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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Energy Engineering Corporation Limited**, you should at once hand this circular and the accompanying proxy forms and the reply slips to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中國能源建設股份有限公司

CHINA ENERGY ENGINEERING CORPORATION LIMITED*

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

(Stock Code: 3996)

**VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN
RELATION TO THE ABSORPTION AND MERGER OF CGGC
ARTICLES OF ASSOCIATION AND ITS APPENDICES APPLICABLE AFTER
THE LISTING OF A SHARES
AMENDMENTS TO THE ADMINISTRATIVE MEASURES
FOR EXTERNAL GUARANTEES
A SHARE PRICE STABILIZATION PLAN
DIVIDEND DISTRIBUTION PLAN FOR THE THREE YEARS AFTER THE
ABSORPTION AND MERGER OF CGGC THROUGH SHARE SWAP BY THE
ISSUANCE OF A SHARES BY THE COMPANY
DILUTION OF IMMEDIATE RETURNS BY THE MERGER AND PROPOSED
REMEDIAL MEASURES
AMENDMENT TO BUSINESS SCOPE OF THE COMPANY
AUTHORIZATION TO THE BOARD AND ITS AUTHORISED PERSONS TO
DEAL WITH MATTERS RELATING TO THE MERGER
NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2021
NOTICE OF THE SECOND DOMESTIC SHAREHOLDERS'
CLASS MEETING OF 2021
AND
NOTICE OF THE SECOND H SHAREHOLDERS' CLASS MEETING OF 2021**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Gram Capital Limited
嘉林資本有限公司

Notices of the second extraordinary general meeting of 2021 (the "EGM"), the second domestic shareholders' class meeting of 2021 and the second H shareholders' class meeting of 2021 (individually or collectively referred as "Class Meeting(s)") to be held in sequence by China Energy Engineering Corporation Limited* (the "Company") at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Friday, 9 April 2021 at 10 a.m. are set out on pages 1115 to 1125 of this circular.

The notices of the EGM and the Class Meetings, together with the enclosed reply slips and proxy forms for use, have been despatched to the H Shareholders on 22 March 2021, and these reply slips and proxy forms are also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ceec.net.cn>). If you intend to appoint a proxy to attend the EGM and/or Class Meetings, you are requested to complete and sign the accompanying proxy forms in accordance with the instructions printed thereon, and return by 10 a.m. on Thursday, 8 April 2021. Completion, signing and return of the proxy forms shall not preclude you from attending and voting at the EGM and/or Class Meetings should you so wish. Shareholders who intend to attend the EGM and/or Class Meetings in person or by proxy should complete, sign and return the reply slips in accordance with the instructions printed thereon at or before 10 a.m. on Wednesday, 7 April 2021.

25 March 2021

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	9
Letter from the Independent Board Committee	82
Letter from Gram Capital	83
Appendix I - Financial Information of the Group	101
Appendix II - Financial Information of the Target Group	109
Appendix III - Unaudited Pro Forma Financial Information of the Group	920
Appendix IV - Management Discussion and Analysis of the Group	935
Appendix V - Management Discussion and Analysis of the Target Group	997
Appendix VI - General Information	1002
Appendix VII - Comparison Table of Amendments to Articles of Association	1008
Appendix VIII - Comparison Table of Amendments to Rules of Procedures of the Shareholders' General Meeting	1057
Appendix IX - Comparison Table of Amendments to Rules of Procedures of the Board of Directors	1074
Appendix X - Comparison Table of Amendments to Rules of Procedures of the Supervisory Committee	1082
Appendix XI - Comparison Table of Amendments to Administrative Measures for External Guarantees	1087
Appendix XII - A Share Price Stabilization Plan	1100
Appendix XIII - Dividend Distribution Plan for the Three Years After the Absorption and Merger of CGGC through Share Swap by the Issuance of A Shares by the Company	1104
Appendix XIV - Dilution of Immediate Returns by the Merger and Proposed Remedial Measures	1108
Notice of the Second Extraordinary General Meeting of 2021	1115
Notice of the Second Domestic Shareholders' Class Meeting of 2021	1120
Notice of the Second H Shareholders' Class Meeting of 2021	1123

DEFINITIONS

Unless the context otherwise requires, the following expressions in this circular shall have the following meanings:

“A Share(s)”	A shares with a nominal value of RMB1.00 each to be issued under the Merger and will be applied to be listed and traded on the Main Board of the SSE, and the original Domestic Shares of the Company will be converted into A Shares and applied to be listed and traded on the Main Board of the SSE
“Administrative Measures for External Guarantees”	the Administrative Measures for External Guarantees of China Energy Engineering Corporation Limited
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of directors of the Company
“Cash Alternative Exercise Date”	the date on which the Cash Alternative Providers of CGGC is assigned part or all of the shares that the Dissenting Shareholders of CGGC intend to use to exercise the Cash Alternative, and pay cash consideration to such Dissenting Shareholders of CGGC, which will be determined and announced by the merging parties to the Merger through negotiation separately
“Cash Alternative Provider(s)”	the entity(ies) that pay(s) cash consideration to the qualified Dissenting Shareholders of CGGC and accept the CGGC shares held by the Dissenting Shareholders, i.e. Energy China Group (including its subsidiaries, except for China Energy Engineering and its subsidiaries) and/or its designated unrelated third parties
“Cash Alternative”	the rights of the Dissenting Shareholders of CGGC entitled in the Merger. The Dissenting Shareholders of CGGC who declare to exercise the right may request the Cash Alternative Providers acquire all or some of the CGGC shares held by them in cash during the Declaration Period of Cash Alternative
“CGGC Conversion Shareholders”	the following shareholders of CGGC (other than CGGC Group) whose name appears on the register of shareholders by the registration and clearing authority at the close of business of Registration Date of Implementation of the Share Swap: (1) all shareholders of CGGC who have not declared, partially declared, have no right to declare or invalidly declared the exercise of the Cash Alternative; (2) the Cash Alternative Providers who have paid cash to shareholders of CGGC exercising the Cash Alternative (except for the Company or its subsidiaries as the Cash Alternative Providers)

DEFINITIONS

“CGGC Group”	China Gezhouba Group Company Limited, a subsidiary of the Company. As of the Latest Practicable Date, CGGC Group holds approximately 42.84% of the CGGC shares and is the controlling shareholder of CGGC
“CGGC”	China Gezhouba Group Stock Company Limited* (中國葛洲壩集團股份有限公司), whose shares are listed on the SSE (stock code: 600068), a subsidiary indirectly held by the Company of approximately 42.84% equity interest
“Chengtong Financial Control”	Beijing Chengtong Financial Control Investment Co., Ltd.* (北京誠通金控投資有限公司)
“China Reform Holdings”	China Reform Holdings Corporation Ltd.* (中國國新控股有限責任公司)
“China” or “PRC”	the People’s Republic of China
“Class Meeting(s)”	the Domestic Shareholders’ Class Meeting and/or the H Shareholders’ Class Meeting
“Closing Date”	the same day as the Conversion Date or such other date as the merging parties may agree, on which the Receiving Party will inherit and take over all assets, liabilities, businesses, contracts, qualifications, employees and all other rights and obligations
“Company Law”	the Company Law of the People’s Republic of China
“Company” or “China Energy Engineering”	China Energy Engineering Corporation Limited* (中國能源建設股份有限公司), a joint stock company with limited liability established in the PRC, whose H Shares are listed on the Hong Kong Stock Exchange (stock code: 3996)
“Completion Date”	the date on which the Company completes the corresponding industrial and commercial change registration procedures for the Merger or the date on which CGGC completes the industrial and commercial deregistration procedures, whichever is later
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Conversion Date”	the date on which the A Shares issued by the Company to the CGGC Conversion Shareholders for paying the consideration of the Merger are registered by the registration and clearing authority under the name of the CGGC Conversion Shareholders, which will be determined and announced by the merging parties to the Merger through negotiation separately
“Conversion Price” or “CGGC Conversion Price”	the price per share of CGGC when the A shares of CGGC are converted into A Shares to be issued by the Company under the Share Swap
“Conversion Ratio”	the ratio of the number of A shares of CGGC to be converted into A Shares of the Company under the Share Swap
“CSRC”	China Securities Regulatory Commission
“Declaration Period of Cash Alternative”	the period during which the eligible Dissenting Shareholders of CGGC may request to exercise the Cash Alternative, which will be determined and announced by the merging parties through negotiation separately
“Declaration Period of Put Option”	the period during which the eligible Dissenting Shareholders of the Company may request to exercise the Put Option, which will be determined and announced by the merging parties through negotiation separately
“Director(s)”	the director(s) of the Company
“Dissenting Shareholders of CGGC”	the shareholders of CGGC having cast effective dissenting votes in respect of the resolutions and each of the sub-resolutions regarding the Merger proposal and the resolutions regarding entering into the Merger Agreement between the parties in relation to the Merger at the shareholders’ general meeting regarding the Merger, being in objection to the Merger and having held the shares which are entitled to the dissenting rights until the Cash Alternative Exercise Date of the Dissenting Shareholders of CGGC, and having successfully fulfilled relevant declaration procedures within the specified time

DEFINITIONS

“Dissenting Shareholders of the Company”	the Shareholders of the Company having cast effective dissenting votes in respect of the resolutions and each of the sub-resolutions regarding the Merger proposal and the resolutions regarding entering into the Merger Agreement between the parties in relation to the Merger at the shareholders’ general meeting and corresponding class meeting regarding the Merger, being in objection to the Merger and having held the shares which are entitled to the dissenting rights until the Put Option Exercise Date of the Dissenting Shareholders of the Company, and having successfully fulfilled relevant declaration procedures within the specified time
“Domestic Share(s)”	the ordinary domestic share(s) of the Company with a nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for and paid up in RMB
“Domestic Shareholders’ Class Meeting”	the second domestic shareholders’ class meeting of 2021 of the Company to be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Friday, 9 April 2021 at 11:00 a.m. (or immediately after the conclusion of the EGM (or any adjournment thereof)) and any adjournment thereof (as the case may be)
“EGM”	the second extraordinary general meeting of 2021 of the Company to be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Friday, 9 April 2021 at 10 a.m. and any adjournment thereof (as the case may be)
“Energy China Group”	China Energy Engineering Group Co., Ltd., the controlling shareholder of the Company. As at the Latest Practicable Date, Energy China Group, together with its associate, EPPE Company, directly and indirectly hold approximately 62.57% of the total issued share capital of the Company
“Enlarged Group”	the Group after the completion of the Merger
“EPPE Company”	Electric Power Planning Engineering Institute Co., Ltd.* (電力規劃總院有限公司)
“Executive Director(s)”	the executive director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	the ordinary share(s) of the Company, with a par value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars

DEFINITIONS

“H Shareholders’ Class Meeting”	the second H shareholders’ class meeting of 2021 of the Company to be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Friday, 9 April 2021 at 11:30 a.m. (or immediately after the conclusion of the Domestic Shareholders’ Class Meeting (or any adjournment thereof)) and any adjournment thereof (as the case may be)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaxing (HK)”	China Huaxing (Hong Kong) International Co., Ltd.* (中國華星(香港)國際有限公司), a indirect wholly-owned subsidiary of China Reform Holdings
“Independent Board Committee”	the independent committee of the Board formed for the connected transaction in relation to the absorption and merger of CGGC, comprising of Independent Non-executive Directors of the Company, namely Mr. Zhao Lixin, Mr. Cheng Niangao and Mr. Ngai Wai Fung
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the connected transaction in relation to the absorption and merger of CGGC
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Independent Shareholder(s)”	Shareholder(s) of the Company other than Energy China Group and its associate EPPE Company, Mr. He Jiansheng, the Supervisor of the Company and any shareholders who hold shares of the Company and CGGC at the same time
“Issue Price”	the price per A Share to be issued by the Company to the CGGC Conversion Shareholders for the Merger
“Latest Practicable Date”	23 March 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Merger Agreement”	the Agreement on Absorption and Merger through Share Swap of China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited entered into between the Company and CGGC regarding the Merger on 27 October 2020
“Merger”	pursuant to the Merger Agreement, the Company issued A shares of the Company to all shareholders of CGGC (other than CGGC Group) in exchange for the CGGC shares held by them. The CGGC shares held by CGGC Group will not participate in the Share Swap and not exercise the Cash Alternative. These shares will be cancelled after the merger and absorption through Share Swap. After the completion of the merger and absorption through Share Swap, CGGC will terminate its listing, and the Company, as the Surviving Company, will inherit and take over all the assets, liabilities, businesses, contracts, qualifications, employees and all other rights and obligations of CGGC through CGGC Group, the Receiving Party. CGGC will be finally disqualified as a legal person. Meanwhile, the Company will apply for listing and trading of the A shares to be listed on the SSE, and the original Domestic Shares of the Company held by Energy China Group, China Reform Holdings, Chengtong Financial Control and EPPE Company will be converted into A shares and application will be made for listing of such shares on the SSE
“Non-executive Director(s)”	the non-executive director(s) of the Company
“Pricing Benchmark Date”	28 October 2020, being the date of the announcement on resolution of the first board meeting held by CGGC for consideration of matters in relation to the Merger on 27 October 2020
“Put Option Exercise Date”	the date on which the Put Option Providers of the Company is assigned some or all of the shares that the Dissenting Shareholders of the Company intend to use to exercise the Put Option, and pay cash consideration to such Dissenting Shareholders of the Company, which will be determined and announced by the merging parties to the Merger through negotiation separately
“Put Option Provider(s)”	the entity(ies) that pay(s) cash consideration to the qualified Dissenting Shareholders of China Energy Engineering and accept the shares of China Energy Engineering held by them, i.e. Energy China Group (including its subsidiaries, except for China Energy Engineering and its subsidiaries) and/or its designated unrelated third parties in the Merger

DEFINITIONS

“Put Option”	the rights of the Dissenting Shareholders of the Company entitled in the Merger. The Dissenting Shareholders of the Company who declare to exercise such right may request the Put Option Providers acquire all or some of the shares of the Company held by them in cash during the Declaration Period of Put Option
“Receiving Party”	CGGC Group, a wholly-owned subsidiary designated by the Company to take over all the assets, liabilities, businesses, contracts, qualifications, employees and all other rights and obligations of CGGC on or before the Completion Date
“Registration Date of Implementation of the Merger”	the date on which all the CGGC shares held by the CGGC Conversion Shareholders registered with the securities registration and clearing authority will be converted into A Shares issued by the Company at the Conversion Ratio, which will be determined and announced by the merging parties to the Merger through negotiation separately
“Report of the Merger”	Report of the Absorption and Merger of China Gezhouba Group Stock Company Limited Through Share Swap by China Energy Engineering Corporation Limited and Related Transactions (Draft) dated 19 March 2021
“RMB”	Renminbi, the lawful currency of the PRC, unless otherwise stated, the monetary amounts listed in the Letter from the Board of this circular refer to RMB
“Rules of Procedures of the Board of Directors”	the Rules of Procedures of the Board of Directors of China Energy Engineering Corporation Limited
“Rules of Procedures of the Shareholders’ General Meeting”	the Rules of Procedures of the Shareholders’ General Meeting of China Energy Engineering Corporation Limited
“Rules of Procedures of the Supervisory Committee”	the Rules of Procedures of the Supervisory Committee of China Energy Engineering Corporation Limited
“SASAC of the State Council” or “SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“Securities Law”	the Securities Law of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share Swap”	in the Merger, the CGGC Conversion Shareholders converted the A shares of CGGC into the A shares issued by the Company for the Merger at the Conversion Ratio
“Share(s)”	share(s) with a par value of RMB1.00 each in share capital of the Company
“Shareholder(s)”	registered holder(s) of shares of the Company
“SSE”	the Shanghai Stock Exchange
“subsidiary(ies)”	the companies or enterprises respectively directly and/or indirectly controlled by the parties on the date of signing the Merger Agreement
“Supervisor(s)”	the supervisor(s) of the Company
“Surviving Company”	the Company after the completion of the issuance of shares and merger and absorption of CGGC through Share Swap
“Target Company”	CGGC
“Target Group”	CGGC and its subsidiaries
“Zhongxinghua”	Zhongxinghua Certified Public Accountants LLP

LETTER FROM THE BOARD



中國能源建設股份有限公司 CHINA ENERGY ENGINEERING CORPORATION LIMITED*

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

(Stock Code: 3996)

Executive Directors:

Mr. Song Hailiang (Chairman)
Mr. Sun Hongshui (Vice Chairman)
Mr. Ma Mingwei

Non-executive Directors:

Mr. Li Shulei
Mr. Liu Xueshi
Mr. Si Xinbo

Independent Non-executive Directors:

Mr. Zhao Lixin
Mr. Cheng Niangao
Dr. Ngai Wai Fung

Registered office:

Room 01-2706, 1-24/F, Building 1
No. 26A West Dawang Road
Chaoyang District
Beijing
PRC

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

25 March 2021

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN
RELATION TO THE ABSORPTION AND MERGER OF CGGC
ARTICLES OF ASSOCIATION AND ITS APPENDICES APPLICABLE AFTER THE
LISTING OF A SHARES
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ISSUANCE OF A SHARES BY THE COMPANY
DILUTION OF IMMEDIATE RETURNS BY THE MERGER AND PROPOSED
REMEDIAL MEASURES
AMENDMENT TO BUSINESS SCOPE OF THE COMPANY
AUTHORIZATION TO THE BOARD AND ITS AUTHORISED PERSONS TO DEAL
WITH MATTERS RELATING TO THE MERGER
NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2021
NOTICE OF THE SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING OF 2021
AND
NOTICE OF THE SECOND H SHAREHOLDERS' CLASS MEETING OF 2021**

I. INTRODUCTION

The Second Extraordinary General Meeting of 2021, the Second Domestic Shareholders' Class Meeting of 2021 and the Second H Shareholders' Class Meeting of 2021 will be held by the Company in sequence at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Friday, 9 April 2021 at 10 a.m.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to give you the notices of the EGM and Class Meetings, which are set out on pages 1115 to 1125 of this circular and to provide you with information reasonably necessary to enable you to make informed decision on voting for or against the resolutions to be proposed at the EGM and Class Meetings as described below.

The purpose of this circular is to provide the Shareholders with, among other matters: (1) further information of the very substantial acquisition and connected transaction in relation to the absorption and merger of CGGC; (2) the letter from the Independent Board Committee; (3) the opinion letter from Gram Capital to the Independent Board Committee and Independent Shareholders, which sets out the recommendation on the terms of the Merger; (4) the financial information of the Group; (5) the financial information of the Target Group; (6) the unaudited pro forma financial information of the Enlarged Group upon the completion of the Merger; (7) the notices of the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting; and (8) other information as required under the Listing Rules.

II. MATTERS TO BE CONSIDERED AT THE EGM AND CLASS MEETINGS

At the EGM, special resolutions will be proposed to consider and approve: (1) resolution on the absorption and merger of CGGC through share swap by the issuance of A shares by the Company meeting the requirements for initial public offering and listing; (2) resolution on the plan for the absorption and merger of CGGC through share swap by the issuance of A shares by the Company (to approve item by item); (3) resolution on the Report of the Absorption and Merger of China Gezhouba Group Stock Company Limited through Share Swap by China Energy Engineering Corporation Limited and Related Transactions (Draft) and its summary; (4) resolution on entering into the Agreement on Absorption and Merger through Share Swap of China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited with effective conditions; (5) resolution on the approval for the audit report related to the Merger; (6) resolution on the confirmation of the valuation report related to the Merger; (7) resolution on the independence of the valuation agency, the reasonableness of valuation assumptions, the relevance of valuation methods and valuation purposes, and the fairness of valuation and pricing; (8) resolution on the A Share Price Stabilization Plan of the Company; (9) resolution on the dividend distribution plan for the three years after the absorption and merger of China Gezhouba Group Stock Company Limited through share swap by the issuance of A shares by China Energy Engineering Corporation Limited; (10) resolution on the dilution of immediate returns by the Merger and proposed remedial measures; (11) resolution on the relevant commitments and restraint measures issued by the Company regarding the absorption and merger of CGGC through share swap by the issuance of A shares by the Company; (12) resolution on the Articles of Association (Draft) and its appendices applicable after the listing of A shares of the Company; (13) resolution on the amendments to the Administrative Measures for External Guarantees; (14) resolution on the confirmation of the related transactions during the reporting period (the year 2018、2019 and 2020); (15) resolution on the amendment to the business scope of the Company; (16) resolution on the self-inspection report and related commitments of the real estate business of the Company; and (17) resolution on authorization to the Board and its authorized persons to deal with matters relating to the Merger.

At the EGM, ordinary resolution will be proposed to consider and approve: (18) resolution on the self-evaluation report of the internal control of the Company.

LETTER FROM THE BOARD

Pursuant to Article 111 of the existing Articles of Association, resolutions submitted to shareholders' class meeting shall be passed only by two-thirds or more of the voting rights represented at the class meeting in accordance with the Articles of Association. Special resolutions will be proposed at the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively, to approve: (1) resolution on the absorption and merger of CGGC through share swap by the issuance of A shares by the Company meeting the requirements for initial public offering and listing; (2) resolution on the plan for the absorption and merger of CGGC through share swap by the issuance of A shares by the Company (to approve item by item); (3) resolution on entering into the Agreement on Absorption and Merger through Share Swap of China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited with effective conditions; (4) resolution on the Articles of Association (Draft) and its appendices applicable after the listing of A shares of the Company; (5) resolution on authorization to the Board and its authorized persons to deal with matters relating to the Merger.

1. Very Substantial Acquisition and Connected Transaction in relation to Absorption and Merger of CGGC

Reference is made to the announcements of the Company on 27 October 2020 and 19 March 2021 in relation to the very substantial acquisition and connected transaction for absorption and merger of CGGC. On 27 October 2020, the Company entered into the Merger Agreement with CGGC in relation to the possible absorption of CGGC through Share Swap. On 19 March 2021, the Board of the Company considered and approved, among others, the plan for the Merger, the Report of the Absorption and Merger of China Gezhouba Group Stock Company Limited through Share Swap by China Energy Engineering Corporation Limited and Related Transactions (Draft) and its summary, the Merger Agreement and other connected transaction resolutions in relation to the Merger. The Merger, when fully implemented, will involve (among other things) the issuance of a total of 11,645,760,553 A Shares by the Company to the shareholders of CGGC (other than CGGC Group) on the Registration Date of Implementation of the Merger, in exchange for all the CGGC shares held by them.

CGGC Shares held by CGGC Group shall not participate in the Share Swap nor exercise the Cash Alternative, and such CGGC Shares shall be de-registered upon completion of the Merger. Upon completion of the Merger, CGGC shall cease to be listing on the SSE. The Company, as the Surviving Company, will, through CGGC Group, the Receiving Party, inherit and take over all assets, liabilities, businesses, contracts, qualifications, employees and all other rights and obligations. CGGC will be finally disqualified as a legal person. The Company will apply for listing and trading of A Shares issued by it in connection with the Merger on the main board of the SSE. The original Domestic Shares of the Company shall be converted into A shares and application will be made for listing and trading of such shares on main board of the SSE.

1.1 Plan for the Merger

Parties to the Merger

The acquirer to the Merger is China Energy Engineering, and the acquiree is CGGC.

LETTER FROM THE BOARD

Method of the Merger

China Energy Engineering will absorb and merge CGGC by way of Share Swap, which means China Energy Engineering will issue A Shares to shareholders of CGGC other than CGGC Group in exchange for all the CGGC shares held by them. CGGC Shares held by CGGC Group shall not participate in the Share Swap nor exercise the Cash Alternative, and such CGGC Shares shall be de-registered upon completion of the Merger. Upon completion of the Merger, CGGC shall cease to be listing on the SSE. The Company, as the Surviving Company, will, through CGGC Group, the Receiving Party, inherit and take over all assets, liabilities, businesses, contracts, qualifications, employees and all other rights and obligations. CGGC will be finally disqualified as a legal person.

Class and Nominal Value of Shares Issued by the Company under Share Swap

The class of shares issued by the Company for the Merger is domestic listed RMB ordinary shares (A shares), each with a par value of RMB1.

Targets of the Share Swap and Registration Date of Implementation of the Merger

The targets of the Share Swap are all shareholders of CGGC (other than CGGC Group) whose name appears on the shareholders' register at the close of business of the Registration Date of Implementation of the Merger, that is, on the Registration Date of Implementation of the Merger, CGGC shares held by shareholders of CGGC who have not declared, partially declared, have no right to declare or invalidly declared the exercise of the Cash Alternative, and the CGGC shares held by the Cash Alternative Providers for providing the Cash Alternative, all to be converted into A shares issued by the Company in relation to the Merger in accordance with the Conversion Ratio.

The board of directors of both parties to the Merger will separately announce the Registration Date of Implementation of the Merger after the Merger has been approved by the CSRC.

LETTER FROM THE BOARD

Conversion Price and Issue Price

(1) Conversion Price of A Shares of CGGC

The CGGC Conversion Price is RMB8.76 per share. Taking into account the risk of stock price fluctuations and the risk compensation to the CGGC Conversion Shareholders, the CGGC Conversion Price is based on the average price of RMB6.04 per share in the 20 trading days before the Pricing Benchmark Date, with a 45% premium rate, which is RMB8.76 per share. The CGGC Conversion Price has a certain premium based on the relevant requirements of Administrative Measures for the Major Asset Restructuring of Listed Companies of A Shares¹, and the premium rate is in line with market practice. The P/E multiple corresponding to the CGGC Conversion Price is equivalent to that of A-share listed companies in the same industry.

