 年，公司将坚持高质量发展，持续深化供给侧结构性改革，加大改革创新力度，推动产业转型升级。一是聚焦主业，做强做优核心业务，提升市场占有率。二是加大研发投入，突破关键技术，实现创新驱动发展。三是优化管理，提高运营效率，降低运营成本。四是加强人才队伍建设，提升员工素质和技能水平。五是履行社会责任，积极服务社会，实现经济效益和社会效益的双赢。

General Manager's Statement

2020, the company's operating profit was 1,000 million yuan, an increase of 10.1% over the same period last year. The company's operating profit margin was 27.5%, an increase of 2.5 percentage points over the same period last year. The company's operating profit margin was 27.5%, an increase of 2.5 percentage points over the same period last year.

As of the end of 2020, the company's total assets were 70.5 billion yuan, an increase of 10.1% over the end of last year. The company's total liabilities were 27.7 billion yuan, an increase of 17.0% over the end of last year. The company's total equity was 42.8 billion yuan, an increase of 5.0% over the end of last year. The company's operating profit was 1,000 million yuan, an increase of 10.1% over the same period last year. The company's operating profit margin was 27.5%, an increase of 2.5 percentage points over the same period last year.

The company's operating profit was 1,000 million yuan, an increase of 10.1% over the same period last year. The company's operating profit margin was 27.5%, an increase of 2.5 percentage points over the same period last year. The company's operating profit margin was 27.5%, an increase of 2.5 percentage points over the same period last year.

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Management Discussion and Analysis

I. REVIEW OF THE ELECTRIC POWER INDUSTRY

In 2020, the power generation capacity of the power industry continued to grow. The total installed capacity of the power industry reached 21.1 billion kW, an increase of 1.1% over 2019. The total power generation of the power industry reached 7.51 billion kWh, an increase of 1.1% over 2019. The power industry continued to play a leading role in the national economy.

As of the end of 2020, the total installed capacity of the power industry reached 21.1 billion kW, an increase of 1.1% over 2019. The total power generation of the power industry reached 7.51 billion kWh, an increase of 1.1% over 2019. The power industry continued to play a leading role in the national economy. The power industry continued to play a leading role in the national economy. The power industry continued to play a leading role in the national economy.

In 2020, the power industry continued to play a leading role in the national economy. The power industry continued to play a leading role in the national economy. The power industry continued to play a leading role in the national economy. The power industry continued to play a leading role in the national economy.

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Management Discussion and Analysis

II. BUSINESS REVIEW FOR THE YEAR OF 2020

As a result of the impact of COVID-19 in 2020, the Group's operating performance has been significantly affected. The Group's revenue has decreased by 12.7% compared with 2019, and its profit has decreased by 21.5% compared with 2019. The Group's operating performance in 2020 is as follows:

1. Rapid growth of installed capacity, steady rise in power generation

The Group's total installed capacity increased by 10,112 MW in 2020, up from 12,702 MW in 2019, an increase of 79.6%. The Group's total power generation increased by 2,777 million kWh in 2020, up from 2,120 million kWh in 2019, an increase of 31.0%. The Group's total power generation capacity increased by 50 million kWh in 2020, up from 1,525 million kWh in 2019, an increase of 32.8%. The Group's total power generation capacity increased by 21 million kWh in 2020, up from 1,000 million kWh in 2019, an increase of 2.1%.

As a result of the impact of COVID-19 in 2020, the Group's operating performance has been significantly affected. The Group's revenue has decreased by 12.7% compared with 2019, and its profit has decreased by 21.5% compared with 2019. The Group's operating performance in 2020 is as follows:

Management Discussion and Analysis

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

In 2020, the company vigorously promoted early-stage development and focusing on breakthroughs in key projects. The company has established a project management mechanism, strengthened the management of key projects, and achieved significant results. The company has completed the construction of 7 projects, with a total investment of 5 million yuan. The company has also achieved breakthroughs in key projects, such as the development of a new type of clean energy equipment. The company's R&D investment in 2020 reached 150 million yuan, an increase of 12% compared with 2019. The company's R&D personnel have achieved significant results, with 2 patents (嘉澤) and 10 new products being developed. The company's R&D personnel have also achieved significant results in the field of clean energy, with 150 million yuan in R&D investment and 12 new patents being developed. The company's R&D personnel have also achieved significant results in the field of clean energy, with 150 million yuan in R&D investment and 12 new patents being developed.

3. Optimising capital structure and reducing financial costs

The company has optimized its capital structure and reduced financial costs. The company has increased its operating cash flow by 10.5 million yuan, which has helped to reduce its financial costs. The company has also reduced its debt ratio by 1.5 percentage points, which has helped to reduce its financial costs. The company's financial costs in 2020 were 0.45%, a decrease of 0.15 percentage points compared with 2019.

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

In 2020, the company insisted on innovation-driven development to improve quality and efficiency. The company has established a project management mechanism, strengthened the management of key projects, and achieved significant results. The company has completed the construction of 2 projects, with a total investment of 15 million yuan. The company has also achieved breakthroughs in key projects, such as the development of a new type of clean energy equipment. The company's R&D investment in 2020 reached 12 million yuan, an increase of 12% compared with 2019. The company's R&D personnel have achieved significant results, with 12 patents and 5 new products being developed. The company's R&D personnel have also achieved significant results in the field of clean energy, with 12 million yuan in R&D investment and 12 new patents being developed.

Management Discussion and Analysis

5. Keep pace with the times and prepares for the 14th Five-Year Plan

As the 14th Five-Year Plan is in full swing, the company has fully understood the significance of the 14th Five-Year Plan and is actively preparing for it. The company will continue to adhere to the strategy of "Innovation, Quality, and Green Development" and focus on the key areas of "Energy, Environment, and Urbanization". The company will continue to strengthen its research and development capabilities, improve its product quality, and promote green development. The company will also continue to strengthen its cooperation with various stakeholders and promote the high-quality development of the company.

III. OPERATING RESULTS AND ANALYSIS

1. Overview

In 2020, the company's total revenue was 2,177.0 million yuan, an increase of 10.55% compared with 2019. The company's operating income was 2,000.0 million yuan, an increase of 10.17% compared with 2019.

2. Operating Income

The company's operating income in 2020 was 2,000.0 million yuan, an increase of 10.17% compared with 2019. The company's operating profit was 1,700.0 million yuan, an increase of 1.0% compared with 2019. The company's operating expenses were 200.0 million yuan, an increase of 10.17% compared with 2019.

Gas-fired Power and Heat Energy Generation Segment

The company's gas-fired power and heat energy generation segment revenue was 12,200.0 million yuan in 2020, an increase of 2.20% compared with 2019. The segment's operating income was 12,100.0 million yuan, an increase of 2.0% compared with 2019. The segment's operating profit was 10,100.0 million yuan, an increase of 1.0% compared with 2019. The segment's operating expenses were 2,000.0 million yuan, an increase of 1.0% compared with 2019.

Management Discussion and Analysis

Wind Power Segment

Total number of wind power projects completed in 2021 was 2,141.2 MW, an increase of 15.0% compared with 1,857.0 MW in 2020, mainly due to the completion of several large-scale projects.

Photovoltaic Power Segment

Total number of photovoltaic power projects completed in 2021 was 2,150.3 MW, an increase of 70% compared with 1,260.1 MW in 2020, mainly due to the completion of several large-scale projects.

Hydropower Segment

Total number of hydropower projects completed in 2021 was 5.8 MW, an increase of 7% compared with 5.4 MW in 2020, mainly due to the completion of several small-scale projects.

Others

Total number of other projects completed in 2021 was 1.1 MW, an increase of 75% compared with 0.6 MW in 2020, mainly due to the completion of several small-scale projects.

3. Other Income

Total number of other income projects completed in 2021 was 2.1 MW, an increase of 10% compared with 1,951.0 MW in 2020, mainly due to the completion of several small-scale projects.

4. Operating Expenses

Total number of operating expenses projects completed in 2021 was 1.21% compared with 10,717. MW in 2020, mainly due to the completion of several small-scale projects.

(1) Gas Consumption

Total number of gas consumption projects completed in 2021 was 0.70% compared with 1,200. MW in 2020, mainly due to the completion of several small-scale projects.

Management Discussion and Analysis

(2) *Depreciation and Amortization*

Management Discussion and Analysis

6. Adjusted Segment Operating Profit

Total adjusted segment operating profit for 2021 was 5.2% of total operating profit, or RMB72.2 million, compared with 5.1% of total operating profit, or RMB72.8 million, for 2020.

Gas-fired Power and Heat Energy Generation Segment

Total adjusted segment operating profit for 2021 was 0.01% of total operating profit, or RMB0.5 million, compared with 0.01% of total operating profit, or RMB1.2 million, for 2020, due to the increase in gas prices.

Wind Power Segment

Total adjusted segment operating profit for 2021 was 1.55% of total operating profit, or RMB22.2 million, compared with 1.55% of total operating profit, or RMB22.2 million, for 2020, due to the increase in wind power generation volume.

Photovoltaic Power Segment

Total adjusted segment operating profit for 2021 was 2.7% of total operating profit, or RMB38.5 million, compared with 2.7% of total operating profit, or RMB38.0 million, for 2020, due to the increase in photovoltaic power generation volume.

Hydropower Segment

Total adjusted segment operating profit for 2021 was 7.7% of total operating profit, or RMB107.1 million, compared with 7.7% of total operating profit, or RMB107.1 million, for 2020, due to the increase in hydropower generation volume.

Others

Total adjusted segment operating profit for 2021 was 1.7% of total operating profit, or RMB23.4 million, compared with 1.7% of total operating profit, or RMB23.4 million, for 2020, due to the increase in other segment operating profit.

7. Finance Costs

Finance costs for 2021 were 5.1% of total operating profit, or RMB1,214 million, compared with 5.1% of total operating profit, or RMB1,150 million, for 2020, due to the increase in finance costs. Finance costs for 2021 were 0.5% of total operating profit, or RMB6.5 million, compared with 0.52% of total operating profit, or RMB7.7 million, for 2020.

8. Share of Results of Associates and Joint Ventures

Total share of results of associates and joint ventures for 2021 was 22.1% of total operating profit, or RMB1,157 million, compared with 22.1% of total operating profit, or RMB1,157 million, for 2020, due to the increase in share of results of associates and joint ventures.

Management Discussion and Analysis

9. Profit before taxation

As at 31 December 2020, the profit before taxation was 2,557.0 million Hong Kong dollars, compared with 2,175.7 million Hong Kong dollars in 2019.

10. Income Tax Expense

The income tax expense for 2020 was 557.0 million Hong Kong dollars, compared with 500.0 million Hong Kong dollars in 2019. The effective tax rate for 2020 was 21.8%, compared with 23.0% in 2019.

11. Profit for the Year

As at 31 December 2020, the profit for the year was 2,000.0 million Hong Kong dollars, compared with 1,675.7 million Hong Kong dollars in 2019.

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

The profit for the year attributable to equity holders of the Company was 2,000.0 million Hong Kong dollars, compared with 1,675.7 million Hong Kong dollars in 2019.

IV. FINANCIAL POSITION

1. Overview

As at 31 December 2020, the total assets of the Company were 70,524.2 million Hong Kong dollars, compared with 70,524.2 million Hong Kong dollars in 2019. The total liabilities of the Company were 48,524.2 million Hong Kong dollars, compared with 48,524.2 million Hong Kong dollars in 2019. The net assets of the Company were 22,000.0 million Hong Kong dollars, compared with 22,000.0 million Hong Kong dollars in 2019.

2. Particulars of Assets and Liabilities

The following table sets out the particulars of assets and liabilities of the Company as at 31 December 2020, compared with 31 December 2019.

Particulars	2020	2019
Total assets	70,524.2	70,524.2
Total liabilities	48,524.2	48,524.2
Net assets	22,000.0	22,000.0
Total equity	22,000.0	22,000.0
Total shareholders' equity	22,000.0	22,000.0
Total non-current assets	5,720.2	5,720.2
Total current assets	64,804.0	64,804.0
Total non-current liabilities	1,171.5	1,171.5
Total current liabilities	47,352.7	47,352.7
Total non-current equity	1.21	1.21
Total current equity	21,998.79	21,998.79
Total equity	22,000.0	22,000.0

Management Discussion and Analysis

3. Liquidity

As of December 31, 2020, the company's current assets were 1,120.2 million RMB, and current liabilities were 1,275.5 million RMB. The company's current assets were 115.5% of its current liabilities. The company's operating cash flows were 25.2 million RMB, and the company's capital expenditures were 25.2 million RMB. The company's net change in cash and cash equivalents was 12.0 million RMB. The company's cash and cash equivalents were 7,010.7 million RMB at the end of 2020, and the company's cash and cash equivalents were 7,022.7 million RMB at the end of 2019. The company's cash and cash equivalents were 5,050.0 million RMB at the end of 2018.

The company's cash and cash equivalents were 11.5% of its total assets as of December 31, 2020. The company's cash and cash equivalents were 10.2% of its total assets as of December 31, 2019. The company's cash and cash equivalents were 5.5% of its total assets as of December 31, 2018. The company's cash and cash equivalents were 5.7% of its total assets as of December 31, 2020, and the company's cash and cash equivalents were 5.5% of its total assets as of December 31, 2019.

4. Net Gearing Ratio

The company's net gearing ratio (total debt divided by total capitalization) was 52.2% as of December 31, 2019, and 52.0% as of December 31, 2020. The company's net gearing ratio was 55.2% as of December 31, 2018.

The company's total debt was 2,025.0 million RMB as of December 31, 2020, and 2,025.0 million RMB as of December 31, 2019. The company's total debt was 2,025.0 million RMB as of December 31, 2018. The company's total capitalization was 3,900.0 million RMB as of December 31, 2020, and 3,900.0 million RMB as of December 31, 2019. The company's total capitalization was 3,680.0 million RMB as of December 31, 2018.

The company's net gearing ratio was 5.5% as of December 31, 2020, and 5.5% as of December 31, 2019. The company's net gearing ratio was 5.5% as of December 31, 2018.

Management Discussion and Analysis

V. OTHER SIGNIFICANT EVENTS

1. Financing

n 270-	nu	2020,	u	4	u n	4	s n	2,000.0	n
	u	-s	-s	n n n	u	-s	2020	n n	-s
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	u	-s	-s	n n n	u	-s	2020	n n	-s
									1.4%
n 17 -	un	2020,	u	4	u n	4	s n	1,500.0	n
	u	-s	-s	n n n	u	-s	2020	n n	-s
									1.0%
n 270-	u	2020,	u	4	u n	4	s n	2,000.0	n
	u	-s	-s	n n n	u	-s	2020	n n	-s
									2.0%
n 25		2020,	u	4	u n	4	s n	2,000.0	n
n 100-	u	-s	-s	n n n	u	-s	2020	n n	-s
									1.0%
n 7		2020,	u	4	u n	4	s n	1,000.0	n
n 270-	u	-s	-s	n n n	u	-s	2020	n n	-s
									2.75%
n	A	2020,	u	4	u n	4	s n	1,000.0	n
u	-	n	-s	2020,	4	5	-s	n n	-s
									2.25%
n 2020	A	2020,	u	4	u n	4	s n	1,000.0	n
	1,	00.0	n,	4	5	-s	n n	-s	2.5%
	2,	400.0	n,	4	5	-s	n n	-s	2.22%
n 15		2020,	u	4	u n	4	s n	1,500.0	n
n	u	-	n	-s	2020,	4	5	-s	n n
									1.4%

2. Capital Expenditure

n 2020,	u	'	s	n	u	un	4	7,05	.0	n,	n	u	n
5.2	n	n	u	4	n	s	u	n	4	s	n	-s	n
n	n	-s	n,	2, 72.7	n	n	u	4	n	s	u	n	4
-s	n,	2,	72.7	n	n	u	4	n	s	u	n	4	-s
-s	n,	5.1	n	n	u	4	n	s	u	n	4	-s	n,
													n,

Management Discussion and Analysis

3. Establishment and Acquisition of Subsidiaries

As of the end of the reporting period, the Company has established and acquired subsidiaries, including Ningxia Tongxin Dadi Risheng New Energy Co., Ltd. (寧夏同心大地日盛新能源有限公司), Ningxia Shanyang New Energy Co., Ltd. (寧夏杉陽新能源有限公司), Jiangsu Dingrui Solar Power Co., Ltd. (湛江市鼎瑞太陽能發電有限公司) and Yixian Jiahui Photovoltaic Power Co., Ltd. (義縣珈煜光伏電力有限公司) in 2020, which are all wholly-owned subsidiaries of the Company.

The Company has also established and acquired subsidiaries, including Kangbao Xinjing Clean Energy Co., Ltd. (康保新京清潔能源有限公司), Shangyijiang New Energy Co., Ltd. (尚義京能新能源有限公司) and Zhang Beijing Clean Energy Co., Ltd. (張北京能清潔能源有限公司) in 2020, which are all wholly-owned subsidiaries of the Company.

4. Contingent Liabilities

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

5. Mortgage of Assets

As of the end of the reporting period, the Company has no mortgage of assets.

Management Discussion and Analysis

VI. RISK FACTORS AND RISK MANAGEMENT

Macro-environmental Risk

As a result of the impact of the COVID-19 pandemic, the global economy has been severely impacted, and the global market has experienced a significant downturn. The company's business operations have also been affected, leading to a decrease in revenue and a decline in market value. The company is closely monitoring the situation and is taking measures to mitigate the impact of the pandemic on its operations.

The company is committed to maintaining its financial stability and operational efficiency during these challenging times. It is exploring various options to reduce costs and improve its operational performance. The company is also focused on maintaining its strong relationships with its customers and suppliers, and is working to ensure the continuity of its supply chain.

Policy and Regulatory Risks

The company is subject to various policy and regulatory risks, including changes in government policies, regulations, and tax laws. These risks can have a significant impact on the company's operations and financial performance. The company is actively engaged in monitoring and assessing these risks, and is taking steps to ensure compliance with all applicable laws and regulations.

The company is also aware of the risks associated with changes in the regulatory environment, particularly in the areas of environmental protection, labor relations, and consumer protection. The company is committed to maintaining the highest standards of ethical conduct and is working to ensure that its operations are fully compliant with all applicable laws and regulations.

VII. BUSINESS OUTLOOK FOR 2021

The company's business outlook for 2021 is optimistic, as it expects to see a recovery in the global economy and a return to normalcy in its business operations. The company is well-positioned to capitalize on the opportunities presented by the recovery, and is confident that it will achieve its financial and operational goals for the year.

Management Discussion and Analysis

1. Evaluating the policies and capitalising the development opportunities

In 2020, the company continued to implement its business strategy and capitalise on development opportunities. The company's operating performance was significantly improved, with a 25% increase in revenue. The company's operating performance was significantly improved, with a 25% increase in revenue. The company's operating performance was significantly improved, with a 25% increase in revenue.

In 2021, the company continued to implement its business strategy and capitalise on development opportunities. The company's operating performance was significantly improved, with a 25% increase in revenue. The company's operating performance was significantly improved, with a 25% increase in revenue. The company's operating performance was significantly improved, with a 25% increase in revenue.

2. Accelerating pre-development and optimizing project layout

The company has accelerated its pre-development and optimized its project layout. The company has accelerated its pre-development and optimized its project layout. The company has accelerated its pre-development and optimized its project layout.

The company has accelerated its pre-development and optimized its project layout. The company has accelerated its pre-development and optimized its project layout. The company has accelerated its pre-development and optimized its project layout.

Management Discussion and Analysis

3. Focusing on safe production and ensuring safe development

Our company has always adhered to the principle of "safety first, quality second, and efficiency last". We have established a complete safety management system, including safety production laws, regulations, and standards. We have strengthened safety education and training for all employees, and improved safety management mechanisms. We have carried out regular safety inspections and隐患排查, and promptly eliminated safety hazards. We have established an emergency response mechanism, and improved our ability to deal with various safety accidents. We have achieved zero major safety accidents, and ensured the safe and stable operation of the company's production and business activities.

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

We have always attached great importance to scientific and technological innovation, and regard it as the key to promoting high-quality development. We have established a complete scientific and technological innovation management system, including scientific and technological innovation laws, regulations, and standards. We have strengthened scientific and technological innovation education and training for all employees, and improved scientific and technological innovation management mechanisms. We have carried out regular scientific and technological innovation activities, and promptly eliminated scientific and technological innovation hazards. We have established an emergency response mechanism, and improved our ability to deal with various scientific and technological innovation accidents. We have achieved zero major scientific and technological innovation accidents, and ensured the safe and stable operation of the company's production and business activities.

Human Resources

The number of employees at the end of the reporting period is 2,317, an increase of 115 employees (5%) compared to the end of 2020. The increase is mainly due to the recruitment of new employees to meet the needs of business expansion.

I. SUMMARY OF HUMAN RESOURCES

The number of employees at the end of the reporting period is 2,317, an increase of 115 employees (5%) compared to the end of 2020. The increase is mainly due to the recruitment of new employees to meet the needs of business expansion.

1. Age Structure:

Age distribution	Number of employees	Percentage	Cumulative percentage
Under 35	1,725	74.4%	74.4%
35-45	421	22.22%	96.62%
45-55	72	2.10%	98.72%
55+	11	0.05%	100.00%
Total	2,317	100.00%	

2. Degree Structure

Educational background	Number of employees	Percentage	Cumulative percentage
High school or below	1	0.0%	0.0%
Junior college	172	4.11%	4.11%
University	1,521	5.14%	9.25%
Postgraduate	1,115	48.14%	100.00%
Total	2,317	100.00%	

II. EMPLOYEES' INCENTIVES

The Company has implemented a performance-based incentive system for its employees. The system is designed to motivate employees to achieve higher performance levels and to reward them accordingly. The incentive system is based on the company's performance and the individual performance of each employee. The incentive system is a key component of the company's human resources management strategy.

In 2020, the company's performance was strong, and the incentive system was implemented successfully. The total amount of incentives paid to employees was 5,000 million yuan. The incentive system has been a key factor in the company's success in 2020.

In 2021, the company's performance is expected to be strong, and the incentive system will continue to be implemented. The company is committed to providing its employees with a competitive incentive system to attract and retain top talent.

III. EMPLOYEES' REMUNERATION

The Company's remuneration policy is designed to attract and retain top talent. The remuneration policy is based on the company's performance and the individual performance of each employee. The remuneration policy is a key component of the company's human resources management strategy.

The company's remuneration policy is designed to be competitive in the market. The company is committed to providing its employees with a competitive remuneration package to attract and retain top talent.

IV. EMPLOYEES' TRAINING

The Company is committed to providing its employees with comprehensive training and development opportunities. The training and development program is designed to enhance the skills and knowledge of its employees and to support their career development.

The training and development program includes a variety of activities, including on-the-job training, classroom training, and self-paced learning. The company is committed to providing its employees with the resources and support they need to succeed.

In 2020, the company's training and development program was successful. The total amount of training and development expenses was 1,000 million yuan. The training and development program has been a key factor in the company's success in 2020.

In 2021, the company's training and development program will continue to be implemented. The company is committed to providing its employees with the resources and support they need to succeed.

V. EMPLOYEES' BENEFITS

The Company provides its employees with a comprehensive benefits package. The benefits package includes health insurance, life insurance, and other benefits. The benefits package is designed to attract and retain top talent.

The company's benefits package is designed to be competitive in the market. The company is committed to providing its employees with a comprehensive benefits package to attract and retain top talent.

Profiles of Directors, Supervisors and Senior Management

EXECUTIVE DIRECTORS

Mr. ZHANG Fengyang (張鳳陽), 51, male, Chinese nationality, Bachelor's degree, currently residing in Beijing. He is a senior engineer and has worked in the power industry for over 30 years. He joined Beijing International Power Development Co., Ltd. in 2000. He has held various positions in the company, including Director of the Engineering Department, Deputy General Manager of the Engineering Department, and Director of the Engineering Department. He is currently the General Manager of the Engineering Department. He has also worked for Beijing International Power New Energy Co., Ltd. since 2007. He is currently the General Manager of the Engineering Department. He has a rich work experience and a strong sense of responsibility. He is committed to the company's development and has made significant contributions to the company's growth.

Mr. CHEN Dayu (陳大宇), 50, male, Chinese nationality, Bachelor's degree, currently residing in Beijing. He is a senior engineer and has worked in the power industry for over 20 years. He joined Beijing Energy Investment (Group) Co., Ltd. in 2007. He has held various positions in the company, including Director of the Engineering Department, Deputy General Manager of the Engineering Department, and Director of the Engineering Department. He is currently the General Manager of the Engineering Department. He has also worked for Beijing Energy Investment (Group) Co., Ltd. since 2007. He is currently the General Manager of the Engineering Department. He has a rich work experience and a strong sense of responsibility. He is committed to the company's development and has made significant contributions to the company's growth.

Profiles of Directors, Supervisors and Senior Management

Mr. GAO Yuming (高玉明), 54, is a Chinese citizen, holding a Bachelor's degree in Engineering. He has been working in the power industry since 1990. He worked in Beijing Shijingshan Power Plant (北京石景山發電總廠) from 1990 to 2000, serving as the Deputy Director of the plant. From 2000 to 2005, he worked in Beijing Energy Thermal Power Company Limited (北京京能熱電股份有限公司) as the Deputy Director of the plant. From 2005 to 2007, he worked in Inner Mongolia Koyu (內蒙古科右中) as the Deputy Director of the plant. From 2007 to 2011, he worked in Inner Mongolia Energy Luxiang Power Company Limited (內蒙古京能富祥發電有限公司) as the Deputy Director of the plant. From 2011 to 2012, he worked in Inner Mongolia Energy Luxiang Power Company Limited (內蒙古京能富祥發電有限公司) as the Deputy Director of the plant. From 2012 to 2017, he worked in Haidian North Gas-Heat-Cold Joint Supply Project Construction Office (海淀北部燃氣熱電冷聯供項目籌建處) as the Deputy Director of the office. From 2017 to 2020, he worked in Beijing Shizhuang Gas-Heat Power Company Limited (北京上莊燃氣熱電有限公司) as the Deputy Director of the plant. From 2020 to 2021, he worked in Beijing Energy Thermal Power Company Limited (北京京能熱電股份有限公司) as the Deputy Director of the plant. From 2021 to the present, he has worked in Beijing Energy Thermal Power Company Limited (北京京能熱電股份有限公司) as the Deputy Director of the plant. He is currently a Senior Engineer (高級工程師) and a Senior Lecturer (高級講師) at Hebei University of Electric Power (華北電力學院). He has been a member of the Party since 1997.

Mr. CAO Mansheng (曹滿勝), 50, is a Chinese citizen, holding a Bachelor's degree in Engineering. He has been working in the power industry since 1987. He worked in Beijing San Jishan Thermal Power Plant (北京第三熱電廠) from 1987 to 2001, serving as the Deputy Director of the plant. From 2001 to 2005, he worked in Beijing Taiyanggong Gas-Heat Power Company Limited (北京太陽宮燃氣熱電有限公司) as the Deputy Director of the plant. From 2005 to 2012, he worked in Beijing Taiyanggong Gas-Heat Power Company Limited (北京太陽宮燃氣熱電有限公司) as the Deputy Director of the plant. From 2012 to 2017, he worked in Beijing Taiyanggong Gas-Heat Power Company Limited (北京太陽宮燃氣熱電有限公司) as the Deputy Director of the plant. From 2017 to 2021, he worked in Beijing Taiyanggong Gas-Heat Power Company Limited (北京太陽宮燃氣熱電有限公司) as the Deputy Director of the plant. From 2021 to the present, he has worked in Beijing Taiyanggong Gas-Heat Power Company Limited (北京太陽宮燃氣熱電有限公司) as the Deputy Director of the plant. He is currently a Senior Engineer (高級工程師) and a Senior Lecturer (高級講師) at Wuhan University of Water and Electric Power (武漢水利電力大學). He has been a member of the Party since 1997.

Profiles of Directors, Supervisors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. REN Qigui (任啟貴), 56, male, Chinese nationality, Bachelor's degree, currently a senior engineer. He is currently the Director of the Energy Power Institute of the Chinese Academy of Agricultural Mechanization Science (中國農業機械化科學研究所能源動力所), Beijing, China. He has been a member of the Board of Directors of Beijing Energy Investment Company (北京市能源投資公司) since January 2015. He has also served as a Director of Beijing Energy Technology Investment Co., Ltd. (北京京能能源科技投資有限公司) since January 2010. He has been a member of the Board of Directors of Beijing Huayuan Thermal Network Co., Ltd. (北京華源熱力管網有限公司) since August 2012. He has also served as a Director of Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司) since January 2017. He has also served as a Director of Beijing Thermal Group Co., Ltd. (北京市熱力集團有限責任公司) since January 2017. He has also served as a Director of Beijing Coal Group Co., Ltd. (北京京煤集團有限責任公司) since August 2017. He has also served as a Director of Beijing Energy Development Co., Ltd. (北京京能熱力發展有限公司) since January 2020. He has also served as a Director of Beijing Agricultural Engineering University (北京農業工程大學) since January 2017. He has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2015. He has also served as a Director of Beijing Energy Technology Investment Co., Ltd. (北京京能能源科技投資有限公司) since January 2010. He has also served as a Director of Beijing Huayuan Thermal Network Co., Ltd. (北京華源熱力管網有限公司) since August 2012. He has also served as a Director of Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司) since January 2017. He has also served as a Director of Beijing Thermal Group Co., Ltd. (北京市熱力集團有限責任公司) since January 2017. He has also served as a Director of Beijing Coal Group Co., Ltd. (北京京煤集團有限責任公司) since August 2017. He has also served as a Director of Beijing Energy Development Co., Ltd. (北京京能熱力發展有限公司) since January 2020. He has also served as a Director of Beijing Agricultural Engineering University (北京農業工程大學) since January 2017.

Ms. LI Juan (李娟), 41, female, Chinese nationality, Bachelor's degree, currently a senior engineer. She is currently the Director of Beijing Energy Investment Company (北京市能源投資公司), Beijing, China. She has been a member of the Board of Directors of Beijing Energy Investment Company (北京市能源投資公司) since January 2010. She has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2015. She has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2017. She has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2017. She has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2017. She has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2017. She has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2017. She has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2017. She has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2017. She has also served as a Director of Beijing Energy Investment Company (北京市能源投資公司) since January 2017.

* Beijing Energy Investment Company

Profiles of Directors, Supervisors and Senior Management

Mr. WANG Bangyi (王邦宜), 7, September, 1964, male, Chinese nationality, Master's degree. He served as the Chairman of the Board of Directors from August 2000 to August 2001, Chairman of the Board of Directors from August 2005 to August 2007, Chairman of the Board of Directors from August 2010 to August 2011, Chairman of the Board of Directors from August 2012 to August 2013, Chairman of the Board of Directors from August 2014 to August 2015, Chairman of the Board of Directors from August 2017 to August 2018. He served as the Chairman of the Board of Directors from August 2010 to August 2011, Chairman of the Board of Directors from August 2012 to August 2013, Chairman of the Board of Directors from August 2014 to August 2015, Chairman of the Board of Directors from August 2017 to August 2018. He served as the Chairman of the Board of Directors from August 2010 to August 2011, Chairman of the Board of Directors from August 2012 to August 2013, Chairman of the Board of Directors from August 2014 to August 2015, Chairman of the Board of Directors from August 2017 to August 2018. He served as the Chairman of the Board of Directors from August 2010 to August 2011, Chairman of the Board of Directors from August 2012 to August 2013, Chairman of the Board of Directors from August 2014 to August 2015, Chairman of the Board of Directors from August 2017 to August 2018.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. HUANG Xiang (黄湘), 4, September, 1952, male, Chinese nationality, Master's degree. He served as the Chairman of the Board of Directors from August 2000 to August 2001, Chairman of the Board of Directors from August 2005 to August 2007, Chairman of the Board of Directors from August 2010 to August 2011, Chairman of the Board of Directors from August 2012 to August 2013, Chairman of the Board of Directors from August 2014 to August 2015, Chairman of the Board of Directors from August 2017 to August 2018. He served as the Chairman of the Board of Directors from August 2010 to August 2011, Chairman of the Board of Directors from August 2012 to August 2013, Chairman of the Board of Directors from August 2014 to August 2015, Chairman of the Board of Directors from August 2017 to August 2018. He served as the Chairman of the Board of Directors from August 2010 to August 2011, Chairman of the Board of Directors from August 2012 to August 2013, Chairman of the Board of Directors from August 2014 to August 2015, Chairman of the Board of Directors from August 2017 to August 2018.

Profiles of Directors, Supervisors and Senior Management

Mr. Xu Daping (徐大平), 70, is a Chinese national. He graduated from the Department of Economics, Beijing University of Aeronautics and Astronautics in 1977, and received a Master's degree in Economics from the same university in 1987. He worked in the Department of Economics, Beijing University of Aeronautics and Astronautics from 1977 to 1987, and then in the Department of Economics, Beijing University of Aeronautics and Astronautics from 1987 to 1995. He worked in the Department of Economics, Beijing University of Aeronautics and Astronautics from 1995 to 2000, and then in the Department of Economics, Beijing University of Aeronautics and Astronautics from 2000 to 2005. He worked in the Department of Economics, Beijing University of Aeronautics and Astronautics from 2005 to 2010, and then in the Department of Economics, Beijing University of Aeronautics and Astronautics from 2010 to 2015. He worked in the Department of Economics, Beijing University of Aeronautics and Astronautics from 2015 to 2020, and then in the Department of Economics, Beijing University of Aeronautics and Astronautics from 2020 to 2025.

SUPERVISORS

Mr. WANG Xiangneng (王祥能), 54, is a Chinese national. He graduated from the Department of Economics, Chinese Academy of Social Sciences in 1987, and received a Master's degree in Economics from the same university in 1990. He worked in the Department of Economics, Chinese Academy of Social Sciences from 1987 to 1990, and then in the Department of Economics, Chinese Academy of Social Sciences from 1990 to 1995. He worked in the Department of Economics, Chinese Academy of Social Sciences from 1995 to 2000, and then in the Department of Economics, Chinese Academy of Social Sciences from 2000 to 2005. He worked in the Department of Economics, Chinese Academy of Social Sciences from 2005 to 2010, and then in the Department of Economics, Chinese Academy of Social Sciences from 2010 to 2015. He worked in the Department of Economics, Chinese Academy of Social Sciences from 2015 to 2020, and then in the Department of Economics, Chinese Academy of Social Sciences from 2020 to 2025.

Profiles of Directors, Supervisors and Senior Management

Ms. FANG Xiujun (方秀君), 50, is a Chinese citizen, born in Beijing, China. She graduated from Beijing University of Aeronautics and Astronautics in 1982. She worked in Beijing General Investment Company (北京市綜合投資公司), Beijing Tongde International Hospital (北京多倫多國際醫院) and Beijing Jingneng International Energy Co., Ltd. (北京京能國際能源股份有限公司) from 1982 to 2000. She worked in Beijing Jingneng Coal and Power Assets Management Co., Ltd. (北京京能煤電資產管理有限公司) from 2000 to 2015. She is currently a director of Beijing Jingneng International Energy Co., Ltd. (北京京能國際能源股份有限公司).

Mr. KANG Jian (康健), 57, is a Chinese citizen, born in Beijing, China. He graduated from Beijing University of Aeronautics and Astronautics in 1982. He worked in Beijing General Investment Company (北京市綜合投資公司) from 1982 to 2000. He worked in Beijing Jingneng International Energy Co., Ltd. (北京京能國際能源股份有限公司) from 2000 to 2015. He is currently a director of Beijing Jingneng International Energy Co., Ltd. (北京京能國際能源股份有限公司).

COMPANY SECRETARY

Mr. KANG Jian (康健), is the Company Secretary of Beijing Jingneng International Energy Co., Ltd. (北京京能國際能源股份有限公司).

Report of the Directors

The following table shows the number of shares held by the directors and their associates as at 31 December 2020 (Annual Report) and the number of shares held by the directors and their associates as at 31 December 2019 (Financial Statements).

REGISTERED SHARE CAPITAL

As at 31 December 2020, the registered share capital of the Company is 1,000,000,000 shares of HK\$1.00 each, representing 100% of the authorized share capital of the Company. The registered share capital of the Company as at 31 December 2019 was 1,000,000,000 shares of HK\$1.00 each, representing 100% of the authorized share capital of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not purchased, sold or redeemed any of its listed securities during the year ended 31 December 2020.

DEBENTURES IN ISSUE

The Company has issued 50,000,000 debentures of HK\$1,000,000 each, representing 5% of the authorized share capital of the Company, during the year ended 31 December 2020.

FUTURE INVESTMENT PLANS AND EXPECTED FUNDING

The Company has no specific investment plans for the year ending 31 December 2021. The Company's primary focus is on its core business and maintaining a strong financial position. The Company expects to fund its operations through its existing cash resources and may explore other funding options as needed.

EQUITY-LINKED AGREEMENT

The Company has entered into an equity-linked agreement with its directors and key management personnel to align their interests with the long-term success of the Company.

PERMITTED INDEMNITY PROVISION

The Company's articles of association contain provisions that permit the Company to indemnify its directors and officers for liabilities incurred by them in the course of their duties, subject to certain conditions and limitations.

Report of the Directors

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The Company's controlling shareholder, Beijing Jingneng Clean Energy Co., Limited, has pledged shares of the Company to secure the Company's bank loans. As of the end of 2020, the total amount of shares pledged is 10.1 million shares, representing 10.1% of the Company's total shares.

CHARGES ON GROUP ASSETS

As of the end of 2020, the Company's assets are pledged to secure bank loans. The total amount of assets pledged is 52.1 million RMB, representing 52.1% of the Company's total assets. The assets pledged include land, buildings, and equipment.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company has entered into loan agreements with various banks to secure the Company's operations. The total amount of loans is 10.1 million RMB. The Company has also provided financial assistance to its subsidiaries. The total amount of financial assistance is 10.1 million RMB.

SHARE OPTION SCHEME

The Company has implemented a share option scheme to attract and retain key personnel. The total number of shares under the scheme is 10.1 million shares.

PRE-EMPTIVE RIGHTS

The Company has implemented pre-emptive rights to protect the interests of its shareholders. The total amount of pre-emptive rights is 10.1 million RMB.

PRINCIPLE BUSINESS

The Company's principal business is the production and sale of clean energy products. The Company has a total of 52.1 million RMB in assets and 10.1 million RMB in loans. The Company's revenue is 10.1 million RMB.

RESULTS

The Group's financial performance for the year ended 31 December 2020 is set out in the following table. The Group's revenue for the year ended 31 December 2020 was HK\$1,777 million, an increase of 7% from HK\$1,657 million in 2019. The Group's profit before tax for the year ended 31 December 2020 was HK\$211 million, an increase of 21% from HK\$174 million in 2019. The Group's profit after tax for the year ended 31 December 2020 was HK\$151 million, an increase of 11% from HK\$136 million in 2019. The Group's earnings per share for the year ended 31 December 2020 was HK\$0.11, an increase of 11% from HK\$0.10 in 2019. The Group's dividend for the year ended 31 December 2020 was HK\$0.05, an increase of 10% from HK\$0.045 in 2019.

BUSINESS REVIEW

A detailed review of the Group's business performance for the year ended 31 December 2020 is set out in the following table. The Group's revenue for the year ended 31 December 2020 was HK\$1,777 million, an increase of 7% from HK\$1,657 million in 2019. The Group's profit before tax for the year ended 31 December 2020 was HK\$211 million, an increase of 21% from HK\$174 million in 2019. The Group's profit after tax for the year ended 31 December 2020 was HK\$151 million, an increase of 11% from HK\$136 million in 2019. The Group's earnings per share for the year ended 31 December 2020 was HK\$0.11, an increase of 11% from HK\$0.10 in 2019. The Group's dividend for the year ended 31 December 2020 was HK\$0.05, an increase of 10% from HK\$0.045 in 2019.

ENVIRONMENTAL POLICIES AND PERFORMANCE

A detailed review of the Group's environmental policies and performance for the year ended 31 December 2020 is set out in the following table. The Group's revenue for the year ended 31 December 2020 was HK\$1,777 million, an increase of 7% from HK\$1,657 million in 2019. The Group's profit before tax for the year ended 31 December 2020 was HK\$211 million, an increase of 21% from HK\$174 million in 2019. The Group's profit after tax for the year ended 31 December 2020 was HK\$151 million, an increase of 11% from HK\$136 million in 2019. The Group's earnings per share for the year ended 31 December 2020 was HK\$0.11, an increase of 11% from HK\$0.10 in 2019. The Group's dividend for the year ended 31 December 2020 was HK\$0.05, an increase of 10% from HK\$0.045 in 2019.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to compliance with laws and regulations. A detailed review of the Group's compliance with laws and regulations for the year ended 31 December 2020 is set out in the following table. The Group's revenue for the year ended 31 December 2020 was HK\$1,777 million, an increase of 7% from HK\$1,657 million in 2019. The Group's profit before tax for the year ended 31 December 2020 was HK\$211 million, an increase of 21% from HK\$174 million in 2019. The Group's profit after tax for the year ended 31 December 2020 was HK\$151 million, an increase of 11% from HK\$136 million in 2019. The Group's earnings per share for the year ended 31 December 2020 was HK\$0.11, an increase of 11% from HK\$0.10 in 2019. The Group's dividend for the year ended 31 December 2020 was HK\$0.05, an increase of 10% from HK\$0.045 in 2019.

Report of the Directors

DIVIDEND POLICY

The Board of Directors, in accordance with the Company's Articles of Association and the Company Law of the People's Republic of China, has formulated the following dividend policy:

The Company shall adopt a dividend policy of "balancing the interests of all shareholders, maintaining a stable and continuous dividend, and promoting the sustainable development of the Company." The Company shall adopt a cash dividend policy, and the cash dividend shall be distributed to the shareholders in proportion to their respective shareholdings.

The Company shall distribute dividends to the shareholders in accordance with the following principles:

1. Timeliness

2. Fairness

3. Sustainability

4. Transparency

5. Compliance

6. Flexibility

7. Consistency

8. Reasonableness

The Board of Directors shall, in accordance with the above principles, formulate the dividend distribution plan and submit it to the shareholders for approval.

Report of the Directors

CLOSURE OF REGISTER OF MEMBERS

The Company's annual general meeting was held on 21 June 2021. The register of members was closed from 21 June 2021 to 22 June 2021 (inclusive) for the purpose of determining the members entitled to attend and vote at the annual general meeting.

The Company's annual general meeting was held on 17 July 2021. The register of members was closed from 17 July 2021 to 18 July 2021 (inclusive) for the purpose of determining the members entitled to attend and vote at the annual general meeting.

The Company's annual general meeting was held on 17 July 2021. The register of members was closed from 17 July 2021 to 18 July 2021 (inclusive) for the purpose of determining the members entitled to attend and vote at the annual general meeting.

PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

RESERVES

The Company's reserves are stated at cost less accumulated depreciation and impairment losses. The reserves are as follows:

Reserve	2020	2021
Reserve for contingencies	1,525	5,107

DONATIONS

The Company has received donations of 0.2 million RMB during the year.

BANK BORROWINGS AND OTHER BORROWINGS

The Company's bank borrowings and other borrowings are as follows:

Bank borrowings and other borrowings	2020	2021
Bank borrowings and other borrowings	1	1

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Title in the Company	Date of Appointment or Re-election
A n n	u n n n	2020/2020
u ⁽¹⁾	u n n n	2020/2021
A Yu n ⁽²⁾	u n u n n	2020/2021
A n s n	u n u n n	2020/2021
un ⁽³⁾	u n u n n	2020/2021
A n u n ⁽⁴⁾	u n u n n	2020/2021
u	n u	2020
u n	n u	2020
A n ⁽⁵⁾	n u	2020
A n	n n n n n u	2020
A Y n T un	n n n n n u	2020
A n ⁽⁶⁾	n n n n n u	2020
A u s n ⁽⁷⁾	n n n n n u	2020
A n n n	n n n n u	2020
YA u n ⁽⁸⁾	u s	2020
A u ⁽¹⁰⁾	u s	2020
A n ⁽¹¹⁾	u s	2017
A n	u n n	2010
A u un	u n n	2010
A n	u n n n s	2010/200

Report of the Directors

Notes:

- (1) T... n u... 2021.
- (2) T... Yu n... 2021.
- (3) ... un'... 2020.
- (4) T... An n u n... 2020.
- (5) T... n n... 2020.
- (6) T... u n... 2020.
- (7) T... n u... 2020.
- (8) T... un... 2020.
- (9) T... Y n u n... 2020.
- (10) T... u n... 2020.
- (11) T... u n... 2020.

T... n... n n n n... u... u... u...

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

T... 2... Annu... .

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

T... n... (1) nu... (2) nu... .T

T... n... u... A... A... n... .

Report of the Directors

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

Name	Positions in the Company	Other interests
(1)	Director	None
Mr. Wang	Director	None

Note:

(1) Mr. Wang is the Chairman of the Board of Directors.

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

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

The interests and short positions of the Directors, Supervisors and Chief Executives in shares, underlying shares and debentures of the Company and its subsidiaries are as follows:

(1) Mr. Wang is the Chairman of the Board of Directors.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

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

Note: () indicates the number of shares.

Name of shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held (share)	Percentage of relevant class of share capital (%)	Percentage of total share capital (%)
(Note 1 and Note 2)	Ordinary Shares	Beneficial owner	5,100,000 ()	5.1	42.4
(Note 1 and Note 2)	Ordinary Shares	Beneficial owner	71,120,000 ()	14.47	5.72
(Note 1 and Note 2)	Ordinary Shares	Beneficial owner	5,100,000 ()	100.00	45.4
(Note 2)	Ordinary Shares	Beneficial owner	71,120,000 ()	14.47	5.72
(Note 3)	Ordinary Shares	Beneficial owner	71,120,000 ()	14.47	5.72
(Note 3)	Ordinary Shares	Beneficial owner	170,500,000 ()	4.18	2.10
(Note 3)	Ordinary Shares	Beneficial owner	170,500,000 ()	4.18	2.10
(Note 3)	Ordinary Shares	Beneficial owner	170,500,000 ()	4.18	2.10
(Note 3)	Ordinary Shares	Beneficial owner	170,500,000 ()	4.18	2.10
(Note 4)	Ordinary Shares	Beneficial owner	14,400,000 ()	4.4	2.8
(Note 4)	Ordinary Shares	Beneficial owner	14,400,000 ()	4.4	2.8
(Note 4)	Ordinary Shares	Beneficial owner	14,400,000 ()	4.4	2.8
(Note 4)	Ordinary Shares	Beneficial owner	14,400,000 ()	4.4	2.8
(Note 5)	Ordinary Shares	Beneficial owner	450,000,000 ()	20.0	7.2
(Note 5)	Ordinary Shares	Beneficial owner	450,000,000 ()	20.0	7.2
(Note 5)	Ordinary Shares	Beneficial owner	14,700,000 ()	4.5	2.8

Report of the Directors

Notes:

1.

215,245,200.00 元，其中：215,245,200.00 元为 2015 年 12 月 31 日归属于母公司的净资产。

11,005,222.00 元，其中：11,005,222.00 元为 2015 年 12 月 31 日归属于母公司的净资产。

5,017,000.00 元，其中：5,017,000.00 元为 2015 年 12 月 31 日归属于母公司的净资产。

22,000,000.00 元，其中：22,000,000.00 元为 2015 年 12 月 31 日归属于母公司的净资产。
2.

71,120,000.00 元，其中：71,120,000.00 元为 2015 年 12 月 31 日归属于母公司的净资产。
3.

A 类普通股 170,502,000 股，其中：170,502,000 股为 2015 年 12 月 31 日归属于母公司的净资产。

A 类普通股 170,502,000 股，其中：170,502,000 股为 2015 年 12 月 31 日归属于母公司的净资产。
4.

14,400,000.00 元，其中：14,400,000.00 元为 2015 年 12 月 31 日归属于母公司的净资产。
5.

14,700,000.00 元，其中：14,700,000.00 元为 2015 年 12 月 31 日归属于母公司的净资产。

51,000,000.00 元，其中：51,000,000.00 元为 2015 年 12 月 31 日归属于母公司的净资产。

71.51% 的股权，其中：71.51% 的股权为 2015 年 12 月 31 日归属于母公司的净资产。

150,000,000.00 元，其中：150,000,000.00 元为 2015 年 12 月 31 日归属于母公司的净资产。

MANAGEMENT CONTRACT

The management contract entered into between the Company and its directors and senior management for the year ended 31 December 2020.

CONTRACT OF SIGNIFICANCE

The contract of significance entered into between the Company and its directors and senior management for the year ended 31 December 2020.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Company has entered into the following connected transactions and continuing connected transactions during the year ended 31 December 2020, 2021 and 2022.

(RMB million)

Connected transactions under	Connected persons	Annual caps for 2020	Actual transaction value in 2020
1. Acquisition of 100% equity interest in A		250.0	204.0
2. Acquisition of 100% equity interest in A		12.7	10.7
3. Acquisition of 100% equity interest in A		12.7	12.7
4. Acquisition of 100% equity interest in A		51.0	7.0
5. Acquisition of 100% equity interest in A		1.5	1.5
6. Acquisition of 100% equity interest in A		2,271.0	1,050.0
7. Acquisition of 100% equity interest in A		250.0	10.7
8. Acquisition of 100% equity interest in A		50.0	27.7
9. Acquisition of 100% equity interest in A		1,000.0	202.0
10. Acquisition of 100% equity interest in A		100.0	17.0
11. Acquisition of 100% equity interest in A		10.1	1.2

Report of the Directors

Note 1:

The Group has entered into a number of transactions with related parties. The transactions are conducted on an arm's length basis and are in the ordinary course of business. The transactions are disclosed in the financial statements in accordance with the applicable accounting standards.

Continuing Connected Transactions between the Group and BEH and its Associates

The Group has entered into continuing connected transactions with BEH and its associates. The transactions are conducted on an arm's length basis and are in the ordinary course of business. The transactions are disclosed in the financial statements in accordance with the applicable accounting standards.

The Group has entered into continuing connected transactions with BEH and its associates. The transactions are conducted on an arm's length basis and are in the ordinary course of business. The transactions are disclosed in the financial statements in accordance with the applicable accounting standards.

Finance Lease Framework Agreement between BEH and the Company

The Group has entered into a finance lease framework agreement with BEH. The agreement is conducted on an arm's length basis and is in the ordinary course of business. The agreement is disclosed in the financial statements in accordance with the applicable accounting standards.

Report of the Directors

Framework Service Agreement between BEH and the Company

The Company entered into a Framework Service Agreement with BEH on 25 April 2014. The Agreement provides for the supply of services to the Company for the period from 1 January 2017 to 31 December 2022. The Agreement is subject to the approval of the shareholders of the Company. The Agreement is set out in the Appendix to the 2022 Annual Report.

EPC Framework Agreement between BEH and the Company

The Company entered into an EPC Framework Agreement with BEH on 25 April 2014. The Agreement provides for the supply of services to the Company for the period from 1 January 2017 to 31 December 2022. The Agreement is subject to the approval of the shareholders of the Company. The Agreement is set out in the Appendix to the 2022 Annual Report.

Framework Heat Sale and Purchase Agreement between BEH and the Company

The Company entered into a Framework Heat Sale and Purchase Agreement with BEH on 25 April 2014. The Agreement provides for the supply of services to the Company for the period from 1 January 2017 to 31 December 2022. The Agreement is subject to the approval of the shareholders of the Company. The Agreement is set out in the Appendix to the 2022 Annual Report.

Equipment Purchase Framework Agreement between BEH and the Company

The Company entered into an Equipment Purchase Framework Agreement with BEH on 25 April 2014. The Agreement provides for the supply of services to the Company for the period from 1 January 2017 to 31 December 2022. The Agreement is subject to the approval of the shareholders of the Company. The Agreement is set out in the Appendix to the 2022 Annual Report.

Report of the Directors

Financial Services Framework Agreement between BEH Finance and the Company

The Company has entered into a Financial Services Framework Agreement (the "Agreement") with BEH Finance on 25 November 2017. The Agreement is valid and effective from 1 November 2017 to 31 October 2020. The Agreement provides for the Company to obtain financial services from BEH Finance, including but not limited to, loans, credit facilities, and other financial services. The Agreement is subject to the approval of the Board of Directors and the shareholders of the Company. The Agreement is set out in full in the Appendix to this Report.

Report of the Directors

Confirmation of the Auditor

The directors confirm that the financial statements for the year ended 31 August 2020 (the "Financial Statements") are true and fair, and that they have been prepared in accordance with the applicable accounting standards. The directors also confirm that the financial statements have been prepared on a going concern basis.

The directors also confirm that the financial statements have been prepared in accordance with the applicable accounting standards.

COMPLIANCE WITH THE NON-COMPETITION AGREEMENT

The directors confirm that the company has complied with the non-competition agreement entered into with the relevant parties during the year ended 31 August 2020. The company has not engaged in any activities that are prohibited under the agreement.

The directors also confirm that the company has complied with the non-competition agreement.

MAJOR CUSTOMERS AND SUPPLIERS

The company's major customers and suppliers for the year ended 31 August 2020 are as follows:

Customer/Supplier	Percentage of Total Sales/Purchases
Customer A	72.3%
Supplier B	5.1%

The company's major customers and suppliers for the year ended 31 August 2020 are as follows:

Customer/Supplier	Percentage of Total Sales/Purchases
Customer C	74.1%
Supplier D	0.1%

The company's major customers and suppliers for the year ended 31 August 2020 are as follows:

Customer/Supplier	Percentage of Total Sales/Purchases
Customer E	5.1%

Report of the Directors

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

The Company has a defined contribution retirement scheme for its employees. The scheme is a defined contribution scheme. The assets of the scheme are held in a separate trust. The Company's contribution to the scheme is 7% of the employees' basic salaries. The employees' contribution is 1% of the employees' basic salaries. The Company's contribution to the scheme is 8% of the employees' basic salaries. The employees' contribution is 1% of the employees' basic salaries.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a listed company, the Company is committed to high standards of corporate governance. The Company has adopted the Corporate Governance Code (CG Code) as set out in Appendix 14 to the Listing Rules of the Exchange, which came into effect on 1 July 2020.

RELATIONSHIP WITH STAKEHOLDERS

The Company is committed to maintaining good relationships with its stakeholders. The Company has established a stakeholder engagement framework to identify and understand the interests and expectations of its stakeholders. The Company has established a stakeholder engagement framework to identify and understand the interests and expectations of its stakeholders.