In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by CGGC from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the above Conversion Price shall be adjusted accordingly, under other circumstances, the CGGC Conversion Price will no longer be adjusted.

(2) Issue Price of A shares of the Company

The Issue Price of A shares of the Company is RMB1.98 per share. The Issue Price of the Company is based on the principle of taking into account the interests of the shareholders of both parties to the Merger, and comprehensively considering factors

¹ In accordance with Article 45 of the Administrative Measures for the Major Asset Restructuring of Listed Companies (revised in 2020) (CSRC Order No.166) (《上市公司重大資產重組管理辦法》(中國證券監督管理委員會令166號)), the price of a listed company's share issue shall not be lower than 90% of the market reference price. The market reference price shall be one of the average traded prices of the Company's shares for the 20, 60 or 120 trading days immediately before the date of announcement of the board resolution approving the acquisition of assets by way of share issue. The resolution of the board of directors on the acquisition of assets by way of share issue shall state the selection basis of the market reference price. The calculation formula of the average trading price is: the average trading price of the shares of the company on several trading days before the announcement of the board resolution = the total trading amount of the shares of the company on the several trading days before the announcement of the resolution / the total trading volume of the shares of the company on several trading days before the announcement of the resolution. The board resolution for the acquisition of assets by way of share issue may clarify that prior to the approval by the CSRC, in the event that there exists significant change in the share price of a listed company comparing to the initial issue price, the board of directors may adjust the issue price in accordance with the adjustment plan formulated. The first paragraph of Article 50 of the Administrative Measures for the Major Asset Restructuring of Listed Companies stipulates that in the event that a listed company is involved in the absorption and merger through share swap, the pricing and issuance of the shares of the listed company shall be implemented in accordance with the requirements of Chapter 5 of the Administrative Measures for the Major Asset Restructuring of Listed Companies.

LETTER FROM THE BOARD

such as the overall business conditions, profitability and growth prospects, anti-risk capabilities of both parties to the Merger as well as valuation of comparable companies in the industry.

In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by the Company from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the above Issue Price shall be adjusted accordingly. Under other circumstances, the Issue Price of the Company will no longer be adjusted.

The adjustment mechanism for the above Conversion Price and Issue Price is as follows:

Distribution of stock dividend or conversion of capital reserve into share capital:
 $P1 = P0/(1+n)$;

Allotment of shares: $P1 = (P0+A \times k)/(1+k)$;

The two above proceeding simultaneously: $P1 = (P0+A \times k)/(1+n+k)$;

Distribution of cash dividends: $P1 = P0-D$;

The three above proceeding simultaneously: $P1 = (P0-D+A \times k)/(1+n+k)$.

Among which, P0 represents the effective Conversion Price/Issue Price before adjustment; n represents the ratio of stock dividend or conversion rate of capital reserve; k represents the ratio of allotment of shares; A represents the price of the allotment of shares; D represents the cash dividends payable for each share; and P1 represents the effective Conversion Price/Issue Price after adjustment.

Saved as set out above, the Company has no other adjustment mechanism for the Conversion Price and Issue Price.

Conversion Ratio

The calculation formula for Conversion Ratio is: Conversion Ratio = Conversion Price of A shares of CGGC ÷ Issue Price of A shares of the Company (calculation results are rounded to four decimal places). Conversion Ratio for the absorption and merger through Share Swap of CGGC by the Company is 1:4.4242, that is, each CGGC share held by the CGGC Conversion Shareholders can be converted for 4.4242 A shares issued by the Company.

In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by either party to the Merger from the Pricing Benchmark Date to

LETTER FROM THE BOARD

the Conversion Date (both days inclusive), the above Conversion Ratio shall be adjusted accordingly. Under other circumstances, the Conversion Ratio will no longer be adjusted.

Number of Shares to be Issued under the Share Swap

As at the Pricing Benchmark Date, the total share capital of CGGC is 4,604,777,412 shares. Except for the CGGC shares held by CGGC Group, the Share Swap involves a total of 2,632,286,188 CGGC shares. Based on the above Conversion Ratio, the total number of shares issued by the Company for the Merger is 11,645,760,553 shares.

In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by either party to the Merger from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the above number of shares issued under the Share Swap shall be adjusted accordingly.

Listing and Trading of A Shares of the Company

Upon the completion of the Merger, an application will be made for the A shares to be issued by the Company for the Merger and the A shares converted from the existing Domestic Shares of the Company to be listed and traded on the SSE.

Treatment of Fractional Shares

The number of A shares of the Company to be obtained by the CGGC Conversion Shareholders shall be in whole numbers, and if the number of CGGC shares to be held by them multiplied by the Conversion Ratio is not in whole numbers, each Shareholder shall be offered one share in descending order based on the decimal point until the actual number of shares to be converted is equal to the number of shares planned to be issued. In case the number of shares with the same decimal number exceeds the remaining shares, the shares will be allotted randomly by computer system until the actual number of shares to be converted is equal to the number of shares planned to be issued.

Treatment of CGGC Shares with Restricted Rights

For CGGC shares with restriction on rights, such shares shall be converted into A shares issued by the Company at the time of the Share Swap, while that the restriction on rights on existing CGGC shares shall remain valid on the corresponding A shares of the Company to be converted. The Company will not assume additional obligations due to the exchange for the aforementioned CGGC shares. As at the Latest Practicable Date, the Company is not aware of any CGGC shares with restricted rights.

LETTER FROM THE BOARD

Lock-up Period Arrangement

Energy China Group and EPPE Company, the Shareholders of the Company, undertake that:

- (1) Within 36 months from the date when the A shares of China Energy Engineering are listed and traded, they shall not transfer or entrust others to manage the issued Shares of China Energy Engineering directly or indirectly held by them prior to the Merger (excluding H Shares in the case of Energy China Group), nor shall China Energy Engineering repurchase such shares. Within six months after the listing of A shares of China Energy Engineering, if the closing prices of A shares of China Energy Engineering for 20 consecutive trading days are lower than the Issue Price, or the closing price at the end of six months after the listing is lower than the Issue Price, they undertake that the lock-up period of the shares of China Energy Engineering held by them shall be automatically extended for six months.
- (2) If relevant laws, regulations and regulatory documents or other securities regulatory authorities such as the CSRC have other requirements on the lock-up period of shares, they agree to adjust the lock-up period of the shares of China Energy Engineering (excluding H Shares in the case of Energy China Group) held by them accordingly.
- (3) They undertake to assume and compensate all losses caused to China Energy Engineering and its controlled entities due to violation of the above undertakings or relevant laws, regulations and regulatory documents.
- (4) If any of the following circumstances occurs after one year from the date of listing of the A shares of China Energy Engineering, the above undertakings may be waived to comply with upon the application and with the consent of the stock exchange: (1) both parties have actual control relationship or are under the control of the same controller; (2) such other circumstances as determined by the stock exchange.

China Reform Holdings and Chengtong Financial Control, the Shareholders of the Company, undertake that:

- (1) Within 12 months from the date when the A shares of China Energy Engineering are listed and traded, they shall not transfer or entrust others to manage the issued Shares of China Energy Engineering directly or indirectly held by them prior to the Merger (excluding H Shares in the case of China Reform Holdings), nor shall China Energy Engineering repurchase such shares.

LETTER FROM THE BOARD

- (2) If relevant laws, regulations and regulatory documents or other securities regulatory authorities such as the CSRC have other requirements on the lock-up period of shares, they agree to adjust the lock-up period of the Shares of China Energy Engineering held by them accordingly.
- (3) They undertake to assume and compensate all losses caused to China Energy Engineering and its controlled entities due to violation of the above undertakings or relevant laws, regulations and regulatory documents.

Protection Mechanism of Rights for Dissenting Shareholders of the Company

In order to safeguard the interests of the Shareholders of the Company and minimize the impact of price fluctuation of the Company's Shares upon the Merger on the investors, pursuant to the applicable requirements of the Company Law and the Articles of Association, the Merger will entitle the Dissenting Shareholders of the Company the Put Option. The Merger will offer the Put Options to the Dissenting Shareholders of the Company by Energy China Group (including its subsidiaries but excluding China Energy Engineering and its subsidiaries) and/or its designated unrelated third parties at fair value. In such case, these Dissenting Shareholders of the Company shall no longer initiate the Put Option against the Company or any Shareholders of the Company who are in agree with the Merger.

The Dissenting Shareholders of the Company who exercise the Put Option may receive a cash consideration to be paid by the Put Option Providers at the price of the Put Option for each Share of the Company that they have validly declared on the Put Option Exercise Date, and transfer the corresponding shares to the Put Option Providers. The Put Option Providers shall be assigned all the shares of the Company to be transferred by the Dissenting Shareholders of the Company who exercise the Put Option on the Put Option Exercise Date and pay cash consideration accordingly.

The registered Dissenting Shareholders of the Company shall satisfy the following conditions while exercising the Put Option:

- (1) for the Domestic Shareholders of the Company, having cast effective dissenting votes in respect of the resolutions and each of the sub-resolutions regarding the Merger proposal as well as the resolutions regarding entering into the Merger Agreement between the parties to the Merger at the Shareholders' general meeting and domestic Shareholders' class meeting regarding the Merger; for the H Shareholders of the Company, having cast effective dissenting votes in respect of the resolutions and each of the sub-resolutions regarding the Merger proposal as well as the resolutions regarding entering into the Merger Agreement between both parties to the Merger at the Shareholders' general meeting and H Shareholders' class meeting regarding the Merger;

LETTER FROM THE BOARD

- (2) having been registered on the Shareholders' register of the Company since the registration date of the Shareholders' general meeting and Class Meetings of the Company for consideration of the Merger, and continuing to hold the Shares which are entitled to the dissenting rights until the Put Option Exercise Date;
- (3) having successfully fulfilled relevant declaration procedures during the Declaration Period of Put Option;
- (4) there is no circumstance that excludes the right to claim the exercise of the Put Option. The Shareholders who fulfilled the above conditions only have the right to exercise the Put Option for the shares for which they have cast dissenting votes. Provided that the Dissenting Shareholders of the Company sell their shares (including but not limited to judicially compulsory deductions, etc.) after the registration date of the Shareholders' general meeting and Class Meetings of the Company regarding the absorption and merger through Share Swap, the number of shares entitled to the Put Option shall be decreased accordingly; provided that the Dissenting Shareholders of the Company purchase shares after the registration date of the Shareholders' general meeting and Class Meetings of the Company regarding the absorption and merger through Share Swap, the number of shares entitled to the Put Option shall not increase, and such shares shall not be entitled to the Put Option.

The registered Dissenting Shareholders of the Company who hold the following shares have no right to exercise the Put Option for the shares they hold:

- (1) those shares of the Company with restricted rights, such as the shares with transfer restrictions imposed by laws and regulations which are subject to any charges, other third party's rights or judicial freeze;
- (2) those shares held by legal holders who have undertaken to the Company to surrender the Put Option of the Dissenting Shareholders of the Company;
- (3) other shares that may not exercise the Put Option under applicable laws.

In case that the Merger proposal fails to be approved or verified at the shareholders' general meetings of both parties to the Merger, the Company's Class Meetings or by relevant regulatory authorities, which causes that the Merger cannot be implemented eventually, the Dissenting Shareholders of the Company cannot exercise the Put Option, nor can they claim against both parties to the Merger for any indemnity or compensation.

LETTER FROM THE BOARD

The detailed arrangements for the Put Option (including but not limited to the Put Option Exercise Date, the declaration, settlement and closing of the Put Option, etc.) will be determined by the Company and the Put Option Providers after negotiation and will be disclosed in accordance with the requirements of the laws, regulations and the Hong Kong Stock Exchange in a timely manner.

The CGGC Conversion Price is determined based on the average price of RMB6.04 per share for 20 trading days before the pricing benchmark date, with a 45% premium rate, which is RMB8.76 per share. The price for the Cash Alternative of Dissenting Shareholders of CGGC is the closing price of shares on the trading day before the pricing benchmark date, i.e. RMB6.09 per share. The price for the Cash Alternative is less than the Conversion Price but higher than the market reference price.

The CGGC Conversion Price is determined with reference to the closing price of shares on the trading day before the pricing benchmark date, which complies with the requirements of relevant laws and regulations and is in line with market practices. The price of the Cash Alternative is slightly lower than the Conversion Price, which is mainly due to the failure to set a premium on the price of the Cash Alternative of Dissenting Shareholders of CGGC. These arrangements help prevent minority Shareholders from violating their real willingness for the transaction and causing unnecessary adverse impact on the transaction and casting dissenting votes at the shareholders' general meeting of CGGC in order to obtain the arbitrage space formed by the price of the Cash Alternative price higher than the market reference price contained in the dissenting votes. Since the Company and CGGC will not pay any fees to the Cash Alternative Provider for relevant arrangements of the Cash Alternative of Dissenting Shareholders of CGGC, and considering that the price of the Cash Alternative of Dissenting Shareholders of CGGC is fair and reasonable compared to the market reference price, the protection mechanism for the Dissenting Shareholders will not transfer benefits to the Cash Alternative Provider.

Protection Mechanism for Dissenting Shareholders of CGGC

In order to fully safeguard the interests of all the shareholders of CGGC, especially the minority Shareholders, pursuant to the applicable requirements of the Company Law and the Articles of Association of China Gezhouba Group Stock Company Limited, in the Merger, Energy China Group (including its subsidiaries but excluding China Energy Engineering and its subsidiaries) and/or its designated unrelated third parties will provide Cash Alternative to the Dissenting Shareholders of CGGC. In such case, these Dissenting Shareholders of CGGC shall no longer initiate the Cash Alternative against CGGC or any shareholders of CGGC who are in agree with the Merger.

The price for Cash Alternative of Dissenting Shareholders of CGGC is the closing price of shares on the trading day before the Pricing Benchmark Date, i.e. RMB6.09 per share. In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment

LETTER FROM THE BOARD

of shares, etc. occurred in CGGC from the Pricing Benchmark Date to the Cash Alternative Exercise Date (both days inclusive), the price for Cash Alternative shall be adjusted accordingly.

The Dissenting Shareholders of CGGC who exercise the Cash Alternative may receive the cash consideration paid by the Cash Alternative Providers at the price of Cash Alternative for each CGGC share validly declared on the Cash Alternative Exercise Date, and transfer the corresponding shares to the Cash Alternative Providers at the same time. The Cash Alternative Providers shall be assigned all CGGC shares for which the Dissenting Shareholders of CGGC exercise the Cash Alternative on the Cash Alternative Exercise Date, and pay the cash consideration accordingly. All the CGGC shares acquired by the Cash Alternative Providers through the Cash Alternative will be converted into the A shares issued by the Company for the Merger based on the Conversion Ratio on the implementation date of the Merger proposal.

The registered Dissenting Shareholders of CGGC shall satisfy the following conditions while exercising the Cash Alternative:

- (1) having cast effective dissenting votes in respect of the resolutions and each of the sub-resolutions regarding the Merger proposal as well as the resolutions regarding entering into the Merger Agreement between both parties to the Merger at the shareholders' general meeting of CGGC regarding the Merger;
- (2) having been registered on the shareholders' register of CGGC since the registration date of the shareholders' general meeting of CGGC for consideration of the Merger, and continuing to hold the shares which are entitled to the dissenting rights until the Cash Alternative Exercise Date;
- (3) having successfully fulfilled relevant filing procedures during the Declaration Period of Cash Alternative;
- (4) there is no circumstance that excludes the right to claim the exercise of the Cash Alternative. The shareholders who fulfilled the above conditions only have the right to exercise the Cash Alternative for the shares for which they have cast valid dissenting votes. Provided that the Dissenting Shareholders of CGGC sell their shares (including but not limited to judicially compulsory deductions, etc.) after the registration date of the shareholders' general meeting of CGGC regarding the absorption and merger through Share Swap, the number of shares entitled to the Cash Alternative shall be decrease accordingly; provided that the Dissenting shareholders of CGGC purchase their shares after the registration date of the Shareholders' general meeting of CGGC regarding the absorption and merger through Share Swap, the number of shares entitled to the Cash Alternative shall not increase, and such shares shall not be entitled to the Cash Alternative.

LETTER FROM THE BOARD

The registered Dissenting Shareholders of CGGC who hold the following shares have no right to exercise the Cash Alternative for the shares they hold:

- (1) those shares of CGGC with restricted rights, such as the shares with transfer restrictions imposed by laws and regulations which are subject to any charges, other third party's rights or judicial freeze;
- (2) those shares held by legal holders who have undertaken to the Company to surrender the Cash Alternative of the Dissenting Shareholders of CGGC;
- (3) other shares that may not exercise the Cash Alternative under applicable laws. The above shares which are not entitled to the Cash Alternative will be converted into the Shares issued by the Company under the Merger based on the Conversion Ratio on the Conversion Date.

The Dissenting Shareholders of CGGC who have submitted CGGC shares as collateral for margin trading and securities lending transactions shall not exercise the Cash Alternative until they transfer CGGC shares from the customer credit guarantee account of the securities company to their ordinary securities account before the closing date of Declaration Period of the Cash Alternative. The Dissenting Shareholders of CGGC who have carried out agreed repurchase type securities trading shall not exercise the Cash Alternative until they complete the early repurchase procedures in time before the closing date of Declaration Period of the Cash Alternative.

In case that the Merger proposal fails to be approved or verified at the shareholders' general meetings of both parties to the Merger, the Company's Class Meetings or by relevant regulatory authorities, which causes that the Merger finally cannot be implemented, the Dissenting Shareholders of CGGC cannot exercise the Cash Alternative, nor can they claim against both parties to the Merger for any indemnity or compensation.

The Company and CGGC will not pay any fees to the Cash Alternative Providers for the Cash Alternative arrangements of the Dissenting Shareholders of CGGC. The detailed arrangements for the Cash Alternative (including but not limited to the Cash Alternative Exercise Date, the declaration, settlement and closing of the Cash Alternative, etc.) will be determined by CGGC and the Cash Alternative Providers after negotiation and will be disclosed in accordance with the requirements of the laws, regulations and the SSE in a timely manner.

Adjustment Mechanism for the Price of Cash Alternative of Dissenting Shareholders of CGGC

- (1) Adjustment target

The adjustment target is the price of the Cash Alternative of Dissenting Shareholders of CGGC.

LETTER FROM THE BOARD

(2) Adjustable period

From the publication date of the general meeting resolution announcement in relation to the Merger considered and approved by CGGC to the approval by the CSRC of the Merger.

(3) Trigger conditions

A. Upward adjustment

During the adjustable period, upward adjustment will be triggered when the following three conditions are simultaneously fulfilled on any trading day: a) the closing index of Shanghai Stock Exchange Composite Index (000001.SH) on at least 20 trading days of 30 consecutive trading days before the trading day are more than 20% higher than the closing index on the trading day before the suspension of CGGC; b) the closing index of WIND Construction & Engineering Index (882422.WI) on at least 20 trading days of 30 consecutive trading days before the trading day are more than 20% higher than the closing index on the trading day before the suspension of CGGC; c) the daily average trading price of CGGC shares on at least 20 trading days of 30 consecutive trading days before the trading day are more than 20% higher than the closing price of shares on the trading day before the suspension of CGGC.

B. Downward adjustment

During the adjustable period, downward adjustment will be triggered when the following three conditions are simultaneously fulfilled on any trading day: a) the closing index of Shanghai Stock Exchange Composite Index (000001.SH) on at least 20 trading days of 30 consecutive trading days before the trading day are more than 20% lower than the closing index on the trading day before the suspension of CGGC; b) the closing index of WIND Construction & Engineering Index (882422.WI) on at least 20 trading days of 30 consecutive trading days before the trading day are more than 20% lower than the closing index on the trading day before the suspension of CGGC; c) the daily average trading price of CGGC shares on at least 20 trading days of 30 consecutive trading days before the trading day are more than 20% lower than the closing price of shares on the trading day before the suspension of CGGC.

(4) Adjustment mechanism and price adjustment base date

When the aforementioned price adjustment trigger conditions first appeared, CGGC shall hold the board meeting within 10 trading days from the date when the price adjustment trigger condition was fulfilled to determine

LETTER FROM THE BOARD

whether to adjust the price of the Cash Alternative of the Dissenting Shareholders of CGGC in accordance with the price adjustment plan. During the adjustable period, CGGC will only adjust the price of the Cash Alternative of Dissenting Shareholders for once. In case that CGGC has convened a board meeting to review and determine the adjustment to the price of Cash Alternative of Dissenting Shareholders, when the price adjustment conditions are triggered again, no adjustments will be made; In case that CGGC has convened a board meeting to decide not to adjust the price of Cash Alternative of Dissenting Shareholders, when the price adjustment conditions are triggered again, no adjustments will be made.

The price adjustment base date is the next trading day after the date when the above trigger conditions are fulfilled. The adjusted price of the Cash Alternative of the Dissenting Shareholders of CGGC is the closing price of shares on the trading day before the price adjustment base date of CGGC.

Construction & Engineering Index

Construction & Engineering Index (882422.WI) is a market capitalisation-weighted index tracking 110 stocks listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange published by Wind Information in June 2006. The component stocks tracked by Construction & Engineering Index include 110 construction and engineering A-share listed companies. Since the WIND industry index is a reference standard used by the domestic capital market to determine price adjustment, and the Company is engaged in the construction engineering industry, the determination of price adjustment with reference to the WIND Construction & Engineering Index (882422.WI) is fair and reasonable, specifically due to:

- (1) Determination of price adjustment based on changes in the industry index complies with domestic regulatory requirements

According to the Applicable Opinions of Article 28 and Article 45 of the Administrative Measures for the Management of Major Asset Reorganization of Listed Companies – Applicable Opinion No. 15 of the Securities and Futures Law promulgated by the CSRC in 2020, the issuance price adjustment plan shall be based on the market and industry index changes. The price adjustment plan for the Cash Alternative and the Put Option is formulated with reference to the above regulatory requirements.

- (2) Determination of price adjustment based on changes in the industry index complies with original intention of the price adjustment plan

During the transaction, the purpose of setting up the price adjustment plan is to avoid harming the interests of minority Shareholders where the prices of the Cash Alternative and the Put Option of Dissenting Shareholders of CGGC determined based on the closing price of shares on the trading day before the

LETTER FROM THE BOARD

pricing benchmark date could no longer fairly reflect the value of CGGC's shares due to major changes in the market environment after the pricing benchmark date. However, the volatility of the industry index could better reflect whether the market environment of listed companies in the industry has major changes, and could reflect the changes in the market environment of listed companies in the same industry on both parties to the Merger. Therefore, the changes in the industry index are used to determine whether the price adjustment is in line with the original intention of the price adjustment plan.

Information about Put Option Provider and Cash Alternatives Provider

The Merger is still subject to the approval of the shareholders' general meetings and/or the class meetings of both parties to the Merger and the approval of the CSRC. There is uncertainty about the time for the final approval of related matters. After obtaining the approval of the CSRC for the Merger, the Company will issue an announcement (the "**Progress Announcement**") to notify the Dissenting Shareholders of the Company and Dissenting Shareholders of CGGC the time and arrangement for exercising the Put Option and the Cash Alternative (if applicable) by them. The Progress Announcement is expected to be made within six months after the CSRC approves the Merger.

The second paragraph of Article 74 of the Company Law of the PRC requires that shareholders who vote against the merger of the company shall have the right to request the company to purchase their shares at a reasonable price. The Guidelines for the Application of Self-Regulatory Rules for Listed Companies on the Shanghai Stock Exchange (《上海證券交易所上市公司自律監管規則適用指引第1號》) requires that relevant shareholders shall be given cash alternatives in relation to an absorption and merger transaction. Therefore, the provision of Put Option and Cash Alternatives to Dissenting Shareholders of the Company and CGGC is in accordance with the requirements of the PRC laws and regulations, and is also in the interests of minority shareholders of the Company and CGGC. The put option provider and cash alternatives provider shall have the competent capital strength, to be able to afford the payment of consideration in a timely manner in accordance with the relevant arrangements of this Merger, and to accept the shares effectively declared by the dissenting shareholders. The Company mainly seeks to communicate with third parties that meet the aforementioned requirements which intend to invest in the Company, and consult their intention to act as a provider.

As the PRC laws and regulations do not specifically require the timing of determination of Cash Alternative Provider(s) and Put Option Provider(s). The Company will determine the Cash Alternative Provider(s) and Put Option Provider(s) before the shareholders' meeting and will disclose the details of arrangement of cash alternatives and put option before the exercise of put option and cash alternatives. Energy China Group, as a potential provider, is actively promote the work related to provision of put option and cash alternatives, and is also seeking the possibility of other third parties acting as the Cash Alternative Provider(s) and Put Option Provider(s). As

LETTER FROM THE BOARD

the relevant work and communication with third parties are still in progress, the providers have not been finalized so far. If there is no suitable independent third party to act as Cash Alternative Provider(s) and Put Option Provider(s) in the end, Energy China Group or its subsidiaries (except the Company and its subsidiaries) will act as the providers, and the Company will make timely disclosure of information in due course.

Disposal of Claims and Debts and Protection Mechanism of Rights for Creditors in respect of the Merger

The Company and CGGC has performed creditor notification in accordance with the requirements of relevant laws and regulations, and will further perform announcement procedures, and will also independently or promote a third party to pay off their debts in advance or provide additional guarantees to their respective creditors in accordance with the requirements of their respective creditors within the statutory period.