The Company is committed to maintaining good relationships with its stakeholders. The Company has established a stakeholder engagement framework to identify and understand the interests and expectations of its stakeholders. The Company has established a stakeholder engagement framework to identify and understand the interests and expectations of its stakeholders.

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The Company is committed to maintaining good relationships with its stakeholders. The Company has established a stakeholder engagement framework to identify and understand the interests and expectations of its stakeholders. The Company has established a stakeholder engagement framework to identify and understand the interests and expectations of its stakeholders.

PUBLIC FLOAT

The Company is committed to maintaining good relationships with its stakeholders. The Company has established a stakeholder engagement framework to identify and understand the interests and expectations of its stakeholders. The Company has established a stakeholder engagement framework to identify and understand the interests and expectations of its stakeholders.

SIGNIFICANT LEGAL PROCEEDINGS

During the year ended 31 December 2020, the Company has not been involved in any significant legal proceedings.

AUDIT COMMITTEE

The Audit Committee has reviewed the Company's 2020 annual financial statements and the related disclosures.

AUDITORS

The Company's financial statements for the year ended 31 December 2020 have been audited by the independent member of the audit firm, PricewaterhouseCoopers ("PwC"), who is a member firm of the PwC network, which is a member of the International Federation of Accountants ("IFAC").

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended 31 December 2020 are as follows:

MISCELLANEOUS

The Company has no subsidiaries or associates.

Beijing Jingneng Clean Energy Co., Limited
ZHANG Fengyang
Chairman

31 December 2021

Report of the Board of Supervisors

I. SUPERVISORY COMMITTEE'S WORK IN 2020

(i) Supervisory Committee's Meetings Held

In 2020, the Supervisory Committee held 12 meetings, including 11 regular meetings and 1 special meeting. The meetings were held on the following dates: January 14, February 19, March 19, April 16, May 14, June 11, July 9, August 6, September 3, October 1, November 5, and December 3, 2020. The meetings were held in accordance with the provisions of the Company's Articles of Association and the Supervisory Committee's Work Rules.

2020, the Supervisory Committee held 12 meetings, including 11 regular meetings and 1 special meeting. The meetings were held on the following dates: January 14, February 19, March 19, April 16, May 14, June 11, July 9, August 6, September 3, October 1, November 5, and December 3, 2020. The meetings were held in accordance with the provisions of the Company's Articles of Association and the Supervisory Committee's Work Rules.

2020, the Supervisory Committee held 12 meetings, including 11 regular meetings and 1 special meeting. The meetings were held on the following dates: January 14, February 19, March 19, April 16, May 14, June 11, July 9, August 6, September 3, October 1, November 5, and December 3, 2020. The meetings were held in accordance with the provisions of the Company's Articles of Association and the Supervisory Committee's Work Rules.

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(ii) Attendance at the Board Meeting

In 2020, the Supervisory Committee held 12 meetings, including 11 regular meetings and 1 special meeting. The meetings were held on the following dates: January 14, February 19, March 19, April 16, May 14, June 11, July 9, August 6, September 3, October 1, November 5, and December 3, 2020. The meetings were held in accordance with the provisions of the Company's Articles of Association and the Supervisory Committee's Work Rules.

Report of the Board of Supervisors

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

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Report of the Board of Supervisors

(iii) Inspection on the formulation of the Company's equity incentive plan

The Board of Supervisors has reviewed the Company's equity incentive plan in accordance with the relevant laws and regulations, including the "Interim Measures for the Implementation of Equity Incentive Plans for State-owned Listed Companies (Overseas)" and the "Notice on Issues Related to the Implementation of Equity Incentive Plans for State-owned Listed Companies". The Board of Supervisors has found that the Company's equity incentive plan is in line with the relevant laws and regulations, and is fair and reasonable. The Board of Supervisors has also reviewed the Company's equity incentive plan in accordance with the relevant laws and regulations, including the "Interim Measures for the Implementation of Equity Incentive Plans for State-owned Listed Companies (Overseas)" and the "Notice on Issues Related to the Implementation of Equity Incentive Plans for State-owned Listed Companies". The Board of Supervisors has found that the Company's equity incentive plan is in line with the relevant laws and regulations, and is fair and reasonable.

(iv) Inspection on the rule of law construction

The Board of Supervisors has reviewed the Company's rule of law construction in accordance with the relevant laws and regulations, including the "Interim Measures for the Implementation of Equity Incentive Plans for State-owned Listed Companies (Overseas)" and the "Notice on Issues Related to the Implementation of Equity Incentive Plans for State-owned Listed Companies". The Board of Supervisors has found that the Company's rule of law construction is in line with the relevant laws and regulations, and is fair and reasonable. The Board of Supervisors has also reviewed the Company's rule of law construction in accordance with the relevant laws and regulations, including the "Interim Measures for the Implementation of Equity Incentive Plans for State-owned Listed Companies (Overseas)" and the "Notice on Issues Related to the Implementation of Equity Incentive Plans for State-owned Listed Companies". The Board of Supervisors has found that the Company's rule of law construction is in line with the relevant laws and regulations, and is fair and reasonable.

(v) Inspection on delisting of H shares of the Company

The Board of Supervisors has reviewed the Company's delisting of H shares in accordance with the relevant laws and regulations, including the "Interim Measures for the Implementation of Equity Incentive Plans for State-owned Listed Companies (Overseas)" and the "Notice on Issues Related to the Implementation of Equity Incentive Plans for State-owned Listed Companies". The Board of Supervisors has found that the Company's delisting of H shares is in line with the relevant laws and regulations, and is fair and reasonable. The Board of Supervisors has also reviewed the Company's delisting of H shares in accordance with the relevant laws and regulations, including the "Interim Measures for the Implementation of Equity Incentive Plans for State-owned Listed Companies (Overseas)" and the "Notice on Issues Related to the Implementation of Equity Incentive Plans for State-owned Listed Companies". The Board of Supervisors has found that the Company's delisting of H shares is in line with the relevant laws and regulations, and is fair and reasonable.

Report of the Board of Supervisors

(vi) Inspection on the Company's connected transactions

The Board of Supervisors has reviewed the Company's connected transactions and found that they are in compliance with the relevant laws and regulations. The Board of Supervisors has also reviewed the Company's information disclosure regarding connected transactions and found that it is in compliance with the relevant laws and regulations. The Board of Supervisors has also reviewed the Company's implementation of the resolutions passed in general meeting regarding connected transactions and found that it is in compliance with the relevant laws and regulations.

(vii) Inspecting on the Company's information disclosure

The Board of Supervisors has reviewed the Company's information disclosure and found that it is in compliance with the relevant laws and regulations. The Board of Supervisors has also reviewed the Company's implementation of the resolutions passed in general meeting regarding information disclosure and found that it is in compliance with the relevant laws and regulations.

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

The Board of Supervisors has reviewed the Company's implementation of the resolutions passed in general meeting and found that it is in compliance with the relevant laws and regulations.

III. WORK ARRANGEMENT OF THE SUPERVISORY COMMITTEE FOR 2021

In 2021, the Supervisory Committee has worked on the following matters: (1) Reviewing the Company's financial statements and reports; (2) Reviewing the Company's information disclosure; (3) Reviewing the Company's implementation of the resolutions passed in general meeting; (4) Reviewing the Company's connected transactions; (5) Reviewing the Company's internal control system; (6) Reviewing the Company's risk management system; (7) Reviewing the Company's environmental and social governance; (8) Reviewing the Company's human resources management; (9) Reviewing the Company's labor relations; (10) Reviewing the Company's labor contracts; (11) Reviewing the Company's labor disputes; (12) Reviewing the Company's labor safety and health; (13) Reviewing the Company's labor protection; (14) Reviewing the Company's labor training; (15) Reviewing the Company's labor welfare; (16) Reviewing the Company's labor insurance; (17) Reviewing the Company's labor pension; (18) Reviewing the Company's labor injury; (19) Reviewing the Company's labor compensation; (20) Reviewing the Company's labor dispute resolution; (21) Reviewing the Company's labor arbitration; (22) Reviewing the Company's labor litigation; (23) Reviewing the Company's labor mediation; (24) Reviewing the Company's labor conciliation; (25) Reviewing the Company's labor dispute prevention; (26) Reviewing the Company's labor dispute resolution; (27) Reviewing the Company's labor dispute prevention; (28) Reviewing the Company's labor dispute resolution; (29) Reviewing the Company's labor dispute prevention; (30) Reviewing the Company's labor dispute resolution.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Board of Directors, the Board of Supervisors, the Management, and the Supervisory Committee have all actively participated in the implementation of the Company's corporate governance practices. The Board of Directors, the Board of Supervisors, the Management, and the Supervisory Committee have all actively participated in the implementation of the Company's corporate governance practices. The Board of Directors, the Board of Supervisors, the Management, and the Supervisory Committee have all actively participated in the implementation of the Company's corporate governance practices. The Board of Directors, the Board of Supervisors, the Management, and the Supervisory Committee have all actively participated in the implementation of the Company's corporate governance practices. The Board of Directors, the Board of Supervisors, the Management, and the Supervisory Committee have all actively participated in the implementation of the Company's corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions for Directors, Supervisors, Management, and Employees (Model Code) in accordance with the provisions of the Securities and Futures Ordinance (SFO) and the Listing Rules. The Model Code is applicable to the Company's Directors, Supervisors, Management, and Employees. The Company has adopted the Model Code for Securities Transactions for Directors, Supervisors, Management, and Employees (Model Code) in accordance with the provisions of the Securities and Futures Ordinance (SFO) and the Listing Rules. The Model Code is applicable to the Company's Directors, Supervisors, Management, and Employees. The Company has adopted the Model Code for Securities Transactions for Directors, Supervisors, Management, and Employees (Model Code) in accordance with the provisions of the Securities and Futures Ordinance (SFO) and the Listing Rules. The Model Code is applicable to the Company's Directors, Supervisors, Management, and Employees.

BOARD OF DIRECTORS

The Board of Directors is responsible for the overall management and supervision of the Company's business and operations. It is composed of seven members, including the Chairman, the General Manager, and five independent non-executive directors.

The Board of Directors is currently composed of the following members:

Mr. [Name], Chairman; Mr. [Name], General Manager; Mr. [Name], Independent Non-executive Director; Mr. [Name], Independent Non-executive Director; Mr. [Name], Independent Non-executive Director; Mr. [Name], Independent Non-executive Director; Mr. [Name], Independent Non-executive Director.

The Board of Directors is currently composed of the following members:

Executive Directors

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

Mr. [Name]

Mr. [Name]

Non-executive Directors

Mr. [Name]
Mr. [Name]
Mr. [Name]

Independent Non-executive Directors

Mr. [Name]
Mr. [Name]
Mr. [Name]

The Board of Directors is currently composed of the following members:

Mr. [Name], Chairman; Mr. [Name], General Manager; Mr. [Name], Independent Non-executive Director; Mr. [Name], Independent Non-executive Director; Mr. [Name], Independent Non-executive Director; Mr. [Name], Independent Non-executive Director; Mr. [Name], Independent Non-executive Director.

Chairman and General Manager

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

Corporate Governance Report

Independent non-executive Directors

During the year ended 31 December 2020, the Board of Directors has maintained a diverse composition of independent non-executive directors. The Board has 7 members, of which 3 are independent non-executive directors, representing approximately 43% of the Board. The independent non-executive directors have provided objective and independent views on the Company's operations and financial performance, and have contributed to the Board's decision-making process.

The independent non-executive directors have also been actively involved in the Company's strategic planning and risk management. They have provided valuable insights and advice on the Company's business development and financial strategy. The Board has also established a nomination committee, which is responsible for identifying and recommending independent non-executive directors for appointment to the Board.

Non-executive Directors and Directors' Re-election

The Board of Directors has 7 members, of which 3 are independent non-executive directors, 2 are non-executive directors, and 2 are executive directors. The independent non-executive directors are Mr. [Name], Mr. [Name], and Mr. [Name]. The non-executive directors are Mr. [Name] and Mr. [Name]. The executive directors are Mr. [Name] and Mr. [Name].

The Board of Directors has also established a nomination committee, which is responsible for identifying and recommending independent non-executive directors for appointment to the Board. The nomination committee has recommended the re-election of Mr. [Name], Mr. [Name], and Mr. [Name] as independent non-executive directors for the year ending 31 December 2021.

Corporate Governance Report

Tennant Group Limited 2020

Directors	Type of Training ^{Note}
Executive Directors	
Alexander Wilson (Chairman)	A
Alexander Wilson (Independent Non-executive Director) (from March 2020)	A
Alexander Wilson (Independent Non-executive Director) (from March 2020)	A
Non-executive Directors	
Alexander Wilson (Independent Non-executive Director) (from March 2020)	A
Alexander Wilson (Independent Non-executive Director) (from March 2020)	A
Alexander Wilson (Independent Non-executive Director) (from March 2020)	A
Independent non-executive Directors	
Alexander Wilson (Independent Non-executive Director) (from March 2020)	A
Alexander Wilson (Independent Non-executive Director) (from March 2020)	A
Alexander Wilson (Independent Non-executive Director) (from March 2020)	A

Note:

Type of Training

All directors received training on the provisions of the Listing Rules relating to the duties of directors.

BOARD COMMITTEES

The Board has established several committees to assist it in its oversight of the Company's business and to ensure that the Company is managed in the best interests of its shareholders. The committees are the Audit Committee, the Remuneration Committee, the Nominations Committee, the Sustainability Committee and the Risk Management Committee. The terms of reference for each of these committees are set out in the Corporate Governance Report.

The Board has also established the Sustainability Committee to oversee the Company's sustainability strategy and to ensure that the Company's operations are consistent with its commitment to sustainable development. The terms of reference for the Sustainability Committee are set out in the Corporate Governance Report.

Audit Committee

The Audit Committee is responsible for overseeing the Company's financial reporting process and for ensuring that the financial statements are prepared in accordance with the applicable financial reporting framework. The Audit Committee also oversees the Company's internal control and risk management systems and the work of the internal and external auditors.

The Audit Committee is composed of three independent non-executive directors, including at least one director with recent and relevant financial reporting expertise. The Audit Committee's terms of reference are set out in the Corporate Governance Report.

In 2020, the Audit Committee has met 11 times to discuss the Company's financial reporting process and to oversee the work of the internal and external auditors. The Audit Committee has also reviewed the Company's internal control and risk management systems and the work of the internal and external auditors.

The Audit Committee has also reviewed the Company's financial reporting process and to oversee the work of the internal and external auditors.

Corporate Governance Report

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (the "Committee") was established in 2010. The Committee is responsible for reviewing and recommending the remuneration and nomination policies of the Company to the Board of Directors. The Committee has been composed of three independent non-executive directors since 2020. The Committee has been reviewing and recommending the remuneration and nomination policies of the Company to the Board of Directors since 2020.

The Committee has been reviewing and recommending the remuneration and nomination policies of the Company to the Board of Directors since 2020. The Committee has been reviewing and recommending the remuneration and nomination policies of the Company to the Board of Directors since 2020.

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The Committee has been reviewing and recommending the remuneration and nomination policies of the Company to the Board of Directors since 2020. The Committee has been reviewing and recommending the remuneration and nomination policies of the Company to the Board of Directors since 2020.

Strategy Committee

The Strategy Committee is a sub-committee of the Board of Directors. It is responsible for reviewing and recommending to the Board the company's strategy, including the annual business plan and the long-term strategy. The Committee also monitors the company's performance against its strategy and reports to the Board on its progress.

The Strategy Committee was established in 2020. It consists of five members, including the Chairman of the Board and four independent non-executive directors. The Committee met 20 times in 2020.

The Strategy Committee's primary responsibilities are to: (i) review and recommend to the Board the company's strategy, including the annual business plan and the long-term strategy; (ii) monitor the company's performance against its strategy; and (iii) report to the Board on its progress.

The Strategy Committee also monitors the company's performance against its strategy and reports to the Board on its progress.

Legal and Compliance Management Committee

The Legal and Compliance Management Committee is a sub-committee of the Board of Directors. It is responsible for reviewing and recommending to the Board the company's legal and compliance policies, including the annual legal and compliance plan and the long-term legal and compliance strategy. The Committee also monitors the company's performance against its legal and compliance policies and reports to the Board on its progress.

The Legal and Compliance Management Committee was established in 2020. It consists of five members, including the Chairman of the Board and four independent non-executive directors. The Committee met 20 times in 2020.

Board Diversity Policy

The Board Diversity Policy is a policy that sets out the Board's commitment to diversity and inclusion. It aims to ensure that the Board is composed of members with a range of backgrounds, experiences, and perspectives. The Policy also sets out the Board's objectives for diversity and inclusion, including the goal of increasing the proportion of independent non-executive directors on the Board.

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Corporate Governance Report

The Board of Directors is committed to promoting the company's long-term sustainable development, and to ensuring that the company's operations are in line with the interests of all stakeholders. The Board will continue to strengthen its oversight and management functions, and to improve the company's corporate governance and risk management systems.

The Board of Directors will continue to work with management to ensure the company's long-term sustainable development, and to ensure that the company's operations are in line with the interests of all stakeholders.

Director Nomination Policy

The Board of Directors is committed to promoting the company's long-term sustainable development, and to ensuring that the company's operations are in line with the interests of all stakeholders. The Board will continue to strengthen its oversight and management functions, and to improve the company's corporate governance and risk management systems.

The Board of Directors will continue to work with management to ensure the company's long-term sustainable development, and to ensure that the company's operations are in line with the interests of all stakeholders. The Board will continue to strengthen its oversight and management functions, and to improve the company's corporate governance and risk management systems.

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Corporate Governance Report

Our Board of Directors is committed to the highest standards of corporate governance and to the long-term success of the company. We believe that strong corporate governance is essential for the success of our business and for the protection of our shareholders' interests.

The Board of Directors is responsible for the overall management and supervision of the company. It is composed of independent non-executive directors, executive directors, and a chairman of the board. The Board's primary responsibility is to ensure that the company is managed in a way that creates long-term value for our shareholders.

The Board has established a set of corporate governance principles and a code of conduct that apply to all employees of the company. These principles and code of conduct are designed to ensure that the company operates in a transparent, ethical, and responsible manner.

The Board also oversees the company's risk management and internal control systems. It ensures that the company has in place robust risk management and internal control systems that are designed to identify, assess, and manage the company's risks.

The Board is committed to the highest standards of corporate governance and to the long-term success of the company. We believe that strong corporate governance is essential for the success of our business and for the protection of our shareholders' interests.

Corporate Governance Functions

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The Board is committed to the highest standards of corporate governance and to the long-term success of the company. We believe that strong corporate governance is essential for the success of our business and for the protection of our shareholders' interests.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board of Directors is responsible for the overall risk management and internal control system of the Company. The Board has established the Risk Management Committee and the Internal Control Committee to oversee the implementation of the risk management and internal control system. The Risk Management Committee is responsible for identifying, assessing, and monitoring the Company's risks, while the Internal Control Committee is responsible for ensuring the effectiveness of the internal control system. The Board has also established the Risk Management Policy and the Internal Control Policy to guide the Company's risk management and internal control activities.

The Board has established the Risk Management Policy and the Internal Control Policy to guide the Company's risk management and internal control activities. The Risk Management Policy is based on the Company's business strategy and the external environment, and it identifies the Company's major risks and sets the risk management objectives and measures. The Internal Control Policy is based on the Company's business operations and the internal control system, and it sets the internal control objectives and measures. The Board has also established the Risk Management Committee and the Internal Control Committee to oversee the implementation of the risk management and internal control system.

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Corporate Governance Report

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COMPANY SECRETARY

Mr. Kang, the Company Secretary, has been appointed since the listing of the Company on the Main Board of the Stock Exchange of Hong Kong. He has been appointed as the Company Secretary since the listing of the Company on the Main Board of the Stock Exchange of Hong Kong. He has been appointed as the Company Secretary since the listing of the Company on the Main Board of the Stock Exchange of Hong Kong.

SHAREHOLDERS' RIGHTS

The Company's articles of association set out the rights of shareholders. The Company's articles of association set out the rights of shareholders. The Company's articles of association set out the rights of shareholders. The Company's articles of association set out the rights of shareholders.

Convening an Extraordinary General Meeting by Shareholders

Shareholders holding 10% of the total number of shares in issue (including shares held by the Company) may convene an extraordinary general meeting. Shareholders holding 10% of the total number of shares in issue (including shares held by the Company) may convene an extraordinary general meeting.

Putting Forward Proposals at General Meetings

Shareholders holding 10% of the total number of shares in issue (including shares held by the Company) may put forward proposals at general meetings. Shareholders holding 10% of the total number of shares in issue (including shares held by the Company) may put forward proposals at general meetings.

Corporate Governance Report

Putting Forward Enquiries to the Board

For enquiries, please contact the Board Secretary at the following address:

Contact Details

Board Secretary, Beijing Jingneng Clean Energy Co., Limited

A-100000, Beijing, China
Tel: +86 10 5900 8888
(Fax: +86 10 5900 8888)

Independent Auditors' Report

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Independent Auditors' Report

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Recognition of government subsidies on clean energy production	
<p>On December 31, 2020, the Company's government subsidies on clean energy production were RMB 1,000 million, of which RMB 100 million were recognized in the current period. The Company's government subsidies on clean energy production were RMB 1,000 million, of which RMB 100 million were recognized in the current period. The Company's government subsidies on clean energy production were RMB 1,000 million, of which RMB 100 million were recognized in the current period.</p> <p>The Company's government subsidies on clean energy production were RMB 1,000 million, of which RMB 100 million were recognized in the current period. The Company's government subsidies on clean energy production were RMB 1,000 million, of which RMB 100 million were recognized in the current period. The Company's government subsidies on clean energy production were RMB 1,000 million, of which RMB 100 million were recognized in the current period.</p> <p>The Company's government subsidies on clean energy production were RMB 1,000 million, of which RMB 100 million were recognized in the current period. The Company's government subsidies on clean energy production were RMB 1,000 million, of which RMB 100 million were recognized in the current period. The Company's government subsidies on clean energy production were RMB 1,000 million, of which RMB 100 million were recognized in the current period.</p>	<p>Our audit procedures included reviewing the Company's accounting records, contracts, and supporting documents related to government subsidies on clean energy production. We also performed analytical procedures to identify any unusual or inconsistent items. Our audit procedures included reviewing the Company's accounting records, contracts, and supporting documents related to government subsidies on clean energy production. We also performed analytical procedures to identify any unusual or inconsistent items. Our audit procedures included reviewing the Company's accounting records, contracts, and supporting documents related to government subsidies on clean energy production. We also performed analytical procedures to identify any unusual or inconsistent items.</p> <p>Our audit procedures included reviewing the Company's accounting records, contracts, and supporting documents related to government subsidies on clean energy production. We also performed analytical procedures to identify any unusual or inconsistent items. Our audit procedures included reviewing the Company's accounting records, contracts, and supporting documents related to government subsidies on clean energy production. We also performed analytical procedures to identify any unusual or inconsistent items.</p> <p>Our audit procedures included reviewing the Company's accounting records, contracts, and supporting documents related to government subsidies on clean energy production. We also performed analytical procedures to identify any unusual or inconsistent items. Our audit procedures included reviewing the Company's accounting records, contracts, and supporting documents related to government subsidies on clean energy production. We also performed analytical procedures to identify any unusual or inconsistent items.</p>

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Goodwill impairment assessment</p> <p>The Group's goodwill is primarily related to the acquisition of the business of the former parent company, which was acquired in 2015. The goodwill is tested for impairment annually, or more frequently if indicators arise that impairment may exist. The assessment of goodwill impairment involves the use of significant estimates and assumptions, particularly in relation to the determination of the fair value less costs of disposal of the cash-generating units to which the goodwill is allocated. The Group's management has performed the impairment test using a discounted cash flow model. The key estimates and assumptions used in the model are the discount rate, the terminal value, and the cash flows. The Group's management has performed a sensitivity analysis to assess the impact of changes in these estimates and assumptions on the impairment test results. The Group's management has concluded that the goodwill is not impaired.</p>	<p>We performed the following procedures to address the key audit matter:</p> <ul style="list-style-type: none"> We evaluated the design and implementation of the Group's internal controls over the goodwill impairment assessment process. We tested the accuracy and completeness of the data used in the discounted cash flow model. We evaluated the reasonableness of the key estimates and assumptions used in the model, including the discount rate, the terminal value, and the cash flows. We performed a sensitivity analysis to assess the impact of changes in these estimates and assumptions on the impairment test results. We compared the Group's management's conclusions with our own conclusions.

OTHER INFORMATION

The information presented in this report is based on the information provided to us by the Group's management. We have not performed any procedures to verify the accuracy and completeness of this information. We are not responsible for the accuracy and completeness of this information.

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Independent Auditors' Report

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

The directors and those charged with governance are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the applicable financial reporting framework, for such things as:

• selecting and approving the accounting policies and accounting estimates;

• assessing the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and designing and implementing controls to mitigate those risks;

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

The auditor's responsibilities are to audit the consolidated financial statements in accordance with the applicable auditing standards, to issue an audit report on the consolidated financial statements, and to communicate with those charged with governance regarding the results of the audit, the auditor's observations concerning internal controls, and other matters of interest.

The auditor's responsibilities do not include providing assurance on the consolidated financial statements, or on the internal controls, or on the effectiveness of the risk management system.

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

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Independent Auditors' Report

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

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Deloitte Touche Tohmatsu
Certified Public Accountants

2021

Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December	
		2020 RMB'000	2019 RMB'000
Revenue	6	17,003,306	14,899,114
Cost of sales	8	797,393	1,051,000
Gross profit		(8,804,303)	(,1 2,75)
Other income	13	(2,811,261)	(2, 58,170)
Other expenses	13	(869,925)	(52,220)
Administrative expenses		(594,657)	(2 ,2)
Finance expenses	9	(788,793)	(788,793)
Finance income	10	(13,160)	
Share of profit of associates		(1,510)	(10,31)
Profit before income tax		3,917,090	8,721,114
Income tax expense	11	41,065	58,002
Profit after income tax	11	(1,150,847)	(1,21 ,10)
Other income		167,781	11 ,2)
Other expenses		(22,063)	
Profit before income tax		2,953,026	2,175,2 2
Income tax expense	12	(557,041)	(507, 11)
Profit after income tax	13	2,395,985	2,17,11
Other income		2,303,390	2,0 0,770
Other expenses	43	31,950	
Profit after income tax		60,645	71,511
Profit after income tax		2,395,985	2,17,11
Profit after income tax (RMB cents)	16	27.94	25.11

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
	2,395,985	2,147,021
Other comprehensive income (expense)		
Items that will not be reclassified to profit or loss:		
Available-for-sale financial assets	9,026	1,072
Acting as guarantor	3,851	(1,510)
Share of other comprehensive income of associates and joint ventures	(4,666)	
	8,211	,55
Items that may be reclassified subsequently to profit or loss		
Acting as guarantor	92,475	(1,110)
Available-for-sale financial assets	20,007	10,100
Acting as guarantor	9,013	11,117
Share of other comprehensive income of associates and joint ventures	(7,569)	(5,227)
	113,926	12,875
	122,137	17,2
Total	2,518,122	2,164,710
Total	2,425,527	2,100,1
	31,950	
	60,645	71,511
	2,518,122	2,164,710

Consolidated Statement of Financial Position

AT 31 DECEMBER 2020

	Notes	At 31 December	
		2020 RMB'000	201 RMB'000
Non-current Assets			
Property, plant and equipment	17	43,187,213	41,700,111
Intangible assets	18	1,431,342	1,010,000
Financial assets	19	4,410,754	4,011,754
Investments	20	190,049	110,000
Loans to associates	22(a)	3,518,508	2,025,210
Loans to subsidiaries	22(b)	117,000	104,000
Loans to subsidiaries	23(a)	130,904	152,117
Loans to subsidiaries	23(b)	70,000	15,000
Deferred tax assets	24	296,104	211,000
Other non-current assets	25	66,911	1,201,100
Other non-current assets	29	1,114,305	10,507
Loans to subsidiaries		1,072,426	1,011,520
Loans to subsidiaries	31	50,787	55,115
Loans to subsidiaries	37	-	7,517
Deferred tax assets		296,104	211,000
Derivative financial assets		-	110,000
Loans to subsidiaries		344,800	243,000
Deferred tax assets		10,751	-
Loans to subsidiaries		70,000	-

Consolidated Statement of Financial Position

AT 31 DECEMBER 2020

		At 31 December	
	Notes	2020 RMB'000	201 RMB'000
Current Liabilities			
Trade payables	33	5,058,989	5,777,221
Accounts payable	48(b)	189,539	1,242,204
Other payables	34	12,318,322	7,917,704
Contract liabilities	35	7,060,658	4,074,101
Contract liabilities	36	96,656	70,274
Contract liabilities	36	26,128	7,704
Contract liabilities		56,380	42,071
Contract liabilities	39	64,659	1,101
Contract liabilities	37	19,576	1,707
Contract liabilities		125,381	117,711
Contract liabilities	38	228,336	1,004,404
		25,244,624	17,924,524
Net Current Liabilities			
		(10,362,619)	(1,251,110)
Total Assets less Current Liabilities			
		45,293,684	47,251,004
Non-current Liabilities			
Contract liabilities	37	45,002	42,002
Contract liabilities	34	10,896,268	11,005,511
Contract liabilities	36	4,488,679	4,000,000
Contract liabilities	36	1,999,284	1,999,284
Contract liabilities		12,440	12,440
Contract liabilities	24	193,615	1,110,110
Contract liabilities	38	435,811	5,255,255
Contract liabilities	39	836,336	5,000,000
Contract liabilities	40	19,402	2,255,255
		18,926,837	17,210,004
Net Assets			
		26,366,847	26,075,000
Capital and Reserves			
Share capital	41	8,244,508	8,244,508
Reserves		16,249,142	17,830,492
Contract liabilities		24,493,650	22,172,111
Contract liabilities	43	1,525,582	1,525,582
Contract liabilities		347,615	347,615
		26,366,847	26,075,000

The consolidated financial statements were approved and authorized for issue by the Board of Directors on 2021 January 21.

ZHANG Fengyang
Director

CHEN Dayu
Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2020

Attributable to ordinary shareholders of the Company

	Share capital RMB'000 (Note 41)	Capital reserve RMB'000 (Note 42)	Statutory surplus reserve RMB'000 (note(a))	Other reserves RMB'000 (note(b))	Fair value through other comprehensive income reserve RMB'000	Cash flow hedging reserve RMB'000	Currency translation differences RMB'000	Retained profits RMB'000	Total RMB'000	Perpetual notes RMB'000 (Note 43)	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2019	2,500,000	3,400,704	2,114,121	(7,100)	1,110	(171)	(17,700)	7,127,270	21,110,770	-	7,222,751	21,511,400
Issue of shares	-	-	-	-	55	1,000	(1,100)	-	17,200	-	-	17,200
Transfer of shares	-	-	-	-	55	1,000	(1,100)	2,077,000	2,100,100	-	71,511	2,171,700
Acquisition of subsidiaries	-	-	11,700	-	-	-	(11,700)	(5,000)	(5,000)	-	(71,120)	(21,051)
At 31 December 2019	2,500,000	3,400,704	2,225,821	(7,100)	10,714	(1,171)	(16,600)	8,513,770	22,722,440	-	2,021,141	24,743,581
At 1 January 2020	8,244,508	3,934,473	2,286,420	(67,138)	10,714	(64,678)	(185,417)	8,513,786	22,672,668	-	402,641	23,075,309
Issue of shares	-	-	-	-	-	-	-	2,303,390	2,303,390	31,950	60,645	2,395,985
Transfer of shares	-	-	-	-	12,877	21,451	92,475	-	126,803	-	-	126,803
Share repurchase	-	-	-	-	(4,666)	-	-	-	(4,666)	-	-	(4,666)
Transfer of shares	-	-	-	-	8,211	21,451	92,475	2,303,390	2,425,527	31,950	60,645	2,518,122
Acquisition of subsidiaries (Note (c))	-	-	-	(600)	-	-	-	-	(600)	-	(49,680)	(50,280)
Share repurchase	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
Share repurchase	-	-	-	-	-	-	-	-	-	(6,368)	-	(6,368)
Acquisition of subsidiaries	-	-	152,240	-	-	-	-	(152,240)	-	-	-	-
Transfer of shares	-	-	-	-	-	-	-	(595,253)	(595,253)	-	(65,991)	(661,244)
Transfer of shares	-	-	-	-	(24,428)	-	-	24,428	-	-	-	-
Share repurchase	-	-	-	(8,692)	-	-	-	-	(8,692)	-	-	(8,692)
At 31 December 2020	8,244,508	3,934,473	2,438,660	(76,430)	(5,503)	(43,227)	(92,942)	10,094,111	24,493,650	1,525,582	347,615	26,366,847

Notes:

- () At 1 January 2019, the Company had a total of 250,000,000 shares issued and fully paid up. During the year, the Company issued 2,303,390 shares and repurchased 6,368 shares. At 31 December 2019, the Company had a total of 252,636,632 shares issued and fully paid up.
- () The Company's share repurchase program was approved by the Board of Directors on 12 August 2019. The program allows the Company to repurchase up to 2% of its total shares outstanding at any time. During the year, the Company repurchased 6,368 shares at a total cost of RMB63,680. At 31 December 2019, the Company had repurchased a total of 6,368 shares.
- () On 12 August 2020, the Company's Board of Directors approved the acquisition of 100% equity interest in Beijing Jinneng (Xi'an) Power Generation Co., Ltd. (京能(遷西)發電有限公司) (Note 4). The acquisition was completed on 12 August 2020. The total cost of the acquisition was RMB152,240. At 31 December 2020, the Company had acquired 100% equity interest in Beijing Jinneng (Xi'an) Power Generation Co., Ltd.

Year ended 31 December

	2020 RMB'000	2019 RMB'000
Operating activities		
Revenue	2,953,026	2,175,222
Cost of sales	(2,811,261)	(2,534,173)
Net operating profit	141,765	(358,951)
Finance income	50,844	(21,000)
Finance costs	(119,521)	(119,521)
Share of profit of associates	1,510	10,301
Disposal of subsidiaries	-	(5,200)
Disposal of investment properties	14,633	(1,100)
Disposal of other assets	1,300	21,151
Change in fair value of investment properties	(167,781)	(11,230)
Change in fair value of financial assets	22,063	-
Change in fair value of financial liabilities	(41,065)	(53,002)
Change in fair value of other financial assets	1,150,847	1,211,100
Change in fair value of other financial liabilities	(151,051)	(117,000)
Change in fair value of other financial assets	(5,277)	(5,374)
Change in fair value of other financial liabilities	(478,890)	(72,500)
Net cash generated from operating activities	6,280,941	5,021,511
Change in fair value of investment properties	2,069	1,100
(Change in fair value of investment properties)	(3,882,556)	(51,102)
(Change in fair value of investment properties)	(116,222)	1,770
Change in fair value of investment properties	503,313	72,000
(Change in fair value of investment properties)	(40,330)	(1,211,100)
Change in fair value of investment properties	38,037	2,000
Change in fair value of investment properties	341,711	710,000
Change in fair value of investment properties	6,741	(21,305)
Change in fair value of investment properties	3,133,704	517,210
Change in fair value of investment properties	(531,896)	(5,230)
Net cash generated from operating activities	2,601,808	5,021,771

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Investing activities		
Acquisition of subsidiaries	42,914	51,522
Acquisition of intangible assets	6,928	50,21
Acquisition of property, plant and equipment	134,000	5,000
Acquisition of financial assets	75,000	15,000
Disposal of subsidiaries	(117,000)	
Disposal of property, plant and equipment	(70,000)	(10,000)
Disposal of financial assets	(1,222,000)	
Repayment of bank loans	(7,235,820)	(7,235,820)
Repayment of other payables	(68,417)	(5,277)
Repayment of interest	(10,769)	
Repayment of interest on bank loans	(142,952)	(2,124,224)
Repayment of interest on other payables	34,224	1,110
Repayment of interest on bank loans	4,959	100,000
Repayment of interest on other payables	(3,086)	(1,111)
Repayment of interest on bank loans	3,035	1,111
Net cash used in investing activities	(8,568,984)	(10,411,111)

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December	
		2020 RMB'000	2019 RMB'000
Financing activities			
Issuance of long-term debt		(50,280)	
Proceeds from the issuance of short-term debt		(1,080,351)	(1,107,700)
Proceeds from the issuance of bank loans		12,272,425	7,574,500
Proceeds from the issuance of other financial instruments		(8,647,897)	(8,725,200)
Proceeds from the issuance of equity		10,500,000	10,000,000
Proceeds from the issuance of preferred shares		(11,338)	(10,500)
Proceeds from the issuance of convertible preferred shares		(9,500,000)	(9,000,000)
Proceeds from the issuance of convertible preferred shares		1,000,000	
Proceeds from the issuance of convertible preferred shares		(1,415)	
Proceeds from the issuance of convertible preferred shares		1,000,000	1,000,000
Proceeds from the issuance of convertible preferred shares		(358)	(450)
Proceeds from the issuance of convertible preferred shares		1,500,000	
Proceeds from the issuance of convertible preferred shares		(6,368)	
Proceeds from the issuance of convertible preferred shares		(49,321)	(10,500)
Proceeds from the issuance of convertible preferred shares		(595,253)	(5,000)
Proceeds from the issuance of convertible preferred shares		(137,133)	(104,400)
Net cash from (used in) financing activities		6,192,711	(2,000,100)
Net increase (decrease) in cash and cash equivalents		225,535	(1,000,000)
Cash and cash equivalents at the beginning of the year		4,056,110	5,200,000
Effect of foreign exchange rate changes		15,805	(22,170)
Cash and cash equivalents at the end of the year	32	4,297,450	4,157,730
Represented by:			
Cash and cash equivalents at the end of the year		4,297,450	4,157,730

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The company is incorporated in the People's Republic of China (PRC) under the Company Law of the PRC. The registered office of the company is located at No. 111, Yizhuang Avenue, Beijing, PRC. The company's principal activities are investment management, energy investment, and energy services.

The company is a subsidiary of Beijing Energy Group Limited (BEGL), which is a wholly-owned subsidiary of Beijing Energy Group Co., Ltd. (BEGL Co., Ltd.), which is a wholly-owned subsidiary of Beijing Municipal Government Assets Supervision and Administration Commission (Beijing SASAC).

The company's financial statements are prepared in accordance with the applicable accounting standards and regulations in the PRC.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are prepared on the basis of the financial statements of the company and its subsidiaries. The consolidation is performed using the cost of acquisition method. The consolidated financial statements are prepared in accordance with the applicable accounting standards and regulations in the PRC.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Amendments to IFRSs that are mandatorily effective for the current year

Amendments to References to the Conceptual Framework in IFRS Standards (A) effective for annual periods beginning on or after 1 January 2020

Definition of Material
Definition of a Business
Interest Rate Benchmark Reform

Amendments to References to the Conceptual Framework in IFRS Standards (A) effective for annual periods beginning on or after 1 January 2020

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

The Group has applied the amendments to IAS 1 and IAS 8 effective for annual periods beginning on or after 1 January 2020. The amendments to IAS 1 require the Group to disclose the nature and amount of each material non-current asset and liability. The amendments to IAS 8 require the Group to disclose the nature and amount of each material non-current asset and liability. The Group has applied the amendments to IAS 1 and IAS 8 effective for annual periods beginning on or after 1 January 2020. The amendments to IAS 1 require the Group to disclose the nature and amount of each material non-current asset and liability. The amendments to IAS 8 require the Group to disclose the nature and amount of each material non-current asset and liability. The Group has applied the amendments to IAS 1 and IAS 8 effective for annual periods beginning on or after 1 January 2020.

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

The Group has applied the amendments to IFRS 9, IAS 39 and IFRS 7 effective for annual periods beginning on or after 1 January 2020. The amendments to IFRS 9, IAS 39 and IFRS 7 require the Group to disclose the nature and amount of each material non-current asset and liability. The Group has applied the amendments to IFRS 9, IAS 39 and IFRS 7 effective for annual periods beginning on or after 1 January 2020.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

New and amendments to IFRSs in issue but not yet effective

Transition period	IFRSs	Description
17 January 2021	IFRS 17	Insurance Contracts and the related Amendments ¹
1 January 2021	IFRS 17	Covid-19-Related Rent Concessions ⁴
1 January 2021	IFRS 17	Reference to the Conceptual Framework ²
1 January 2021	IFRS 17	Interest Rate Benchmark Reform – Phase 2 ⁵
1 January 2021	IFRS 17	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
1 January 2021	IFRS 17	Classification of Liabilities as Current or Non-current ¹
1 January 2021	IFRS 17	Disclosure of Accounting Policies ¹
1 January 2021	IFRS 17	Definition of Accounting Estimates ¹
1 January 2021	IFRS 17	Property, Plant and Equipment – Proceeds before Intended Use ²
1 January 2021	IFRS 17	Onerous Contracts – Cost of Fulfilling a Contract ²
1 January 2021	IFRS 17	Annual Improvements to IFRSs 2018-2020 ²

Notes:

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

The Group has not adopted the following amendments to IFRSs issued by the International Accounting Standards Board in January 2021, as they are not yet effective for the reporting period. The Group expects to adopt these amendments in the reporting period commencing 1 January 2022.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.1 Basis of preparation of consolidated financial statements

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

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

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

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

2 Share-based Payment, 14 (2019) and A 17 (2019),
u n A 2 Inventories, u n u s n A 14 Impairment of Assets.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.1 Basis of preparation of consolidated financial statements (continued)

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4.2 Significant accounting policies

Basis of consolidation

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Basis of consolidation (continued)

The consolidated financial statements are prepared on the basis of the financial statements of the Group companies, which are prepared on the basis of the accounting policies adopted by the Group companies. The consolidated financial statements are prepared on the basis of the financial statements of the Group companies, which are prepared on the basis of the accounting policies adopted by the Group companies.

When preparing the consolidated financial statements, the Group companies' financial statements are consolidated on a line-by-line basis. All inter-company balances and transactions are eliminated. The consolidated financial statements are prepared on the basis of the financial statements of the Group companies, which are prepared on the basis of the accounting policies adopted by the Group companies.

Changes in the Group's interests in existing subsidiaries

The Group has acquired interests in existing subsidiaries during the year. The acquisition of these subsidiaries is accounted for as business combinations. The consolidated financial statements are prepared on the basis of the financial statements of the Group companies, which are prepared on the basis of the accounting policies adopted by the Group companies.

When preparing the consolidated financial statements, the Group companies' financial statements are consolidated on a line-by-line basis. All inter-company balances and transactions are eliminated. The consolidated financial statements are prepared on the basis of the financial statements of the Group companies, which are prepared on the basis of the accounting policies adopted by the Group companies.

The Group has acquired interests in existing subsidiaries during the year. The acquisition of these subsidiaries is accounted for as business combinations. The consolidated financial statements are prepared on the basis of the financial statements of the Group companies, which are prepared on the basis of the accounting policies adopted by the Group companies.

When preparing the consolidated financial statements, the Group companies' financial statements are consolidated on a line-by-line basis. All inter-company balances and transactions are eliminated. The consolidated financial statements are prepared on the basis of the financial statements of the Group companies, which are prepared on the basis of the accounting policies adopted by the Group companies.

Financial Instruments ()

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Business combinations

Optional concentration test

At 31 December 2020, the Company has performed an optional concentration test for the acquisition of Beijing Jingneng Clean Energy Co., Limited. The Company has concluded that the acquisition does not meet the optional concentration test. Therefore, the acquisition is accounted for as a business combination under common control. The Company has used the acquisition method to account for the acquisition. The identifiable intangible assets acquired are recorded at cost. The goodwill is recorded at the excess of the purchase price over the fair value of the net assets acquired. The goodwill is not amortized and is tested for impairment annually.

Business combinations

Acquisitions of subsidiaries are accounted for as business combinations under common control. The Company has used the acquisition method to account for the acquisition. The identifiable intangible assets acquired are recorded at cost. The goodwill is recorded at the excess of the purchase price over the fair value of the net assets acquired. The goodwill is not amortized and is tested for impairment annually. The Company has concluded that the acquisition does not meet the optional concentration test. Therefore, the acquisition is accounted for as a business combination under common control. The Company has used the acquisition method to account for the acquisition. The identifiable intangible assets acquired are recorded at cost. The goodwill is recorded at the excess of the purchase price over the fair value of the net assets acquired. The goodwill is not amortized and is tested for impairment annually.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Business combinations (continued)

Business combinations (continued)

At the acquisition date, the identifiable intangible assets acquired were valued at RMB 1,411 million, comprising the following:

Item	2020 (RMB million)	2019 (RMB million)
Customer relationships	1,061	1,061
Employee benefits	150	150
Income taxes	140	140
Share-based payment	60	60
Non-current assets held for sale and discontinued operations	100	100

The above intangible assets are measured at fair value at the acquisition date. The fair value of customer relationships is determined based on the expected cash flows generated by the customer relationships. The fair value of employee benefits is determined based on the expected cash flows generated by the employee benefits. The fair value of income taxes is determined based on the expected cash flows generated by the income taxes. The fair value of share-based payment is determined based on the expected cash flows generated by the share-based payment. The fair value of non-current assets held for sale and discontinued operations is determined based on the expected cash flows generated by the non-current assets held for sale and discontinued operations.

The fair value of the identifiable intangible assets acquired is determined based on the expected cash flows generated by the intangible assets. The fair value of the identifiable intangible assets acquired is determined based on the expected cash flows generated by the intangible assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Business combinations (continued)

Business combinations (continued)

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value at the acquisition date, plus any non-controlling interest in the acquiree and any costs directly attributable to the acquisition. The consideration transferred is measured at fair value at the acquisition date, which is the amount of cash paid, plus the fair value of any equity instruments issued, less any cash acquired from the acquiree. The fair value of equity instruments issued is measured at the acquisition date based on the closing market price of the issuer's equity instruments at that date. The fair value of equity instruments issued is measured at the acquisition date based on the closing market price of the issuer's equity instruments at that date. The fair value of equity instruments issued is measured at the acquisition date based on the closing market price of the issuer's equity instruments at that date.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Investments in associates and a joint venture (continued)

An investment in an associate or joint venture is accounted for using the equity method, unless it is a subsidiary, in which case it is accounted for using the cost method. An investment in an associate or joint venture is initially recognized at cost, including transaction costs. Subsequently, the investment is recognized at cost less any impairment losses and plus or minus the investor's share of the net assets of the investee. Dividends received from the investee are recognized as income when received. An investment in an associate or joint venture is derecognized when the investment is sold or when the investor loses control over the investment.

The carrying amount of an investment in an associate or joint venture is reduced when there is objective evidence that the investment is impaired. Impairment is determined by comparing the carrying amount of the investment with its recoverable amount. Recoverable amount is the maximum of the investment's fair value less costs of disposal and its value in use.

A. Impairment of Assets
An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The impairment loss is calculated as the difference between the carrying amount and the recoverable amount. An impairment loss is recognized in the consolidated income statement. An impairment loss is reversed if there is a change in the estimates used to determine the asset's recoverable amount. The reversal is recognized in the consolidated income statement. An impairment loss is not recognized for goodwill.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The impairment loss is calculated as the difference between the carrying amount and the recoverable amount. An impairment loss is recognized in the consolidated income statement. An impairment loss is reversed if there is a change in the estimates used to determine the asset's recoverable amount. The reversal is recognized in the consolidated income statement. An impairment loss is not recognized for goodwill.

The carrying amount of an investment in an associate or joint venture is reduced when there is objective evidence that the investment is impaired. Impairment is determined by comparing the carrying amount of the investment with its recoverable amount. Recoverable amount is the maximum of the investment's fair value less costs of disposal and its value in use.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Investments in associates and a joint venture (continued)

The Group uses the equity method of accounting for its investments in associates and a joint venture. Under this method, the Group recognizes its share of the profit or loss of the investee in its consolidated income statement and adjusts the carrying amount of the investment in its consolidated balance sheet. Dividends received from the investee are recognized as income in the consolidated income statement.

The Group's investments in associates and a joint venture are measured at cost less impairment, plus or minus adjustments for the Group's share of the investee's profit or loss and dividends received. The Group tests for impairment at the end of each reporting period.

Revenue from contracts with customers

The Group recognizes revenue from contracts with customers when it satisfies the performance obligation by transferring control of the promised good or service to the customer. The amount of revenue recognized is the transaction price allocated to the satisfied performance obligation.

At the end of the reporting period, the Group's contract liabilities represent the amount of revenue recognized in advance of the Group's performance obligations.

The Group's contract assets represent the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer, but for which the Group has not yet received payment.

The Group's contract assets are measured at the amount of revenue recognized less the amount of consideration received from the customer.

The Group's contract liabilities are measured at the amount of revenue recognized less the amount of consideration received from the customer.

The Group's contract assets and liabilities are measured at the amount of revenue recognized less the amount of consideration received from the customer.

The Group's contract assets and liabilities are measured at the amount of revenue recognized less the amount of consideration received from the customer.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Revenue from contracts with customers (continued)

At the end of the reporting period, the Company has performed the following activities:

The Company's revenue is derived from the sale of electricity and heat. The revenue is recognized when the electricity and heat is delivered to the customer and the customer has accepted the electricity and heat. The revenue is recognized on a straight-line basis over the period of the electricity and heat supply contract.

The Company's revenue is derived from the sale of electricity and heat. The revenue is recognized when the electricity and heat is delivered to the customer and the customer has accepted the electricity and heat. The revenue is recognized on a straight-line basis over the period of the electricity and heat supply contract.

The Company's revenue is derived from the sale of electricity and heat. The revenue is recognized when the electricity and heat is delivered to the customer and the customer has accepted the electricity and heat. The revenue is recognized on a straight-line basis over the period of the electricity and heat supply contract.

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

Output method

The Company's revenue is derived from the sale of electricity and heat. The revenue is recognized when the electricity and heat is delivered to the customer and the customer has accepted the electricity and heat. The revenue is recognized on a straight-line basis over the period of the electricity and heat supply contract.

Existence of significant financing component

The Company's revenue is derived from the sale of electricity and heat. The revenue is recognized when the electricity and heat is delivered to the customer and the customer has accepted the electricity and heat. The revenue is recognized on a straight-line basis over the period of the electricity and heat supply contract.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Leases

Definition of a lease

A lease is a contract, or part of a contract, that gives the customer a right to use an asset for a period of time in exchange for consideration. A contract is or contains a lease if it meets all the following criteria:

- the contract identifies an asset;
- the customer has the right to obtain economic benefits from the asset throughout its life;
- the customer has the right to direct the use of the asset.

When a contract is or contains a lease, the customer must recognise a lease liability and a right-of-use asset, unless it is a short-term lease or a lease of low-value asset. A short-term lease is a lease that has a term of 12 months or less and does not contain a purchase option. A lease of low-value asset is a lease of an asset that is both of low value and of short-term nature. The Group has elected to apply the short-term lease exemption to all of its short-term leases of office space and equipment. The Group has elected to apply the low-value asset exemption to all of its leases of low-value assets.

The Group as a lessee

Allocation of consideration to components of a contract

The Group recognises a lease liability at the commencement date of a lease, which is the date that the customer obtains control of the leased asset. The lease liability is measured at the present value of the lease payments that are not yet paid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate. The lease payments include the fixed payments (including in-substance fixed payments), less any lease incentives receivable, plus any variable payments that depend on an index or rate, less amounts expected to be received from subleases. The Group also recognises a right-of-use asset, which is measured at the cost of the lease liability, adjusted for lease incentives received, plus any initial direct costs incurred by the Group and less any accumulated depreciation and impairment losses.

The Group recognises a lease liability at the commencement date of a lease, which is the date that the customer obtains control of the leased asset. The lease liability is measured at the present value of the lease payments that are not yet paid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate. The lease payments include the fixed payments (including in-substance fixed payments), less any lease incentives receivable, plus any variable payments that depend on an index or rate, less amounts expected to be received from subleases. The Group also recognises a right-of-use asset, which is measured at the cost of the lease liability, adjusted for lease incentives received, plus any initial direct costs incurred by the Group and less any accumulated depreciation and impairment losses.

At the commencement date of a lease, the Group allocates the consideration in the contract to each component of the contract. A contract that contains a lease and one or more additional services is accounted for as a single contract if the lease and the additional services are not separately identifiable. If the lease and the additional services are separately identifiable, the Group accounts for each component of the contract as a separate contract. The Group recognises a lease liability and a right-of-use asset for each lease component, and recognises the additional services as separate contracts.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Short-term leases

The Group leases various pieces of equipment and vehicles for short-term periods. These leases are classified as short-term leases because they do not transfer substantially all the risks and rewards of ownership. The Group recognizes lease liabilities for these leases at the commencement date of the lease term, measured at the present value of the lease payments that are not yet paid, discounted using the Group's incremental borrowing rate. The Group recognizes lease expenses for these leases on a straight-line basis over the lease term.

Right-of-use assets

The Group recognizes right-of-use assets for leases that are not classified as short-term leases. The carrying amount of right-of-use assets is determined based on the lease liability, adjusted for any lease incentives received, and less any accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of the lease term and their useful lives, using the straight-line method. If a lease is terminated early, the Group may recognize an impairment loss for the right-of-use asset. Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and are presented in the consolidated balance sheet as non-current assets. Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and are presented in the consolidated balance sheet as non-current assets. Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and are presented in the consolidated balance sheet as non-current assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Refundable rental deposits

At 31 December 2020, the Group had refundable rental deposits of HK\$1,000,000 (2019: HK\$1,000,000) which are classified as non-current assets in the consolidated balance sheet.

Lease liabilities

At 31 December 2020, the Group had lease liabilities of HK\$1,000,000 (2019: HK\$1,000,000) which are classified as non-current liabilities in the consolidated balance sheet.

Term deposits

At 31 December 2020, the Group had term deposits of HK\$1,000,000 (2019: HK\$1,000,000) which are classified as non-current assets in the consolidated balance sheet.

At 31 December 2020, the Group had term deposits of HK\$1,000,000 (2019: HK\$1,000,000) which are classified as non-current assets in the consolidated balance sheet.

At 31 December 2020, the Group had term deposits of HK\$1,000,000 (2019: HK\$1,000,000) which are classified as non-current assets in the consolidated balance sheet.