For the outstanding debt financing instruments (except for those that the parties to the Merger decided to pay off or those are issued after the announcement of the Merger Plan) that have been issued as of the date of the Report of the Merger, China Energy Engineering and CGGC have convened holders' meetings to review matters related to the Merger in accordance with relevant laws, regulations and the rules of the holders' meeting of these debt financing instruments. The relevant debt financing instrument holders' meeting has reviewed and approved the Merger, and agreed to maintain the existence of the relevant debt financing instruments, and does not require China Energy Engineering and CGGC to pay off the debts under the relevant debt financing instruments in advance or provide corresponding guarantees. For details of the Report of the Merger, please refer to the overseas regulatory announcement dated 19 March 2021 of the Company published on the website of the Hong Kong Stock Exchange.

All outstanding debts of CGGC will be inherited by the Receiving Party after the Merger is completed.

As of 31 December 2020, the total assets of CGGC at the end of the period were RMB259,404,704,107.49, the total liabilities at the end of the period were RMB180,062,969,767.10, the total profit was RMB7,692,214,732.67, the net profit was RMB5,293,446,316.05, and the total owner's equity was RMB79,341,734,340.39. Business and/or financial information of CGGC has no significant changes after the Pricing Benchmark Date.

Arrangements for the Transitional Period

During the Transitional Period (from the date when both parties to the Merger entered into the Merger Agreement to the date when the Company completes the corresponding industrial and commercial change registration procedures for the Merger or to the date when CGGC completes the industrial and commercial deregistration

LETTER FROM THE BOARD

procedures for the Merger (whichever is the later)), both parties shall, and should promote their subsidiaries to: (1) continue to operate independently according to the prevailing operational practices and business methods, and shall not conduct any unusual transactions or incur any unusual liabilities in their normal business process; (2) make every effort to maintain all assets that constitute the main business in good condition, and continue to maintain good relationships with competent authorities of the government, customers, employees and other related parties; and (3) prepare, organize and keep their respective documents and information, as well as pay related taxes and expenses on time.

During the Transitional Period, either party of the Merger shall actively provide related documents in respect of assets, financial records, minutes of meetings and material indebtedness and debts to the other party in a timely manner upon the request reasonably made by the other party. When either party needs the other party's cooperation in the business development process (including but not limited to providing relevant information, issuing instructions, jointly carrying out declarations to the competent authority), if really necessary, the other party will actively cooperate correspondingly.

Arrangements for the Transfer or Closing of Related Assets in respect of the Merger

Since the Closing Date, the ownership of all the assets of CGGC as well as relevant rights, interests, liabilities and obligations thereof will be all enjoyed and assumed by the Receiving Party. CGGC agrees to assist the Receiving Party to handle the transfer procedures of all formal properties (refer to any property for which special procedures have been specified by laws for rights of these properties or the establishment or transfer of these property related rights, including but not limited to lands, real estates, vehicles and ships, trade marks, patents, etc.) from CGGC to the Receiving Party from the Closing Date. CGGC shall made commitment to take all actions or sign any documents, or at the request of the Receiving Party (the request shall not be unreasonably rejected) to take all actions or sign any documents to make sure the above assets, liabilities and business be transferred to the receiving party's name as soon as possible. The Receiving Party shall go through the procedures for the change registration of the above related assets. If the formal transfer procedures are not fulfilled due to the change registration procedures and other reasons, the rights and obligations of the Receiving Party to the above assets will not be affected. Upon the completion of the Merger, branches and subsidiaries of CGGC shall be registered as the branches and subsidiaries of the Receiving Party.

Except for debts that have been paid off in advance based on creditors' requirements for early repayment within the statutory period, all outstanding debts of CGGC will be inherited by the Receiving Party on the Closing Date of the Merger.

After the Closing Date of the Merger, the subject of the rights, obligations and equities under all valid contracts/agreements entered into by it shall be changed to the Receiving Party.

LETTER FROM THE BOARD

The business that CGGC has carried out before the completion of the Merger and still needs to continue after the completion of the Merger will be continued by the Receiving Party.

CGGC shall hand over all bank account information, reserved seals and all seals of CGGC to the Receiving Party on the Closing Date. CGGC shall, from the Closing Date, hand over to the Receiving Party any and all files that have a major impact on its subsequent operations.

The Company shall register the A shares issued to shareholders of CGGC as the consideration for the Merger in the name of the CGGC Conversion Shareholders on the Conversion Date. The CGGC Conversion Shareholders shall become the Shareholders of the Company from the date when the newly added shares are registered under its name.

Employee Settlement

After the Merger is completed, the employees of the Company will continue to work in the Company in accordance with the employment agreement or labor contract entered into with the Company. After the completion of the Merger, the labor relations of the employees of subsidiaries of CGGC will remain unchanged, and all other existing registered employees of CGGC will be accepted by the Receiving Party and signed labor contracts with the Receiving Party. Any and all rights and obligations of CGGC as the employer of its current employees will be enjoyed and borne by the Receiving Party from the Closing Date of the Merger.

The two parties to the Merger have respectively convened a staff representative meeting or a staff meeting to consider and approve the staff settlement plan involved in the Merger.

Transfer Arrangement of Retained Profits

Except for the profit distribution plan approved by the respective general meeting of shareholders of the Merger parties, the retained profits of the Company and CGGC as of the Conversion Date are shared by the original Shareholders of the Company and the CGGC Conversion Shareholders who became the Shareholders of the Company according to the Merger proposal of the Surviving Company in proportion to their shareholding.

Validity Period of the Merger Resolution

The resolution of the Merger is valid for 12 months from the date of the resolution was reviewed and passed at the shareholders' general meetings of China Energy Engineering and CGGC, and the Class Meetings of China Energy Engineering.

LETTER FROM THE BOARD

However, if the Company obtains the approval from the CSRC for the Merger within the aforementioned validity period, the validity period of this resolution will automatically be extended to the completion date of the Merger.

The abovementioned resolution has been considered and approved by the Board on 19 March 2021, and is hereby proposed to the EGM and Class Meetings for the Shareholders' consideration and approval.

1.2 Analysis on the Rationality of the Merger

From the perspective of the practical operation of merger and acquisition transactions, the reasonableness of transaction prices can generally be analyzed through methods such as the comparable company method, discounted cash flow method, and comparable transaction method.

The comparable company method is based on the characteristics of the target company and uses the valuation multiples of the comparable listed companies (such as price-earnings multiples, price-to-book multiples, market-sales multiples, etc.) for reference. The core idea is to use the relevant indicators and valuation multiples of the secondary market to analyze the pricing of the transaction.

The basic steps of the discounted cash flow method are as follows: first, establish and use a financial model to predict future net profit, cash flow and other financial data; second, select a reasonable discount rate in accordance with the characteristics of the target company to discount the free cash flow, and obtains the value of the enterprise by estimating the present value of the expected future return based on the expected return.

The comparable transaction method is to select companies that are similar in nature to the target company and have participated in investment or mergers and acquisitions in a suitable period before the valuation. Based on the pricing basis of financing or mergers and acquisitions as a reference, useful financial or non-financial information can be obtained, and the target company can be evaluated accordingly to obtain its corporate value.

In the Transaction, both parties to the Merger are listed companies. Prior to the completion of the Merger, due to listing supervision and commercial confidentiality restrictions, it is impossible to provide more detailed financial information and future profit and cash flow forecasts, and the announcement of future earnings and cash flow forecasts may cause changes in share price and increase the uncertainties for the success of the Merger. Therefore, no profit and cash flow forecasts have been made for the Merger. Due to the lack of relevant and reliable financial forecast data, the discounted cash flow method cannot be used for valuation analysis for the Transaction.

In addition, the Merger is an open market merger. Both parties to the Merger are listed companies, and they have a relatively mature value evaluation system in the capital market. In addition, there are comparable cases in the market in the form of the

LETTER FROM THE BOARD

Transaction, so the Transaction mainly adopts the comparable company method and the comparable transaction method to analyze the fairness and rationality of the transaction price.

(I) *Rationality Analysis on the Issuing Price of A shares of China Energy Engineering*

The issuance price of existing A shares of China Energy Engineering is RMB1.98 per share. The issue price of China Energy Engineering is based on the principle of taking into account the interests of the shareholders of parties to the Merger, and comprehensively considering factors such as the overall business situation, profitability, growth prospects and anti-risk capabilities of parties to the Merger, as well as the valuation levels of comparable companies in the industry. In the event of ex-rights and ex-dividends such as cash dividends, stock dividends, capitalization of capital reserves, and allotments occurs in the period from the Pricing Benchmark Date to the share swap date (both dates inclusive), the aforesaid issuance price will be adjusted accordingly. Under other circumstances, the issue price of China Energy Engineering will no longer be adjusted.

1. Comparable Company Method Valuation

(1) Selection of comparable companies

In order to fully ensure the reference of comparable companies, the Transaction selects comparable companies according to the following criteria: (1) A-share listed companies mainly engaged in construction engineering business; (2) with market value exceeds RMB10 billion as of 13 October 2020; (3) exclude companies with negative P/E ratios or obvious abnormal P/E ratios in the last 12 months².

Companies with a market value of RMB10 billion were selected, mainly due to the market values and the capacity of business volumes of these companies were comparable to that of China Energy Engineering. There is no comparability between companies with a market value smaller than RMB10 billion with the Company. Indicators such as the market value or income that can reflect the company's scale are also used as selection standards in the market.

2. *According to the standards of market value of RMB10 billion, only China Aluminum International (601068.SH) is the company mainly engaged in construction engineering business with negative P/E ratio. Affected by the epidemic, there was a sharp decline in the revenue of the main business of China Aluminum International in the last 12 months, and there were some difficulties in payments from its customers. The amount of impaired provision for the company was large, and the net profit was negative, resulting in a negative value of P/E ratio in the last 12 months. Its P/E ratio is not comparable, the company was eliminated from above list.*

LETTER FROM THE BOARD

Based on the above criteria, the following A-share listed companies were selected as comparable companies of China Energy Engineering. Their operating performance in the past 12 months, financial status as of the end of the third quarter of 2020, and main business content are shown in the following table:

Stock code	Stock abbreviation	Net profit attributable to shareholders of the parent company		Total assets as of the end of the third quarter of 2020		Main business
		operating income in the last 12 months (RMB100 million)	of the parent company in the last 12 months (RMB100 million)	of the end of the third quarter of 2020 (RMB100 million)	of the end of the third quarter of 2020 (RMB100 million)	
601668.SH	China State Construction	15,223.44	430.38	21,997.62	2,897.88	Investment development, engineering construction, survey and design
601390.SH	China Railway	9,677.76	264.60	12,084.30	2,402.77	Survey and design, construction and installation, industrial manufacturing, real estate development, etc.
601186.SH	CRCC	8,931.03	203.88	11,977.88	2,228.85	Engineering contracting, survey and design consulting, real estate, investment services, etc.
601800.SH	China Communications Construction	5,898.39	168.38	12,781.56	2,305.66	Infrastructure construction, infrastructure design and dredging business
601669.SH	Powerchina	3,752.65	72.69	9,050.20	1,078.91	Construction project contracting, power investment and operation

LETTER FROM THE BOARD

Stock code	Stock abbreviation	Net profit attributable to Total shareholders of the parent company in the last 12 months		Total assets as of the end of the third quarter of 2020	Equity attributable to shareholders of the parent company as of the end of the third quarter of 2020	Main business
		(RMB100 million)	(RMB100 million)			
601618.SH	MCC	3,785.26	71.72	5,003.84	900.62	Engineering contracting, real estate development, equipment manufacturing, etc.
600170.SH	SCG	2,185.70	34.52	2,643.91	360.47	General contracting, design and construction
601611.SH	CNNC	720.85	12.66	1,445.49	163.55	Construction business of military engineering, nuclear power engineering and industrial and civil engineering
600820.SH	STEC	487.77	20.10	1,001.48	224.66	Design, construction, investment and operation of infrastructure such as tunnels and underground spaces
600039.SH	Sichuan Road & Bridge	586.84	25.79	1,092.97	172.74	Design, investment, construction and operation of transportation infrastructure
000090.SZ	Tagen Group	185.61	23.61	450.44	110.69	A comprehensive urban operator integrating construction, real estate development, and urban services

LETTER FROM THE BOARD

Stock code	Stock abbreviation	Net profit attributable to shareholders of the parent company		Equity attributable to shareholders of the parent company		Main business
		Total operating income in the last 12 months	Total shareholdings of the parent company in the last 12 months	Total assets as of the end of the third quarter of 2020	Total equity of the parent company as of the end of the third quarter of 2020	
		(RMB100 million)	(RMB100 million)	(RMB100 million)	(RMB100 million)	
600970.SH	Sinoma	231.38	14.66	330.55	106.53	Construction business of new dry process cement production line
600491.SH	Longyuan Construction	201.26	9.63	644.62	111.18	Construction and professional installation of civil, industrial, municipal and various projects

Note 1: Data comes from Wind information and announcements of listed companies

Note 2: Total operating income in the last 12 months = total operating income in the fourth quarter of 2019 + total operating income in the first three quarters of 2020

Note 3: Net profit attributable to shareholders of the parent company in the last 12 months = net profit attributable to shareholders of the parent company in the fourth quarter of 2019 + net profit attributable to shareholders of the parent company in the first three quarters of 2020

(2) Selection of valuation ratio

Valuation indicators commonly used in comparable company method mainly include: price-earnings ratio, price-to-book ratio, and price-to-sales ratio etc. The applicability analysis of the above valuation indicators for parties to the Merger is as follows:

LETTER FROM THE BOARD

Valuation index	Applicability analysis
price-earnings ratio	Applicable. China Energy Engineering continued to operate stably for a long time, and continued to make profits during the reporting period. The price-earnings ratio index has reference value
price-to-book ratio	Applicable. Since parties to the Merger are companies in the construction engineering industry, most of their assets are physical assets, and the book value of net assets can more accurately reflect the actual assets of the company, so the times of price-to-book ratio based on the book value has reference value
price-to-sales ratio	Not applicable. For companies in the construction and engineering industries, the gross profit margins of different businesses such as engineering construction, industrial manufacturing, real estate development and investment are quite different, and the market-to-sales ratio cannot reflect the impact of the difference in gross profit margin of each company on corporate value

Based on the analysis in the above table, among the commonly used valuation indicators, the price-earnings ratio and the price-to-book ratio are suitable valuation indicators for parties to the Merger of the Transaction.

LETTER FROM THE BOARD

As of the 1 trading day prior to the suspension of trading of China Energy Engineering and CGGC on the Merger (13 October 2020), the price-earnings ratios and price-to-book ratios of comparable companies are as follows:

Stock code	Stock abbreviation	Price-earnings ratio in the last 12 months (times)	Price-to-book ratio in the last 12 months (times)
601668.SH	China State Construction	4.98	0.77
601390.SH	CHINA RAILWAY	5.10	0.67
601186.SH	CHINA RAIL CONS	5.65	0.64
601800.SH	CHINA COMM CONS	7.32	0.61
601669.SH	Powerchina	8.27	0.68
601618.SH	MCC	7.86	0.76
600170.SH	SCG	8.10	1.02
601611.SH	CNNC	15.83	1.86
600820.SH	STEC	8.96	0.80
600039.SH	Sichuan Road & Bridge	8.06	0.93
000090.SZ	Tagen Group	6.17	1.70
600970.SH	Sinoma	8.95	1.23
600491.SH	Longyuan Construction	12.63	1.09
	Maximum Value	15.83	1.86
	Average Value	8.30	0.98
	Median Value	8.06	0.80
	Minimum Value	4.98	0.61

Note 1: Data comes from Wind information

According to the audited financial information prepared in accordance with the Chinese Accounting Standards for Business Enterprises, the net profit attributable to ordinary shareholders of China Energy Engineering in 2020 was RMB4.507 billion; the net assets attributable to ordinary shareholders was RMB58.917 billion.

The equity value of ordinary shareholders of China Energy Engineering calculated using the P/E ratio and P/B ratio of comparable companies in the latest 12 months was as follows:

LETTER FROM THE BOARD

Indicator	Calculated at the maximum value	Calculated at the minimum value
P/E ratio of comparable companies in the latest 12 months (times)	15.83	4.98
Equity value of ordinary shareholders of China Energy Engineering (RMB100 million)	713.45	224.44
P/B ratio of comparable companies in the latest 12 months (times)	1.86	0.61
Equity value of ordinary shareholders of China Energy Engineering (RMB100 million)	1,095.85	359.39

Based on above valuation results of the comparable companies, the valuation of the equity value of ordinary shareholders of China Energy Engineering ranges from RMB22.444 billion to RMB109.585 billion.

As of 13 October 2020, the closing price of the H Shares of China Energy Engineering was HK\$0.72 per share, equivalent to RMB0.63 per share (converted according to the median value of the RMB exchange rate as of 13 October 2020 announced by the People's Bank of China, which is HK\$1 to RMB0.86833). Based on the standards that the issue price of A shares of China Energy Engineering corresponds to the domestic Shareholders' equity value of China Energy Engineering, and the H share price corresponds to H Shareholders' equity value of China Energy Engineering, the equity value of the ordinary Shareholders of China Energy Engineering is RMB46.936 billion, which is within the valuation range of RMB22.444 billion to RMB109.585 billion.

The A-share issuance price of China Energy Engineering corresponds to a P/E ratio of 13.19 times of earnings per share attributable to ordinary shareholders for 2020, and corresponds to P/B ratio of 1.01 times of net assets per share attributable to ordinary shareholders as of 31 December 2020, which is within the range of P/E ratio and P/B ratio of the above A-share comparable company in the latest 12 months.

LETTER FROM THE BOARD

2. Valuation of Comparable Transaction Method

Through the analysis of comparable transactions in the acquisition of assets in the construction engineering industry in recent years and the calculation of the transaction valuation level, the comparison with the valuation level of China Energy Engineering in the Transaction has been carried out.

From the perspective of the comparability of business and transactions, we have selected transactions of A-share listed companies such as the acquisition of the issued shares of the underlying assets, the purchase of assets or the merger and acquisition transactions in the construction engineering industry since 2017. In these transactions, the valuation of the underlying assets corresponds to the price-earnings ratio and price-to-book ratio of the year before the transaction announcement as follows:

Stock Code	Acquirer	Transaction Date	Transaction subject	Appraisal value of 100% equity of the transaction target RMB100 million	Price-earnings ratio (times)	Price-to-book ratio (times)
600248.SH	Yanchang Chemical Construction	2020-12-26	100% equity of Shaanxi Construction Co., Ltd.	85.19	6.67	1.35
000498.SZ	Shandong Road and Bridge	2020-11-23	17.11% equity of Luqiao Group	69.30	10.18	1.21
002761.SZ	Duoxiai	2020-04-22	100% equity of Zhejiang Construction Group	82.66	10.08	1.54
601390.SH	China Railway	2019-09-19	25.32% equity of China Railway Second Bureau	142.64	22.64	1.15
			29.38% equity of China Railway Third Bureau	102.98	13.21	1.18
			26.98% equity of China Railway Fifth Bureau	111.79	13.77	1.12
			23.81% equity of China Railway Eighth Bureau	84.08	17.14	1.10
002061.SZ	Zhejiang Transportation Technology	2017-11-29	100% equity of Zhejiang Transportation Engineering	52.39	13.01	2.99

LETTER FROM THE BOARD

Stock Code	Acquirer	Transaction Date	Transaction subject	Appraisal value of 100% equity of the transaction	Price-earnings ratio (times)	Price-to-book ratio (times)
				target RMB100 million		
600339.SH	Tianli High-tech	2017-01-19	100% equity of Pipeline Bureau Engineering Company	80.80	16.25	1.12
			100% equity of Engineering Construction Company	98.96	9.94	1.04
			100% equity of Huanqiu Engineering	34.13	7.40	1.08
			100% equity of Kunlun Engineering	4.80	25.01	2.00
			100% equity of Engineering Eesign Company	22.50	10.19	1.45
			100% equity of Northeast Refining & Chemical	8.96	10.15	1.03
			100% equity of China Petroleum Engineering	0.50	-	1.00
600502.SH	Anhui Water Resources	2017-06-30	100% equity of Construction Engineering Group	30.59	10.82	1.76
			Maximum Value		25.01	2.99
			Average Value		13.10	1.38
			Median Value		10.82	1.17
			Minimum Value		6.67	1.00

Note 1: Data comes from announcements of listed companies

Note 2: Price-to-earnings ratio = the assessed value of 100% equity of the transaction target/net profit attributable to the owners of the parent company in the previous year

Note 3: Price-to-book ratio = Appraisal value of 100% equity of the transaction target/net assets attributable to shareholders of the parent company at the end of the previous year; among them, the price-to-book ratio of Shaanxi Construction and Zhejiang Construction Group = Appraisal value of 100% equity / (Net assets attributable to shareholders of the parent company at the end of the previous year - other equity instruments)

Note 4: China Petroleum Engineering did not generate net profit in the year before the transaction announcement, so the price-earnings ratio index is not applicable

LETTER FROM THE BOARD

According to the audited financial information prepared in accordance with the Chinese Accounting Standards for Business Enterprises, the net profit attributable to ordinary shareholders of China Energy Engineering in 2020 was RMB4.507 billion; the net assets attributable to ordinary shareholders was RMB58.917 billion.

The equity value of ordinary shareholders of China Energy Engineering calculated using the P/E ratio and P/B ratio of comparable companies was as follows:

Indicator	Calculated at the maximum value	Calculated at the minimum value
P/E ratio of comparable transactions (times)	25.01	6.67
Equity value of ordinary shareholders of China Energy Engineering (RMB100 million)	1,127.18	300.61
P/B ratio of comparable transactions (times)	2.99	1.00
Equity value of ordinary shareholders of China Energy Engineering (RMB100 million)	1,761.62	589.17

Based on the above valuation results based on comparable company method, the valuation range of the equity value of ordinary Shareholders of China Energy Engineering is between RMB30.061 billion to RMB176.162 billion.

As of 13 October 2020, the closing price of the H Shares of China Energy Engineering was HK\$0.72 per share, equivalent to RMB0.63 per share (converted according to the median value of the RMB exchange rate as of 13 October 2020 announced by the People's Bank of China, which is HK\$1 to RMB0.86833). Based on the standards that the issue price of A shares of China Energy Engineering corresponds to the domestic Shareholders' equity value of China Energy Engineering, and the H share price corresponds to H Shareholders' equity value of China Energy Engineering, the equity value of the ordinary Shareholders of China Energy Engineering is RMB46.936 billion, which is within the valuation range of RMB30.061 billion to RMB176.162 billion.

LETTER FROM THE BOARD

The A-share issuance price of China Energy Engineering corresponds to a P/E ratio of 13.19 times earnings per share attributable to ordinary shareholders for 2020, and corresponds to P/B ratio of 1.01 times of net assets per share attributable to ordinary shareholders as of 31 December 2020, which is within the range of P/E ratio and P/B ratio of the above A-share comparable company.

3. A/H Share Premium Rate Level of Comparable Companies

Currently, the premium of A share market is higher than that of H share market. As of 13 October 2020, the Hang Seng A/H Premium Index (equivalent to the ratio of the weighted average A share price of index constituent stock based on circulation market to the weighted average H share price) was 148.10, reflecting that if calculated by market value weighting, A shares generally have a certain premium over H Shares.

For the major comparable companies listed both in A-share and H-share markets in the construction and engineering industries, the current A share prices are all higher than their H share prices, and the A/H premium rates are as follows:

Stock code	Securities abbreviation	H share price ³ HKD	A share price ³ RMB	A/H premium ratio
0390.HK/601390.SH	CHINA RAILWAY CHINA COMM	3.68	5.49	71.8%
1800.HK/601800.SH	CONS	4.11	7.62	113.5%
1186.HK/601186.SH	CHINA RAIL CONS	5.33	8.48	83.2%
1618.HK/601618.SH	MCC	1.28	2.72	144.7%
2068.HK/601068.SH	CHALIECO	1.29	3.83	241.9%
	Maximum			241.9%
	Average			131.0%
	Median			113.5%
	Minimum			71.8%

Note 1: Data comes from Wind Information, as of 13 October 2020

Note 2: The exchange rate shall be based on the central parity rate of RMB to HKD (i.e. HK\$1.00 to RMB0.86833) used by the interbank foreign exchange market as published by the PBOC on 13 October 2020

Note 3: The closed price as of 13 October 2020

In the transaction, the issue price of China Energy Engineering represents a premium of 212.4% to the average price of H share prices for 20 trading days up to the pricing benchmark date, which is within the range of the A/H premium rate of comparable companies.

LETTER FROM THE BOARD

When screening comparable companies, comparable transactions, A/H premium, various indicators, such as the comparable industry, comparable scale, exclusion of abnormal conditions, have been set under the dimensions of the statistical of the whole market and based on the experience of similar old projects. Comparable companies, comparable transactions, A/H premium has been selected through scientific methods. In terms of the A/H premium rate, although Chinalco International is not suitable as a comparable company since it has a negative P/E ratio due to its losses, however, the transaction prices in its A shares and H shares reflect the judgment of the market for its share value, so it is reasonable not to eliminate it in A/H premium rate analysis.

In conclusion, the Board considers that, in the transaction, the issue price of China Energy Engineering is determined on the principle of taking into account the interests of the shareholders of both parties to the Merger, comprehensively considering, the overall business conditions, profitability, growth prospects and anti-risk capabilities of both parties to the Merger as well as the valuation level of comparable companies and comparable transactions in the industry and other factors. The valuation is reasonable and the pricing is fair.