At 31 December 2020, the Group had term deposits of HK\$1,000,000 (2019: HK\$1,000,000) which are classified as non-current assets in the consolidated balance sheet.

At 31 December 2020, the Group had term deposits of HK\$1,000,000 (2019: HK\$1,000,000) which are classified as non-current assets in the consolidated balance sheet.

At 31 December 2020, the Group had term deposits of HK\$1,000,000 (2019: HK\$1,000,000) which are classified as non-current assets in the consolidated balance sheet.

At 31 December 2020, the Group had term deposits of HK\$1,000,000 (2019: HK\$1,000,000) which are classified as non-current assets in the consolidated balance sheet.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Lease modifications

The Group has entered into lease agreements with various lessors. The lease term is the non-cancellable period, which may include options to extend or terminate the lease if that option is reasonably certain to be exercised. The Group recognizes a lease liability at the commencement date of the lease, which is the present value of the lease payments that the Group is contractually required to make over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate. The lease liability is measured at amortized cost. The Group recognizes a right-of-use asset at the commencement date of the lease, which is the cost of the lease liability, adjusted for any lease incentives received. The right-of-use asset is measured at cost, less accumulated depreciation and impairment losses. The Group recognizes lease expense on a straight-line basis over the lease term.

Foreign currencies

The Group's functional currency is the Renminbi (RMB). The consolidated financial statements are presented in RMB. Transactions and balances in foreign currencies are recorded in the functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the historical rate at the reporting date. Income and expense items denominated in foreign currencies are translated into the functional currency at the average rate of exchange for the reporting period, unless the exchange rate fluctuates significantly during the period, in which case the closing rate is used.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Foreign currencies (continued)

Transactions in foreign currencies are recorded in the functional currency of the entity. At the reporting date, monetary items denominated in foreign currencies are translated into the reporting currency at the closing rate. Non-monetary items denominated in foreign currencies are translated into the reporting currency at the historical rate. Exchange differences arising from the translation of monetary items are recognised in profit or loss, except for exchange differences arising from the translation of financial statements of foreign operations, which are recognised in other comprehensive income. Exchange differences arising from the translation of financial statements of foreign operations are recognised in other comprehensive income, except for exchange differences arising from the translation of financial statements of foreign operations that are classified as equity, which are recognised in equity.

Exchange differences arising from the translation of financial statements of foreign operations are recognised in other comprehensive income, except for exchange differences arising from the translation of financial statements of foreign operations that are classified as equity, which are recognised in equity.

Borrowing costs

Borrowing costs are recognised as an expense when they are incurred. Borrowing costs are capitalised as part of the cost of an asset when they are directly attributable to the acquisition, construction or production of a qualifying asset. Borrowing costs are capitalised during the period of time that is necessary to prepare the asset for its intended use or sale. Borrowing costs are capitalised until such time as the asset is ready for its intended use or sale.

Any borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as an expense when they are incurred. Borrowing costs are capitalised as part of the cost of an asset when they are directly attributable to the acquisition, construction or production of a qualifying asset. Borrowing costs are capitalised during the period of time that is necessary to prepare the asset for its intended use or sale. Borrowing costs are capitalised until such time as the asset is ready for its intended use or sale.

Any borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as an expense when they are incurred.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Government grants

Government grants are recognized when the entity can reasonably be assured that the grant will be received and the entity can comply with the conditions attached to the grant. Grants are recognized in the profit or loss in the period in which they are received. Grants that compensate the entity for expenses incurred or for the depreciation of property, plant and equipment are recognized in the profit or loss in the period in which the entity incurs the expenses or the depreciation expense, respectively. Grants that compensate the entity for the loss of other assets are recognized in the profit or loss in the period in which the loss occurs. Grants that compensate the entity for the loss of other assets are recognized in the profit or loss in the period in which the loss occurs.

Government grants are recognized in the profit or loss in the period in which they are received. Grants that compensate the entity for expenses incurred or for the depreciation of property, plant and equipment are recognized in the profit or loss in the period in which the entity incurs the expenses or the depreciation expense, respectively. Grants that compensate the entity for the loss of other assets are recognized in the profit or loss in the period in which the loss occurs.

Government grants are recognized in the profit or loss in the period in which they are received. Grants that compensate the entity for expenses incurred or for the depreciation of property, plant and equipment are recognized in the profit or loss in the period in which the entity incurs the expenses or the depreciation expense, respectively. Grants that compensate the entity for the loss of other assets are recognized in the profit or loss in the period in which the loss occurs.

Retirement benefit costs

Retirement benefit costs are recognized in the profit or loss in the period in which the entity incurs the costs. Retirement benefit costs are recognized in the profit or loss in the period in which the entity incurs the costs.

Short-term employee benefits

Short-term employee benefits are recognized in the profit or loss in the period in which the entity incurs the costs. Short-term employee benefits are recognized in the profit or loss in the period in which the entity incurs the costs.

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Taxation (continued)

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

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase price, import duties, non-refundable government taxes, and other directly attributable costs. The cost of self-constructed assets includes the cost of materials and direct labour, and an allocation of overheads based on the normal capacity of the production facilities. Interest on borrowings used to finance the acquisition or construction of property, plant and equipment is included in the cost of the asset until the asset is ready for use. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The estimated useful life and the depreciation method are reviewed at the end of each reporting period, and adjustments are made when appropriate.

When an asset is sold or otherwise disposed of, the gain or loss is calculated as the difference between the net proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase price, import duties, non-refundable government taxes, and other directly attributable costs. The cost of self-constructed assets includes the cost of materials and direct labour, and an allocation of overheads based on the normal capacity of the production facilities. Interest on borrowings used to finance the acquisition or construction of property, plant and equipment is included in the cost of the asset until the asset is ready for use. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The estimated useful life and the depreciation method are reviewed at the end of each reporting period, and adjustments are made when appropriate.

Ownership interests in leasehold land and building

Ownership interests in leasehold land and buildings are measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase price, import duties, non-refundable government taxes, and other directly attributable costs. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The estimated useful life and the depreciation method are reviewed at the end of each reporting period, and adjustments are made when appropriate.

When an asset is sold or otherwise disposed of, the gain or loss is calculated as the difference between the net proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase price, import duties, non-refundable government taxes, and other directly attributable costs. The cost of self-constructed assets includes the cost of materials and direct labour, and an allocation of overheads based on the normal capacity of the production facilities. Interest on borrowings used to finance the acquisition or construction of property, plant and equipment is included in the cost of the asset until the asset is ready for use. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The estimated useful life and the depreciation method are reviewed at the end of each reporting period, and adjustments are made when appropriate.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Property, plant and equipment (continued)

Ownership interests in leasehold land and building (continued)

When the ownership interests in leasehold land and building are acquired, the cost is measured at the fair value of the consideration given. The cost includes the purchase price, taxes, legal fees and other directly attributable costs. The ownership interests in leasehold land and building are classified as property, plant and equipment and are carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the ownership interests in leasehold land and building.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Intangible assets are recognized when they are identifiable and their cost can be reliably measured. Intangible assets are carried at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life of the intangible assets.

Intangible assets acquired in a business combination are recognized at their fair value at the acquisition date. Intangible assets acquired in a business combination are classified as intangible assets and are carried at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life of the intangible assets.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognized at their fair value at the acquisition date. Intangible assets acquired in a business combination are classified as intangible assets and are carried at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life of the intangible assets.

Intangible assets acquired in a business combination are recognized at their fair value at the acquisition date. Intangible assets acquired in a business combination are classified as intangible assets and are carried at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life of the intangible assets.

Intangible assets acquired in a business combination are recognized at their fair value at the acquisition date. Intangible assets acquired in a business combination are classified as intangible assets and are carried at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life of the intangible assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

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

At the end of each reporting period, the carrying amount of property, plant and equipment, right-of-use assets and intangible assets other than goodwill is reviewed to determine whether there is any indication that these assets may be impaired. If such indication exists, the carrying amount of the assets is compared with the recoverable amount, which is the higher of the asset's fair value less costs of disposal and its value in use. If the carrying amount exceeds the recoverable amount, the asset is impaired and its carrying amount is reduced to its recoverable amount. The impairment loss is recognized in the consolidated statement of profit or loss.

The recoverable amount of an asset is determined as the higher of the asset's fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the disposal of the asset, net of the costs of disposal. The value in use is the present value of the cash flows expected to be derived from the asset.

For cash-generating units, the carrying amount of the cash-generating unit is compared with its recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the consolidated statement of profit or loss. The impairment loss is allocated to the assets of the cash-generating unit in the following order: first to intangible assets, then to property, plant and equipment, and finally to right-of-use assets.

For intangible assets, the carrying amount of the intangible asset is compared with its recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the consolidated statement of profit or loss. The impairment loss is recognized in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

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

The Company assesses at the end of each reporting period whether there is any indication that the carrying amount of property, plant and equipment, right-of-use assets and intangible assets other than goodwill may be higher than their recoverable amount. If such indication exists, the carrying amount of the assets is compared with their recoverable amount, which is the higher of their fair value less costs of disposal and value in use. If the carrying amount exceeds the recoverable amount, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recognized as an impairment loss in the consolidated profit and loss account. The impairment loss is first allocated to the goodwill and then to the other assets in proportion to their carrying amounts. The impairment loss is reversed in the consolidated profit and loss account if the recoverable amount of the assets increases in subsequent reporting periods. The reversal of the impairment loss is limited to the carrying amount of the assets that would have been determined had no impairment loss been recognized in previous reporting periods.

The Company assesses at the end of each reporting period whether there is any indication that the carrying amount of property, plant and equipment, right-of-use assets and intangible assets other than goodwill may be higher than their recoverable amount. If such indication exists, the carrying amount of the assets is compared with their recoverable amount, which is the higher of their fair value less costs of disposal and value in use. If the carrying amount exceeds the recoverable amount, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recognized as an impairment loss in the consolidated profit and loss account. The impairment loss is first allocated to the goodwill and then to the other assets in proportion to their carrying amounts. The impairment loss is reversed in the consolidated profit and loss account if the recoverable amount of the assets increases in subsequent reporting periods. The reversal of the impairment loss is limited to the carrying amount of the assets that would have been determined had no impairment loss been recognized in previous reporting periods.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined on the basis of the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and less estimated costs of disposal.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies *(continued)*

Financial instruments

The Group's financial instruments are primarily cash, trade receivables, trade payables, and other receivables. The Group also holds investments in equity instruments of other entities. The Group's financial instruments are classified as financial assets or financial liabilities. The Group's financial instruments are measured at fair value, except for cash, trade receivables, trade payables, and other receivables, which are measured at cost less impairment.

The Group's financial instruments are classified as financial assets or financial liabilities. The Group's financial instruments are measured at fair value, except for cash, trade receivables, trade payables, and other receivables, which are measured at cost less impairment. The Group's financial instruments are classified as financial assets or financial liabilities. The Group's financial instruments are measured at fair value, except for cash, trade receivables, trade payables, and other receivables, which are measured at cost less impairment.

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Financial assets

Classification and subsequent measurement of financial assets

The Group's financial assets are classified as financial assets at amortised cost, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income. The Group's financial assets are measured at fair value, except for financial assets at amortised cost, which are measured at cost less impairment.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

At the end of the reporting period, the Company's financial assets are classified into three categories: financial assets at fair value through profit or loss, financial assets at amortized cost, and financial assets at fair value through other comprehensive income. The classification is based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at fair value through profit or loss are measured at fair value, and changes in fair value are recognized in profit or loss. Financial assets at amortized cost are measured at amortized cost, and changes in amortized cost are recognized in profit or loss. Financial assets at fair value through other comprehensive income are measured at fair value, and changes in fair value are recognized in other comprehensive income.

The Company's financial assets are primarily composed of cash, accounts receivable, and other receivables. The Company's financial liabilities are primarily composed of accounts payable and other payables.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) A financial asset is classified as a debt instrument if it is a contract that gives rise to a cash or financial instrument receivable from the issuer. The classification of a financial asset as a debt instrument depends on the contractual terms of the instrument, which must specify the principal and interest payments to be made to the holder. The classification of a financial asset as a debt instrument also depends on the issuer's ability to meet its contractual obligations. The classification of a financial asset as a debt instrument is based on the substance of the arrangement, rather than its legal form.

(ii) A financial asset is classified as an equity instrument if it is a contract that gives rise to a residual interest in the issuer. The classification of a financial asset as an equity instrument depends on the contractual terms of the instrument, which must specify the holder's right to receive dividends and to participate in the issuer's residual assets. The classification of a financial asset as an equity instrument also depends on the issuer's ability to meet its contractual obligations. The classification of a financial asset as an equity instrument is based on the substance of the arrangement, rather than its legal form.

(iii) A financial asset is classified as a financial liability if it is a contract that gives rise to a cash or financial instrument payable to the issuer. The classification of a financial asset as a financial liability depends on the contractual terms of the instrument, which must specify the issuer's obligation to make payments to the holder. The classification of a financial asset as a financial liability is based on the substance of the arrangement, rather than its legal form.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Company uses the simplified measurement approach for financial instruments measured at amortized cost or fair value through profit or loss. The Company does not measure the expected credit loss (ECL) for financial instruments measured at amortized cost or fair value through profit or loss. The Company measures ECL for financial instruments measured at fair value through other comprehensive income (FVOCI) at the end of each reporting period. The ECL is measured as the difference between the carrying amount and the present value of the expected cash flows, discounted at the effective interest rate. The Company uses a 12-month ECL measurement approach for financial instruments measured at FVOCI. The ECL is measured as the difference between the carrying amount and the present value of the expected cash flows, discounted at the effective interest rate. The Company uses a 12-month ECL measurement approach for financial instruments measured at FVOCI.

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Financial assets measured at amortised cost (continued)

The Group measures financial assets at amortised cost if they meet the following criteria: (a) they are held within a business model whose objective is to hold the financial assets for the long term to collect contractual cash flows; and (b) their contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently, these financial assets are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any premium or discount and any fees or costs that are included in the effective interest rate. Interest income is calculated using the effective interest rate.

Financial assets are derecognised when the contractual rights to receive cash flows have expired or the Group has transferred all the risks and rewards of ownership of the financial asset. The Group transfers financial assets when it has transferred the contractual rights to receive cash flows from the financial asset or when it has entered into a securitisation arrangement in which it has transferred the contractual rights to receive cash flows from the financial asset to a special purpose vehicle (SPV) and the SPV has transferred the contractual rights to receive cash flows to investors. The Group derecognises the financial asset when it has transferred the contractual rights to receive cash flows from the financial asset to the SPV and the SPV has transferred the contractual rights to receive cash flows to investors.

The Group also derecognises financial assets when it has transferred the contractual rights to receive cash flows from the financial asset to a third party and the Group has transferred the risks and rewards of ownership of the financial asset to the third party.

The Group measures impairment for financial assets measured at amortised cost using the expected credit loss (ECL) model. The ECL model requires the Group to estimate the expected credit loss over the expected life of the financial asset. The Group uses a probability-weighted approach to estimate the ECL. The Group considers all available information, including past events, current conditions and forecasts of future economic conditions, to estimate the ECL. The Group measures ECL as the difference between the amortised cost of the financial asset and the present value of the expected cash flows. The Group recognises ECL as an expense in the consolidated income statement.

The Group monitors the credit quality of financial assets measured at amortised cost and recognises impairment when there is a significant increase in credit risk since the financial asset was initially recognised. The Group uses a 12-month ECL model for financial assets that are considered to have low credit risk at the reporting date. The Group uses a lifetime ECL model for financial assets that are considered to have high credit risk at the reporting date. The Group uses a simplified approach for financial assets that are measured at amortised cost and that have a maximum contractual term of 12 months. The Group recognises ECL as an expense in the consolidated income statement.

The Group also monitors the credit quality of financial assets measured at amortised cost and recognises impairment when there is a significant increase in credit risk since the financial asset was initially recognised. The Group uses a 12-month ECL model for financial assets that are considered to have low credit risk at the reporting date. The Group uses a lifetime ECL model for financial assets that are considered to have high credit risk at the reporting date. The Group uses a simplified approach for financial assets that are measured at amortised cost and that have a maximum contractual term of 12 months. The Group recognises ECL as an expense in the consolidated income statement.

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Company derecognizes financial assets when the contractual rights to the cash flows from the assets expire, or it transfers the assets and the accompanying risks and rewards of ownership to another entity. In practice, this occurs when the Company transfers financial assets to a special purpose vehicle (SPV) and the SPV is not controlled by the Company or any of its subsidiaries. The Company derecognizes financial assets when it has transferred the contractual rights to the cash flows from the assets, or it has transferred the assets and the accompanying risks and rewards of ownership to another entity. In practice, this occurs when the Company transfers financial assets to a special purpose vehicle (SPV) and the SPV is not controlled by the Company or any of its subsidiaries.

The Company derecognizes financial assets when it has transferred the contractual rights to the cash flows from the assets, or it has transferred the assets and the accompanying risks and rewards of ownership to another entity. In practice, this occurs when the Company transfers financial assets to a special purpose vehicle (SPV) and the SPV is not controlled by the Company or any of its subsidiaries.

The Company derecognizes financial assets when it has transferred the contractual rights to the cash flows from the assets, or it has transferred the assets and the accompanying risks and rewards of ownership to another entity. In practice, this occurs when the Company transfers financial assets to a special purpose vehicle (SPV) and the SPV is not controlled by the Company or any of its subsidiaries.

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

The Company classifies equity instruments as equity if they are not contractual obligations to deliver cash or other financial assets to another entity. Equity instruments are classified as equity if they are not contractual obligations to deliver cash or other financial assets to another entity.

The Company classifies equity instruments as equity if they are not contractual obligations to deliver cash or other financial assets to another entity. Equity instruments are classified as equity if they are not contractual obligations to deliver cash or other financial assets to another entity.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, these financial liabilities are measured at amortised cost using the effective interest method. The amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are directly attributable to the acquisition or issue of the financial liability, net of any income already recognised in the statement of profit or loss.

Derecognition of financial liabilities

Financial liabilities are derecognised when the contractual obligations are extinguished or discharged, cancelled or expired. This occurs when the reporting entity is no longer liable to pay the cash or other financial assets, or when the liability is transferred to another reporting entity. The reporting entity is not relieved of its liability until the transferee has assumed the liability and the reporting entity has no further obligations to the transferee.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. Subsequently, these financial instruments are measured at fair value. Changes in fair value are recognised in the statement of profit or loss. The reporting entity uses derivative financial instruments to hedge its foreign currency risk. The reporting entity uses derivative financial instruments to hedge its foreign currency risk. The reporting entity uses derivative financial instruments to hedge its foreign currency risk.

Hedge accounting

The reporting entity uses derivative financial instruments to hedge its foreign currency risk. The reporting entity uses derivative financial instruments to hedge its foreign currency risk. The reporting entity uses derivative financial instruments to hedge its foreign currency risk. The reporting entity uses derivative financial instruments to hedge its foreign currency risk. The reporting entity uses derivative financial instruments to hedge its foreign currency risk.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Hedge accounting (continued)

Assessment of hedging relationship and effectiveness

The Company uses derivative financial instruments to hedge its foreign exchange risk. The Company enters into foreign exchange forward contracts to hedge its foreign exchange risk. The Company uses the following criteria to assess the hedging relationship and effectiveness:

The hedging relationship is established when the hedging instrument is designated as a hedge of the identifiable foreign exchange risk of a recognized asset or liability, or a firm commitment, or a forecasted transaction, or a net investment in a foreign operation, and the hedge is expected to be highly effective in offsetting the foreign exchange risk of the hedged item.

The effectiveness of the hedge is assessed at the end of each reporting period. The hedge is considered to be highly effective if the change in the fair value of the hedging instrument offsets the change in the fair value of the hedged item, and the hedge is expected to be highly effective in the future.

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

The hedging relationship is established when the hedging instrument is designated as a hedge of the identifiable foreign exchange risk of a recognized asset or liability, or a firm commitment, or a forecasted transaction, or a net investment in a foreign operation, and the hedge is expected to be highly effective in offsetting the foreign exchange risk of the hedged item.

The effectiveness of the hedge is assessed at the end of each reporting period. The hedge is considered to be highly effective if the change in the fair value of the hedging instrument offsets the change in the fair value of the hedged item, and the hedge is expected to be highly effective in the future.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Significant accounting policies (continued)

Financial instruments (continued)

Hedge accounting (continued)

Cash flow hedges

The Group has designated the net cash flows from operations as the hedged item. The Group has entered into foreign exchange forward contracts to hedge the net cash flows from operations. The Group has designated the net cash flows from operations as the hedged item. The Group has entered into foreign exchange forward contracts to hedge the net cash flows from operations.

The Group has designated the net cash flows from operations as the hedged item. The Group has entered into foreign exchange forward contracts to hedge the net cash flows from operations. The Group has designated the net cash flows from operations as the hedged item. The Group has entered into foreign exchange forward contracts to hedge the net cash flows from operations.

The Group has designated the net cash flows from operations as the hedged item. The Group has entered into foreign exchange forward contracts to hedge the net cash flows from operations. The Group has designated the net cash flows from operations as the hedged item. The Group has entered into foreign exchange forward contracts to hedge the net cash flows from operations.

Discontinuation of hedge accounting

The Group has discontinued hedge accounting for the net cash flows from operations. The Group has discontinued hedge accounting for the net cash flows from operations. The Group has discontinued hedge accounting for the net cash flows from operations.

The Group has discontinued hedge accounting for the net cash flows from operations. The Group has discontinued hedge accounting for the net cash flows from operations. The Group has discontinued hedge accounting for the net cash flows from operations.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following table provides a summary of the key sources of estimation uncertainty that could result in a material change in the carrying amount of assets or liabilities within the next financial year.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of goodwill

The Group has goodwill of RMB1,000 million as at 31 December 2020. The goodwill is primarily related to the acquisition of the Target. The goodwill is tested for impairment annually, or more frequently if there are indicators of impairment. The impairment test is performed by comparing the carrying amount of the cash-generating unit (CGU) containing the goodwill with its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The value in use is determined by discounting the expected future cash flows of the CGU. The discount rate used is the weighted average cost of capital (WACC) of the CGU. The impairment loss is recognized in the consolidated income statement. The impairment loss of RMB1,000 million is recognized in the consolidated income statement for the year ended 31 December 2020.

Impairment of trade receivables

The Group's trade receivables are primarily from the sale of electricity. The Group has established a credit policy to assess the credit risk of its customers. The Group uses the expected credit loss (ECL) model to measure the impairment of trade receivables. The ECL is the probability-weighted estimate of the present value of the difference between the contractual cash flows due to the Group and the cash flows that the Group will actually receive. The Group uses historical data to estimate the ECL. The ECL is recognized in the consolidated income statement. The impairment loss of RMB50 million is recognized in the consolidated income statement for the year ended 31 December 2020.

The Group's trade receivables are primarily from the sale of electricity. The Group has established a credit policy to assess the credit risk of its customers. The Group uses the expected credit loss (ECL) model to measure the impairment of trade receivables. The ECL is the probability-weighted estimate of the present value of the difference between the contractual cash flows due to the Group and the cash flows that the Group will actually receive. The Group uses historical data to estimate the ECL. The ECL is recognized in the consolidated income statement. The impairment loss of RMB50 million is recognized in the consolidated income statement for the year ended 31 December 2020.

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

At the acquisition date, the Group has identified intangible assets with finite lives, which are recognized as intangible assets. The intangible assets are primarily related to the acquisition of the Targets. The intangible assets are measured at fair value at the acquisition date. The fair value is determined by the present value of the expected future cash flows of the intangible assets. The discount rate used is the WACC of the CGU. The fair value of the intangible assets is RMB1,000 million. The intangible assets are recognized in the consolidated balance sheet. The intangible assets are amortized over their useful lives. The amortization expense is recognized in the consolidated income statement. The amortization expense of RMB1,000 million is recognized in the consolidated income statement for the year ended 31 December 2020.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

6. REVENUE (continued)

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

	2020	2019	2018	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total revenue	10,177,551	1,400,212	1,010,101	1,500,000	1,500,000
Revenue from contracts with customers	1,002,500				1,002,500
Revenue from other contracts					1,000,000
Revenue from contracts with customers					1,000,000
Revenue from other contracts	12,150,000	1,400,212	1,010,101	1,500,000	1,500,000
Revenue from contracts with customers		1,500,000	1,010,101	1,500,000	1,500,000
Revenue from other contracts	12,150,000				
Revenue from contracts with customers	12,150,000	1,400,212	1,010,101	1,500,000	1,500,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

6. REVENUE (continued)

(ii) Performance obligations for contracts with customers

The following table shows the amount of revenue recognized from contracts with customers in the current and comparative periods, categorized by the nature of the performance obligation. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation.

The following table shows the amount of revenue recognized from contracts with customers in the current and comparative periods, categorized by the nature of the performance obligation. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation.

The following table shows the amount of revenue recognized from contracts with customers in the current and comparative periods, categorized by the nature of the performance obligation. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation.

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

The following table shows the amount of transaction price allocated to the remaining performance obligation for contracts with customers in the current and comparative periods. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation.

The following table shows the amount of transaction price allocated to the remaining performance obligation for contracts with customers in the current and comparative periods. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation. The revenue is recognized over the period of the performance obligation.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION

The Company has operated in various segments. The following table shows the financial information of the segments for the year ended 31 December 2020. All amounts are in RMB million unless otherwise specified.

Segment	Revenue	Profit
Power Generation	12,345	2,100
Water Treatment	8,765	1,500
Construction	5,432	800
Others	3,210	400

Revenue is recognized when control of the goods or services is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized net of discounts and allowances. Revenue is recognized when the performance obligation is satisfied. Revenue is recognized when the customer has accepted the goods or services.

Profit is calculated as revenue less cost of sales and other expenses. Profit is calculated on a cost of sales basis. Profit is calculated on a cost of sales basis. Profit is calculated on a cost of sales basis. Profit is calculated on a cost of sales basis.

Other income includes interest income, dividend income, and other non-operating income. Other income includes interest income, dividend income, and other non-operating income. Other income includes interest income, dividend income, and other non-operating income. Other income includes interest income, dividend income, and other non-operating income.

Expenses include depreciation, amortization, and other non-current assets impairment losses. Expenses include depreciation, amortization, and other non-current assets impairment losses. Expenses include depreciation, amortization, and other non-current assets impairment losses. Expenses include depreciation, amortization, and other non-current assets impairment losses.

Assets include property, plant, and equipment, intangible assets, and other non-current assets. Assets include property, plant, and equipment, intangible assets, and other non-current assets. Assets include property, plant, and equipment, intangible assets, and other non-current assets. Assets include property, plant, and equipment, intangible assets, and other non-current assets.

Liabilities include trade payables, other payables, and other non-current liabilities. Liabilities include trade payables, other payables, and other non-current liabilities. Liabilities include trade payables, other payables, and other non-current liabilities. Liabilities include trade payables, other payables, and other non-current liabilities.

Equity includes equity attributable to owners of the parent, equity attributable to non-controlling interests, and other equity components. Equity includes equity attributable to owners of the parent, equity attributable to non-controlling interests, and other equity components. Equity includes equity attributable to owners of the parent, equity attributable to non-controlling interests, and other equity components. Equity includes equity attributable to owners of the parent, equity attributable to non-controlling interests, and other equity components.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

(a) Segment revenue, results, assets and liabilities

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

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

	2020	2019	2020	2019	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 December 2019						
Revenue	12,115	1,402	1,101	1,101	1,101	1,101
Cost of sales (note (i))	1,075	125	525	110,717	(121,782)	71,515
Operating expenses	17,157	20,714	17,784	2,010,121	1,157	
Operating loss	(1,107)	(1,437)	(2,409)	(2,010,070)	(2,101,570)	(1,021,957)
Assets						
At the end of the year	7,722	1,121	5,172	101,101	1,102	2,211,100
At the beginning of the year	712	200,77	101	2,101	520	2,111,101
Liabilities (note (ii))	115,127	7,100	20,202	70,101	1,178	1,211,100
Net assets	7,005	203,821	5,151	1,010,000	12,424	1,000,000
Capital	1,101	21,101				701,101
Reserves	5,904	182,720	5,151			299,900
Other items	71	1,000				1,100
Other comprehensive income	1,100	2,100	2,202	551	12,101	1,100
Non-current assets	1,101	1,210,051	5,750,57	1,001	1,101	7,701,701

Notes:

- (i) Total revenue includes revenue from operations and revenue from disposal of subsidiaries. Revenue from operations is the revenue generated from the sale of goods and services. Revenue from disposal of subsidiaries is the revenue generated from the disposal of subsidiaries.
- (ii) Total assets include assets from operations and assets from disposal of subsidiaries. Assets from operations are the assets generated from the sale of goods and services. Assets from disposal of subsidiaries are the assets generated from the disposal of subsidiaries.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

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

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Segment results	3,933,296	4,714,511
Adjustments:	(16,206)	
Share of results of associates	-	5,200
Segment assets	3,917,090	4,721,111
Adjustments:	41,065	50,002
Share of assets of associates	(1,150,847)	(1,211,000)
Segment liabilities	167,781	11,200
Adjustments:	(22,063)	
Segment liabilities	2,953,026	2,175,212

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

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

	At 31 December	
	2020 RMB'000	2019 RMB'000
Assets		
Investment properties	90,992,447	1,155,700
Property, plant and equipment	(26,237,537)	(25,700,700)
Intangible assets	3,518,508	2,025,210
Financial assets at fair value through profit or loss	117,000	104,000
Financial assets at fair value through other comprehensive income	130,904	152,417
Financial assets at amortised cost	70,000	75,000
Equity investments in associates	296,104	211,000
Equity investments in subsidiaries	66,911	1,201,000
Other non-current assets	1,583,971	1,205,515
	70,538,308	5,720,150
Liabilities		
Trade payables	68,489,825	10,210,570
Other payables	(26,221,331)	(25,700,700)
Contract liabilities	125,381	117,701
Other liabilities	193,615	14,110
Other non-current liabilities	1,583,971	1,205,515
	44,171,461	14,148,500

Note: The above table reconciles the segment results, assets and liabilities to the consolidated financial statements. The amounts are in RMB'000.

At the end of the reporting period, the Company has equity investments in subsidiaries of RMB1,201,000,000 (2019: RMB1,201,000,000) and equity investments in associates of RMB296,104,000 (2019: RMB211,000,000). The equity investments in subsidiaries and equity investments in associates are measured at cost less impairment. The equity investments in subsidiaries and equity investments in associates are included in the consolidated financial statements as non-current assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

7. SEGMENT INFORMATION (continued)

(c) Geographical information

0% of the Group's revenue is derived from the United States. The Group's revenue is derived from the following geographical areas:

0% of the Group's revenue is derived from the United States. The Group's revenue is derived from the following geographical areas:

2020 2019

(d) Information of major customers

The Group's revenue is derived from the following major customers:

1,101,225,000 (2019: 1,101,225,000)

7% (2019: 11%) (2019: 10%)

2020 (2019)

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Revenue	10,182,873	10,177,855
Cost of sales	2,192,289	1,955,200
Operating expenses	2,140,814	1,010,101
Other income	337,934	27,111
	14,853,910	11,170,267
Revenue	1,845,035	1,811,111
Total	16,698,945	13,981,378

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

8. OTHER INCOME

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Income from disposal of non-current assets (Note 38)	426,408	701,415
Income from disposal of financial assets (Note 38)	52,482	27,305
Income from disposal of intangible assets (note (a))	132,738	101,070
Income from disposal of investment properties (note (b))	137,861	105,027
Income from disposal of other non-current assets	-	5,200
	47,904	7,801
	797,393	1,051,018

Notes:

- () Income from disposal of non-current assets includes the disposal of land use rights and buildings. The disposal of land use rights and buildings resulted in a net gain of RMB426,408 thousand for the year ended 31 December 2020.
- () Income from disposal of investment properties includes the disposal of investment properties owned by the Company. The disposal of investment properties resulted in a net gain of RMB137,861 thousand for the year ended 31 December 2020.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

9. OTHER EXPENSES

	Year ended 31 December	
	2020 RMB'000	201 RMB'000
Depreciation of property, plant and equipment	399,734	372,077
Amortisation of intangible assets	193,112	210,407
Impairment losses on financial assets	59,824	4,007
Impairment losses on equity investments	136,123	100,721
	788,793	787,212

10. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2020 RMB'000	201 RMB'000
Gain on disposal of property, plant and equipment	(14,633)	1,100
Gain on disposal of intangible assets	(3,381)	(8,050)
Gain on disposal of financial assets	(50,844)	21,000
Gain on disposal of equity investments	(1,300)	(21,451)
Gain on disposal of other assets	151,051	117,000
Gain on disposal of other financial assets	(119,521)	
Gain on disposal of other assets	25,468	(14,450)
	(13,160)	8,150

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

11. INTEREST INCOME/FINANCE COSTS

	Year ended 31 December	
	2020 RMB'000	201 RMB'000
Interest income	5,364	4,255
Interest expense	4,150	2,900
Interest income from bank deposits	19,027	21,077
Interest expense on bank borrowings	12,524	20,472
Total	41,065	50,902
Interest income from bank deposits	1,265,282	1,200,200
Interest expense on bank borrowings	27,927	12,400
Interest expense on bank deposits	(142,362)	(1,050)
Total	1,150,847	1,210,000
	Year ended 31 December	
	2020	201
Weighted average interest rate	4.35%	4.1%

Note: A weighted average interest rate of 4.35% was used to calculate the interest expense on bank borrowings for the year ended 31 December 2020. The weighted average interest rate for the year ended 31 December 2019 was 4.1%.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

12. INCOME TAX EXPENSE

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Income tax expense	521,827	502,152
Deferred tax expense	11,484	10,700
	533,311	512,852
Income tax credit	23,730	(24,000)
	557,041	508,852

The income tax expense for the year ended 31 December 2020 is primarily attributable to the income tax payable on the taxable income of the Group's subsidiaries in the PRC. The income tax expense for the year ended 31 December 2020 is 25% (2019: 25%) of the taxable income. The income tax expense for the year ended 31 December 2020 is RMB533,311 thousand (2019: RMB512,852 thousand). The income tax credit for the year ended 31 December 2020 is RMB23,730 thousand (2019: RMB24,000 thousand). The income tax credit for the year ended 31 December 2020 is primarily attributable to the income tax credit of the Group's subsidiaries in the PRC.

An investment in Beijing Jingneng Future Gas Thermal Power Co., Ltd. (北京京能未來燃氣熱電有限公司) (the "Company") was made in 2015. The Company is a subsidiary of the Group. The Company is a public company listed on the Shanghai Stock Exchange. The Company's registered capital is RMB1,000 million. The Company's business is to generate and supply electricity and steam. The Company's income tax expense for the year ended 31 December 2020 is RMB1,000 thousand (2019: RMB1,000 thousand).

The income tax expense for the year ended 31 December 2020 is RMB557,041 thousand (2019: RMB508,852 thousand). The income tax expense for the year ended 31 December 2020 is primarily attributable to the income tax payable on the taxable income of the Group's subsidiaries in the PRC. The income tax expense for the year ended 31 December 2020 is 25% (2019: 25%) of the taxable income. The income tax expense for the year ended 31 December 2020 is RMB533,311 thousand (2019: RMB512,852 thousand). The income tax credit for the year ended 31 December 2020 is RMB23,730 thousand (2019: RMB24,000 thousand). The income tax credit for the year ended 31 December 2020 is primarily attributable to the income tax credit of the Group's subsidiaries in the PRC.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

12. INCOME TAX EXPENSE (continued)

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Income tax expense	2,953,026	2,175,222
Current income tax expense	738,257	44,200
Deferred income tax expense	45,526	21,051
Income tax expense on equity investments	(36,429)	(2,221)
Income tax expense on other investments	63,876	17,411
Income tax expense on other assets	29,880	
Income tax expense on other liabilities	(2,917)	(2,700)
Income tax expense on other income	(283,684)	(220,422)
Income tax expense on other items	2,532	1,741
	557,041	507,411

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

13. PROFIT FOR THE YEAR

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Operating profit	9,162	1,418
Finance income	59,824	1,177
Finance costs	(2,486,418)	(2,115)
Other income	60,126	2,701
Other expenses	(271,206)	(2,104)
Share of profit of associates	(6,489)	(1,077)
Profit before income tax	2,811,261	2,501,770
Income tax expense	(3,691)	(15)
Profit for the year	866,234	1,005
Profit attributable to equity holders of the parent	869,925	1,022,220

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

The following table sets out the emoluments of the directors, supervisors and the five highest paid individuals for the year ended 31 December 2020.

Year ended 31 December 2020

	Directors' fees RMB'000	Basic salaries and allowances RMB'000	Discretionary bonus RMB'000 (Note)	Retirement benefit contributions RMB'000	Total RMB'000
Executive Directors	-	371	853	3	1,227
Non-Executive Directors	-	311	773	3	1,087
Supervisors	-	106	70	-	176
(Supervisors in 2020)	-	101	597	3	701
	-	889	2,293	9	3,191
Executive Directors	-	-	-	-	-
Non-Executive Directors	-	-	-	-	-
Supervisors	-	-	-	-	-
(Supervisors in 2020)	-	-	-	-	-
	-	-	-	-	-
Executive Directors	150	-	-	-	150
Non-Executive Directors	150	-	-	-	150
Supervisors	100	-	-	-	100
(Supervisors in 2020)	17	-	-	-	17
Supervisors	83	-	-	-	83
(Supervisors in 2020)	83	-	-	-	83
	500	-	-	-	500

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Directors' fees RMB'000	Basic salaries and allowances RMB'000	Discretionary bonus RMB'000 (Note)	Retirement benefit contributions RMB'000	Total RMB'000
U.S. \$ 45	-	-	-	-	-
. A n n n	-	-	-	-	-
. YA u n	-	311	737	3	1,051
(n n 2020)	-	311	737	3	1,051
.	-	-	-	-	-
(n n 25 2020)	-	-	-	-	-
§ A n	-	-	-	-	-
(§ n n 2020)	-	-	-	-	-
. A u	-	-	-	-	-
(§ n n 25 2020)	-	-	-	-	-
	-	311	737	3	1,051
	500	1,200	3,030	12	4,742

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Year ended 31 December 2019

	RMB'000	RMB'000	RMB'000 (Note)	RMB'000	Total RMB'000
Directors' emoluments (for the year ended 31 December 2019)	1,000	1,157	150	2,307	1,007
Supervisors' emoluments (for the year ended 31 December 2019)	11	7	50	68	54
The five highest paid individuals' emoluments (for the year ended 31 December 2019)	11	50	50	111	75
	1,011	1,164	150	2,325	2,136
Directors' and Supervisors' emoluments (for the year ended 31 December 2019)	1,011	1,164	150	2,344	1,061
The five highest paid individuals' emoluments (for the year ended 31 December 2019)	11	50	50	111	75
	1,022	1,214	200	2,455	1,136

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

	RMB'000	RMB'000	RMB'000 (Note)	RMB'000	RMB'000
n n n n u . A n . A Y n T u n . A u s n . A n	150				150
	150				150
	100				100
	100				100
	<u>500</u>				<u>500</u>
u s A n . A n n n (n n 20 un 201) . A u (n n 20 un 201) . un (s n n 20 un 201) . (s n n 20 un 201)		2	22	50	22
		<u>2</u>	<u>22</u>	<u>50</u>	<u>22</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

For the year ended 31 December 2020, the aggregate emoluments of the directors, supervisors and the five highest paid individuals were RMB1,000 (2019: RMB15,000). As the aggregate emoluments of the directors, supervisors and the five highest paid individuals for the year ended 31 December 2020 are less than RMB1,000,000, the company is not required to disclose the emoluments of the directors, supervisors and the five highest paid individuals in the table below.

Five highest paid individuals

The aggregate emoluments of the five highest paid individuals for the year ended 31 December 2020 are as follows:

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Salaries and wages	932	1,520
Supplementary pension plans (Note)	2,240	1,317
Other benefits	9	200
	3,181	3,037

The aggregate emoluments of the five highest paid individuals for the year ended 31 December 2019 are as follows:

Note: The supplementary pension plans are provided to the employees of the company.

The aggregate emoluments of the five highest paid individuals for the year ended 31 December 2020 are less than RMB1,000,000, therefore, the company is not required to disclose the emoluments of the five highest paid individuals in the table below.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

15. DIVIDENDS

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16. EARNINGS PER SHARE

T u n n s u n s n n s n s u n s n s n

	Year ended 31 December	
	2020 RMB'000	201 RMB'000
Earnings		
	2,303,390	2,000,770

	Year ended 31 December	
	2020 '000	201 '000
Number of shares		
	8,244,508	8,244,508

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

17. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RMB'000	Generators and related equipment RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At the end of 2019	8,711,150	4,720,110	1,074	111,151	5,011,157	58,457,500
At the end of 2020	8,466,150	39,720,660	91,074	111,469	5,068,187	53,457,540
Accumulated depreciation	3,560	99,091	5,164	10,217	4,573,665	4,691,697
Accumulated depreciation (note (b))	56,014	(72,723)	328	8	-	(16,373)
Transfer	200,681	4,273,369	-	3,433	(4,477,483)	-
Accumulated depreciation	64,454	1,265,098	167	1,697	15,112	1,346,528
Accumulated depreciation (Note 44)	(1,333)	(127,700)	(5,439)	(4,467)	-	(138,939)
Impairment loss	94	51,026	14	12	-	51,146
At the end of 2020	8,789,620	45,208,821	91,308	122,369	5,179,481	59,391,599

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

17. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings RMB'000	Generators and related equipment RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2019	1,706,178	11,827,625	66,282	74,264	-	13,674,349
Acquisitions	272,308	2,195,921	5,554	12,635	-	2,486,418
Disposals (note (e))	100,397	19,124	-	-	-	119,521
Depreciation	(81)	(83,488)	(4,226)	(2,287)	-	(90,082)
Transfer to construction in progress	-	14,161	11	8	-	14,180
At 31 December 2020	<u>2,078,802</u>	<u>13,973,343</u>	<u>67,621</u>	<u>84,620</u>	<u>-</u>	<u>16,204,386</u>
At 31 December 2019	<u>6,710,818</u>	<u>31,235,478</u>	<u>23,687</u>	<u>37,749</u>	<u>5,179,481</u>	<u>43,187,213</u>
At 1 January 2018	1,757,722	27,000,005	2,722	7,205	5,015,157	33,792,811

Notes:

() The carrying amount of property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

At 31 December 2020	2.11%	1.75%
At 31 December 2019	0.17%	7.2%
At 31 December 2018	0.50%	1.00%
At 31 December 2017	11.00%	1.00%

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

17. PROPERTY, PLANT AND EQUIPMENT (continued)

Notes: (continued)

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18. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000
A s 4 2020 n u n	<u>1,431,342</u>
A s 4 201 n u n	<u>1,010,000</u>
4 n 4 2020 n	<u>60,126</u>
4 n 4 201 n	<u>2,700</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

18. RIGHT-OF-USE ASSETS (continued)

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
At 1 January	59,824	4,177
Additions	321,692	21,170
Disposals	(108,892)	(21,200)
At 31 December	116,472	7,057

Note: The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses.

The right-of-use assets are primarily related to the use of office premises. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses.

The right-of-use assets are primarily related to the use of office premises. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

19. INTANGIBLE ASSETS

	Concession rights RMB'000 (note (b))	Operation rights RMB'000 (note (c))	Software RMB'000	Total RMB'000
At 1 January 2019	4,022,154	1,941,970	235,198	6,199,322
Acquisitions	-	-	68,417	68,417
Disposals (Note 44)	-	564,773	95	564,868
At 31 December 2019	4,022,154	2,506,743	303,710	6,832,607
At 1 January 2020	1,835,031	246,949	68,667	2,150,647
Acquisitions	164,411	87,610	19,185	271,206
Disposals	-	-	-	-
At 31 December 2020	1,999,442	334,559	87,852	2,421,853
At 1 January 2020	2,022,712	2,172,184	215,858	4,410,754
Disposals	-	-	-	-
At 31 December 2021	2,197,120	1,502,100	111,531	3,810,751

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

19. INTANGIBLE ASSETS (continued)

Notes:

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20. GOODWILL

	At 31 December	
	2020 RMB'000	2019 RMB'000
s n n un		
4 4 4 n u n 4 n ,	124,194	12 ,1
n 4 4 n n Au s	65,855	45,55
	190,049	1 0,0

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

21. IMPAIRMENT TESTING ON GOODWILL

The Group has performed impairment testing on goodwill as at 31 December 2020. The results of the impairment testing are as follows:

As at 31 December 2020, the carrying amount of goodwill is RMB1,360,644 thousand, which is higher than the recoverable amount of RMB1,360,644 thousand.

The recoverable amount is determined as the higher of the fair value less costs of disposal and the value in use.

The value in use is determined by discounting the cash flows expected to be received from the cash-generating units. The discount rate used is 7.00% (2019: 10.1%). The cash flows are based on the management's best estimates of the future performance of the cash-generating units.

The carrying amount of goodwill is RMB1,360,644 thousand, which is higher than the recoverable amount of RMB1,360,644 thousand. The impairment loss is RMB0 thousand. The impairment loss is not recognized in the consolidated financial statements.

The carrying amount of goodwill is RMB1,360,644 thousand, which is higher than the recoverable amount of RMB1,360,644 thousand. The impairment loss is RMB0 thousand. The impairment loss is not recognized in the consolidated financial statements.

22. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES

(a) Investments in associates

	At 31 December	
	2020 RMB'000	2019 RMB'000
Investments in associates	2,166,556	2,171,101
Loans to associates	1,360,644	1,175,520
	(8,692)	
	3,518,508	2,025,210

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

(a) Investments in associates (continued)

Name of associate	Paid up registered capital	Equity interest attributable to the Group		Proportion of voting rights held by the Group		Principal activities
		At 31 December		At 31 December		
		2020	201	2020	201	
北京京能國際能源股份有限公司 (in Chinese) (in Chinese) (note)	¥4,000,000,000	20%	20%	20%	20%	Energy production and supply
全州柳鋪水電有限公司 (in Chinese) (in Chinese)	25,000,000	40%	0%	40%	0%	Hydroelectric power generation
北京市天銀地熱開發有限責任公司 (in Chinese) (in Chinese)	¥10,000,000	50%	50%	50%	50%	Geothermal energy development

* The above associates are all unlisted companies.

Note:

The above associates are all unlisted companies. The carrying amounts of the investments in associates are as follows:

At 31 December	2020	201
Cost	4,025,000,000	4,025,000,000
Impairment losses	(1,222,000,000)	(1,222,000,000)
Carrying amount	2,803,000,000	2,803,000,000

The carrying amount of the investment in Beijing Jingneng International Energy Co., Ltd. is classified as non-current assets held for sale as at 31 December 2020, as the Group has agreed to dispose of the investment within the next 12 months.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

(b) Loans to associates

	At 31 December	
	2020 RMB'000	201 RMB'000
Loans to associates	117,000	124,000

At 31 December 2020, loans to associates were RMB117,000 (2019: RMB124,000). All loans are unsecured and interest-free. The loans are denominated in RMB. The loans are repayable within 12 months.

(c) Summarised financial information of material associates

The following table provides a summary of the financial information of material associates. The financial information is presented in RMB'000 unless otherwise stated. The financial information is unaudited.

Jingneng International	At 31 December	
	2020 RMB'000	201 RMB'000
Revenue	70,817,506	75,111,111
Profit	9,607,145	11,111,111
Assets	30,848,341	11,111,111
Liabilities	18,420,223	15,777,555
Equity	19,522,045	10,111,111
Other	1,517,348	

	Year ended 31 December	
	2020 RMB'000	201 RMB'000
Revenue	20,070,422	10,111,111
Profit	1,690,672	1,111,111
Assets	1,150,008	1,011,111
Liabilities	22,442	
Equity	-	1,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

	At 31 December	
	2020 RMB'000	2019 RMB'000
10,116,694	10,116,694	1,100,000
20% 2,023,339	2,023,339	1,200,000
35,270	35,270	5,270
2,058,609	2,058,609	1,100,000
BEH Finance		At 31 December 2020 RMB'000
20,895,349	20,895,349	20,895,349
9,250,889	9,250,889	9,250,889
5,656	5,656	5,656
23,160,861	23,160,861	23,160,861
		Year ended 31 December 2020 RMB'000
498,319	498,319	498,319
308,678	308,678	308,678
(23,330)	(23,330)	(23,330)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

	At 31 December 2020 RMB'000
4,000,000 2,979,721 1,395,944	6,979,721 20% 1,395,944
1,395,944	1,395,944

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

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
2,401	2,401	1,000
A 63,955	63,955	1,155

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

(a) Investment in a joint venture

		At 31 December			
		2020		201	
		RMB'000		RMB'000	
Investment in joint venture		152,500		152,500	
Less: Investment in joint venture (cost)		(21,596)		17	
		130,904		152,517	

Name of the joint venture	Paid up registered capital	Equity interest attributable to the Group		Proportion of voting rights held by the Group		Principal activity
		At 31 December 2020	201	At 31 December 2020	201	
北京華源惠眾環保科技有限 公司 (Inventorship company) Tianjin Huayuan Hui zhong Environmental Protection Technology Co., Ltd. (Investorship company)	10,000,000	50%	50%	50%	50%	Investment holding company

(b) Loans to a joint venture

		At 31 December	
		2020	201
		RMB'000	RMB'000
Loans to joint venture		70,000	75,000

As at 31 December 201, the loans to joint venture are unsecured, non-interest bearing and have a term of 12 months.

As at 31 December 2020, the loans to joint venture are unsecured, non-interest bearing and have a term of 12 months. The loans are repayable on 15 November 2022, and 15 November 2022.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

24. DEFERRED TAXATION

Temporary differences	Impairment loss of financial asset	Temporary differences on fair value adjustments in acquisition of subsidiaries	Fair value change of equity instruments at FVTOCI	Deferred income related to clean energy production		Different depreciation rate	Fair value change of financial assets at FVTPL	Derivative financial instruments	Others	Total		
				Trial run profit	Trial run loss							
Tax loss	asset	of subsidiaries	at FVTOCI	profit	production	rate	loss	assets	instruments	Total		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
		(Note (c))		(Note (a))	(Note (b))		(Note (a))					
At January 1, 2019	51,777	1,707	(10,455)	(2,058)	7,154	1,500	(9,411)	(52,000)	1,552	28,000	7,100	101,777
Change during the year	(11,700)	1,707	1,486	-	(564)	(23,967)	(12,713)	4,683	8,389	390	2,116	(23,730)
At December 31, 2019	40,077	3,414	(8,969)	(3,851)	6,590	(26,334)	(17,028)	(1,317)	9,941	3,657	4,222	78,047
At January 1, 2020	41,642	5,628	(24,306)	(3,571)	113,767	78,258	(96,376)	(48,428)	14,432	28,323	21,124	130,493
Change during the year	(4,512)	962	1,486	-	(564)	(23,967)	(12,713)	4,683	8,389	390	2,116	(23,730)
At December 31, 2020	37,130	6,590	(22,820)	(3,571)	108,203	54,291	(109,089)	(43,745)	22,821	28,713	23,240	106,763
At January 1, 2020	41,642	5,628	(24,306)	(3,571)	113,767	78,258	(96,376)	(48,428)	14,432	28,323	21,124	130,493
Change during the year	(410)	-	416	-	-	-	(3,079)	-	(1,320)	3,657	180	(972)
At December 31, 2020	36,720	6,590	(22,404)	280	113,203	54,291	(112,168)	(43,745)	21,501	24,801	23,420	102,489

Notes:

- (1) Temporary differences include unutilized tax losses, which are deductible for tax purposes. The amount of unutilized tax losses is RMB11,700,000 at the end of 2019 and RMB4,512,000 at the end of 2020. The unutilized tax losses will expire on average within 5 years.
- (2) Temporary differences include the fair value adjustments of equity instruments at FVTOCI. The amount of fair value adjustments of equity instruments at FVTOCI is RMB1,486,000 at the end of 2019 and RMB1,486,000 at the end of 2020.
- (3) Temporary differences include the fair value changes of equity instruments at FVTOCI. The amount of fair value changes of equity instruments at FVTOCI is RMB(3,851,000) at the end of 2019 and RMB(3,571,000) at the end of 2020.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

24. DEFERRED TAXATION (continued)

At 31 December

	2020 RMB'000	2019 RMB'000
Deferred tax assets	296,104	221,008
Deferred tax liabilities	(193,615)	(141,110)
Net deferred tax assets	102,489	100,000

At 31 December

	2020 RMB'000	2019 RMB'000
Deferred tax assets	1,059,276	1,070,502
Deferred tax liabilities	119,521	
Net deferred tax assets	1,178,797	1,070,502

At 31 December

	2020 RMB'000	2019 RMB'000
Deferred tax assets	1,059,276	1,070,502
Deferred tax liabilities	119,521	
Net deferred tax assets	1,178,797	1,070,502

At 31 December 2020, the net deferred tax assets are RMB1,178,797 (2019: RMB1,070,502), which are primarily related to the tax loss carryforwards of the Group's subsidiaries.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

24. DEFERRED TAXATION (continued)

	At 31 December	
	2020 RMB'000	2019 RMB'000
2020	-	217,051
2021	155,499	155,
2022	174,589	17,5
2023	163,986	14,1
2024	269,856	21,5
2025	255,043	
	1,018,973	1,030,1

25. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At 31 December	
	2020 RMB'000	2019 RMB'000
	66,911	12,113

The Company's equity instruments at fair value through other comprehensive income consist of equity instruments of other entities that are not held for trading and are classified as equity instruments at fair value through other comprehensive income. The Company's equity instruments at fair value through other comprehensive income are measured at fair value, with changes in fair value recognized in other comprehensive income. The Company's equity instruments at fair value through other comprehensive income are measured at fair value, with changes in fair value recognized in other comprehensive income.

As at December 31, 2020, the Company's equity instruments at fair value through other comprehensive income consist of equity instruments of other entities that are not held for trading and are classified as equity instruments at fair value through other comprehensive income. The Company's equity instruments at fair value through other comprehensive income are measured at fair value, with changes in fair value recognized in other comprehensive income. The Company's equity instruments at fair value through other comprehensive income are measured at fair value, with changes in fair value recognized in other comprehensive income.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

26. INVENTORIES

As at 31 December 2020, inventories are stated at cost less provision for obsolescence. Inventories are measured at the lower of cost and net realizable value. Cost is determined on the basis of the weighted average method. The provision for obsolescence is determined based on the expected realizable value of inventories. Inventories are classified as current assets in the consolidated balance sheet.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

27. TRADE AND BILLS RECEIVABLES (continued)

The carrying amount of trade and bills receivables is denominated in RMB. As at 31 December 2020, the carrying amount of trade and bills receivables is RMB1,045,000 (2019: RMB1,024,000). The carrying amount of trade and bills receivables is measured at amortised cost less expected credit losses. The carrying amount of trade and bills receivables is denominated in RMB.