(II) *Rationality Analysis of Conversion Price of CGGC*

In the absorption and merger through Share Swap, the Conversion Price of A shareholders of CGGC is based on the average trading price of A shares of CGGC for 20 trading days before the pricing benchmark date (i.e. RMB6.04 per share) plus conversion premium rate of 45% (i.e. RMB8.76 per share). In case of any ex-rights or ex-dividend activities such as distribution of cash dividends, stock dividends, conversion of capital reserve into share capital and placing of shares by CGGC from the pricing benchmark date to the Conversion Date, the aforesaid price shall be adjusted accordingly. Under other circumstances, the Conversion Price of CGGC will no longer be adjusted.

1. Comparison of CGGC Conversion Price and Valuation of Comparable Companies

In order to fully ensure the applicability of comparable companies, the transaction selects comparable companies based on the following criteria: (1) A-share listed companies mainly engaged in construction engineering business; (2)

LETTER FROM THE BOARD

companies with a market capitalization of more than RMB10 billion as of 13 October 2020; (3) excluding the companies with negative P/E ratios for the last 12 months and obvious abnormal P/E ratios³.

Companies with a market value of RMB10 billion were selected, mainly due to the market values and the capacity of business volumes of these companies were comparable to that of China Energy Engineering. There is no comparability between companies with a market value smaller than RMB10 billion with the Company. Indicators such as the market value or income that can reflect the company's scale are also used as selection standards in the market.

3. *According to the standards of market value of RMB10 billion, only China Aluminum International (601068.SH) is the company mainly engaged in construction engineering business with negative P/E ratio. Affected by the epidemic, there was a sharp decline in the revenue of the main business of China Aluminum International in the last 12 months, and there were some difficulties in payments from its customers. The amount of impaired provision for the company was large, and the net profit was negative, resulting in a negative value of P/E ratio in the last 12 months. Its P/E ratio is not comparable, the company was eliminated from above list.*

LETTER FROM THE BOARD

The scope of comparable companies of CGGC selected based on the above criteria is consistent with the above A-share comparable companies of China Energy Engineering. The P/E ratios and P/B ratios of comparable companies selected according to the above criteria are as follows:

Stock code	Securities abbreviation	P/E ratio for the last 12 months (times)	P/B ratio for the last 12 months (times)
601668.SH	China State Construction	4.98	0.77
601390.SH	China Railway	5.10	0.67
601186.SH	CRCC	5.65	0.64
601800.SH	China Communications Construction	7.32	0.61
601669.SH	Powerchina	8.27	0.68
601618.SH	MCC	7.86	0.76
600170.SH	SCG	8.10	1.02
601611.SH	CNNC	15.83	1.86
600820.SH	STEC	8.96	0.80
600039.SH	Sichuan Road & Bridge	8.06	0.93
000090.SZ	Tagen Group	6.17	1.70
600970.SH	Sinoma	8.95	1.23
600491.SH	Longyuan Construction	12.63	1.09
	Maximum	15.83	1.86
	Average	8.30	0.98
	Median	8.06	0.80
	Minimum	4.98	0.61

Wind Information 2: The last 12 months

In the Transaction, the Conversion Price of CGGC was RMB8.76 per share, which corresponds to a P/E ratio of 12.06 times of earnings per share attributable to ordinary shareholders for 2020, and corresponds to the P/B ratio of 1.20 times of net assets per share attributable to ordinary shareholders as of 31 December 2020, which are all within the valuation range of comparable companies.

2. Conversion Premium Fully Based on the Conversion Premium of Similar Comparable Transactions in Recent Years

Since CGGC, the counterparty in the transaction, is an A-share listed company. comparable transactions with A-share listed companies as the counterparty are selected to analyze. In this type of transaction, the premium

LETTER FROM THE BOARD

rate of the Conversion Price of the counterparty to the average price for 20 trading days before the pricing benchmark date ranges from -33.56% to 68.71%. Especially, in the transaction of absorption and merger of A-share listed companies by non-A-share listed companies, the premium rate of the Conversion Price of the counterparty to the average price for 20 trading days before the pricing benchmark date ranges from 7.04% to 68.71%. Details are as follows:

Type of absorption and merger transaction	First disclosure day	Name of transaction	Merger party	Stock code	Combined party	Stock code	Average trading price of shares for 20 trading days before suspension of the counterparty (RMB/share)	Conversion price of the counterparty (RMB/share)	Conversion premium (discount) of the counterparty
Absorption and merger between A-share listed company and A-share listed company	2008-05-17	Absorption and merger between Panggang Steel & Vanadium and Changcheng Special Steel	Panggang Steel & Vanadium	000629.SZ	Changcheng Special Steel	000569.SZ	6.50	7.85	20.79%
Absorption and merger between A-share listed company and A-share listed company	2008-05-17	Absorption and merger between Panggang Steel & Vanadium and Panyu Titanium Industry	Panggang Steel & Vanadium	000629.SZ	Panyu Titanium Industry	000515.SZ	14.14	17.08	20.79%
Absorption and merger between A-share listed company and A-share listed company	2014-11-22	Absorption and merger between BestV and Oriental Pearl	BestV	600637.SH	Oriental Pearl	600832.SH	10.75	10.75	0.00%
Absorption and merger between A-share listed company and A-share listed company	2011-04-13	Absorption and merger between Jinan Steel and Laiwu Steel	Jinan Steel	600022.SH	Laiwu Steel	600102.SH	7.18	8.35	16.27%
Absorption and merger between A-share listed company and A-share listed company	2012-05-05	Absorption and merger between Sinopharm and Topfond Pharma	Sinopharm	600056.SH	Topfond Pharma	600253.SH	6.39	6.39	0.00%
Absorption and merger between A-share listed company and A-share listed company	2016-02-25	Absorption and merger between Greatwall Computer and Greatwall Information	Greatwall Computer	000066.SZ	Greatwall Information	000748.SZ	36.26	24.09	-33.56%
Absorption and merger between A-share listed company and A-share listed company	2016-09-23	Absorption and merger between Baosteel and Wuhan Iron & Steel	Baosteel	600019.SH	Wuhan Iron & Steel	600005.SH	2.86	2.58	-10.00%
Absorption and merger between A-share listed company and A-share listed company	2008-12-10	Absorption and merger between Xinhui Zhongbao and Xinhui Venture	Xinhui Zhongbao	600208.SH	Xinhui Venture	600840.SH	7.11	7.11	0.00%
Absorption and merger between A-share listed company and A-share listed company	2018-11-22	Absorption and merger between Midea Group and Little Swan (A shares)	Midea Group	000333.SZ	Little Swan (A shares)	000418.SZ	46.28	50.91	10.00%
Absorption and merger between A-share listed company and A-share listed company	2010-11-04	Absorption and merger between Friendship Group and Bailian Group	Friendship Group	600827.SH	Bailian Group	600631.SH	13.53	13.53	0.00%
Absorption and merger between A-share listed company and A-share listed company	2009-07-25	Absorption and merger between Yanhu Jiafei and Yanhu Group	Yanhu Jiafei	000792.SZ	Yanhu Group	000578.SZ	25.46	25.46	0.00%

LETTER FROM THE BOARD

Type of absorption and merger transaction	First disclosure day	Name of transaction	Merger party	Stock code	Combined party	Stock code	Average trading price of shares for 20 trading days before suspension of the counterparty (RMB/share)	Conversion price of the counterparty (RMB/share)	Conversion premium (discount) of the counterparty
Absorption and merger between A-share listed company and A-share listed company	2009-12-10	Absorption and merger between Tangshan Steel and Handan Steel	Tangshan Steel	000709.SZ	Handan Steel	600001.SH	4.10	4.10	0.00%
Absorption and merger between A-share listed company and A-share listed company	2009-12-10	Absorption and merger between Tangshan Steel and Chengde Vanadium & Titanium	Tangshan Steel	000709.SZ	Chengde Vanadium & Titanium	600357.SH	5.76	5.76	0.00%
Absorption and merger between A-share listed company and A-share listed company	2009-10-16	Absorption and merger between Shanghai Pharma and Zhongxi Pharma	Shanghai Pharma	601607.SH	Zhongxi Pharma	600842.SH	11.36	11.36	0.00%
Absorption and merger between A-share listed company and A-share listed company	2009-10-16	Absorption and merger between Shanghai Pharma and Shanghai Industry Pharma	Shanghai Pharma	601607.SH	Shanghai Industry Pharma	600607.SH	19.07	19.07	0.00%
Absorption and merger between H-share listed company and A-share listed company	2010-06-05	Absorption and merger between BBMG and Taihang Cement	BBMG	2009.HK	Taihang Cement	600553.SH	10.09	10.80	7.04%
Absorption and merger between H-share listed company and A-share listed company	2011-03-23	Absorption and merger between Guangzhou Automobile Group and Changfeng Motor	Guangzhou Automobile Group	2238.HK	Changfeng Motor	600991.SH	12.65	14.55	15.00%
Absorption and merger between H-share listed company and A-share listed company	2007-09-22	Absorption and merger between Shanghai Electric and Shanghai Electric Power	Shanghai Electric	2727.HK	Shanghai Electric Power	600627.SH	26.65	35.00	31.33%
Absorption and merger between H-share listed company and A-share listed company	2006-12-08	Absorption and merger between CHINALCO and Shandong Aluminium	CHINALCO	2600.HK	Shandong Aluminium	600205.SH	15.84	20.81	31.38%
Absorption and merger between H-share listed company and A-share listed company	2006-12-08	Absorption and merger between CHINALCO and Lanzhou Aluminium	CHINALCO	2600.HK	Lanzhou Aluminium	600296.SH	9.26	11.88	28.29%
Absorption and merger between H-share listed company and A-share listed company	2006-11-13	Absorption and merger between Weichai Group and Torch Automobile	Weichai Group	2338.HK	Torch Automobile	000549.SZ	4.88	5.80	18.85%
Absorption and merger between H-share listed company and A-share listed company	2018-03-01	Absorption and merger between Sinotrans and Sinotrans Air Transportation Developments	Sinotrans	0598.HK	Sinotrans Air Transportation Developments	600270.SH	16.91	20.63	22.00%
Absorption and merger between H-share listed company and A-share listed company	2010-12-31	Absorption and merger between China Communications Construction and Road & Bridge International	China Communications Construction	1800.HK	Road & Bridge International	600263.SH	11.81	14.53	23.03%
Absorption and merger between A+H-share listed company and A-share listed company	2012-03-28	Absorption and merger between Guangzhou Pharma and Baiyunshan	Guangzhou Pharma	600332.SH	Baiyunshan	000522.SZ	11.55	11.55	0.00%

LETTER FROM THE BOARD

Type of absorption and merger transaction	First disclosure day	Name of transaction	Merger party	Stock code	Combined party	Stock code	Average trading price of shares for 20 trading days before suspension of the counterparty (RMB/share)	Conversion price of the counterparty (RMB/share)	Conversion premium (discount) of the counterparty
Absorption and merger between A+H-share listed company and A-share listed company	2009-10-10	Absorption and merger between China Eastern Airlines and Shanghai Airlines	China Eastern Airlines	600115.SH	Shanghai Airlines	600591.SH	5.50	6.88	25.00%
Absorption and merger between A+H-share listed company and A-share listed company	2020-07-08	Absorption and merger between Dalian Port and Yingkou Port	Dalian Port	601880.SH	Yingkou Port	600317.SH	2.16	2.59	20.00%
Absorption and merger between A+H-share listed company and A+H -share listed company	2014-12-31	Absorption and merger between CSR and CNR	CSR	-	CNR	601299.SH	5.92	6.19	4.56%
Absorption and merger between non-listed company and A -share listed company	2013-04-01	Absorption and merger between Meideia Group and GD Midea Holding	Meideia Group	-	GD Midea Holding	000527.SZ	9.46	15.96	68.71%
Absorption and merger between non-listed company and A -share listed company	2014-07-26	Absorption and merger between Shenyin & Wanguo Securities and Hongyuan Securities	Shenyin & Wanguo Securities	-	Hongyuan Securities	000562.SZ	8.30	9.96	20.00%
Absorption and merger between non-listed company and A -share listed company	2015-04-28	Absorption and merger between WENS Group and Dahanong	WENS Group	-	Dahanong	300186.SZ	8.33	13.33	60.00%
Absorption and merger between non-listed company and A -share listed company	2017-06-15	Absorption and merger between China Merchants Expressway and Huabei Expressways	China Merchants Expressway	-	Huabei Expressways	000916.SZ	4.73	5.93	25.40%
Absorption and merger between non-listed company and A -share listed company	2015-09-18	Absorption and merger between China Merchants Shekou and China Merchants Property (A shares)	China Merchants Shekou	-	China Merchants Property (A shares)	000024.SZ	28.22	38.10	35.01%
									Maximum conversion premium rate of the counterparty
									68.71%
									The third quartile of conversion premium rate of the counterparty
									23.52%
									Average conversion premium rate of the counterparty
									14.37%
									Median conversion premium rate of the counterparty
									15.64%
									The first quartile of conversion premium rate of the counterparty
									0.00%
									Minimum conversion premium rate of the counterparty
									-33.56%

Note 1: Data comes from Wind Information and announcements of listed companies

Note 2: Taking into account the comparability with the average transaction price for 20 trading days before trading suspension, the price of the Cash Alternative of above counterparty and the Conversion Price have not considered the influence of ex-rights and ex-dividend factors after trading suspension

Note 3: The pricing benchmark in the absorption and merger between Greatwall Computer and Greatwall Information and absorption and merger between China Merchants Shekou and China Merchants Property (A shares) is the average

LETTER FROM THE BOARD

price for 120 trading days before trading suspension. In the statistics in the table above, taking into account the unity of the data, the average trading prices of shares of the counterparties for 20 trading days before the suspension of trading was recalculated, which is RMB36.26 per share for GreatWall Information and RMB28.22 per share for China Merchants Property (A shares) for comparison and analysis

During the transaction, the Conversion Price of CGGC represents a premium of 45% to the average price for 20 trading days before the pricing benchmark date, falling between the range of conversion premium rate of the counterparty to the above comparable transactions, which is in line with the market practices and is reasonable.

LETTER FROM THE BOARD

3. Comparison of the Conversion Price and Historical Transaction Price

The comparison of the Conversion Price with the historical share price of CGGC for a period of time before trading suspension is as follows:

Project	Historical share price (RMB/share)	Premium (Discount) of the Conversion Price over historical share price
Closing price of 1 trading day before trading suspension	6.09	43.84%
Average price of 10 trading days before trading suspension	6.01	45.76%
Average price of 20 trading days before trading suspension	6.04	45.03%
Average price of 30 trading days before trading suspension	6.16	42.21%
Average price of 60 trading days before trading suspension	6.57	33.33%
Average price of 120 trading days before trading suspension	6.53	34.15%
Average price of 250 trading days before trading suspension	6.41	36.66%

Note 1: Data comes from Wind Information, as of 13 October 2020

Note 2: The average trading price is calculated by dividing the total trading amount of CGGC A shares by the total trading amount during the calculation period

Based on the above, the Conversion Price of CGGC has a certain premium compared with the historical share price for a period of time before trading suspension. These Conversion Prices can better protect the rights and interests of shareholders of CGGC and are reasonable.

In conclusion, the Conversion Price of the counterparty, CGGC, is determined with reference to the valuation level of comparable companies and the conversion premium rate of similar comparable transactions, and comprehensively considering the risk of share price fluctuations and the risk compensation of CGGC Conversion Shareholders, which is in line with the market practices and is fair and reasonable.

When screening comparable companies, various indicators, such as the comparable industry, comparable scale, comparable transaction types, exclusion of abnormal conditions, have been set at the dimension of the full market

LETTER FROM THE BOARD

statistics and based on the experience of similar old projects. Comparable companies have been selected through scientific methods. Comparable transactions were selected from transactions of companies that have been completed where A-share listed companies act as the merged party, at the dimension of the full market statistics.

In the merger transaction of listed companies, the core factor that affects the interests of the conversion shareholders is the conversion ratio. When the conversion ratio is determined, changes in the issue price and the exchange price in the same direction will not affect the equity held by the shareholders of both parties in the surviving company after the merger transaction. Therefore, when analyzing and demonstrating the rationality of the conversion price and the conversion price premium rate, it is necessary to focus on the relative rationality (rather than the rationality of the absolute value) of the issue price of the merger party and the exchange price of the combined party.

In the Merger, although CGGC was given a 45% premium, the premium rate of China Energy Engineering's A-share issuance price to the current H-share price is also in the higher range of comparable companies. At the same time, the price-earnings ratio corresponding to the A-share issue price of China Energy Engineering is slightly higher than the price-earnings ratio corresponding to the conversion price of CGGC. That is to say, the valuation of China Energy Engineering in the Merger is slightly higher than that of CGGC, which can protect the interests of the Company and its shareholders.

The Board of the Company considered that, during the transaction, the Conversion Price of CGGC represents a premium of 45% to the average price for 20 trading days before the pricing benchmark date, which is determined with reference to the valuation level of comparable companies, the conversion premium rate of similar comparable transactions and historical share price. The Conversion Price has a certain premium compared with the historical share price before trading suspension of CGGC, falling between the range of conversion premium rate of the counterparty to the above comparable transactions, which is in line with the market practices and is fair and reasonable.

(III) Rationality Analysis of the Rights Protection Mechanism of Dissenting Shareholders

In order to protect the Shareholders' interests of China Energy Engineering and minimize the impact of share price fluctuations of China Energy Engineering on investors after the Merger, in accordance with the relevant provisions of the Company Law and the Articles of Association of China Energy Engineering Corporation Limited, this merger will grant Dissenting Shareholders of China Energy Engineering request the right to purchase.

LETTER FROM THE BOARD

During the Merger, Energy China Group (including its subsidiaries, other than China Energy Engineering and its subsidiaries) and/or its designated unrelated third parties will provide the Put Option to the Dissenting Shareholders of China Energy Engineering at a fair price. Under this circumstance, the Dissenting Shareholders of China Energy Engineering shall no longer claim the Put Option against China Energy Engineering or any Shareholders of China Energy Engineering who agree the Merger. The Dissenting Shareholders of China Energy Engineering who exercise the Put Option may obtain cash consideration paid by the Put Option Provider according to the price of the Put Option on the implementation date for each share of China Energy Engineering that they have effectively applied for, and transfer the corresponding shares to the name of the Put Option Provider.

In order to fully safeguard the interests of all the shareholders of CGGC, especially the minority Shareholders, pursuant to the applicable requirements of the Company Law and the Articles of Association of China Gezhouba Group Stock Company Limited, in the Merger, Energy China Group (including its subsidiaries but excluding China Energy Engineering and its subsidiaries) and/or its designated unrelated third parties will provide Cash Alternative to the Dissenting Shareholders of CGGC. In such case, these Dissenting Shareholders of CGGC shall no longer initiate the Cash Alternative against CGGC or any shareholders of CGGC who are in agree with the Merger.

The price for Cash Alternative of Dissenting Shareholders of CGGC is the closing price of shares on the trading day before the Pricing Benchmark Date, i.e. RMB6.09 per share. In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred in CGGC from the Pricing Benchmark Date to the Cash Alternative Exercise Date (both days inclusive), the price for Cash Alternative shall be adjusted accordingly. The Dissenting Shareholders of CGGC who exercise the Cash Alternative may receive the cash consideration paid by the Cash Alternative Providers at the price of Cash Alternative for each CGGC share validly declared on the Cash Alternative Exercise Date, and transfer the corresponding shares to the Cash Alternative Providers at the same time.

The relevant mechanisms of the Dissenting Shareholders of China Energy Engineering and CGGC are compliance with the relevant requirements of the Company Law and the Reorganization Administrative Measures, the rationality analysis of which is as follow:

1. Rationality Analysis of the Put Option Mechanism of the Dissenting Shareholders of China Energy Engineering

The transaction is the absorption and merger of CGGC, the A-share listed company, by China Energy Engineering, the H-share listed company, thus comparable transactions of absorption and merger between H-share listed

LETTER FROM THE BOARD

companies (as the transaction party) and A-share listed company are selected to analysis the rationality of the Put Option mechanism of the Dissenting Shareholders of China Energy Engineering:

Type of absorption and merger transaction	First disclosure day	Name of transaction	Merger party	Stock code	Combined party	Stock code	Price determination method for put option of the dissenting H shareholders of the transaction party	Price determination method for put option of the dissenting domestic shareholders of the transaction party
Absorption and merger between H-share listed company and A-share listed company	2010-06-05	Absorption and merger between BBMG Corporation and Taihang Cement	BBMG	2009.HK	Taihang Cement	600553.SH	The dissenting shareholders are entitled to require BBMG Corporation or agree the shareholders to purchase the shares held by them at a fair price	The dissenting shareholders are entitled to require BBMG Corporation or agree the shareholders to purchase the shares held by them at a fair price
Absorption and merger between H-share listed company and A-share listed company	2011-03-23	Absorption and merger between Guangzhou Automobile Group and GAC Changfeng	Guangzhou Automobile Group	2238.HK	GAC Changfeng	600991.SH	The dissenting shareholders are entitled to require Guangzhou Automobile Group or agree the shareholders to purchase the shares held by them at a fair price	The dissenting shareholders are entitled to require Guangzhou Automobile Group or agree the shareholders to purchase the shares held by them at a fair price
Absorption and merger between H-share listed company and A-share listed company	2018-03-01	Absorption and merger between Sinotrans and Sinotrans Development	Sinotrans	0598.HK	Sinotrans Development	600270.SH	The dissenting shareholders are entitled to require Sinotrans or agree other shareholders under the merger to purchase the shares held by them at a fair price	Sinotrans & CSC Holdings Co., Ltd. and China Merchants Group Limited, both domestic shareholders, are required to abstain from voting, and are therefore not applicable to the Put Option of the dissenting shareholders
Absorption and merger between H-share listed company and A-share listed company	2010-12-31	Absorption and merger between China Communications Construction and CRBC Road & Bridge	China Communications Construction	1800.HK	CRBC Road & Bridge	600263.SH	The dissenting shareholders are entitled to require China Communications Construction or agree other shareholders under the merger to purchase their shares at a fair price	The dissenting shareholders are entitled to require China Communications Construction or agree other shareholders under the merger to purchase their shares at a fair price
Absorption and merger between H-share listed company and A-share listed company	2007-09-22	Absorption and merger between Shanghai Electric and Shanghai Power	Shanghai Electric	2727.HK	Shanghai Power	600627.SH	The dissenting shareholders are entitled to require Shanghai Electric and/or agree other shareholders under the merger to purchase their shares at a fair price	The dissenting shareholders are entitled to require Shanghai Electric and/or agree other shareholders under the merger to purchase their shares at a fair price
Absorption and merger between H-share listed company and A-share listed company	2006-12-08	Absorption and merger between China Aluminum and Shandong Aluminum	China Aluminum	2600.HK	Shandong Aluminum	600205.SH	The dissenting shareholders are entitled to require China Aluminum and/or agree other shareholders under the merger to purchase their shares at a fair price	The dissenting shareholders are entitled to require China Aluminum and/or agree other shareholders under the merger to purchase their shares at a fair price
Absorption and merger between H-share listed company and A-share listed company	2006-12-08	Absorption and merger between China Aluminum and Lanzhou Aluminum	China Aluminum	2600.HK	Lanzhou Aluminum	600296.SH	The dissenting shareholders are entitled to require China Aluminum and/or agree other shareholders under the merger to purchase their shares at a fair price	The dissenting shareholders are entitled to require China Aluminum and/or agree other shareholders under the merger to purchase their shares at a fair price

LETTER FROM THE BOARD

Type of absorption and merger transaction	First disclosure day	Name of transaction	Merger party	Stock code	Combined party	Stock code	Price determination method for put option of the dissenting H shareholders of the transaction party	Price determination method for put option of the dissenting domestic shareholders of the transaction party
Absorption and merger between H-share listed company and A-share listed company	2006-11-13	Absorption and merger between Weichai Power and Zhuzhou Torch Spark	Weichai Power	2338.HK	Zhuzhou Torch Spark	000549.SZ	The dissenting shareholders are entitled to require Weichai Power or agree the shareholders to purchase their shares at a fair price	As the domestic shareholders undertook that they would not transfer the shares of Weichai Power held by them during the three years after issuance of A shares by Weichai Power, thus they are deemed to waiver to exercise the Put Option of the dissenting shareholders

Data source: Wind Information and relevant announcements of listed companies

Note: With regard to the Put Option of the Dissenting Shareholders of China Energy Engineering, comparable transactions were selected from transactions of companies that have completed where H-share listed companies act as the merging party to merge A-share listed companies, at the dimension of the full market statistics

In the transaction, the Put Option Providers will provide the Put Option to the Dissenting H Shareholders and Domestic Shareholders of China Energy Engineering at a fair price, which is similar to the mechanisms of the foregoing cases and in compliance with the market practice and principle of fairness and reasonableness to the H Shareholders and Domestic Shareholders.

2. Rationality Analysis of the Pricing of Cash Alternative of the Dissenting Shareholders of CGGC

(1) The Cash Alternative of Dissenting Shareholders of CGGC provides full protection to the investors

In the transaction, the CGGC Conversion Price is determined based on the average price of RMB6.04 per share for 20 trading days before the Pricing Benchmark Date, with a 45% premium rate, which is RMB8.76 per share. The price for Cash Alternative of Dissenting Shareholders of CGGC is the closing price of shares on the trading day before the Pricing Benchmark Date, i.e. RMB6.09 per share. The price for Cash Alternative is less than the Conversion Price but higher than the market reference price.