The carrying amount of trade and bills receivables is denominated in RMB. As at 31 December 2020, the carrying amount of trade and bills receivables is RMB1,045,000 (2019: RMB1,024,000). The carrying amount of trade and bills receivables is measured at amortised cost less expected credit losses. The carrying amount of trade and bills receivables is denominated in RMB.

As at 31 December 2020, the carrying amount of trade and bills receivables is RMB1,045,000 (2019: RMB1,024,000). The carrying amount of trade and bills receivables is measured at amortised cost less expected credit losses. The carrying amount of trade and bills receivables is denominated in RMB.

As at 31 December 2020, the carrying amount of trade and bills receivables is RMB1,045,000 (2019: RMB1,024,000). The carrying amount of trade and bills receivables is measured at amortised cost less expected credit losses. The carrying amount of trade and bills receivables is denominated in RMB.

The carrying amount of trade and bills receivables is denominated in RMB. As at 31 December 2020, the carrying amount of trade and bills receivables is RMB1,045,000 (2019: RMB1,024,000). The carrying amount of trade and bills receivables is measured at amortised cost less expected credit losses. The carrying amount of trade and bills receivables is denominated in RMB.

The carrying amount of trade and bills receivables is denominated in RMB. As at 31 December 2020, the carrying amount of trade and bills receivables is RMB1,045,000 (2019: RMB1,024,000). The carrying amount of trade and bills receivables is measured at amortised cost less expected credit losses. The carrying amount of trade and bills receivables is denominated in RMB.

28. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 31 December	
	2020 RMB'000	2019 RMB'000
Other receivables	80,340	10,000
Deposits	342,554	1,710,000
Prepayments	65,662	121,100
	488,556	1,841,100
Less: Allowance for doubtful debts	(24,778)	(2,700)
	463,778	1,838,400

The carrying amount of other receivables, deposits and prepayments is denominated in RMB. As at 31 December 2020, the carrying amount of other receivables, deposits and prepayments is RMB463,778 (2019: RMB1,838,400).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

29. VALUE-ADDED TAX RECOVERABLE

	At 31 December	
	2020 RMB'000	2019 RMB'000
Value added tax recoverable	469,666	424,050
Value added tax receivable	1,114,305	10,507
	1,583,971	1,204,557

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

30. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 December	
	2020 RMB'000	2019 RMB'000
Financial asset at fair value through profit or loss (Note)	196,043	25,000

Note:

The financial asset at fair value through profit or loss represents the Group's investment in equity securities. The fair value of the financial asset at fair value through profit or loss is determined based on the closing price of the equity securities in the stock exchange.

The financial asset at fair value through profit or loss is classified as non-current assets in the consolidated balance sheet.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

31. RESTRICTED BANK DEPOSITS

	At 31 December	
	2020 RMB'000	201 RMB'000
Restricted bank deposits	4,577	1,520
Other restricted bank deposits	50,787	55,415
	55,364	57,207

At 31 December 2020, restricted bank deposits were denominated in RMB 4,577,000 and US\$ 1,520,000 (2019: RMB 1,520,000 and US\$ 1,520,000).

At 31 December 2020 and 2019, other restricted bank deposits were denominated in RMB 50,787,000 and 55,415,000, respectively.

At 31 December 2020, restricted bank deposits were denominated in RMB 4,577,000 and US\$ 1,520,000 (2019: RMB 1,520,000 and US\$ 1,520,000).

32. CASH AND CASH EQUIVALENTS

The following table shows the carrying amounts of cash and cash equivalents at the end of the reporting period, which are denominated in RMB, US dollars, Australian dollars and Hong Kong dollars.

	At 31 December	
	2020 RMB'000	201 RMB'000
Cash	573,697	2,001,500
US\$	371,834	1,004,250
Australian dollar (A\$)	453,897	1,150,700
Hong Kong dollar (HK\$)	5,139	1,200
Restricted bank deposits	2,892,859	7,004,411
Other restricted bank deposits	24	7
	4,297,450	10,064,110

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

32. CASH AND CASH EQUIVALENTS (continued)

The carrying amount of cash and cash equivalents at the end of the reporting period is denominated in RMB, USD, HKD, and other currencies. The carrying amount of cash and cash equivalents at the end of the reporting period is RMB 5,058,989,000 (2019: RMB 4,774,220,000).

The carrying amount of cash and cash equivalents at the end of the reporting period is denominated in RMB, USD, HKD, and other currencies. The carrying amount of cash and cash equivalents at the end of the reporting period is RMB 5,058,989,000 (2019: RMB 4,774,220,000).

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

33. TRADE AND OTHER PAYABLES

	At 31 December	
	2020 RMB'000	2019 RMB'000
Trade payables	2,384,450	2,027,102
Accounts payable	1,601,100	1,004,570
Other payables	446,166	170,470
Prepaid expenses	20,000	-
Contract liabilities	103,870	105,521
Contract assets	164,689	100,700
Other receivables	-	71,120
Other receivables	338,714	100,010
	5,058,989	4,774,220

The carrying amount of trade payables at the end of the reporting period is denominated in RMB, USD, HKD, and other currencies. The carrying amount of trade payables at the end of the reporting period is RMB 2,384,450,000 (2019: RMB 2,027,102,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

33. TRADE AND OTHER PAYABLES (continued)

	At 31 December	
	2020 RMB'000	2019 RMB'000
Trade payables	1,676,193	2,041,101
Accounts payable	563,194	1,721,721
Other payables	115,688	1,721,721
Contract liabilities	37,516	11,127
Other	11,859	1,025
	2,404,450	2,527,102
Trade receivables		
Accounts receivable		
Other receivables		
Contract assets		
Other		
	25,307	10,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

34. BANK AND OTHER BORROWINGS

	At 31 December	
	2020 RMB'000	2019 RMB'000
Bank borrowings	19,405,925	14,110,000
Other borrowings		
- bank borrowings (note (a))	3,142,250	1,010,500
- other borrowings (note (b))	220,000	270,000
- bank borrowings (note (c))	445,665	1,020,000
- other borrowings (note (d))	750	750
	23,214,590	1,270,000
Guaranteed bank borrowings		
- bank borrowings	21,505,281	17,720,110
- other borrowings (note (e))	1,709,309	1,550,000
	23,214,590	1,270,000
Bank borrowings		
- bank borrowings	12,318,322	7,000,000
- other borrowings	2,457,544	5,077,500
- bank borrowings	5,184,929	7,250,000
- other borrowings	3,253,795	1,500,000
	23,214,590	1,270,000
Guaranteed bank borrowings		
- bank borrowings	(12,318,322)	(7,000,000)
	10,896,268	11,050,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

34. BANK AND OTHER BORROWINGS (continued)

Notes:

() 2020, 2,250,000 (2019: 1,010,500,000) unsecured, interest-free, non-current loans from related parties. The interest rate is 10.00% per annum. The loans are repayable within 2,150,500,000 yuan by 2022. In 2020, the company repaid 1,750,000 yuan and borrowed 15,200,000 yuan. The balance at the end of 2020 (2019: 7,750,000).

() A 2020, 150,000,000 (2019: 200,000,000) yuan secured loans from Beijing Jingxi Power Co., Ltd. (北京京西發電有限責任公司) and Beijing Jingfeng Power Co., Ltd. (北京京豐熱電有限責任公司) (collectively, "Beijing Power Companies"). The loans are repayable within 70,000,000 yuan by 2021. The interest rate is 12% per annum. The company repaid 10,170,000 yuan in 2020 (2019: 2,700,000).

() T 2020, 200,000,000 (2019: 105,000,000) yuan secured loans from Guangda Financial Leasing Co., Ltd. (光大金融租賃股份有限公司) (collectively, "Guangda Financial Leasing Co., Ltd."). The loans are repayable within 200,000,000 yuan by 2022. The interest rate is 4.14% per annum. The company repaid 200,000,000 yuan in 2020.

() T 2020, 10,000,000 (2019: 10,000,000) yuan secured loans from China Agricultural Development Key Construction Fund Co., Ltd. (中國農發重點建設基金有限公司) (collectively, "China Agricultural Development Key Construction Fund Co., Ltd."). The loans are repayable within 10,000,000 yuan by 2022. The interest rate is 7% per annum. The company repaid 10,000,000 yuan in 2020.

() T 2020, 10,000,000 (2019: 10,000,000) yuan secured loans from Beijing Shangzhuang Gas Thermal Power Co., Ltd. (北京上莊燃氣熱電有限公司) (collectively, "Beijing Shangzhuang Gas Thermal Power Co., Ltd."). The loans are repayable within 10,000,000 yuan by 2022. The interest rate is 7% per annum. The company repaid 10,000,000 yuan in 2020.

() T 2020, 10,000,000 (2019: 10,000,000) yuan secured loans from China Agricultural Development Key Construction Fund Co., Ltd. (中國農發重點建設基金有限公司) (collectively, "China Agricultural Development Key Construction Fund Co., Ltd."). The loans are repayable within 10,000,000 yuan by 2022. The interest rate is 7% per annum. The company repaid 10,000,000 yuan in 2020.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

34. BANK AND OTHER BORROWINGS *(continued)*

Notes: *(continued)*

- () The interest expense on bank and other borrowings is calculated based on an annual interest rate of 5.31% for the year ended 31 December 2021. The interest expense is RMB1,000 million for 2020 (2019: RMB5,000 million).

- () The bank and other borrowings are denominated in RMB, except for the amount of 17,000 million denominated in US dollars.

- () The bank and other borrowings are secured by the equity interest in Beijing Energy New Energy Co., Ltd.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

35. SHORT-TERM DEBENTURES

On 10 January 2020, the Company issued short-term debentures of RMB 2,000,000,000 with an annual interest rate of 1.1%, maturing on 10 January 2021.

On 14 January 2020, the Company issued short-term debentures of RMB 2,000,000,000 with an annual interest rate of 2.10%, maturing on 14 January 2021.

On 25 February 2020, the Company issued short-term debentures of RMB 2,000,000,000 with an annual interest rate of 1.90%, maturing on 25 February 2021.

On 7 March 2020, the Company issued short-term debentures of RMB 1,000,000,000 with an annual interest rate of 2.75%, maturing on 7 March 2021.

The Company's short-term debentures are listed on the interbank market (銀行間市場交易商協會) (Association of Banks in China).

36. MEDIUM-TERM NOTES/CORPORATE BONDS

On 1 January 2017, the Company issued 5-year medium-term notes of RMB 2,000,000,000 with an annual interest rate of 5.50%, maturing on 1 January 2022.

On 10 January 2017, the Company issued 5-year medium-term notes of RMB 1,500,000,000 with an annual interest rate of 5.1%, maturing on 10 January 2022.

On 10 January 2020, the Company issued 5-year medium-term notes of RMB 1,000,000,000 with an annual interest rate of 4.25%, maturing on 10 January 2025.

On 10 January 2017, the Company issued 5-year medium-term notes of RMB 1,000,000,000 with an annual interest rate of 5.1%, maturing on 10 January 2022.

On 10 January 2020, the Company issued 5-year medium-term notes of RMB 1,000,000,000 with an annual interest rate of 4.22%, maturing on 10 January 2025. Additionally, the Company issued 5-year medium-term notes of RMB 1,000,000,000 with an annual interest rate of 2.15%, maturing on 10 January 2025.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

37. DERIVATIVE FINANCIAL ASSET/LIABILITIES

	At 31 December	
	2020 RMB'000	2019 RMB'000
Interest rate swaps (note (a))	-	7,577
Currency swaps (note (a))	(21,068)	(40,000)
Foreign exchange contracts (note (b))	(43,510)	(1,001)
	(64,578)	(71,000)
Available for sale financial assets	(19,576)	(7,707)
Unrealized gains on available for sale financial assets	(45,002)	(2,842)
	(64,578)	(71,000)

Notes:

(a) Cash flow hedges – Interest rate swaps

Assets	Liabilities	Net
At 31 December 2020		
Interest rate swaps		

At 31 December 2020

Notional amount	Maturity	Swaps
A \$17,000,000 (RMB 2,151,000)	17 2025	USD +1.00% / RMB 2.15%
\$1,200,000,000 (RMB 1,151,200,000)	21 Jun 2021	+1.00% / 2.20%

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

37. DERIVATIVE FINANCIAL ASSET/LIABILITIES (continued)

Notes: (continued)

(a) Cash flow hedges – Interest rate swaps (continued)

As at 31 December 2019

Notional amount	Maturity	Swaps
A\$ 5,151,000 (Quoted as 50,200,000)	21 Dec 2020	Interest rate swap with a notional amount of A\$ 5,151,000 (Quoted as 50,200,000) maturing on 21 Dec 2020. The swap is designated as a cash flow hedge of the interest rate risk of the underlying debt. The swap rate is 1.70% and the market rate is 2.51%.
\$200,000,000 (Quoted as 175,200,000)	21 Jun 2021	Interest rate swap with a notional amount of \$200,000,000 (Quoted as 175,200,000) maturing on 21 Jun 2021. The swap is designated as a cash flow hedge of the interest rate risk of the underlying debt. The swap rate is 1.80% and the market rate is 2.40%.
\$1,520,000,000 (Quoted as 1,301,200,000)	21 Jun 2021	Interest rate swap with a notional amount of \$1,520,000,000 (Quoted as 1,301,200,000) maturing on 21 Jun 2021. The swap is designated as a cash flow hedge of the interest rate risk of the underlying debt. The swap rate is 1.80% and the market rate is 2.20%.

(b) Fixed forward commodity contract

As at 31 December 2019, the Company has entered into a fixed forward commodity contract with a notional amount of A\$ 10,000,000 (Quoted as 80,000,000) maturing on 31 Dec 2020. The contract is designated as a cash flow hedge of the interest rate risk of the underlying debt. The contract rate is 2.50% and the market rate is 2.50%.

Notional amount	Maturity	Fixed prices
A\$ 10,000,000 (Quoted as 80,000,000)	31 Dec 2020	Fixed price of A\$ 0.20 per unit of commodity. The contract is designated as a cash flow hedge of the interest rate risk of the underlying debt. The contract rate is 2.50% and the market rate is 2.50%.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

38. DEFERRED INCOME

	Government grants and subsidies		
	Clean energy production RMB'000 (note (a))	Construction of assets RMB'000 (notes (b) and (c))	Total RMB'000
At 1 January 2019	710,440	4,922	715,362
Additional	1,155	1,155	2,310
Used	(701,415)	(27,955)	(729,370)
At 31 December 2019	313,033	485,258	798,291
Additional	341,711	3,035	344,746
Used	(426,408)	(52,482)	(478,890)
At 31 December 2020	228,336	435,811	664,147

Notes:

(a) The amount represents government grants and subsidies received from the government for clean energy production. The amount is recognized as deferred income when the related clean energy production is completed and the amount is recognized as income when the related clean energy production is sold.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

39. LEASE LIABILITIES

	Year ended 31 December	
	2020 RMB'000	201 RMB'000
Initial recognition of lease liabilities	64,659	1,041
Lease liabilities arising from the acquisition of subsidiaries	85,796	2,702
Total	180,985	3,743
Lease liabilities derecognized	569,555	1,575
	900,995	5,168
Adjustment for the impact of the new lease standard	(64,659)	(1,041)
Adjusted balance	836,336	4,127
Total		0.77% (201: 0.0%)

40. OTHER NON-CURRENT LIABILITY

	Year ended 31 December	
	2020 RMB'000	201 RMB'000
Provision for uncertain tax benefits	24,285	1,570
Provision for other non-current liabilities	(5,277)	(5,074)
Total	394	(1,004)
Adjustment for the impact of the new lease standard	19,402	2,205
Total		

The provision for uncertain tax benefits is primarily related to the Company's subsidiaries in the People's Republic of China. The provision is measured based on the Company's assessment of the likelihood of the tax authorities' challenge to the Company's tax positions.

The provision for other non-current liabilities is primarily related to the Company's subsidiaries in the People's Republic of China. The provision is measured based on the Company's assessment of the likelihood of the tax authorities' challenge to the Company's tax positions.

The Company has entered into Business Combinations. The provision for other non-current liabilities is primarily related to the Company's subsidiaries in the People's Republic of China. The provision is measured based on the Company's assessment of the likelihood of the tax authorities' challenge to the Company's tax positions.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

41. SHARE CAPITAL

		Number of shares			Share capital RMB'000
		Domestic legal person shares '000	H shares '000	Total '000	
At 31 December 2020	2019	5,121	2,277	2,500	2,500

42. CAPITAL RESERVE

		At 31 December	
		2020 RMB'000	2019 RMB'000
Capital reserve		2,876,757	2,741,757
Less: Share premium		(19,043)	(1,000)
Share premium		1,076,759	1,074,759

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

43. PERPETUAL NOTES

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

44. ACQUISITION OF SUBSIDIARIES

Year ended 31 December 2020

The Group has acquired subsidiaries during the year. The acquisition of subsidiaries is accounted for as business combinations under common control. The Group has acquired 100% of the equity of the following subsidiaries during the year. The acquisition cost is measured at the fair value of the consideration transferred at the acquisition date. The Group has acquired 100% of the equity of the following subsidiaries during the year. The acquisition cost is measured at the fair value of the consideration transferred at the acquisition date.

Name of the Targets	Acquisition date	Acquisition consideration RMB'000
義縣珈煜光伏電力有限公司 (Y n u .)*	29 June 2020	15,361
寧夏杉陽新能源有限公司 (n n n .)*	28 August 2020	—**
寧夏同心大地日盛新能源有限公司 (n T n .)*	17 July 2020	3,022
湛江市鼎瑞太陽能發電有限公司 (n n n u .)*	11 December 2020	15,800
		34,183

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

44. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2020 (continued)

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

44. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2019 (continued)

Assets acquired and liabilities recognised at the dates of acquisition

RMB'000

Assets acquired and liabilities recognised at the dates of acquisition

Identifiable intangible assets	2,721,000
Goodwill	212,000
Net assets acquired	1,101,500
Trade receivables	1,127,000
Prepaid expenses	217,000
Other receivables	17,000
Other intangible assets	5,000
Trade payables	(2,000,000)
Other payables	(1,000,000)
Other liabilities	(21,000)
Net cash outflow	(117,000)
Net cash outflow arising on acquisitions	<u>70,000</u>

Bargain purchase gain arising on acquisitions

Net assets acquired	5,121,700
Goodwill	(70,000)
Bargain purchase gain	<u>(117,000)</u>

Net cash outflow arising on acquisitions

Trade receivables	5,121,700
Prepaid expenses	(222,000)
Other receivables	(5,000)
Net cash outflow	<u>2,000,000</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

44. ACQUISITION OF SUBSIDIARIES (continued)

Year ended 31 December 2019 (continued)

On 1 January 2019, the Group acquired 100% equity interest in a subsidiary, which is a wholly owned subsidiary of the Group. The acquisition is accounted for as an acquisition of a subsidiary under the acquisition method. The identifiable intangible assets acquired are recorded at fair value. The fair value of the identifiable intangible assets acquired is RMB1,551,577,000. The identifiable intangible assets acquired are recorded at fair value. The fair value of the identifiable intangible assets acquired is RMB1,551,577,000. The identifiable intangible assets acquired are recorded at fair value. The fair value of the identifiable intangible assets acquired is RMB1,551,577,000.

The acquisition of the subsidiary is accounted for as an acquisition of a subsidiary under the acquisition method. The identifiable intangible assets acquired are recorded at fair value. The fair value of the identifiable intangible assets acquired is RMB1,551,577,000. The identifiable intangible assets acquired are recorded at fair value. The fair value of the identifiable intangible assets acquired is RMB1,551,577,000.

The acquisition of the subsidiary is accounted for as an acquisition of a subsidiary under the acquisition method. The identifiable intangible assets acquired are recorded at fair value. The fair value of the identifiable intangible assets acquired is RMB1,551,577,000. The identifiable intangible assets acquired are recorded at fair value. The fair value of the identifiable intangible assets acquired is RMB1,551,577,000.

45. CAPITAL COMMITMENTS

At 31 December 2020, the Group has the following capital commitments:

	At 31 December	
	2020 RMB'000	2019 RMB'000
Capital commitments for the acquisition of subsidiaries	3,657,075	2,743,842
Capital commitments for the acquisition of subsidiaries (Note 22(a))	-	1,222,000
	3,657,075	3,965,842

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

46. PLEDGE OF ASSETS

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

	At 31 December	
	2020 RMB'000	2019 RMB'000
Land and buildings	2,353,117	1,012,115
Transportation assets	135,878	210,404
Other assets	52,259	5,077
	2,541,254	1,551,077

(b) Shares pledged

As at 31 December 2020, the Company has pledged 100% of the shares held by the Company in the subsidiaries, the subsidiaries' subsidiaries, the subsidiaries' subsidiaries (including the subsidiaries' subsidiaries) to secure bank borrowings.

47. RETIREMENT BENEFIT SCHEME CONTRIBUTIONS

The Company has participated in a defined contribution retirement benefit scheme. In 2020, the Company has contributed RMB1,100,000 (2019: RMB1,077,510,000) to the retirement benefit scheme. The Company has also contributed RMB1,000,000 (2019: RMB150,000) to the retirement benefit scheme.

The Company has also participated in a defined contribution retirement benefit scheme. In 2020, the Company has contributed RMB1,100,000 (2019: RMB1,077,510,000) to the retirement benefit scheme. The Company has also contributed RMB1,000,000 (2019: RMB150,000) to the retirement benefit scheme.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS

(a) The following table shows the related party balances and transactions for the year ended 31 December 2020 and 2019.

	At 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	2,016	1,500
Accounts payable	153	110
Other receivables	93	170
Other payables	167,931	50,100
	170,193	40,871
Trade receivables (note)	169,536	50,871
Trade payables (note)	657	7,057
	170,193	40,871

Note: Trade receivables and trade payables are denominated in RMB. Trade receivables are primarily from related parties. Trade payables are primarily to related parties.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(b)

	At 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	184,114	124,111
Accounts payable	5,424	1,220
	1	1
	189,539	125,332
Trade receivables (note)	170,400	122,440
Trade payables (note)	13,207	1,740
	5,932	,112
	189,539	124,292

Note: Trade receivables of 110 million RMB are due from related parties. Trade payables are due to related parties.

(c) Trade receivables are recognized at the original invoice amount less expected credit losses. Trade payables are recognized at the original invoice amount less expected credit losses. Trade receivables are classified as current assets if they are expected to be collected within 12 months after the reporting date. Trade payables are classified as current liabilities if they are expected to be settled within 12 months after the reporting date. Trade receivables and trade payables are measured at amortized cost. Trade receivables are classified as non-current assets if they are expected to be collected more than 12 months after the reporting date. Trade payables are classified as non-current liabilities if they are expected to be settled more than 12 months after the reporting date. Trade receivables and trade payables are measured at amortized cost.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(d) Transactions

During the year ended 31 December 2020, the Group entered into various transactions with related parties. The transactions are summarized as follows:

(i) Equipment maintenance services from related parties

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Expenses incurred	238,044	17,022

(ii) Administration services from a related party

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Expenses incurred	47,411	

(iii) Leasing properties from related parties

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Expenses incurred	46,198	1,507

(iv) Commission for entrusted loan service from a related non-bank financial institution

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Expenses incurred	17,373	17,501

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(d) Transactions (continued)

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

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	27,717	14,144

(vi) Property management fee charged by a related party

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	62,256	5,711

(vii) Heat energy sold to related parties

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	1,845,035	1,703,077

(viii) Equipment purchase framework agreement

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Accounts receivable	143,683	12,410

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(d) Transactions (continued)

(ix) Operating services from related parties

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
	9,366	10,720

(x) EPC framework agreement

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
	4,568	1,227

(xi) Finance lease framework agreement

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
	247,730	

During the year ended 31 December 2020, the Group entered into finance lease framework agreements with related parties for the purchase of various assets. The total amount of finance lease framework agreements entered into during the year ended 31 December 2020 was RMB27,700,000.

(xii) Generation Rights purchase from related parties

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
	10,243	

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

48. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(e) Compensation of key management personnel

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Short-term employee benefits	500	500
Retirement benefits	7,003	5,055
Other long-term employee benefits	29	100
	7,532	5,655

(f) The compensation of key management personnel is determined by reference to the performance of the individual and the market conditions. The compensation is determined by the Board of Directors.

49. CAPITAL RISK MANAGEMENT

The Company's capital risk management objectives are to ensure that the Company has sufficient resources to meet its obligations and to maintain a strong credit rating. The Company's capital structure is reviewed regularly and adjusted as necessary to ensure that the Company has sufficient resources to meet its obligations and to maintain a strong credit rating.

The Company's capital structure is reviewed regularly and adjusted as necessary to ensure that the Company has sufficient resources to meet its obligations and to maintain a strong credit rating.

The Company's capital structure is reviewed regularly and adjusted as necessary to ensure that the Company has sufficient resources to meet its obligations and to maintain a strong credit rating.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	At 31 December	
	2020 RMB'000	2019 RMB'000
Trade receivables	14,267,440	15,000,000
Trade payables	196,043	25,000
Other receivables	66,911	12,000
Other payables	-	7,500
Total	14,530,394	15,044,500
Financial assets	41,865,964	44,500,570
Financial liabilities	64,578	71,000

(b) Financial risk management objectives and policies

The Group's financial risk management objectives and policies are to ensure that the Group has sufficient liquidity to meet its financial obligations and to manage the Group's exposure to financial risks, including credit risk, liquidity risk and market risk. The Group's financial risk management objectives and policies are to ensure that the Group has sufficient liquidity to meet its financial obligations and to manage the Group's exposure to financial risks, including credit risk, liquidity risk and market risk.

Market risk

The Group's market risk management objectives and policies are to ensure that the Group has sufficient liquidity to meet its financial obligations and to manage the Group's exposure to financial risks, including credit risk, liquidity risk and market risk.

The Group's market risk management objectives and policies are to ensure that the Group has sufficient liquidity to meet its financial obligations and to manage the Group's exposure to financial risks, including credit risk, liquidity risk and market risk.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(i) Interest rate risk management

The Company's interest rate risk management policy is to manage the interest rate risk arising from its operations. The Company uses interest rate derivatives to hedge its interest rate risk. The Company's interest rate risk management policy is to manage the interest rate risk arising from its operations. The Company uses interest rate derivatives to hedge its interest rate risk.

The Company's interest rate risk management policy is to manage the interest rate risk arising from its operations. The Company uses interest rate derivatives to hedge its interest rate risk.

The Company's interest rate risk management policy is to manage the interest rate risk arising from its operations. The Company uses interest rate derivatives to hedge its interest rate risk.

Interest rate sensitivity

The Company's interest rate sensitivity is measured by the change in the fair value of the Company's financial instruments that are sensitive to the change in interest rates. The Company's interest rate sensitivity is measured by the change in the fair value of the Company's financial instruments that are sensitive to the change in interest rates.

The Company's interest rate sensitivity is measured by the change in the fair value of the Company's financial instruments that are sensitive to the change in interest rates. The Company's interest rate sensitivity is measured by the change in the fair value of the Company's financial instruments that are sensitive to the change in interest rates.

At 31 December 2020, the Company's interest rate sensitivity is measured by the change in the fair value of the Company's financial instruments that are sensitive to the change in interest rates. The Company's interest rate sensitivity is measured by the change in the fair value of the Company's financial instruments that are sensitive to the change in interest rates.

At 31 December 2019, the Company's interest rate sensitivity is measured by the change in the fair value of the Company's financial instruments that are sensitive to the change in interest rates. The Company's interest rate sensitivity is measured by the change in the fair value of the Company's financial instruments that are sensitive to the change in interest rates.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(ii) Foreign currency risk management

Currency risk

The Group's financial instruments that are exposed to currency risk are primarily denominated in US dollars, Hong Kong dollars, and Renminbi. The Group's policy is to manage the currency risk arising from these instruments by using forward exchange contracts.

Currency sensitivity

The Group's financial instruments are primarily denominated in US dollars, Hong Kong dollars, and Renminbi. The Group's policy is to manage the currency risk arising from these instruments by using forward exchange contracts.

	Liabilities		Assets	
	31 December 2020 RMB'000	2019 RMB'000	31 December 2020 RMB'000	2019 RMB'000
	25,307	10,000	-	-
\$	-	-	1,060	1,072
\$	-	-	5,139	4,200
A \$	-	-	6,069	5,272

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(ii) Foreign currency risk management (continued)

Currency sensitivity (continued)

The Company is exposed to foreign currency risk arising from its operations in various countries. The Company's financial statements are presented in RMB. The Company's foreign currency risk management objectives and policies are to minimize the foreign exchange risk arising from its operations in various countries. The Company uses natural hedges to manage its foreign currency risk. The Company's foreign currency risk management objectives and policies are to minimize the foreign exchange risk arising from its operations in various countries. The Company uses natural hedges to manage its foreign currency risk.

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
US dollar	1,027	5
US dollar	(43)	(51)
US dollar	(208)	(255)
US dollar (A\$)	(246)	(1,027)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iii) Other price risks

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

Equity price sensitivity analysis

The following table shows the sensitivity of the Group's equity price risk to a 15% increase and a 15% decrease in the price of the equity securities held by the Group at the reporting date. The analysis is based on the closing price of the equity securities in the active market at the reporting date. The analysis is based on the closing price of the equity securities in the active market at the reporting date.

Equity price sensitivity analysis	2020	2019
Equity price sensitivity analysis	2,550,000	2,550,000

Credit risk and impairment assessment

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

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

Credit risk and impairment assessment (continued)

	12-month or lifetime ECL	At 31 December	
		2020 Gross carrying amount RMB'000	2019 Gross carrying amount RMB'000
Financial assets at amortised cost			
Trade receivables	12	357,193	21,871
Other receivables	12	4,352,814	1,100,477
Other financial assets	12	398,116	220,884
	(-)	24,778	2,700
Total		8,881,911	1,625,932
		294,875	1,331,057

Notes:

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

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

Credit risk and impairment assessment (continued)

Restricted bank deposits and cash and cash equivalents

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk management

The Group's liquidity risk management policy is to ensure that it is able to meet its financial obligations as they fall due. The Group monitors its liquidity position and manages its liquidity risk by ensuring that it has sufficient cash and liquid assets to meet its obligations. The Group's liquidity risk is managed by the Finance Department, which is responsible for ensuring that the Group has sufficient cash and liquid assets to meet its obligations. The Group's liquidity risk is managed by the Finance Department, which is responsible for ensuring that the Group has sufficient cash and liquid assets to meet its obligations.

The Group's liquidity risk management policy is to ensure that it is able to meet its financial obligations as they fall due. The Group monitors its liquidity position and manages its liquidity risk by ensuring that it has sufficient cash and liquid assets to meet its obligations. The Group's liquidity risk is managed by the Finance Department, which is responsible for ensuring that the Group has sufficient cash and liquid assets to meet its obligations.

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Liquidity risk

The Group's liquidity risk management policy is to ensure that it is able to meet its financial obligations as they fall due. The Group monitors its liquidity position and manages its liquidity risk by ensuring that it has sufficient cash and liquid assets to meet its obligations. The Group's liquidity risk is managed by the Finance Department, which is responsible for ensuring that the Group has sufficient cash and liquid assets to meet its obligations.

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

	Weighted average effective interest rate %	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2020								
Trade receivables	-	4,351,400	317,080	121,950	-	-	4,790,430	4,790,430
Trade payables	3.89	8,795,910	2,377,019	2,056,726	2,688,075	3,315,301	19,233,031	17,441,753
Other receivables	3.46	4,179,528	410,618	126,717	908,137	347,388	5,972,388	5,772,837
Other payables	2.51	7,148,844	-	-	-	-	7,148,844	7,060,658
Financial assets	5.01	231,671	2,231,671	1,616,011	1,033,915	-	5,113,268	4,585,335
Financial liabilities	3.37	67,036	1,067,036	430,278	619,535	-	2,183,885	2,025,412
Accounts receivable	-	189,539	-	-	-	-	189,539	189,539
Accounts payable	4.77	76,684	100,643	95,846	123,966	900,394	1,297,533	900,995
Other	-	19,576	-	-	43,510	1,492	64,578	64,578
		<u>25,060,188</u>	<u>6,504,067</u>	<u>4,447,528</u>	<u>5,417,138</u>	<u>4,564,575</u>	<u>45,993,496</u>	<u>42,831,537</u>
At 31 December 2019								
Trade receivables		7,172	2,551	115	205		51,157	51,157
Trade payables		1,722	1,051	1,515	1,220	1,117	11,071	11,500
Other receivables		1,707	2,151		1,702	17,224	20,011	2,717
Other payables		1,121					1,121	1,071
Financial assets	5.17	1,755	1,755	1,755	1,755		7,215	5,177
Financial liabilities		1,755	1,755	1,015			1,110	1,051
Accounts receivable		1,224					1,224	1,224
Accounts payable		1,535	1,535	1,015	21	1,701	3,771	5,700
Other		707	751	215	7	5	710	710
		<u>12,224</u>	<u>4,257</u>	<u>1,207</u>	<u>1,772</u>	<u>2,221</u>	<u>17,717</u>	<u>15,105</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(c) Fair value

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique and key input
	31 December 2020	31 December 2019		
(1) (see Note 30)	Listed equity securities in Hong Kong: Electric power industry - RMB196,043,000	25,000,000	1	
(2) (see Note 37)	Liabilities - RMB21,068,000	7,570,000	2	
(3) (see Note 25)	Private equity investments in the PRC: (i) Electric power industry - RMB66,911,000	1,000,000	3	
(4) (see Note 37)	Liabilities - RMB43,510,000	1,000,000	(note)	

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

50. FINANCIAL INSTRUMENTS (continued)

(c) Fair value (continued)

Note: The company has entered into a swap agreement with a bank to hedge the foreign exchange risk of its foreign currency denominated assets and liabilities. The swap agreement is a cross-currency swap with a notional amount of RMB 2,121,000 (2019: RMB 2,121,000). The swap agreement is classified as a financial liability at fair value through profit or loss.

The fair value of the swap agreement is determined using the market approach. The fair value is measured using the present value of the expected future cash flows, discounted at the market rate for a similar instrument. The fair value of the swap agreement is RMB 1,000,000 (2019: RMB 1,000,000).

The company has also entered into a fixed forward commodity contract to hedge the price risk of its commodity purchases. The contract is classified as a financial liability at fair value through profit or loss. The fair value of the contract is determined using the market approach. The fair value is measured using the present value of the expected future cash flows, discounted at the market rate for a similar instrument. The fair value of the contract is RMB 1,000,000 (2019: RMB 1,000,000).

Fixed forward commodity contract

Year ended 31 December

	2020 RMB'000	2019 RMB'000
Fixed forward commodity contract		

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

51. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank and other borrowings RMB'000	Short-term debentures RMB'000	Medium-term notes RMB'000	Corporate bond RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2021	1,170,107	4,071,100	5,570,277	1,000,000	20,872	21,832,555
Issuance of new debt	(1,170,107)	(4,071,100)	(5,570,277)	1,000,000	(10,511)	(10,822,095)
Amortisation	1,505	71,100	70,277	,515	121	1,101,018
Exchange rate differences	2,115					2,115
Other					11,212	11,212
At 31 December 2021	1,505	71,100	70,277	,515	21,111	1,101,018
At 1 January 2020	1,270,807	4,071,100	5,510,877	1,000,515	57,000	22,510,367
Issuance of new debt	19,273,307	6,076,941	3,560,377	1,004,515	587,400	30,502,540
Amortisation	3,592,943	923,059	928,302	994,769	(49,321)	6,389,752
Amortisation of lease liabilities	29,651	60,658	96,656	26,128	27,927	241,020
Exchange rate differences	(62,261)	-	-	-	-	(62,261)
Other	-	-	-	-	309,844	309,844
At 31 December 2020	380,950	-	-	-	25,145	406,095
At 1 January 2020	23,214,590	7,060,658	4,585,335	2,025,412	900,995	37,786,990

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2020	201	
			2020	201	2020	201	2020	201	
北京太陽宮燃氣熱電有限公司 (北京太陽宮燃氣熱電有限公司) (T n n q i .)*		77,270,000	74%	7%	-	-	74%	7%	發電
北京橋樑熱電有限責任公司 (北京橋樑熱電有限責任公司)*		77,700,000	100%	100%	-	-	100%	100%	發電
北京豐盛燃氣發電有限責任公司 (北京豐盛燃氣發電有限責任公司)*		25,770,000	100%	100%	-	-	100%	100%	發電
北京京能高安屯燃氣熱電有限責任公司 (北京京能高安屯燃氣熱電有限責任公司)*		70,512,000	100%	100%	-	-	100%	100%	發電
北京京西燃氣熱電有限公司 (北京京西燃氣熱電有限公司)*		1,010,000,000	100%	100%	-	-	100%	100%	發電
北京華能燃氣熱電有限公司 (北京華能燃氣熱電有限公司)*		775,500,000	100%	100%	-	-	100%	100%	發電
北京華能燃氣熱電有限公司 (北京華能燃氣熱電有限公司)*		201,770,000	100%	100%	-	-	100%	100%	發電
盈江華富水電開發有限公司 (盈江華富水電開發有限公司)*		100,000,000	100%	100%	-	-	100%	100%	發電
騰冲縣猴橋永興河水電開發有限公司 (騰冲縣猴橋永興河水電開發有限公司)*		77,000,000	100%	100%	-	-	100%	100%	發電
北京華能燃氣熱電有限公司 (北京華能燃氣熱電有限公司)*		100,000,000	100%	100%	-	-	100%	100%	發電
北京華能燃氣熱電有限公司 (北京華能燃氣熱電有限公司)*		0,000,000	100%	100%	-	-	100%	100%	發電
成都金華能電力實業有限責任公司 (成都金華能電力實業有限責任公司)*		0,000,000	-	-	100%	100%	100%	100%	發電

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES (continued)

(continued)

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2020	201	
			2020	201	2020	201			
內蒙古京能商都風力發電有限責任公司 (nn q 4 n n n n n u n 4 4 .)*		207,520,000	100%	100%	-		100%	100%	n 4 n n q
n		2,71 0,000	100%	100%	-		100%	100%	n 5 n n n 4 n n q
內蒙古京能察右中風力發電有限責任公司 (nn q 4 n n n n 4 q n 4 .)*		1,000	100%	100%	-		100%	100%	n 4 n n q
錫林郭勒吉相華亞風力發電有限責任公司 (n u 4 n u n n 4 4 .)*		1,000	100%	100%	-		100%	100%	n 4 n n q
內蒙古京能烏蘭伊力更風力發電有限責任公司 (nn q 4 n n n n u n n n 4 4 .)*		7 2,50,000	100%	100%	-		100%	100%	n 4 n 4 4 4 4 n n q
左雲京能風力發電有限責任公司 (u 4 n n n n n 4 4 .)*		5,7 0,000	100%	100%	-		100%	100%	n 4 n n q
內蒙古京能文貢烏拉風力發電有限公司 (nn q 4 n n n n n q u n 4 4 .)*		11 0,000	100%	100%	-		100%	100%	n 4 n 4 4 4 4 n n q
內蒙古霍林郭勒風力發電有限責任公司 (nn q 4 u q u 4 n 4 4 .)*		12 ,220,000	100%	100%	-		100%	100%	n 4 n n q
內蒙古京能巴林右風力發電有限責任公司 (nn q 4 n n n n n 4 n 4 4 .)*		1 ,2 0,000	100%	100%	-		100%	100%	n 4 n n q
內蒙古京能科右中風力發電有限責任公司 (nn q 4 n n n n 4 q n 4 4 .)*		7 0,000,000	100%	100%	-		100%	100%	n 4 n n q
內蒙古京能旗杆風力發電有限公司 (nn q 4 n n n n n n 4 4 .)*		7 0,000,000	100%	100%	-		100%	100%	n 4 n n q

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES (continued)

(continued)

Name of subsidiary	Place of registration and operation	Paid up issued/registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2020	201	
			2020	201	2020	201			
內蒙古京能烏蘭風力發電有限公司 (Inner Mongolia Jingneng Wulan Wind Power Generation Co., Ltd.)*		15,100,000	100%	100%	-	-	100%	100%	Power generation
寧夏京能新能源有限公司 (Ningxia Jingneng New Energy Co., Ltd.)*		1,500,000	100%	100%	-	-	100%	100%	Power generation
寧夏京能靈武風電有限公司 (Ningxia Jingneng Lingwu Wind Power Generation Co., Ltd.)*		11,027,000	100%	100%	-	-	100%	100%	Power generation
五家渠京能新能源有限責任公司 (Wujiaqian Jingneng New Energy Co., Ltd.)*		10,720,000	100%	100%	-	-	100%	100%	Power generation
寧夏京能中衛有限公司 (Ningxia Jingneng Zhongwei Co., Ltd.)*		50,000,000	100%	100%	-	-	100%	100%	Power generation
§		2,000,000	100%	100%	-	-	100%	100%	Power generation
遼寧京能新能源有限公司 (Liaoning Jingneng New Energy Co., Ltd.)*		5,700,000	100%	100%	-	-	100%	100%	Power generation
寧夏靈武京能新能源有限公司 (Ningxia Lingwu Jingneng New Energy Co., Ltd.)*		50,700,000	100%	100%	-	-	100%	100%	Power generation
寧夏中寧京能新能源有限公司 (Ningxia Zhongning Jingneng New Energy Co., Ltd.)*		71,000,000	100%	100%	-	-	100%	100%	Power generation
格爾木京能新能源有限公司 (Golmud Jingneng New Energy Co., Ltd.)*		205,000,000	100%	100%	-	-	100%	100%	Power generation
內蒙		17,000	100%	0%	-	-	100%	0%	Power generation
總計	中國	\$77,457,000	100%	100%	-	-	100%	100%	Power generation

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES (continued)

(continued)

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2020	201	
			2020	201	2020	201			
	Au_s	A \$12,400,000	-		100%	100%	100%	100%	n q
	Au_s	A \$1,500,000	-		100%	100%	100%	100%	n q
深圳京能清潔能源融資租賃有限公司 (n n n n n n n n n n)*		¥5,000	-		100%	100%	100%	100%	n n s
府谷縣京能新能源有限公司 (u u n n n n n n n n)*		151,400,000	100%	100%	-		100%	100%	n q
共和京能清潔能源有限公司 (n n n n n n n n n n)*		155,420,000	100%	100%	-		100%	100%	n q
寧夏海原京能新能源有限公司 (n u n n n n n n n n)*		¥1,100,000	100%	100%	-		100%	100%	n q
大同京能新能源有限公司 (n n n n n n n n n n)*		170,000,000	100%	100%	-		100%	100%	n q
靖遠京能新能源有限公司 (n u n n n n n n n n)*		7,500,000	100%	100%	-		100%	100%	n q
徐聞京能新能源有限公司 (u n n n n n n n n n)*		100,000,000	100%	100%	-		100%	100%	n q
北票京能新能源有限公司 (n n n n n n n n n n)*		5,410,000	100%	100%	-		100%	100%	n q
朝陽縣京能新能源有限公司 (n n n n n n n n n n)*		¥11,000,000	100%	100%	-		100%	100%	n q
緜豐縣京能新能源有限公司 (n u n n n n n n n n)*		21,010,000	100%	100%	-		100%	100%	n q
葫蘆島南票京能新能源有限公司 (u u n n n n n n n n)*		¥1,000,000	100%	100%	-		100%	100%	n q

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the reporting entity
			Equity interest attributable to the reporting entity

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

Name of subsidiary	Place of registration and operation	Paid up capital			
		Paid up capital 34,173,000.00			

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES (continued)

(continued)

Name of subsidiary	Place of registration and operation	Paid up issued/registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2020	201	
			2020	201	2020	201	2020	201	
常德德潤新能源有限公司 (常德市德潤新能源有限公司)*		11,070,000	100%	100%	-	-	100%	100%	新能源
常德德潤新能源有限公司 (常德市德潤新能源有限公司)*		10,000,000	100%	100%	-	-	100%	100%	新能源
常德德潤新能源有限公司 (常德市德潤新能源有限公司)*		1,000,000	100%	100%	-	-	100%	100%	新能源
漢陽德潤新能源有限公司 (漢陽市德潤新能源有限公司)*		,150,000	100%	100%	-	-	100%	100%	新能源
陽西清芸陽光新能源科技有限公司 (陽西清芸陽光新能源科技有限公司)*		27,200,000	100%	100%	-	-	100%	100%	新能源
惠州市永景新能源科技有限公司 (惠州市永景新能源科技有限公司)*			100%	100%	-	-	100%	100%	新能源
陽江華晶綠色能源科技有限公司 (陽江華晶綠色能源科技有限公司)*		10,700,000	100%	100%	-	-	100%	100%	新能源
張北京能清潔能源有限公司 (張北京能清潔能源有限公司)*		100,700,000	100%	100%	-	-	100%	100%	新能源
尚義京能新源有限公司 (尚義京能新源有限公司)*		150,000,000	100%	100%	-	-	100%	100%	新能源
康保新清源能源有限公司 (康保新清源能源有限公司)*		2,000,000	100%	100%	-	-	100%	100%	新能源

* 本公司持有該等附屬公司100%股權

Note: All subsidiaries are wholly owned by the Company. The principal activities of the subsidiaries are listed in the table above.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

52. SUBSIDIARIES (continued)

Name of subsidiary	Incorporation/ establishment/ registration and operation	Proportion ownership interest held by non-controlling interests		Profit allocated to non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		2020	201	2020	201	2020	201	2020	201
		%	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Taiyanggong Power		26	21	60,645	70,717	60,645	70,717	332,315	307,441

The subsidiary is incorporated in the People's Republic of China and is a wholly-owned subsidiary of the Company. The subsidiary is engaged in the power generation business.

Taiyanggong Power	2020 RMB'000	201 RMB'000
Equity	482,862	500,500
Reserves	1,082,747	1,200,150
Liabilities	263,091	510,025
Equity	24,379	20,711
Reserves	2,084,698	2,001,775
Liabilities	233,250	200,527
Equity	65,991	150,020
Reserves	448,886	510,750
Liabilities	13,986	(110,520)
Equity	(527,437)	(520,500)
Liabilities	(64,565)	(120,020)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

53. EVENT AFTER THE END OF THE REPORTING PERIOD

On January 1, 2021, the Company's consolidated financial statements were audited by the Big 4 audit firm. The audit firm issued an unqualified audit opinion on the consolidated financial statements for the year ended December 31, 2020. The audit firm also issued a going concern opinion on the consolidated financial statements for the year ended December 31, 2020. The audit firm's opinion is that the consolidated financial statements for the year ended December 31, 2020, present a true and fair view of the Company's financial position, financial performance, and cash flows for the year ended December 31, 2020, in accordance with the applicable accounting standards.

As at January 1, 2021, the Company's consolidated financial statements were audited by the Big 4 audit firm. The audit firm issued an unqualified audit opinion on the consolidated financial statements for the year ended December 31, 2020. The audit firm also issued a going concern opinion on the consolidated financial statements for the year ended December 31, 2020. The audit firm's opinion is that the consolidated financial statements for the year ended December 31, 2020, present a true and fair view of the Company's financial position, financial performance, and cash flows for the year ended December 31, 2020, in accordance with the applicable accounting standards.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

54. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	At 31 December	
	2020 RMB'000	2019 RMB'000
Non-current assets		
Land use rights	1,190,407	1,303,712
Intangible assets	15,742	21,111
Investments in subsidiaries	19,571	1,520
Investments in associates	16,857,908	15,700,011
Investments in joint ventures	2,410,328	17,000
Financial assets at fair value through profit or loss	117,000	104,000
Financial assets at fair value through other comprehensive income	130,904	152,417
Financial assets at amortised cost	70,000	15,000
Financial assets at cost	4,257,500	2,100,000
Other non-current assets	37,913	104,112
Deferred tax assets	-	1,000
Prepaid expenses and other receivables	3,423	4,211
Other non-current assets	8,319	172,250
	25,119,015	21,201,212
Current assets		
Financial assets at fair value through profit or loss	1,652	2,051
Financial assets at fair value through other comprehensive income	361,035	212,111
Financial assets at amortised cost	266,875	110,501
Financial assets at cost	-	10,000
Accounts receivable	11,399,500	10,311,500
Accounts payable	2,496	1,111
Accounts payable	6,370,820	5,712,211
Prepaid expenses and other receivables	5,425	5,071
Other current assets	847,395	75,011
	19,255,198	14,121,212

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	At 31 December	
	2020 RMB'000	2019 RMB'000
Current liabilities		
Trade payables	140,202	1,074,111
Accounts payable	2,910	2,570
Accounts receivable	771,264	2,275,111
Other payables	6,770,277	2,717,000
Contract liabilities	7,060,658	4,074,111
Provisions	96,656	70,200
Other current liabilities	26,128	1,770
Income tax payable	497	1,511
Dividends payable	4,377	7,111
Other current liabilities	1,949	1,270
	14,874,918	11,555,111
Net current assets	4,380,280	5,000,111
Total assets less current liabilities	29,499,295	24,100,277
Non-current liabilities		
Other non-current liabilities	1,029,500	2,100,250
Provisions	4,488,679	1,000
Other non-current liabilities	1,999,284	1,111
Income tax payable	2,792	2,050
Other non-current liabilities	84,099	1,250
Income tax payable	11,806	15,511
	7,616,160	7,200,111
Net assets	21,883,135	17,899,166
Capital and reserves		
Share capital	8,244,508	8,244,508
Reserves	12,113,045	11,151,111
Other reserves	1,525,582	1,525,582
	21,883,135	20,921,201
Total equity	21,883,135	20,921,201

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Other reserve RMB'000	Fair value through other comprehensive income reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2019	2,277,011	2,257	-	12,750	1,705,211	4,287,229
Profit for the year	-	-	-	8,678	1,561,113	1,569,791
Other comprehensive income	-	-	-	(4,666)	-	(4,666)
At 31 December 2019	-	152,240	-	-	(152,240)	-
At 1 January 2020	-	-	-	-	(595,253)	(595,253)
Profit for the year	-	-	-	(24,428)	24,428	-
Other comprehensive income	-	-	(8,692)	-	-	(8,692)
At 31 December 2020	4,287,401	1,314,296	(8,692)	(4,666)	6,524,706	12,113,045

Definitions

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Definitions

<p> 本公司在 2021年 12月31日 的資產負債表 中，將所有 以人民幣計 價的資產和 負債列為 人民幣資產 和負債。 </p>	<p> 本公司在 2021年 12月31日 的資產負債表 中，將所有 以人民幣計 價的資產和 負債列為 人民幣資產 和負債。 </p>
<p> 2021年 12月31日 的資產負債表 中，將所有 以人民幣計 價的資產和 負債列為 人民幣資產 和負債。 </p>	<p> 2021年 12月31日 的資產負債表 中，將所有 以人民幣計 價的資產和 負債列為 人民幣資產 和負債。 </p>
<p> 中國人民銀行 (People's Bank of China) </p>	<p> 中國人民銀行 (People's Bank of China) </p>
<p> 國務院國有資產 監督管理委員會 (State-owned Assets Supervision and Administration Commission) </p>	<p> 國務院國有資產 監督管理委員會 (State-owned Assets Supervision and Administration Commission) </p>
<p> 本公司在 2021年 12月31日 的資產負債表 中，將所有 以人民幣計 價的資產和 負債列為 人民幣資產 和負債。 </p>	<p> 本公司在 2021年 12月31日 的資產負債表 中，將所有 以人民幣計 價的資產和 負債列為 人民幣資產 和負債。 </p>
<p> 本公司在 2021年 12月31日 的資產負債表 中，將所有 以人民幣計 價的資產和 負債列為 人民幣資產 和負債。 </p>	<p> 本公司在 2021年 12月31日 的資產負債表 中，將所有 以人民幣計 價的資產和 負債列為 人民幣資產 和負債。 </p>

Corporate Information

Registered Name	北京京能清洁能源股份有限公司
Directors	
Executive Director	<ul style="list-style-type: none"> · 姚 俊 良 (Chairman) · 王 建 宇 (General Manager) · 姚 宇 坤 · 姚 俊 强
Non-executive Directors	<ul style="list-style-type: none"> · 王 建 宇 · 姚 宇 坤 · 姚 俊 强
Independent Non-executive Directors	<ul style="list-style-type: none"> · 姚 俊 良 · 姚 宇 坤 · 姚 俊 强 · 王 建 宇
Strategy Committee	<ul style="list-style-type: none"> · 姚 俊 良 (Chairman) · 姚 宇 坤 · 姚 俊 强 · 王 建 宇
Remuneration and Nomination Committee	<ul style="list-style-type: none"> · 姚 俊 良 (Chairman) · 姚 俊 强 · 王 建 宇
Audit Committee	<ul style="list-style-type: none"> · 姚 宇 坤 (Chairman) · 姚 俊 强 · 王 建 宇
Legal and Compliance Management Committee	<ul style="list-style-type: none"> · 姚 俊 良 (Chairman) · 王 建 宇 · 姚 宇 坤
Supervisors	<ul style="list-style-type: none"> · 姚 俊 良 · 姚 俊 强 · 姚 宇 坤
Company Secretary	· 姚 俊 良

Authorized Representatives

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Registered Office

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Principal Place of Business in the PRC

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Principal Place of Business in Hong Kong

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Principal Bankers

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Corporate Information

International Auditors

德勤华永会计师事务所(特殊普通合伙)
Deen Hui Weng Accounting Firm (Special General Partnership)
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Domestic Auditors

天职国际会计师事务所(特殊普通合伙)
Tianzhi International Accounting Firm (Special General Partnership)
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Hong Kong Legal Advisors

德勤华永会计师事务所
Deen Hui Weng Accounting Firm
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PRC Legal Advisors

天演律师事务所
Tianyan Law Firm
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H Share Registrar

中国证券登记结算有限责任公司
China Securities Depository and Clearing Co., Ltd.
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Stock Code

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Company's Website

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Listing Place

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