The premium can effectively remedy the dilution of earnings per share of the former shareholders of CGGC who continue to hold shares of the Surviving Company after completion of the transaction. While for the Dissenting Shareholders who exercise the Cash Alternative, the price of the Cash Alternative is no less than the closing price on the trading day

LETTER FROM THE BOARD

before the Pricing Benchmark Date. In the event of a downward or an upward fluctuation in the share prices of CGGC after resumption of trading, the Dissenting Shareholders of CGGC may exit by exercising the Cash Alternative or selling the shares in the secondary market, respectively, which could therefore fully protect such Dissenting Shareholders.

- (2) The pricing method of the Cash Alternative of CGGC is compliance with the market practice

In the transaction, the price of the Cash Alternative of Dissenting Shareholders of CGGC is determined with reference to comparable transactions. Since CGGC, the counterparty to the transaction, is an A-share listed company, comparable transactions with A-share listed companies as the counterparties are selected to analyze the reasonableness of the pricing for the Cash Alternative of Dissenting Shareholders during the transaction:

Type of absorption and merger transaction	First disclosure date	Name of transaction	Merger party	Stock code	Combined party	Stock code	Price of the cash alternative of the counterparty (RMB per share)	Conversion price of the counterparty (RMB per share)	Closing price of the counterparty on the first trading day before suspension of trade (RMB per share)	Premium	Premium
										(discount) of the price of the cash alternative over the closing price on the first trading day before suspension of trade	(discount) of the price of the cash alternative over the conversion price
Absorption and merger between A-share listed company and A-share listed company	2008-05-17	Absorption and merger between Pangang Steel & Vanadium and Changcheng Special Steel	Pangang Steel & Vanadium	000629.SZ	Changcheng Special Steel	000569.SZ	6.50	7.85	7.74	-17.20%	-16.02%
Absorption and merger between A-share listed company and A-share listed company	2008-05-17	Absorption and merger between Pangang Steel & Vanadium and Panyu Titanium	Pangang Steel & Vanadium	000629.SZ	Panyu Titanium	000515.SZ	14.14	17.08	17.08	-17.21%	-17.21%
Absorption and merger between A-share listed company and A-share listed company	2014-11-22	Absorption and merger between Bestv Network and Oriental Pearl	Bestv Network	600637.SH	Oriental Pearl	600832.SH	10.75	10.75	10.98	0.00%	-2.09%
Absorption and merger between A-share listed company and A-share listed company	2011-04-13	Absorption and merger between Jinan Iron & Steel and Laiwu Steel Corporation	Jinan Iron & Steel	600022.SH	Laiwu Steel Corporation	600102.SH	7.18	8.35	7.56	-14.01%	-5.03%
Absorption and merger between A-share listed company and A-share listed company	2012-05-05	Absorption and merger between China Meheco and Topfound Pharmaceutical	China Meheco	600056.SH	Topfound Pharmaceutical	600253.SH	6.39	6.39	6.84	0.00%	-6.58%

LETTER FROM THE BOARD

Type of absorption and merger transaction	First disclosure date	Name of transaction	Merger party	Stock code	Combined party	Stock code	Price of the cash alternative of the counterparty (RMB per share)	Conversion price of the counterparty (RMB per share)	Closing price of the counterparty on the first trading day before suspension of trade (RMB per share)	Premium	Premium
										(discount) of the price of the cash alternative over the price of the cash alternative over the conversion price	(discount) of the price of the cash alternative over the closing price on the first trading day before suspension of trade
Absorption and merger between A-share listed company and A-share listed company	2016-02-25	Absorption and merger between GreatWall Technology and GreatWall Information	GreatWall Technology	000066.SZ	GreatWall Information	000748.SZ	24.09	24.09	34.88	0.00%	-30.93%
Absorption and merger between A-share listed company and A-share listed company	2016-09-23	Absorption and merger between Baoshan Iron & Steel and Wuhan Iron and Steel	Baoshan Iron & Steel	600019.SH	Wuhan Iron and Steel	600005.SH	2.58	2.58	2.76	0.00%	-6.52%
Absorption and merger between A-share listed company and A-share listed company	2008-12-10	Absorption and merger between Xinhua Zhongbao and Xinhua Venture	Xinhua Zhongbao	600208.SH	Xinhua Venture	600840.SH	7.11	7.11	6.13	0.00%	15.99%
Absorption and merger between A-share listed company and A-share listed company	2018-11-22	Absorption and merger between Midea Group and Little Swan (A share)	Midea Group	000333.SZ	Little Swan (A share)	000418.SZ	41.85	50.91	46.50	-17.80%	-10.00%
Absorption and merger between A-share listed company and A-share listed company	2010-11-04	Absorption and merger between Friendship Group and Bailian Group	Friendship Group	600827.SH	Bailian Group	600631.SH	13.53	13.53	13.80	0.00%	-1.96%
Absorption and merger between A-share listed company and A-share listed company	2009-07-25	Absorption and merger between Salt Lake Potash and Salt Lake Group	Salt Lake Potash	000792.SZ	Salt Lake Group	000578.SZ	25.46	25.46	31.00	0.00%	-17.87%
Absorption and merger between A-share listed company and A-share listed company	2009-12-10	Absorption and merger between Tang Steel Corp and Handan Iron & Steel	Tang Steel Corp	000709.SZ	Handan Iron & Steel	600001.SH	4.10	4.10	3.76	0.00%	9.04%
Absorption and merger between A-share listed company and A-share listed company	2009-12-10	Absorption and merger between Tang Steel Corp and Chengde Vanadium & Titanium	Tang Steel Corp	000709.SZ	Chengde Vanadium & Titanium	600357.SH	5.76	5.76	5.50	0.00%	4.73%
Absorption and merger between A-share listed company and A-share listed company	2009-10-16	Absorption and merger between Shanghai Pharmaceuticals and Zhongxi Pharmaceutical	Shanghai Pharmaceuticals	601607.SH	Zhongxi Pharmaceutical	600842.SH	11.36	11.36	11.41	0.00%	-0.44%
Absorption and merger between A-share listed company and A-share listed company	2009-10-16	Absorption and merger between Shanghai Pharmaceuticals and Shanghai Industrial Pharmaceutical	Shanghai Pharmaceuticals	601607.SH	Shanghai Industrial Pharmaceutical	600607.SH	19.07	19.07	19.33	0.00%	-1.35%
Absorption and merger between H-share listed company and A-share listed company	2010-06-05	Absorption and merger between BBMG Corporation and Taihang Cement	BBMG Corporation	2009.HK	Taihang Cement	600553.SH	10.65	10.80	10.65	-1.39%	0.00%
Absorption and merger between H-share listed company and A-share listed company	2011-03-23	Absorption and merger between Guangzhou Automobile Group and GAC Changfeng	Guangzhou Automobile Group	2238.HK	GAC Changfeng	600991.SH	12.65	14.55	14.07	-13.06%	-10.09%

LETTER FROM THE BOARD

Type of absorption and merger transaction	First disclosure date	Name of transaction	Merger party	Stock code	Combined party	Stock code	Price of the cash alternative of the counterparty (RMB per share)	Conversion price of the counterparty (RMB per share)	Closing price of the counterparty on the first trading day before suspension of trade (RMB per share)	Premium	Premium
										(discount) of the price of the cash alternative over the conversion price	(discount) of the price of the cash alternative over the closing price on the first trading day before suspension of trade
Absorption and merger between H-share listed company and A-share listed company	2007-09-22	Absorption and merger between Shanghai Electric and Shanghai Power	Shanghai Electric	2727.HK	Shanghai Power	600627.SH	28.05	35.00	28.05	-19.86%	0.00%
Absorption and merger between H-share listed company and A-share listed company	2006-12-08	Absorption and merger between China Aluminum and Shandong Aluminum	China Aluminum	2600.HK	Shandong Aluminum	600205.SH	16.65	20.81	16.65	-19.99%	0.00%
Absorption and merger between H-share listed company and A-share listed company	2006-12-08	Absorption and merger between China Aluminum and Lanzhou Aluminum	China Aluminum	2600.HK	Lanzhou Aluminum	600296.SH	9.50	11.88	9.50	-20.03%	0.00%
Absorption and merger between H-share listed company and A-share listed company	2006-11-13	Absorption and merger between Weichai Power and Zhuzhou Torch Spark	Weichai Power	2338.HK	Zhuzhou Torch Spark	000549.SZ	5.05	5.80	6.29	-12.93%	-19.71%
Absorption and merger between H-share listed company and A-share listed company	2018-03-01	Absorption and merger between Sinotrans and Sinotrans Development	Sinotrans	0598.HK	Sinotrans Development	600270.SH	17.28	20.63	17.28	-16.24%	0.00%
Absorption and merger between H-share listed company and A-share listed company	2010-12-31	Absorption and merger between China Communications Construction and CRBC Road & Bridge	China Communications Construction	1800.HK	CRBC Road & Bridge	600263.SH	12.31	14.53	11.96	-15.28%	2.93%
Absorption and merger between A+H-share listed company and A-share listed company	2012-03-28	Absorption and merger between Guangzhou Pharmaceutical and Baiyunshan	Guangzhou Pharmaceutical	600332.SH	Baiyunshan	000522.SZ	11.55	11.55	12.16	0.00%	-5.02%
Absorption and merger between A+H-share listed company and A-share listed company	2009-10-10	Absorption and merger between Eastern Airlines and Shanghai Airlines	Eastern Airlines	600115.SH	Shanghai Airlines	600591.SH	5.50	6.88	5.92	-20.00%	-7.09%
Absorption and merger between A+H-share listed company and A-share listed company	2020-07-08	Absorption and merger between Dalian Port and Yingkou Port	Dalian Port	601880.SH	Yingkou Port	600317.SH	2.16	2.59	2.21	-16.60%	-2.26%
Absorption and merger between A+H-share listed company and A+H-share listed company	2014-12-31	Absorption and merger between CSR and CNR	CSR	-	CNR	601299.SH	5.92	6.19	6.45	-4.36%	-8.22%
Absorption and merger between non-listed company and A-share listed company	2013-04-01	Absorption and merger between Midea Group and Midea Holding	Midea Group	-	Midea Holding	000527.SZ	10.59	15.96	9.18	-33.65%	15.36%
Absorption and merger between non-listed company and A-share listed company	2014-07-26	Absorption and merger between Shenyin & Wanguo and Shenwan Hongyuan Securities	Shenyin & Wanguo	-	Shenwan Hongyuan Securities	000562.SZ	8.22	9.96	8.22	-17.47%	0.00%

LETTER FROM THE BOARD

Type of absorption and merger transaction	First disclosure date	Name of transaction	Merger party	Stock code	Combined party	Stock code	Price of the cash alternative of the counterparty (RMB per share)	Conversion price of the counterparty (RMB per share)	Closing price of the counterparty on the first trading day before suspension of trade (RMB per share)	Premium	Premium
										(discount) of the price of the cash alternative over the closing price on the first trading day before suspension of trade	(discount) of the price of the cash alternative over the conversion price
Absorption and merger between non-listed company and A-share listed company	2015-04-28	Absorption and merger between Wens Group and DAHUANONG	Wens Group	-	DAHUANONG	300186.SZ	10.62	13.33	7.87	-20.33%	34.94%
Absorption and merger between non-listed company and A-share listed company	2017-06-15	Absorption and merger between Merchants Expressway and Huabei Expressway	Merchants Expressway	-	Huabei Expressway	000916.SZ	4.73	5.93	5.01	-20.24%	-5.59%
Absorption and merger between non-listed company and A-share listed company	2015-09-18	Absorption and merger between Merchants Shekou and Merchants Property (A shares)	Merchants Shekou	-	Merchants Property (A shares)	000024.SZ	24.11	38.10	31.96	-36.72%	-24.56%
										0.00%	34.94%
										0.00%	0.00%
										-11.07%	-3.61%
										-13.54%	-2.18%
										-18.31%	-8.66%
										-36.72%	-30.93%

Note 1: Data comes from Wind Information and relevant announcements of listed companies

Note 2: Considering the comparability with the closing price on the trading day before the suspension of trading, the price of the cash alternative of the foregoing counterparties and the conversion price have not taken into consideration of the impact of any ex-right or ex-dividend factor

Note 3: With regard to the Cash Alternative of the Dissenting Shareholders of CGGC, comparable transactions were selected from transactions of companies that have completed where A-share listed companies act as the merged party, at the dimension of the full market statistics.

In all comparable transactions above, the price of the cash alternative of the dissenting shareholders of counterparties is no higher than their Conversion Price; among which, the price of the cash alternative of the dissenting shareholders of counterparties in 20 comparable transactions is discounted over their conversion price. In the transaction, the price of the Cash Alternative of the Dissenting Shareholders of CGGC is discounted by 30.48% over the Conversion Price, and the premium (discount) falls into the range of that between the Cash Alternative of counterparties over the Conversion Price of the abovementioned comparable transactions. The pricing is in line with the market practices.

LETTER FROM THE BOARD

In the transaction, the price of the Cash Alternative of the Dissenting Shareholders of CGGC is the same as the closing price of shares on the trading day before the suspension of trading, and the premium (discount) falls between the third and fourth quartile of premium rate of Cash Alternative of counterparties over the closing price of shares of the abovementioned comparable transactions on the trading day before the suspension of trading and differs slightly from the average and median. The pricing is in line with the market practice and is reasonable.

- (3) The price of the Cash Alternative helps facilitate all Shareholders to enjoy the long-term benefits from the future development of the Company

Upon completion, China Energy Engineering and CGGC will realize resources integration, which will eliminate peer competition, full exert business synergies, further improve continuous profitability and comply with the long-term benefit of all Shareholders of both parties to the Merger. The price for Cash Alternative is set to be slightly lower than the Conversion Price, which is conducive to encourage CGGC Shareholders to actively participate in the Share Swap and share the dividend income and share price appreciation income from future business development and performance growth of China Energy Engineering upon the Merger.

In conclusion, in the transaction, the pricing for Cash Alternative of CGGC is in line with the market practice and helps protect the interests of all Shareholders of both parties to the Merger and is thereby reasonable.

LETTER FROM THE BOARD

1.3 Merger Agreement

On 27 October 2020, the Company and CGGC entered into the Merger Agreement for the Merger. In addition to the terms listed in the Merger proposal above, the main terms and conditions of the Merger Agreement include:

Parties	The Company (as the acquirer); and CGGC (as the acquiree)
Conditions precedent of the Merger Agreement	The Merger Agreement becomes effective upon the following conditions are fulfilled: <ol style="list-style-type: none">(1) The Merger Agreement has been signed by the legal representatives or authorized agents of both parties to the Merger and affixed with the official seal of the legal person;(2) The Merger has been approved by the Board meeting, shareholders' general meeting, domestic Class Meeting, and H Shareholders' Class Meeting of the Company;(3) The Merger has been approved by board meeting and general meeting of shareholders of CGGC;(4) The Merger has been approved by state-owned assets supervision and management authorities;(5) Matters related to the Merger have been approved by CSRC;(6) The Hong Kong Stock Exchange has no objection to the publication by the Company of the announcement and the shareholder circular in connection with the transactions contemplated under the Merger;

LETTER FROM THE BOARD

- (7) The Merger has been reviewed and approved by the SSE for the listing of A shares to be issued by the Company for the Merger;
- (8) The Merger has been approved or obtained the decision of no further review (if necessary) by the Antimonopoly Bureau of the State Administration for Market Regulation for the concentration of management involved in the Merger;
- (9) Other necessary approvals or permits (if necessary) as required by laws and regulations.

Unsatisfied conditions precedent

Both parties agree that if any matter to be approved stipulated in the above conditions precedent of the Merger Agreement are not approved, unless the parties agree otherwise, the Merger will terminate immediately.

Liabilities of defaults

Except as otherwise stipulated in the other terms of the Merger Agreement, if any party of the Merger Agreement violates its statements, guarantees, commitments and other obligations under the Merger Agreement and causes losses to the other party, it shall compensate in full for all losses caused to the other party.

The above Merger proposal, Merger Agreement and other relevant resolutions have been considered and approved by the Board of Directors on 19 March 2021, and are now proposed to the Shareholders at the EGM and Class Meetings for consideration and approval. Details regarding the Report of the Merger and its summary, report from financial advisory, special verification report for real estate business, valuation report of the Merger, legal opinion of the Merger, special verification opinions involving real estate business, and special self-examination report involving real estate business and others were set out in an overseas regulatory announcement of the Company published on the website of the Hong Kong Stock Exchange dated 19 March 2021.

LETTER FROM THE BOARD

Procedures that have been executed and still need to be executed for the transaction

Approvals that have been obtained for the transaction:

1. The transaction has been considered and approved at the 24th meeting of the second session of the Board of China Energy Engineering;
2. The transaction has been considered and approved at the 29th meeting (extraordinary) of the seventh session of the Board of CGGC;
3. The transaction has obtained a letter of no objection from the Hong Kong Stock Exchange to the announcement of transactions issued by China Energy Engineering regarding the transactions under the Merger Agreement;
4. The transaction has been approved by the State-owned Assets Supervision and Administration Commission of the State Council;
5. The transaction has been reviewed and approved at the second meeting of the third session of the Board of China Energy Engineering;
6. The transaction has been reviewed and approved at the 34th meeting of the seventh session of the Board of CGGC.

The approvals or authorizations that need to be obtained for the transaction include but are not limited to:

1. The transaction still needs to be reviewed and approved by the shareholders' general meeting of CGGC;
2. The transaction still needs to be reviewed and approved by the shareholders' general meeting, domestic share class meeting and H share class meeting of China Energy Engineering;
3. The transaction still needs to be approved by the CSRC;
4. The transaction still needs to obtain the letter of no objection from the Hong Kong Stock Exchange to the shareholder circular issued by China Energy Engineering regarding the transactions under the Merger Agreement;
5. The transaction still needs to obtain the approval of the SSE for the listing of the A shares issued by China Energy Engineering for the Merger;
6. The transaction still needs to obtain other necessary approvals or authorizations (if necessary) required by relevant laws and regulations.

LETTER FROM THE BOARD

ATTENTION

There are uncertainties about whether the transaction can obtain the above approvals or authorizations. There is no assurance that all the conditions precedents contained in the Merger Agreement can be satisfied. Investors and potential investors should exercise caution, and should not only rely on information published by the Company, when dealing, or contemplating dealing in the Shares. This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

1.4 Impact of the Merger and Other Information

Impact of the Merger

Before the Merger, the Company is an extra comprehensive enterprise that provides overall solutions and full industry chain services in energy power and infrastructure industries in China and the world. Its main businesses cover sectors such as energy power, water conservancy and water affairs, railways and highways, ports and navigation channels, municipal engineering, urban rail, eco-environment protection, cement and civil explosives, with a complete industrial chain integrating planning and consulting, evaluations and review, survey and design, construction and contracting and management, operation and maintenance and investment operation, technical services, equipment manufacturing and building materials. CGGC is a subsidiary of the Company, and its business scope covers engineering and construction, industrial manufacturing, investment and operation and comprehensive services.

After the Merger, the Company's main business will not be changed. The Company and CGGC will achieve full integration of resources, eliminate potential peer competition, and fully release business synergies. The comprehensive service capabilities of the Surviving Company after the Merger will be further improved. The Company and CGGC will further enhance their core competitiveness and industry influence through the deep integration of assets, personnel, brand, management and other elements.

Reasons for and Benefits of the Merger

In recent years, numerous policies have been introduced to encourage state-owned enterprises for mergers and reorganization, support enterprises to carry out mergers and reorganization by the force of capital market, as well as promote industrial consolidation and upgrading. In order to implement the national decision-making deployment on the reform of state-owned enterprises, the Company intended to further promote the integration of internal resources allocation and the synergy of business development through the Merger, exert the advantages of the full industry chain of relevant fields, focus on the development of relevant advantageous industries, enhance the value creation level of the Company and consolidate the leading position of the Company in the industry and international competitiveness.

LETTER FROM THE BOARD

- (1) Being conducive to effectively exert the advantageous of the full industry chain

By virtue of the Merger, the Company's business structure and resources in survey and design, equipment manufacturing, operating maintenance and other segments may be effectively integrated with that of CGGC in international operation, construction and contracting, investment and operation and other segments, which will improve the efficiency of resource allocation and business synergy, really achieve vertical integration of the industry chain and exert the service role of the full industry chain and the value chain integration advantages.

- (2) Being conducive to shortening management chain, optimizing resources allocation and improving management efficiency

Prior to the Merger, the Company indirectly held approximately 42.84% equity interests in CGGC through CGGC Group and was thus the indirect controlling shareholder of CGGC, and both parties have independent management, their incentive mechanisms and interest objectives may not be completely unanimous, which might affect management efficiency and management operation efficiency to a certain extent. The Merger will effectively improve the governance structure and decision-making mechanism, which will in turn enable the Company to further optimize resources allocation, improve management efficiency and enhance the Company's profitability.

- (3) Being conducive to developing and expanding the pillar and important business clusters and promoting business transformation and upgrade and continuous development

The cement, civil explosives, highway investment and operation, water conservancy and other businesses of the Company are currently under operation by CGGC internally, the level of legal person is relatively lower and certain deficiencies exist with respect to policy support, resource investment and market recognition, and their development and expansion are therefore certainly limited which, to a certain extent, affect the speeds of the Company's business transformation and structural adjustment. After the completion of the Merger, the Company will give more efficient support to the abovementioned business segments, promote their sustained development and provide strong driving power to the Company's transformation and development.

- (4) Being conducive to better protecting the interests of the Shareholders of both parties and enhancing the investment return of minority shareholders

According to the Merger proposal, all shareholders of CGGC except for CGGC Group may choose to convert their CGGC shares into A shares of the Company and become the Shareholders of the Company. The Company is an extra large comprehensive group company that provides overall solutions and full industry chain services to industries such as energy and power and infrastructure in China as well as over the world. It has a full industry chain integrating planning and consulting, appraisal and assessment, survey and design, engineering construction and management, operation

LETTER FROM THE BOARD

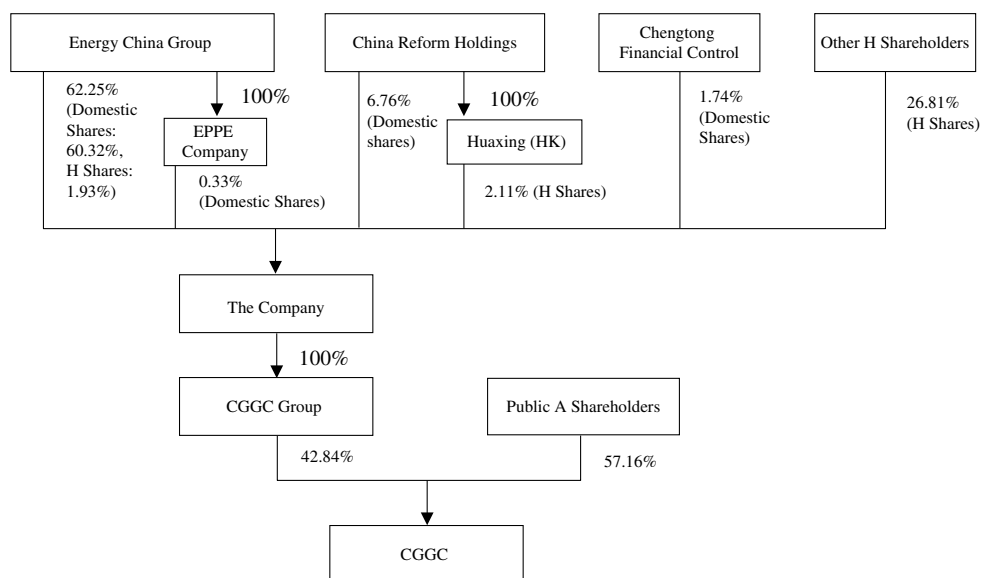
and maintenance, as well as investment and operation, technical services, equipment manufacturing, construction materials. The return to A shares will bring better and more long-term returns to the minority shareholders of CGGC who participate in the Share Swap. Furthermore, after the completion of the Merger, the Company will return to the A share market, which will be conducive to further enhancement of the Company's brand influence, the effective interaction between business development and capital market, and the long-term development of the Company in the future and the protection of the interests of all Shareholders as a whole.

- (5) Being conducive to broadening financing channels and enhancing competitive advantages

Upon the completion of the Merger, the Company, as the Surviving Company, will realize the A + H dual listing and can conduct capital operation activities in the H share market and A share market at the same time. As the investment and financing instruments in the A share market have been constantly innovating and the investment and financing activities are rather active, the establishment of the A + H capital operation platform will therefore enable the Company to further broaden financing channels, expand brand influence and enhance competitiveness, and provide strong capital support for the Company's business development and mergers and reorganization in the future.

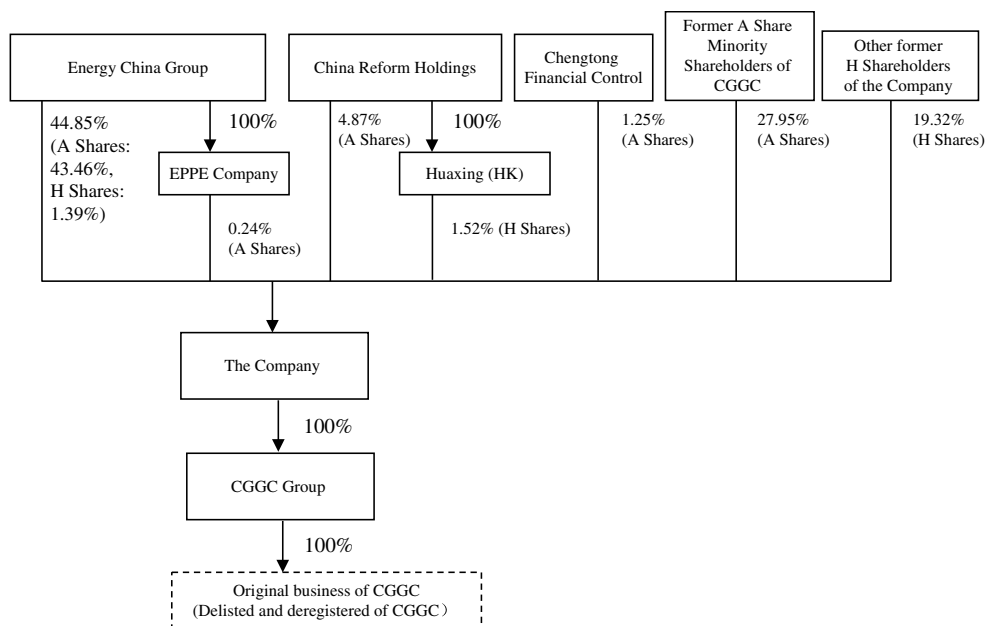
Shareholding Structure of the Company

As at the Latest Practicable Date, the shareholding structure of the Company is as follows:



LETTER FROM THE BOARD

Immediately after the completion of the Merger (assuming that no other shares will be issued after the date of this circular until the completion of the Merger and not taking into account the effect of the exercise of the Cash Alternative and the exercise of the Put Option), it is anticipated that the shareholding structure of the Company will be as follows:



Upon the completion of the Merger, it is anticipated that the public float will be maintained at all times at not less than 25%. The Company will ensure comply with the public float requirement prior to and after the Merger.

Impact of the Merger on Shareholding Structure of the Company

Pursuant to the Merger proposal, the Company will increase by 11,645,760,553 A shares due to the Merger. Upon the completion of the Merger and taking no consideration of the impact of the exercise of the Put Option and the Cash Alternative, Energy China Group will directly and indirectly hold 18,785,110,673 shares of the Company, representing 45.08% of the total share capital of the Company, and thus remains the controlling Shareholder of the Company. The SASAC holds 90% equity interests in Energy China Group, therefore remains the de facto controller of China Energy Engineering.

LETTER FROM THE BOARD

The shareholding structure of the Company prior to and after the Merger is as follows:

Name of Shareholder	Prior to the Merger		After the Merger	
	Number of Shares held (share)	Shareholding percentage	Number of Shares held (share)	Shareholding percentage
Energy China Group	18,107,684,022	60.32%	18,107,684,022	43.46%
China Reform Holdings	2,029,378,794	6.76%	2,029,378,794	4.87%
Chengtong Financial Control	522,354,897	1.74%	522,354,897	1.25%
EPPE Company	98,542,651	0.33%	98,542,651	0.24%
Other former shareholders of CGGC	-	-	11,645,760,553	27.95%
Total domestic shares (A shares)	20,757,960,364	69.15%	32,403,720,917	77.77%
Energy China Group	578,884,000	1.93%	578,884,000	1.39%
Huaxing (HK) ¹	633,704,000	2.11%	633,704,000	1.52%
Other Public H Shareholders	8,049,848,000	26.81%	8,049,848,000	19.32%
Total H Shares	9,262,436,000	30.85%	9,262,436,000	22.23%
Total share capital	30,020,396,364	100.00%	41,666,156,917	100.00%

- Notes:*
1. Huaxing (HK) is an indirect wholly-owned subsidiary of China Reform Holdings.
 2. Taking no consideration of the impact of the exercise of the Put Option and the Cash Alternative.
 3. The shareholding percentages represent the percentage to the total share capital.
 4. As at the Latest Practicable Date, Mr. He Jiangsheng, the Supervisor of the Company, holds interests in 264,000 H Shares of the Company under the Restricted Share Incentive Scheme; Energy China Group directly holds 18,107,684,022 Domestic Shares and 578,884,000 H Shares of the Company, and indirectly holds 98,542,651 Domestic Shares of the Company through EPPE Company, its wholly-owned subsidiary.

As at the Latest Practicable Date, based on the information obtained by the Company and to the knowledge of the Directors, the public float of the Company complies with the relevant requirements of Rule 8.08 of the Listing Rules. If the relevant resolutions for the Merger are reviewed and approved by the shareholders' general meeting and/or class meeting of the Company and CGGC, and if Energy China Group or its subsidiaries act as the Put Option Providers and the Cash Alternative Providers, calculated based on the maximum number of dissenting shares that the Dissenting Shareholders of CGGC and the Dissenting Shareholders of the Company can exercise the Put Option and the Cash Alternative, upon the completion of the Merger, the number of H Shares held by the public as a percentage of the total number of Shares

LETTER FROM THE BOARD

after the Merger is expected to be approximately 13.89%, and the number of Shares held by the public (a total of A Shares and H Shares) as a percentage of the total number of shares after the Merger is expected to be approximately 31.67%. At the completion of the Merger, it is expected that the public float will always remain no less than 25%. The Company will ensure compliance with the public float requirements before and after the completion of the Merger.

Impact of the Transaction on the Key Financial Indicators of the Company After the Merger

According to the consolidated balance sheet and income statement of the Company in 2020 and the pro forma consolidated balance sheet and income statement of the Company in 2020 which are prepared based on the structure after the completion of the Merger, the Company's key financial indicators before and after the Merger are as follows:

Item	For the year 2020/ As of 31 December 2020	
	Before the Merger	After the Merger (pro forma)
Total assets (RMB'000)	476,051,912	476,051,912
Total liabilities (RMB'000)	338,123,055	338,123,055
Equity attributable to equity holders of the Company (RMB'000)	68,416,918	88,468,743
Revenue (RMB'000)	270,327,662	270,327,662
Profit for the year attributable to Shareholders of the Company (RMB'000)	4,516,628	6,473,569
Basic earnings per share(RMB cents)	15.13	15.60
Gearing ratio (%)	71.03	71.03

Confirmation of the Board

The Directors (including our Independent Non-executive Directors) consider that the terms and annual caps of the Merger proposal, the Merger Agreement and the transactions contemplated thereunder are on normal commercial terms in the ordinary and usual business course of the Company, are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole. The Board has considered and approved the relevant resolutions in relation to the Merger.

As Mr. Song Hailiang and Mr. Sun Hongshui, the Directors of the Company, are also the directors of Energy China Group, they are deemed to have material interests in the Merger proposal, the Merger Agreement and the transactions contemplated thereunder. They have abstained from voting on the approval of the relevant resolutions in relation to

LETTER FROM THE BOARD

the Merger at the Board meeting in accordance with the requirements of the Listing Rules. Save as disclosed above, none of the Directors has material interests in the Merger proposal and the Merger Agreement.

Information of the parties

Information of the Company

The Company is an extra large comprehensive enterprise that provides overall solutions and full industry chain services to industries such as energy and power and infrastructure in China as well as over the world. Its main businesses cover energy and power, water conservancy and water affairs, railway and highway, port and waterway, civil engineering, municipal transit, ecological environment protection, cement and civil explosives, etc.

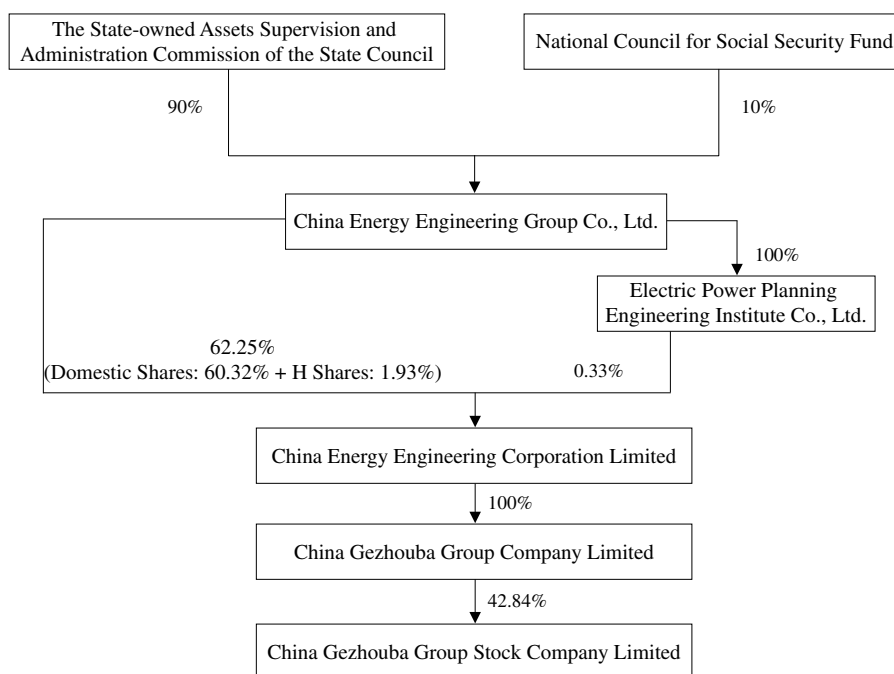
Information of CGGC

CGGC is a joint stock limited company established in the PRC on 21 May 1997, its shares are listed on the SSE (stock code: 600068), and it is a subsidiary of the Company in which the Company indirectly holds its approximately 42.84% equity interests. Its business scope covers engineering and construction, industrial manufacturing, investment and operation, and comprehensive services, etc. As at the Latest Practicable Date, the ultimate beneficial owner of CGGC is the SASAC.

To the best of the knowledge, information and belief of the Directors of the Company having made all reasonable enquiries, CGGC is the subsidiary of the Company and is not the connected person of the Company. The Company will comply with the requirements under Chapter 14A of the Listing Rules, including announcement, reporting and independent Shareholders' approval requirements in case that the Merger constitutes the connected transaction of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the shareholding structure of CGGC is as follows:



Based on the audited financial information of CGGC prepared in accordance with PRC accounting standards, the net assets and total assets of equity holders attributable to the shareholders of the listed company as at 31 December 2018, 31 December 2019 and 31 December 2020 and the total profit (profit before tax) and net profit (net profit after tax) attributable to equity holders of CGGC for the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 respectively as set out in the published annual report of CGGC are as follows:

	As at 31 December 2018	As at 31 December 2019	(RMB) As at 31 December 2020
Net asset attributable to the shareholders of the listed company	42,803,990,684.04	52,534,121,768.78	62,210,435,150.35
Total assets	218,209,265,921.73	234,463,372,633.74	259,404,704,107.49

LETTER FROM THE BOARD

	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2020
Total profit (profit before tax)	7,744,439,361.68	8,787,890,249.84	7,692,214,732.67
Net profit (profit after tax)	5,959,893,569.02	6,563,609,489.02	5,293,446,316.05

Information of Energy China Group

Energy China Group is a wholly state-owned company with limited liability established in the PRC on 28 September 2011, and is the controlling Shareholder and one of the promoters of our Company. Energy China Group and its subsidiaries are principally engaged in the survey, design and consulting, construction and contracting, equipment manufacturing, civil explosives and cement production, investment and other businesses in the power and other infrastructure industries. As at the Latest Practicable Date, the ultimate beneficial owner of Energy China Group is the SASAC.

Information of EPPE Company

EPPE Company is a wholly-owned subsidiary of Energy China Group, and is also a promoter of the Company. It is principally engaged in the research on development strategy and planning, government and industry policies in the power and energy industry, etc. As at the Latest Practicable Date, the ultimate beneficial owner of EPPE Company is the SASAC.

Information of China Reform Holdings

China Reform Holdings is one of the state-owned enterprises under the supervision of the SASAC. China Reform Holdings is one of the Shareholders of the Company. Its business covers five major business segments and one service guarantee platform, namely the fund investment segment, equity operation segment, financial services segment, asset management segment, overseas investment segment and specialized external director service guarantee platform of state-owned enterprises. As at the Latest Practicable Date, the ultimate beneficial owner of China Reform Holdings is the SASAC.

Information of Huaxing (HK)

Huaxing (HK) is one of the Shareholders of the Company. Huaxing (HK) is a wholly-owned subsidiary of China Huaxing Group Company which is wholly owned by China Reform Holdings Corporation Ltd. As at the Latest Practicable Date, the ultimate beneficial owner of Huaxing (HK) is the SASAC.

LETTER FROM THE BOARD

Information of Chengtong Financial Control

Chengtong Financial Control is a company incorporated on 27 November 2015 with limited liability, and is one of the Shareholders of the Company. It is principally engaged in the investment and asset management. Chengtong Financial Control is a wholly-owned subsidiary of China Chengtong Holdings Group Limited (中國誠通控股集團有限公司). As at the Latest Practicable Date, the ultimate beneficial owner of Chengtong Financial Control is the SASAC.

2. Authorization to the Board and its Authorised Persons to Deal with Matters Relating to the Merger

In order to ensure the smooth progress of the matters relating to the Merger, in accordance with the Company Law, the Securities Law and other laws and regulations as well as the Articles of Association, the Board proposed to the shareholders' general meeting to authorize the Board of the Company (and agreed to the Board of the Company to authorize the chairman and its authorization persons) to handle all matters of the Merger within the scope of relevant laws and regulations, including but not limited to:

- (1) Amending and adjusting as necessary the specific proposal of the Merger (except for the matters that shall be re-voted at the shareholders' general meeting according to relevant laws and regulations and the Articles of Association), and entering into related supplementary agreements (if necessary) according to the requirements of relevant regulatory authorities or approval authorities for the Merger and the actual situation of the Company under the principle of not exceeding the resolution of shareholders' general meeting;
- (2) As for the matters relating to the Merger, under the principle of not exceeding the resolutions of the shareholders' general meeting, handling the procedures of review, registration, filing, approval, consent and notification involved in the Merger; preparing, signing, executing, modifying, submitting and completing all documents related to the Merger (including but not limited to the agreements and declaration documents involved in the Merger), and making corresponding supplements or adjustments to the declaration documents according to the requirements of relevant regulatory authorities or approval agencies; handling all information disclosure matters related to the Merger; making corresponding adjustments to the Issue Price and Conversion Ratio due to ex-right and ex-dividends activities of the Company's shares occurring during the period from the Pricing Benchmark Date to the Conversion Date, and according to relevant laws and regulations or the regulations or requirements of the regulatory authorities, and handling related procedures;
- (3) Determining and announcing the implementation plan of the Put Option of the Company's Dissenting Shareholders in the process of absorption and merger through Share Swap involved in the Merger, and handling specific enforcement and implementation related matters;

LETTER FROM THE BOARD

- (4) Handling the registration and filing procedures of taxation, industry and commerce and other competent departments involved in the Merger, and being responsible for applying for the business qualifications and licenses (if necessary) required for the Company's operations according to the changed business scope, as well as the registration procedures for transfer, change, etc. of assets, liabilities, business, contracts, qualifications, personnel and all other rights and obligations, including signing relevant legal documents;
- (5) Handling the specific enforcement and implementation of the protection plan of creditor's interest in the Merger;
- (6) Handling matters such as the registration of the Company's A shares issued by the Merger with the securities registration and settlement institution and the listing and trading on the SSE;
- (7) Acting on behalf of the Company in all actions and matters that it considers necessary or appropriate to implement the Merger.

The aforementioned authorization shall be valid within 12 months from the date of review and approval by the shareholders' general meeting of the Company, but if the Company has obtained the approval document of CSRC on the Merger within the validity period, the validity period of the authorization will be automatically extended to the date of completion of the Merger.

The above resolution has been considered and approved by the Board on 19 March 2021, and is now submitted to the Shareholders for consideration and approval at the EGM and Class Meetings.

3. Articles of Association and Its Appendices Applicable After the Listing of A Shares

In order to further improve and strengthen the corporate governance structure, so that the Company meets the requirements of A-share listed companies in all aspects of standardized governance, in accordance with the Company Law, the Guidelines for the Articles of Association of Listed Companies, the Governance Guidelines for Listed Companies, Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other relevant laws, regulations and regulatory documents, on the basis of the existing Articles of Association, the Company has formulated the Articles of Association (Draft) and its appendix, the Rules of Procedures of the Shareholders' General Meeting (Draft), the Rules of Procedures of the Board of Directors (Draft) and the Rules of Procedures of the Supervisory Committee (Draft) that will be applicable after the issuance and listing. Please refer to the appendix to this circular for the comparison tables of original and amended Articles of Association (Draft) and its appendix and the main provisions of the Company's existing system.

The revised Articles of Association and its appendix, upon approval by a resolution at the general meeting, will be effective from the date of listing of A Shares of the Company on the main board of the SSE. Among them, the approval documents and the number of shares that have not yet been determined in Article 19 of the Articles of Association (Draft) will be finalized and supplemented based on subsequent approval documents and issuance.

LETTER FROM THE BOARD

The above resolution has been considered and approved by the Board of Directors on 19 March 2021 and is hereby proposed to the Shareholders at the EGM and Class Meetings for consideration and approval.

4. Amendments of the Administrative Measures for External Guarantees

In order to regulate internal operation of the Company and enable the daily operation and regulation and governance and other aspects of the Company in compliance with the requirements for A-share listed company, and pursuant to relevant provisions of the Company Law and other laws, regulations, normative documents and the securities regulatory authorities for corporate governance of listed companies, the Administrative Measures for External Guarantees were amended.

The above policies will be, upon consideration and approval at the general meeting, implemented from the date of listing of A Shares of the Company on the main board of the SSE. Please refer to the appendix to this circular for details of amendments to the above policies.

The above resolution has been considered and approved by the Board of Directors on 19 March 2021 and is hereby proposed to the Shareholders at the EGM for consideration and approval.

5. A Share Price Stabilization Plan

In order to ensure the stability of the share price of the Company's A Shares upon the Merger and safeguard the lawful rights and interests of investors, the Plan for Stabilization of Price of A Shares of China Energy Engineering Corporation Limited ("**Plan for Stabilization of Price of A Shares**") is formulated in accordance with the requirements of the Securities Law and the Opinions of the CSRC on Further Promoting the Reform of New Share Offering System (《中國證監會關於進一步推進新股發行體制改革的意見》) and the relevant laws, regulations and regulatory documents. The plan covers the conditions for activation of the share price stabilization measures, specific measures and implementation procedures of the share price stabilization, and the guarantee measures of the share price stabilization plan, etc.

The plan will be, upon consideration and approval at the general meeting of the Company, implemented from the date of listing of A Shares of the Company on the main board of the SSE, with a validity period of three years (i.e. 36 months). Please refer to the appendix to this circular for details of the plan.

The above resolution has been considered and approved by the Board of Directors on 19 March 2021 and is hereby proposed to the Shareholders at the EGM for consideration and approval.

6. Dividend Distribution Plan for the Three Years After the Absorption and Merger of CGGC through Share Swap by the Issuance of A Shares by the Company

To improve and regulate the dividend mechanism of the Company, enhance the transparency and operability of dividend distribution decision and ensure the reasonable return on investment of Shareholders and other rights, in accordance with the Decisions on Amending Some Provisions on Cash Dividends by Listed Companies issued by the CSRC, the Notice on Further Implementing

LETTER FROM THE BOARD

Matters Relevant to the Cash Dividend Distribution by Listed Companies, the Guideline No. 3 on Supervision and Administration of Listed Companies – Cash Dividends of Listed Companies and the Articles of Association, the Company has formulated the dividend distribution plan for the three years after the Merger (the “**Dividend Distribution Plan**”), for details of which please refer to the appendix of this circular.

The Dividend Distribution Plan will be, upon consideration and approval at the general meeting, implemented from the date of listing of A Shares of the Company on the main board of the SSE.

The above resolution has been considered and approved by the Board of Directors on 19 March 2021 and is hereby proposed to the Shareholders at the EGM for consideration and approval.

7. Dilution of Immediate Returns by the Merger and Proposed Remedial Measures

In accordance with the requirements of the Several Opinions of the State Council on Further Promoting the Sound Development of Capital Market (Guo Fa [2014] No. 17), the Notice of the General Office of the State Council on Further Strengthening Protection of the Lawful Rights and Interests of Small and Medium Investors in Capital Market (Guo Ban Fa [2013] No.110) and the Guiding Opinions on the Matters relating to the Dilution of Immediate Returns in Initial Public Offering, Refinancing and Material Asset Reorganization (China Securities Regulatory Commission Announcement [2015] No.31) and other laws, regulations, normative documents, the Company conducted an analysis on the impact of diluted immediate return of the Merger in a conscientious, careful and objective manner and implemented the relevant requirements as stated in the abovementioned regulations.

According to Audit Report on the Pro forma Consolidated Financial Statement of 2020 of China Energy Engineering and Audit Report on the Annual Financial Statements of 2018, 2019 and 2020 of China Energy Engineering issued by KPMG Huazhen LLP, as well as the Audit Report on Annual Financial Statements of 2020 of CGGC issued by Zhongxinghua, upon the completion of the Share Swap, the earnings per share of China Energy Engineering and CGGC before and after the deduction of non-recurring gains and losses are as follows:

LETTER FROM THE BOARD

Unit: RMB/share

Company name	Item	2020	
		Before the Merger	After the Merger (pro forma)
The Company	Basic earnings per share attributable to ordinary shareholders	0.15	0.16
CGGC	Basic earnings per share attributable to ordinary shareholders	0.73	0.71
The Company	Basic earnings per share attributable to ordinary shareholders after deducting non-recurring gains and losses	0.12	0.12
CGGC	Basic earnings per share attributable to ordinary shareholders after deducting non-recurring gains and losses	0.61	0.53

Note: The said earnings per share are calculated according to the Information Disclosure Rule No. 9 for Companies which Publicly Offer Its Shares – Calculation and Disclosure of Net Asset Income Rate and Earning Per Share (2010 amended) promulgated by the CSRC. CGGC's basic earnings per share attributable to ordinary shareholders upon the Merger is calculated based on the conversion ratio of 1:4.4242 and based on the basic earnings per share attributable to ordinary shareholders of the Company.

After the completion of the Merger, the basic earnings per share of the Company attributable to the shareholders of parent company increased slightly, and the basic earnings per share of CGGC attributable to the shareholders of parent company may be exposed to the risks of dilution.

As the Surviving Company after the Merger, the Company will follow and adopt relevant principles and measures to further improve its management capabilities and deal with the risk of dilution of immediate returns. The controlling shareholders, Directors and senior management of the Company has respectively made commitments on the effective implementation of measures to ensure the immediate fill up of returns for the Surviving Company. For details, please refer to the appendix to this circular.

The aforesaid resolution has been reviewed and approved by the Board of Directors on 19 March 2021 and is now submitted to Shareholders for review and approval at the EGM.

8. Amendment to Business Scope of the Company

According to the Company's strategy, business and future development needs, the Company proposed to change its business scope, and the business scope no longer includes "real estate development and operation". The specific change is as follows:

LETTER FROM THE BOARD

Original business scope: investment, consulting, planning, evaluation, assessment, bidding agency and construction in respect of hydro, thermal, nuclear, wind and solar power generation, new energies, power transmission and transformation, and water conservancy, water affairs, mines, highways, railways, ports and waterway, airports, housing, municipal affairs, urban railway transportation, environmental protection, smelting and petrochemical; infrastructural projects; engineering survey and design; general construction contracting and specialized construction contracting; general contracting; engineering project management, engineering supervision; commissioning and maintenance of power plants, technical consulting, technical development, technical services; import and export business; planning and researching in respect of power industry development; manufacturing, selling and leasing of mechanical and electronic equipment; development of proprietary power technologies and product sales; production and sales of building materials; property development and operations; industrial investment. (Market entities shall select operating projects and conduct operating activities at its discretion in accordance with the laws; for projects subject to approval from relevant authorities according to the laws, the Company is required to obtain relevant approval first before commencement of operating activities; operating activities prohibited and restricted by the state and industrial policies of the city shall not be engaged in.)

Changed business scope: investment, consulting, planning, evaluation, assessment, bidding agency and construction in respect of hydro, thermal, nuclear, wind and solar power generation, new energies, power transmission and transformation, and water conservancy, water affairs, mines, highways, railways, ports and waterway, airports, housing, municipal affairs, urban railway transportation, environmental protection, smelting and petrochemical infrastructural projects; engineering survey and design; general construction contracting and specialized construction contracting; general contracting; engineering project management, engineering supervision; commissioning and maintenance of power plants, technical consulting, technical development, technical services; import and export business; planning and researching in respect of power industry development; manufacturing, selling and leasing of mechanical and electronic equipment; development of proprietary power technologies and product sales; production and sales of building materials; industrial investment. (Market entities shall select operating projects and conduct operating activities at its discretion in accordance with the laws; for projects subject to approval from relevant authorities according to the laws, the Company is required to obtain relevant approval first before commencement of operating activities; operating activities prohibited and restricted by the state and industrial policies of the city shall not be engaged in.)

The aforesaid resolution has been reviewed and approved by the Board of Directors on 19 March 2021 and is now submitted to Shareholders for review and approval at the EGM.

III. LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Merger exceeds 100%, the transaction contemplated under the Merger Agreement constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

To the best of the Company's knowledge having made reasonable enquiries, as each of the following connected persons of the Company is a shareholder of CGGC, the issue of A Shares by the Company to such connected persons of the Company pursuant to the Merger Agreement will constitute connected transactions of the Company under Chapter 14A of the Listing Rules:

Connected person	Number of CGGC shares held	Connected Relationship with the Company
He Jiansheng	60,000	Supervisor of the Company
Wang Yanfen	1,000	Associate (as defined in the Listing Rules, the same below) of Wang Zengyong, the former Supervisor of the Company
Xiao Quan	9,000	Supervisor of CGGC, a subsidiary of the Company
Chen Xiaohua	100,000	Individual who has served as the director of CGGC, a subsidiary of the Company, in the past 12 months
Song Ling	100,000	Director of CGGC, a subsidiary of the Company
Lu Zhongnian	48,000	Individual who has served as the director of China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司), a subsidiary of the Company, in the past 12 months
Li Ruilin	10,000	Individual who has served as the director of China Gezhouba Group Cement Co., Ltd.* (中國葛洲壩集團水泥有限公司), a subsidiary of the Company, in the past 12 months
Zhou Hui	33,600	Supervisor of China Gezhouba Group Cement Co., Ltd.* (中國葛洲壩集團水泥有限公司), a subsidiary of the Company
Lu Qionghua	200	Associate of the director of China Gezhouba Group Cement Co., Ltd.* (中國葛洲壩集團水泥有限公司), a subsidiary of the Company
Shi Shenjun	2,000	Associate of director, supervisor or general manager of Gezhouba Hubei Xiangjing Expressway Co., Ltd.* (葛洲壩湖北襄荊高速公路有限公司), a subsidiary of the Company
Zeng Hongge	17,400	Individual who has served as the director of China Gezhouba Group No. 1 Engineering Co., Ltd.* (中國葛洲壩集團第一工程有限公司), a subsidiary of the Company, in the past 12 months

LETTER FROM THE BOARD

Connected person	Number of CGGC shares held	Connected Relationship with the Company
Yang Guangrong	10,200	Associate of the director of China Gezhouba Group No. 1 Engineering Co., Ltd.* (中國葛洲壩集團第一工程有限公司), a subsidiary of the Company
Jiang Junmei	2,000	Associate of the director of China Gezhouba Group No. 1 Engineering Co., Ltd.* (中國葛洲壩集團第一工程有限公司), a subsidiary of the Company
Zhang Shaorui	11,100	Associate of Zeng Hongge, the director of China Gezhouba Group No. 1 Engineering Co., Ltd.* (中國葛洲壩集團第一工程有限公司), a subsidiary of the Company
Tang Fei	300	Director of China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司), a subsidiary of the Company

In addition, if Energy China Group (including its subsidiaries, but excluding the Company and its subsidiaries, the same as below) ultimately act as the Cash Alternative Provider for the Merger, and the Dissenting Shareholders of CGGC exercises the Cash Alternative, Energy China Group shall be assigned all CGGC shares for which the Dissenting Shareholders of CGGC exercise the Cash Alternative, and pay the cash consideration accordingly. As of the Latest Practicable Date, Energy China Group, together with EPPE Company, its associate, directly and indirectly held approximately 62.57% of the entire issued share capital of the Company. Energy China Group is the controlling shareholder of the Company and is a connected person of the Company in accordance with Article 14A.07 of the Listing Rules. Therefore, the Company will issue A Shares to Energy China Group, our connected person, in accordance with the Conversion Ratio upon the implementation of the Share Swap, in exchange for the CGCC shares held by it. Therefore, the transactions contemplated under the Merger Agreement also constitute connected transactions of the Company and are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Accordingly, in addition to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules applicable to the transactions contemplated under the Merger Agreement (which constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules), the Connected Transactions are subject to the announcement, reporting, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Waiver from Strict Compliance with Rule 14.69(4)(a)(i) of the Listing Rules

The Company has applied and the Hong Kong Stock Exchange has granted the waiver from strict compliance with accountant's report requirements under the Rule 14.69(4)(a)(i) of the Listing Rules, on the grounds that:

- (1) CGGC has been listed on the SSE since 1997 and has published its annual financial statements prepared in accordance with China Accounting Standards (“CAS”) in compliance with PRC regulatory requirements on the website of the SSE every year since then.
- (2) This circular will include (i) the audited consolidated financial statements of CGGC for the financial year ended 31 December 2018, prepared in accordance with the CAS and audited by BDO China Shu Lun Pan Certified Public Accountants LLP (“BDO”), as published by CGGC on the SSE website, and (ii) the audited consolidated financial statements of CGGC for the financial years ended 31 December 2019 and 2020 prepared in accordance with CAS and audited by Zhongxinghua Certified Public Accountants LLP (“Zhongxinghua”) (collectively, the “CGGC Historical Track Record Accounts”). The CGGC Historical Track Record Accounts have been audited by a well-known PRC accounting firm with international name and reputation. None of the CGGC Historical Track Record Accounts has been issued (or is expected to be issued) with any audit qualification.
- (3) The Company is of the opinion that CAS and the International Financial Reporting Standards (“IFRS”) are substantially consistent with each other. The CGGC Historical Track Record Accounts prepared in accordance with CAS to be incorporated in the circular would contain the information of the same level as required in the financial statements prepared under IFRS. If the Company engaged an accounting firm to audit the financial information of CGGC under IFRS, it would incur substantial cost and expense and would not provide any additional meaningful information to the Shareholders other than CGGC Historical Track Record Accounts that were audited in accordance with China Standards on Auditing.
- (4) There are sufficient and appropriate alternative disclosure in the circular to enable the Company's Shareholders to make a properly informed assessment of CGGC. While the CGGC Historical Track Record Accounts adopt CAS, the Reconciliation will provide supplemental financial information under IFRS to facilitate Shareholders' assessment of the performance and financial position of CGGC. Meanwhile, the Company's auditor will conduct work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” (“HKSAE 3000”) issued by the HKICPA on the Reconciliation and reach relevant conclusions.

LETTER FROM THE BOARD

The Company has included the following information in this circular in accordance with Chapter 4 of the Listing Rules as an alternative disclosure to the accountants' report:

- (1) Full text of the CGGC Historical Track Record Accounts.
- (2) An explanation of the differences between the accounting policies of CGGC under CAS and the Company's accounting policies under IFRS and a line-by-line reconciliation of consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position (the "**Reconciliation**"). The Company's auditor will report on the Reconciliation in arriving at the financial information under IFRS under HKSAE 3000.
- (3) The management discussion and analysis of operating performance of CGGC for the three years ended 31 December 2018, 2019 and 2020, which are extracted from published documents of CGGC.
- (4) The reasons for seeking waiver under Rule 14.69(4)(a)(i) of the Listing Rules and details of the waiver

LETTER FROM THE BOARD

IV. EGM AND CLASS MEETINGS

Notices of the Second Extraordinary General Meeting of 2021, the Second Domestic Shareholders' Class Meeting of 2021 and the Second H Shareholders' Class Meeting of 2021 to be held in sequence by the Company at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Friday, 9 April 2021 at 10 a.m. are set out on pages 1115 to 1125 of this circular.

The holders of H Shares and Domestic Shares whose names appear on the register of members of the Company on Friday, 9 April 2021 are entitled to attend and vote at the EGM and Class Meetings. The register of members of the Company will be closed from Thursday, 1 April 2021 to Friday, 9 April 2021 (both days inclusive), during which no transfer of Shares can be registered. All transfer documents together with the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or the registered office of the Company at Room 01-2706, 1-24/F, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC (for holders of Domestic Shares) no later than 4:30 p.m. on Wednesday, 31 March 2021.

The notices of the EGM and the Class Meetings, together with the enclosed reply slips and proxy forms for use, have been despatched to the H Shareholders on 22 March 2021, and these reply slips and proxy forms are also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ceec.net.cn>). If you intend to appoint a proxy to attend the EGM and/or Class Meetings, you are requested to complete the accompanying proxy forms in accordance with the instructions printed thereon, and return by 10 a.m. on Thursday, 8 April 2021. Completion, signing and return of the proxy forms shall not preclude you from attending and voting at the EGM and/or Class Meetings should you so wish. Shareholders who intend to attend the EGM and/or Class Meetings in person or by proxy shall complete, sign and return the reply slip in accordance with the instructions printed thereon at or before 10 a.m. Wednesday, 7 April 2021.

LETTER FROM THE BOARD

V. LISTING RULES REQUIREMENTS

According to Rule 13.39(4) of the Listing Rules, apart from certain exceptions, any vote of Shareholders at the general meeting must be taken by poll. All resolutions at the EGM and Class Meetings will be voted by way of poll. An announcement on the poll results will be published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ceec.net.cn>), respectively by the Company after the EGM and Class Meetings in the manner prescribed under the Listing Rules.

Pursuant to Rule 14A.36 of the Listing Rules, in the event that any shareholder has a significant interest in a transaction, the shareholder shall abstain from voting on the relevant resolution. Therefore, any connected persons, Shareholders and their associates who have significant interests in the Merger Agreement, plan for the Merger and the transactions contemplated thereunder shall abstain from voting on the resolutions in relation to the Merger at the EGM and the Class Meetings, with particulars as follows: (1) resolution on the absorption and merger of CGGC through share swap by the issuance of A shares by the Company meeting the requirements for initial public offering and listing; (2) resolution on the plan for the absorption and merger of CGGC through share swap by the issuance of A shares by the Company (to approve item by item); (3) resolution on the Report of the Absorption and Merger of China Gezhouba Group Stock Company Limited through Share Swap by China Energy Engineering Corporation Limited and Related Transactions (Draft) and its summary; (4) resolution on entering into the Agreement on Absorption and Merger through Share Swap of China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited with effective conditions; (5) resolution on the approval of the audit report related to the Merger; (6) resolution on the confirmation of the valuation report related to the Merger; (7) resolution on the independence of the valuation agency, the reasonableness of valuation assumptions, the relevance of valuation methods and valuation purposes, and the fairness of valuation and pricing; (8) resolution on the dilution of immediate returns by the Merger and proposed remedial measures; (9) resolution on the relevant commitments and restraint measures issued by the Company regarding the absorption and merger of CGGC through share swap by the issuance of A shares by the Company; (10) resolution on the confirmation of the related transactions during the reporting period (the year 2018, 2019 and 2020); (11) resolution on the self-inspection report and related commitments of the real estate business of the Company; and (12) resolution on authorization to the Board and its authorized persons to deal with matters relating to the Merger.

As at the Latest Practicable Date, Energy China Group (the controlling shareholder of the Company, together with its associate, EPPE Company, directly and indirectly hold approximately 62.57% of the total issued share capital of the Company) has significant interests in the Merger Agreement, the plan for the Merger and the transactions contemplated thereunder. Thus, Energy China Group and its associates, EPPE Company, will abstain from voting on the resolutions in relation to the Merger at the EGM and the Class Meetings. The total number of Shares abstained from voting that are held by Energy China Group and its associates, EPPE Company is 18,785,110,673 Shares. As at the Latest Practicable Date, Mr. He Jiansheng, the Supervisor of the Company, has the interest in 264,000 H Shares of the Company under the Restricted Share Incentive Scheme and holds 60,000 CGGC shares. Therefore, Mr. He Jiansheng has significant interests in the Merger Agreement, the plan for the Merger and the transactions contemplated thereunder, and Mr. He Jiansheng will abstain from voting on the resolutions in relation to the Merger at the EGM and the Class Meetings.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors of the Company having made all reasonable enquiries, apart from Energy China Group and its associates, EPPE Company, and Mr. He Jiansheng, the Supervisor of the Company, there is no other Shareholders who have interests in the Merger Agreement, the plan for the Merger and the transactions contemplated thereunder or any other resolutions. Any Shareholder who holds shares of the Company and CGGC at the same time shall abstain from voting on the relevant resolutions in relation the Merger at the EGM and the Class Meetings.

VI. RECOMMENDATION

The Board believe that the resolutions mentioned above are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommend all Shareholders to vote in favour of the resolutions to be proposed at the EGM and Class Meetings as set out in the enclosed notices of the EGM and Class Meetings.

Yours faithfully,
By order of the Board
China Energy Engineering Corporation Limited*
Song Hailiang
Chairman

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



中國能源建設股份有限公司
CHINA ENERGY ENGINEERING CORPORATION LIMITED*

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

(Stock Code: 3996)

25 March 2021

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO THE ABSORPTION AND MERGER OF CGGC

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of the absorption and merger of CGGC, details of which are set out in the “Letter from the Board” in the circular dated 25 March 2021 to the Shareholders (the “**Circular**”). Unless the context otherwise requires, terms defined in this letter shall have the same meanings when used in the Circular.

Your attention is drawn to the letter of Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the same matter as set out in the “Letter from Gram Capital” in the Circular. Having taken into account the Letter from Gram Capital, we are of the view that the Merger Agreement, the plan for the Merger and transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Company and on normal commercial terms, are fair and reasonable, and are in the best interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to approve the Merger Agreement, the plan for the Merger and transactions contemplated thereunder at the EGM and Class Meetings.

Yours faithfully,

For and on behalf of the Independent Board Committee

Zhao Lixin
*Independent Non-executive
Director*

Cheng Niangao
*Independent Non-executive
Director*

Ngai Wai Fung
*Independent Non-executive
Director*

* For identification purpose only

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the connected transactions in relation to the absorption and merger of CGGC for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

25 March 2021

*To: The independent board committee and the independent shareholders
of China Energy Engineering Corporation Limited**

Dear Sir/Madam,

CONNECTED TRANSACTION IN RELATION TO THE ABSORPTION AND MERGER OF CGGC

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the connected transaction in relation to the absorption and merger of CGGC (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 25 March 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 27 October 2020, the Company entered into the Merger Agreement with CGGC in relation to the Merger. On 19 March 2021, the Board considered and approved, among others, the plan for the Merger, the Report of the Merger and its summary, the Merger Agreement and other connected transaction resolutions in relation to the Merger. The Merger, when fully implemented, will involve (among other things) the issuance of a total of 11,645,760,553 A shares by the Company to the shareholders of CGGC (other than CGGC Group) on the Registration Date of Implementation of the Merger, in exchange for all the CGGC shares held by them. The Company will exchange in aggregate 2,632,286,188 CGGC shares in the issued share capital of the CGGC by an issuance of 11,645,760,553 A shares, meaning that every CGGC share held by the CGGC Conversion Shareholders will be converted for 4.4242 A shares issued by the Company. In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by either party to the Merger from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the number of shares issued under the Share Swap shall be adjusted accordingly.

During the Merger, Energy China Group (including its subsidiaries, other than the Company and its subsidiaries) and/or its designated unrelated third parties will provide the Put Option to the Dissenting Shareholders of the Company at a fair price. In the Merger, Energy China Group (including its subsidiaries

LETTER FROM GRAM CAPITAL

but excluding the Company and its subsidiaries) and/or its designated unrelated third parties will provide Cash Alternative to the Dissenting Shareholders of CGGC. The price of the Cash Alternative for the Dissenting Shareholders of CGGC is the closing price of shares on the trading date before the Pricing Benchmark Date, which is RMB6.09 per share.

With reference to the Board Letter, the transaction contemplated under the Merger Agreement constitutes a very substantial acquisition of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As further mentioned in the Board Letter:

- (1) The shareholders of CGGC participating in the Share Swap under the Merger Agreement include certain connected persons of the Company. Upon the implementation of the Share Swap, the Company will issue A shares of the Company to those connected persons in accordance with the Conversion Swap Ratio in exchange for the CGCC shares held by them.
- (2) If Energy China Group act as the Cash Alternative Provider for the Merger, and the Dissenting Shareholders of CGGC exercises the Cash Alternative, Energy China Group shall be assigned all CGGC shares for which the Dissenting Shareholders of CGGC exercise the Cash Alternative, and pay the cash consideration accordingly. Therefore, the Company will issue A shares of the Company to Energy China Group, its connected person, in accordance with the Conversion Ratio upon the implementation of the Share Swap, in exchange for the CGCC shares held by it.

Accordingly, the transactions contemplated under the Merger Agreement also constitute connected transactions of the Company (i.e. the Transactions) and are subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Zhao Lixin, Mr. Cheng Niangao and Mr. Ngai Wai Fung (being all independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

LETTER FROM GRAM CAPITAL

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors and the management of the Company (together with the Directors, collectively, the “**Management**”), for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors’ representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps (such as review of relevant agreements/documents in relation to the Merger; and analysis on the Group’s financial performance and on the terms of the Merger) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make the Circular or any statement therein misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, CGGC, Energy China Group or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM GRAM CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

1. Background of the Transactions

1.1 Information of the Group

With reference to the Board Letter, the Company is an extra large comprehensive group company that provides overall solutions and full industry chain services to industries such as energy and power, infrastructure and real estate in the PRC as well as over the world. Its main businesses cover energy and power, water conservancy and supply, railway and highway, port and sea-routes, civil engineering, municipal transit, ecological environment protection, cement, civil explosives and real estate, etc.

Set out below are the consolidated financial information of the Group for the two years ended 31 December 2020 as extracted from the Company's annual results announcement for the year ended 31 December 2020 (the "Company 2020 Annual Results Announcement"):

	For the year ended 31 December 2020 <i>(audited)</i> RMB'000	For the year ended 31 December 2019 <i>(audited)</i> RMB'000	Year-on-year change %
Revenue	270,327,662	247,290,988	9.32
– Survey, design and consulting services	13,910,721	13,089,157	6.28
– Construction and contracting	200,812,500	177,369,004	13.22
– Industrial manufacturing	23,857,359	22,988,038	3.78
– Clean energy, environmental protection and water utilities	11,925,427	16,171,576	(26.26)
– Investment and other businesses	19,821,655	17,673,213	12.16
Profit attributable to equity holders of the Company	4,680,285	5,078,524	(7.84)

The Group recorded revenue of approximately RMB270.33 billion for the year ended 31 December 2020 ("FY2020"), representing an increase of approximately 9.32% as compared to that for the year ended 31 December 2019 ("FY2019"). With reference to the Company 2020 Annual Results Announcement, such increase in revenue was mainly attributed to the increase in business volume in the survey, design and consulting segment, construction and contracting segment, industrial manufacturing segment, investment and other business segments. Revenue from the construction and contracting segment amounted to approximately RMB200.81 billion for FY2020 and RMB177.37 billion for FY2019, representing approximately 74.28% and 71.72% of the Group's revenue for FY2020 and FY2019 respectively. For FY2020, the Group

LETTER FROM GRAM CAPITAL

recorded profit attributable to equity holders of the Company of approximately RMB4.68 billion, representing a decrease of approximately 7.84% as compared to that for FY2019. We understood from the Management that such decrease in profit was mainly due to the decrease in other net gains and increase in research and development expenses in FY2020 as compared to that in FY2019.

With reference to the 2020 Annual Results Announcement, the Group had net assets of approximately RMB137.93 billion as at 31 December 2020.

1.2 Information of CGGC

With reference to the Board Letter, CGGC is a joint stock limited company established in the PRC. Its shares are listed on the SSE (Stock Code: 600068). Its business scope covers engineering and construction, industrial manufacturing, investment and operation, and comprehensive services, etc. As at the Latest Practicable Date, CGGC is a subsidiary of the Company and the ultimate beneficial owner of CGGC is the SASAC.

Set out below are the consolidated financial information of CGGC for the two years ended 31 December 2020 as extracted from appendix II to the Circular:

	For the year ended 31 December 2020 (audited) RMB	For the year ended 31 December 2019 (audited) RMB	Year-on-year change %
Total operating income	112,611,172,877.22	109,945,696,867.36	2.42
– Construction and contracting	71,356,662,981.45	65,894,065,197.19	8.29
– Industrial manufacturing	24,098,788,585.16	28,451,422,436.13	(15.30)
– Investment and operation	15,184,371,767.89	13,127,714,993.47	15.67
– Comprehensive services	1,012,818,627.52	1,771,328,761.35	(42.82)
– Other businesses	958,530,915.20	701,165,479.22	36.71
Net profit attributable to shareholders of the parent	4,282,298,034.25	5,441,781,311.03	(21.31)

CGGC and its subsidiaries recorded total operating income of approximately RMB112.61 billion for FY2020, representing an increase of approximately 2.42% as compared to that for FY2019. With reference to appendix V to the Circular, such increase in operating income was mainly attributed to an increase in the amount of completed real-estate projects and PPP projects for expressways. Operating income from the construction and contracting segment amounted to approximately RMB71.36 billion for FY2020 and RMB65.89 billion for FY2019 representing approximately 63.37% and 59.93% of the Group's total operating income for FY2020 and FY2019 respectively. For FY2020, CGGC and its subsidiaries recorded profit attributable to shareholders of the parent of approximately RMB4.28 billion, representing a decrease of approximately 21.31% as compared to that for

LETTER FROM GRAM CAPITAL

FY2019. With reference to appendix II and appendix V to the circular, such decrease in profit was mainly due to the increase in operating cost, decrease in other income (due to the decrease in government subsidies and tax refunds provided by the government) and decrease in investment income (investment income for FY2019 was mainly due to the disposal of 100% equity interests in Hubei Daguangbei Expressway Co., Ltd.) in FY2020 as compared to that in FY2019.

With reference to the appendix II to the Circular CGGC and its subsidiaries had net assets of approximately RMB79.34 billion as at 31 December 2020.

The shareholding structure of CGGC is set out in the section headed “Information of CGGC” of the Board Letter.

1.3 Information of Energy China Group

With reference to the Board Letter, Energy China Group is a wholly state-owned company with limited liability established in the PRC, and is the controlling Shareholder and one of the promoters of the Company. Energy China Group and its subsidiaries are principally engaged in the survey, design and consulting, construction and contracting, equipment manufacturing, civil explosives and cement production, investment and other businesses in the power and other infrastructure industries. As at the Latest Practicable Date, the ultimate beneficial owner of Energy China Group is the SASAC.

1.4 Reasons for and benefits of the Merger

According to the Board Letter, after the Merger, the Company’s main business will not be changed. The Company and CGGC will achieve full integration of resources, eliminate potential peer competition, and fully release business synergies. The comprehensive service capabilities of the Surviving Company after the Merger will be further improved. The Company and CGGC will further enhance their core competitiveness and industry influence through the deep integration of assets, personnel, brand, management and other elements.

The Company considered the following reasons for and benefits of the Merger: (1) being conducive to effectively exert the advantageous of the full industry chain; (2) being conducive to shortening management chain, optimizing the resources allocation and improving the management efficiency; (3) being conducive to developing and expanding the pillar and important business clusters and promoting business transformation and upgrade and continuous development; (4) being conducive to better protecting the interests of the Shareholders of both parties and enhancing the investment return of minority shareholders; and (5) being conducive to broadening financing channels and enhancing competitive advantages. Further details are set out in the section headed “Reasons for and Benefits of the Merger” of the Board Letter.

For our due diligence purpose, we noted from the Company 2020 Annual Results Announcement in relation to the Company’s development outlook:

LETTER FROM GRAM CAPITAL

During the “14th Five-Year Plan” and a certain period in the future, the Company will strengthen the high-end layout in upstream of industrial chains and value chains in compliance with the principle of vertical integration, horizontal diversification and highlighting professionalism, and build a new layout of business development with outstanding main business supporting by diversified supplementary businesses, professional uniqueness, and multi-polarity, gradually forming an industrial system with focus of both engineering and construction as well as investment and operation, integration of main industries and principle businesses and capital and finance, and mutual promotion and coordinated development of multiple fields, thereby optimizing the productivity and industrial layout.

We are of the view that the Merger is in line with the Company’s development outlook as mentioned in the Company 2020 Annual Results Announcement

Having considered the above, we concur with the Directors that the Merger is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. Accordingly, we are also of the view that the Transactions are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Transactions

2.1 *The Merger Agreement*

On 27 October 2020, the Company entered into the Merger Agreement with CGGC in relation to the Merger. On 19 March 2021, the Board of the Company considered and approved, among others, the plan for the Merger, the Report of the Merger and its summary, the Merger Agreement and other connected transaction resolutions in relation to the Merger. The Merger, when fully implemented, will involve (among other things) the issuance of a total of 11,645,760,553 A shares by the Company to the shareholders of CGGC (other than CGGC Group) on the Registration Date of Implementation of the Merger, in exchange for all the CGGC shares held by them.

CGGC shares held by CGGC Group shall not participate in the Share Swap nor exercise the Cash Alternative, and such CGGC shares shall be de-registered upon completion of the Merger. Upon completion of the Merger, CGGC shall cease to be listing on the SSE. The Company, as the Surviving Company, will, through CGGC Group, the Receiving Party, inherit and take over all assets, liabilities, businesses, contracts, qualifications, employees and all other rights and obligations. CGGC will be finally disqualified as a legal person. The Company will apply for listing and trading of A shares issued by it in connection with the Merger on the main board of the SSE. The original domestic shares of the Company shall be converted into A shares and application will be made for listing and trading of such shares on main board of the SSE.

The targets of the Share Swap are all Shareholders of CGGC (other than CGGC Group) whose name appears on the Shareholders’ register at the close of business of the Registration Date of Implementation of the Merger, that is, on the Registration Date of Implementation of

LETTER FROM GRAM CAPITAL

the Merger, CGGC shares held by CGGC Shareholders who have not declared, partially declared, have no right to declare or invalidly declared the exercise of the Cash Alternative, and the CGGC shares held by the Cash Alternative Providers for providing the Cash Alternative, all to be converted into A shares issued by the Company in relation to the Merger in accordance with the Conversion Ratio.

Detailed terms of the Merger are set out in the sections headed “1.1 Plan for the Merger” and “1.3 Merger Agreement” in the Board Letter.

2.2 CGGC Conversion Price and Cash Alternative to Dissenting Shareholders of CGGC

CGGC Conversion Price

The CGGC Conversion Price is RMB8.76 per share. With reference to the Board Letter, taking into account the risk of stock price fluctuations and the risk compensation to the CGGC Conversion Shareholders, the CGGC Conversion Price is based on the average price of RMB6.04 per share in the 20 trading days before the Pricing Benchmark Date, with a 45% premium rate, which is RMB8.76 per share.

In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by CGGC from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the CGGC Conversion Price shall be adjusted accordingly, under other circumstances, the CGGC Conversion Price will no longer be adjusted. The adjustment mechanism for the above CGGC Conversion Price is set out in the Board Letter.

Cash Alternative to Dissenting Shareholders of CGGC

With reference to the Board Letter, Energy China Group (including its subsidiaries but excluding the Company and its subsidiaries) and/or its designated unrelated third parties will provide Cash Alternative to the Dissenting Shareholders of CGGC. In such case, these Dissenting Shareholders of CGGC shall no longer initiate the Cash Alternative against CGGC or any Shareholders of CGGC who are in agree with the Merger.

The price for Cash Alternative of Dissenting Shareholders of CGGC is the closing price of shares on the trading day before the Pricing Benchmark Date, i.e. RMB6.09 per share. In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred in CGGC from the Pricing Benchmark Date to the Cash Alternative Exercise Date (both days inclusive), the price for Cash Alternative shall be adjusted accordingly.

In case that the Merger proposal fails to be approved or verified at the shareholders' general meetings of both parties to the Merger, the Company's Class Meetings or by relevant regulatory authorities, which causes that the Merger finally cannot be implemented, the Dissenting Shareholders of CGGC cannot exercise the Cash Alternative, nor can they claim against both parties to the Merger for any indemnity or compensation.

LETTER FROM GRAM CAPITAL

The detailed arrangements for the Cash Alternative (including but not limited to the Cash Alternative Exercise Date, the declaration, settlement and closing of the Cash Alternative, etc.) will be determined by CGGC and the Cash Alternative Providers after negotiation and will be disclosed in accordance with the requirements of the laws, regulations and the SSE in a timely manner.

Details of the protection mechanism for Dissenting Shareholders of CGGC are set out in the Board Letter.

2.3 Issue Price and Conversion Ratio

Issue Price of A shares of the Company

The Issue Price of A shares of the Company is RMB1.98 per share. With reference to the Board Letter, the Issue Price of the Company is based on the principle of taking into account the interests of the Shareholders of both parties to the Merger, and comprehensively considering factors such as the overall business conditions, profitability and growth prospects, anti-risk capabilities of both parties to the Merger as well as and valuation levels of comparable companies in the industry.

In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by the Company from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the above Issue Price shall be adjusted accordingly. Under other circumstances, the Issue Price of the Company will no longer be adjusted. The adjustment mechanism for the above Issue Price is set out in the Board Letter.

Conversion Ratio

With reference to the Board Letter, the calculation formula for Conversion Ratio is: Conversion Ratio = Conversion Price of CGGC A shares ÷ Issue Price of A shares of the Company (calculation results are rounded to four decimal places). Conversion Ratio for the absorption and merger through Share Swap of CGGC by the Company is 1 : 4.4242, that is, each CGGC share held by the CGGC Conversion Shareholders can be converted for 4.4242 A shares issued by the Company.

In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by either party to the Merger from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the above Conversion Ratio shall be adjusted accordingly. Under other circumstances, the Conversion Ratio will no longer be adjusted.

As at the Pricing Benchmark Date, the total share capital of CGGC is 4,604,777,412 shares. Except for the CGGC shares held by CGGC Group, the Share Swap involves a total of 2,632,286,188 CGGC shares. Based on the above Conversion Ratio, the total number of shares issued by the Company for the Merger is 11,645,760,553 shares.

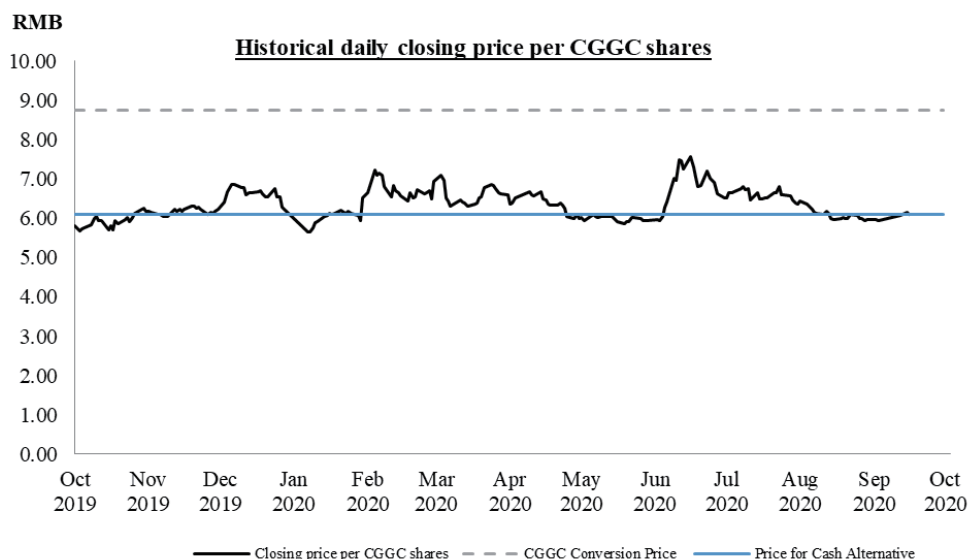
LETTER FROM GRAM CAPITAL

In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by either party to the Merger from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the above number of shares issued under the Share Swap shall be adjusted accordingly.

2.4 Analysis on the CGGC Conversion Price, the Issue Price and the Cash Alternative of Dissenting Shareholders of CGGC

Trading price of the CGGC shares

We reviewed the daily closing price of the CGGC shares as quoted on the SSE from 28 October 2019 up to and including 27 October 2020 (the “CGGC Shares Review Period”), being a period of one year prior to the date of the Merger Agreement. The comparison of daily closing prices of the CGGC shares and the CGGC Conversion Price is illustrated as follows:



Source: *The cninfo website*

Note: Trading in CGGC shares was halted with effect from 14 October 2020 and resumed on 28 October 2020.

During the CGGC Shares Review Period, the highest and lowest closing prices of the CGGC shares as quoted on the SSE were RMB7.56 recorded on 13 July 2020 and RMB5.66 recorded on 3 February 2020 and 4 February 2020 respectively.

The CGGC Conversion Price of RMB8.76 per share is higher than the closing prices of the CGGC shares during the entire CGGC Share Review Period; while the price for Cash Alternative of RMB6.09 per share is within the range of closing prices of the CGGC shares during the CGGC Shares Review Period. With reference to the Board Letter, (i) the CGGC Conversion Price of RMB8.76 per share is based on the average price of RMB6.04 per share in

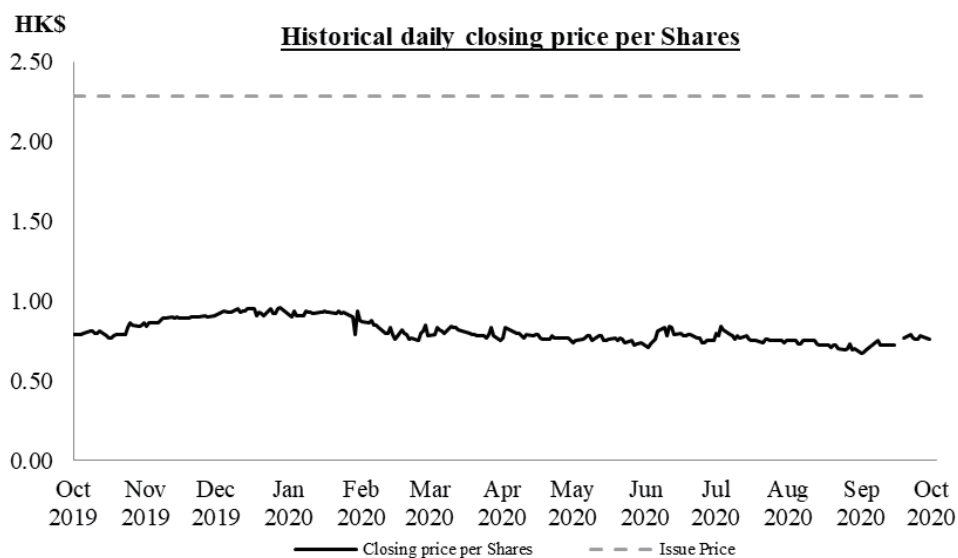
LETTER FROM GRAM CAPITAL

the 20 trading days before the Pricing Benchmark Date, with a 45% premium rate (the “**Reference Date Premium**”); (ii) and the price for Cash Alternative of Dissenting Shareholders of CGGC of RMB6.09 per share is the closing price of CGGC shares on the trading day before the Pricing Benchmark Date.

Having considered the time and procedures required for listing of the A shares by the Company, we understood from the Management that the Reference Date Premium compensates for the risks and uncertainties to be borne by the CGGC Conversion Shareholders before the listing of the A shares by the Company.

Trading price of the Company shares

We reviewed the daily closing price of the Company shares as quoted on the Stock Exchange from 28 October 2019 up to and including 27 October 2020 (the “**Company Shares Review Period**”), being a period of one year prior to the date of the Merger Agreement. The comparison of daily closing prices of the Company shares and the Issue Price is illustrated as follows:



Source: the Hong Kong Stock Exchange's website

Notes:

1. The Issue Price is based on RMB: HK\$ exchange rate of 1 : 1.156.
2. Trading in the Company shares was halted with effect from 14 October 2020 and resumed on 16 October 2020.

During the Company Shares Review Period, the highest and lowest closing prices of the Company shares as quoted on the Hong Kong Stock Exchange were HK\$0.96 recorded on 24 January 2020 and HK\$0.67 recorded on 28 September 2020 respectively.

LETTER FROM GRAM CAPITAL

The Issue Price is higher than the closing prices of the Company shares during the entire Company Shares Review Period. The Issue Price represents (i) premium of approximately 201.17% to the closing price of Company shares of HK\$0.76 on 27 October 2020, being the date of the Merger Agreement; and (ii) premium of approximately 138.43% to the highest closing price of Company shares of HK\$0.96 during the Company Shares Review Period.

Trading multiples analyses

In order to further assess the fairness and reasonableness of the CGGC Conversion Price and the Issue Price, we have performed the price to earnings (“**PER**”) and the price to book (“**PBR**”) ratio analysis, which are the commonly adopted trading multiples analyses.

In performing our PER and PBR analyses, we have researched for companies which (i) are listed on the Shenzhen Stock Exchange or SSE; (ii) have similar lines of business as CGGC and the Company (being the engineering and construction of infrastructure); and (iii) had market capitalisation of at least RMB10 billion as at the date of Merger Agreement (to exclude companies of substantially smaller scale than those of the CGGC and the Company, both having market capitalisation of over RMB10 billion as at the date of Merger Agreement) (the “**Comparables Companies**”). To the best of our knowledge and as far as we are aware of, we found 15 companies which met the said criteria and they are exhaustive and representative.

Company name (Stock Code)	Principal business	Year-end date	PER <i>(note 1)</i>	PBR <i>(note 2)</i>
Shenzhen Tagen Group Co., Ltd. (SZ000090)	Undertaking of a variety of construction projects including buildings, roads, bridges, tunnels, and other heavy construction projects	31 December 2019	10.61	1.20
Sichuan Road & Bridge Co., Ltd (SH600039)	Infrastructure construction services	31 December 2019	9.34	0.96
CSSC Science and Technology Co., Ltd. (SH600072)	Designing and building a variety of steel structures for buildings and transportation equipment	31 December 2019	67.72	2.47
Shanghai Construction Group Co., Ltd. (SH600170)	Construction of residential buildings, industrial buildings, municipal buildings, public infrastructure facilities, and more	31 December 2019	6.96	0.85
Long Yuan Construction Group Co., Ltd. (SH600491)	Undertaking of various construction projects such as civil buildings, industrial buildings, municipal buildings, public facilities, and building decorations	31 December 2019	12.18	1.14
Shanghai Tunnel Engineering Co., Ltd. (SH600820)	Undertaking of heavy construction projects	31 December 2019	8.25	0.81
Sinoma International Engineering Co., Ltd. (SH600970)	Designing and providing system integration services for the construction of cement projects	31 December 2019	8.24 <i>(note 3)</i>	1.28 <i>(note 3)</i>

LETTER FROM GRAM CAPITAL

Company name (Stock Code)	Principal business	Year-end date	PER <i>(note 1)</i>	PBR <i>(note 2)</i>
China Aluminum International Engineering Corporation Limited (SH601068 and 2068)	Engineering services	31 December 2019	303.95	1.00
China Railway Construction Corporation Limited (SH601186 and 1186)	Transportation infrastructure construction services	31 December 2019	5.63	0.53
China Railway Group Limited (SH601390 and 390)	Transportation facility construction services	31 December 2019	5.57	0.59
China Nuclear Engineering Corporation Limited (SH601611)	Nuclear projects construction services	31 December 2019	16.89	1.28
Metallurgical Corporation of China Limited (SH601618 and 1618)	Operation in EPC projects (engineering, procurement and construction) mainly for metallurgical facilities, natural resources exploration, equipment fabrication, and property development	31 December 2019	8.29	0.59
China State Construction Engineering Corporation Limited (SH601668)	Construction services	31 December 2019	5.19	0.78
Power Construction Corporation of China, Ltd (601669)	Electric utility line construction services	31 December 2019	8.43	0.55
China Communications Construction Company Limited (SH601800 and 1800)	Transportation infrastructure construction services	31 December 2019	6.08	0.54
	Maximum (excluding outliers) <i>(note 4)</i>		16.89	1.28
	Minimum (excluding outliers) <i>(note 4)</i>		5.19	0.53
	Average (excluding outliers) <i>(note 4)</i>		8.59	0.85
	The Merger (based on the CGGC Conversion Price) <i>(note 5)</i>		7.41	0.76
	The Merger (based on the Cash Alternative) <i>(note 6)</i>		5.15	0.53
	The issue of A shares by the Company <i>(note 7)</i>		11.70	1.01

Notes:

- The PERs of the Comparable Companies were calculated based on their respective published annual financial information for FY2019 and their respective closing prices as quoted on Shenzhen Stock Exchange/SSE and total issued shares as at the date of Merger Agreement.

LETTER FROM GRAM CAPITAL

2. The PBRs of the Comparable Companies were calculated based on their respective published interim financial information for the six months ended 30 June 2020 and their respective closing prices as quoted on Shenzhen Stock Exchange/SSE and total issued shares as at the date of Merger Agreement.
3. Based on closing price of shares on the last trading day prior to the date of Merger Agreement
4. CSSC Science and Technology Co., Ltd. (SH600072) and China Aluminum International Engineering Corporation Limited (SH601068 and 2068) have PERs of over 60 times and 300 times respectively. Given the majority of the PERs of the Comparable Companies fall in the range of approximately 5 to 20 times, we consider it would be more meaningful to exclude Comparable Companies with substantially higher PERs in our assessment.
5. The implied PER is based on the CGGC Conversion Price, the audited profit attributable to the CGGC shareholders for FY2019 and total issued shares of CGGC as at the date of Merger Agreement; while the implied PBR is based on the CGGC Conversion Price, the unaudited net assets value attributable to the CGGC shareholders as at 30 June 2020 and total issued shares of CGGC as at the date of Merger Agreement.
6. The implied PER is based on the price of Cash Alternative, the audited profit attributable to the CGGC shareholders for FY2019 and total issued shares of CGGC as at the date of Merger Agreement; while the implied PBR is based on the price of Cash Alternative, the unaudited net assets value attributable to the CGGC shareholders as at 30 June 2020 and total issued shares of CGGC as at the date of Merger Agreement.
7. The implied PER is based on the Issue Price, the audited profit attributable to the Shareholders for FY2019 and total issued shares of the Company as at the date of Merger Agreement; while the implied PBR is based on the Issue Price, the unaudited net assets value attributable to the Shareholders as at 30 June 2020 and total issued shares of the Company as at the date of Merger Agreement.

From the table above, the PERs of the Comparable Companies (excluding outliers) ranged from approximately 5.19 times to 16.89 times, with an average of approximately 8.59 times; while PBRs of the Comparable Companies (excluding outliers) ranged from approximately 0.53 times to 1.28 times, with an average of approximately 0.85 times

The implied PER and implied PBR of the Merger (based on the CGGC Conversion Price), i.e. the implied PER and PBR of the acquisition based on the CGGC Conversion Price, is within the range of the said PER range and PBR range of the Comparable Companies (excluding outliers) respectively, and is lower than the average PER and PBR of the Comparable Companies (excluding outliers) respectively. We are of the view that the CGGC Conversion Price is not over-priced as compared to the Comparable Companies from PER/PBR perspective.

The implied PER of the Merger (based on the Cash Alternative), i.e. the implied PER and PBR of the acquisition based on the Cash Alternative, is lower than the range of the said PER range of the Comparable Companies (excluding outliers); while the implied PBR of the Merger (based on the Cash Alternative) is at the lower end of the said PBR of the Comparable Companies (excluding outliers). We are of the view that the Cash Alternative is not over-priced as compared to the Comparable Companies from PER/PBR perspective.

LETTER FROM GRAM CAPITAL

The implied PER and implied PBR of the issue of A shares by the Company (based on the Issue Price), i.e. the implied PER and PBR of the consideration issue, is within the range of the said PER range and PBR range of the Comparable Companies (excluding outliers) respectively and is higher than the average PER and PBR range of the Comparable Companies (excluding outliers) respectively. We are of the view that the Issue Price is not under-priced as compared to the Comparable Companies from PER/PBR perspective.

Our View

Despite that the CGGC Conversion Price is higher than the closing prices of the CGGC shares during the entire CGGC Shares Review Period, having considered that (i) the CGGC Conversion Price of RMB8.76 per share is based on the average price of RMB6.04 per share in the 20 trading days before the Pricing Benchmark Date, with a 45% Reference Date Premium (which compensates for the risks and uncertainties to be borne by the CGGC Conversion Shareholders before the listing of the A shares by the Company); and (ii) the CGGC Conversion Price is not over-priced as compared to the Comparable Companies from PER/PBR perspective, we are of the view that the CGGC Conversion Price is fair and reasonable.

Having considered that (i) the price for Cash Alternative is within the range of closing prices of the CGGC shares during the CGGC Shares Review Period; and (ii) the Cash Alternative is not over-priced as compared to the Comparable Companies from PER/PBR perspective, we are of the view that the price for Cash Alternative is fair and reasonable.

Having considered that (i) the Issue Price is higher than the closing prices of the Company shares as quoted on the Hong Kong Stock Exchange during the entire Company Shares Review Period; and (ii) the Issue Price is not under-priced as compared to the Comparable Companies from PER/PBR perspective, we are of the view that the Issue Price is fair and reasonable.

2.5 Protection Mechanism of Rights for Dissenting Shareholders of the Company

In order to safeguard the interests of the Shareholders of the Company and minimize the impact of price fluctuation of the Company's shares upon the Merger on the investors, pursuant to the applicable requirements of the Company Law and the Articles of Association, the Merger will entitle the Dissenting Shareholders of the Company the Put Option. The Merger will offer the Put Options to the Dissenting Shareholders of the Company by Energy China Group (including its subsidiaries but excluding the Company and its subsidiaries) and/or its designated unrelated third parties at fair value. In such case, these Dissenting Shareholders of the Company shall no longer initiate the Put Option against the Company or any Shareholders of the Company who are in agree with the Merger.

The Dissenting Shareholders of the Company who exercise the Put Option may receive a cash consideration to be paid by the Put Option Providers at the price of the Put Option for each share of the Company that they have validly declared on the Put Option Exercise Date, and transfer the corresponding shares to the Put Option Providers. The Put Option Providers

LETTER FROM GRAM CAPITAL

shall be assigned all the shares of the Company to be transferred by the Dissenting Shareholders of the Company on the Put Option Exercise Date and pay cash consideration accordingly.

In case that the Merger proposal fails to be approved or verified at the shareholders' general meetings of both parties to the Merger, the Company's Class Meetings or by relevant regulatory authorities, which causes that the Merger finally cannot be implemented, the Dissenting Shareholders of the Company cannot exercise the Put Option, nor can they claim against both parties to the Merger for any indemnity or compensation.

The detailed arrangements for the Put Option (including but not limited to the Put Option Exercise Date, the declaration, settlement and closing of the Put Option, etc.) will be determined by the Company and the Put Option Providers after negotiation and will be disclosed in accordance with the requirements of the laws, regulations and the Hong Kong Stock Exchange in a timely manner.

Details of the protection mechanism of rights for Dissenting Shareholders of the Company are set out in the Board Letter.

Given that the Put Option provides an exit alternative for Dissenting Shareholders of the Company, we are of the view that the aforesaid Put Option would safeguard the interest of the Dissenting Shareholders of the Company.

2.6 Lock-up period arrangement

With reference to the Board Letter, Energy China Group and EPPE Company, the Shareholders of the Company, undertake that:

- (1) Within 36 months from the date when the A shares of the Company are listed and traded, they shall not transfer or entrust to others to manage the issued shares of the Company directly or indirectly held by them prior to the Merger (excluding H shares in the case of Energy China Group), nor shall the Company repurchase such shares. Within six months after the listing of A shares of the Company, if the closing prices of A shares of the Company for 20 consecutive trading days are lower than the Issue Price, or the closing price at the end of six months after the listing is lower than the Issue Price, they undertake that the lock-up period of the shares of the Company held by them shall be automatically extended for six months.
- (2) If relevant laws, regulations and regulatory documents or other securities regulatory authorities such as CSRC have other requirements on the lock-up period of shares, they agree to adjust the lock-up period of the shares of the Company (excluding H shares in the case of Energy China Group) held by them accordingly.

LETTER FROM GRAM CAPITAL

- (3) They undertake to assume and compensate all losses caused to the Company and its controlled entities due to violation of the above undertakings or relevant laws, regulations and regulatory documents.
- (4) If any of the following circumstances occurs after one year from the date of listing of the A shares of the Company, the above undertakings may be waived to comply with upon the application and with the consent of the stock exchange: (1) both parties have actual control relationship or are under the control of the same controller; (2) such other circumstances as determined by the stock exchange.

With reference to the Board Letter, China Reform Holdings and Chengtong Financial Control, the Shareholders of the Company, undertake that:

- (1) Within 12 months from the date when the A shares of the Company are listed and traded, they shall not transfer or entrust to others to manage the issued shares of the Company directly or indirectly held by them prior to the Merger (excluding H shares in the case of China Reform Holdings), nor shall the Company repurchase such shares.
- (2) If relevant laws, regulations and regulatory documents or other securities regulatory authorities such as CSRC have other requirements on the lock-up period of shares, they agree to adjust the lock-up period of the shares of the Company held by them accordingly.
- (3) They undertake to assume and compensate all losses caused to the Company and its controlled entities due to violation of the above undertakings or relevant laws, regulations and regulatory documents.

We are of the view that the said lock-up period arrangement is in the interests of the Company and the Shareholders.

In conclusion, we consider that the terms of the Merger are on normal commercial terms and are fair and reasonable. Accordingly, we are also of the view that the terms of the Transactions are on normal commercial terms and are fair and reasonable

3. Possible dilution effect on the shareholding interests of the existing public Shareholders

With reference to the shareholding table in the section headed “Impact of the Merger on Shareholding Structure of the Company” of the Board Letter, the shareholding interests of the public H Shareholders would be diluted by approximately 7.49 percentage point after the Merger. In this regard, taking into account (i) the reasons for and benefits of the Merger; and (ii) the terms of the Merger being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the public H Shareholders after the Merger is justifiable.

LETTER FROM GRAM CAPITAL

4. Possible financial effects of the Merger

With reference to appendix I to the Circular, prior to the Merger, the Company was the indirect controlling shareholder of CGGC, thus the assets, liabilities and gains, costs and profits of CGGC have been consolidated with and included the consolidated financial statements of the Company. Upon the completion of the Merger, CGGC will be disqualified as a legal person, and its assets, liabilities and gains, costs and profits will remain included in the consolidated financial statements of the Company.

The unaudited pro forma financial information of the Enlarged Group (the “**Pro Forma Information**”) is included in appendix III to the Circular.

With reference to the Company 2020 Annual Results Announcement, the audited consolidated total assets and total liabilities of the Group were approximately RMB476.05 billion and RMB338.12 billion as at 31 December 2020 respectively. According to the Pro Forma Information, the unaudited consolidated total assets and total liabilities of the Enlarged Group would remain at approximately RMB476.05 billion and RMB338.12 billion respectively as if the Merger had been completed on 31 December 2020.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Merger.

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

* *For identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 respectively, together with the relevant notes thereto are disclosed in the following documents, which were published on both the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.ceec.net.cn>):

- the annual report of the Company for the year ended 31 December 2018 published on 11 April 2019 (pages 105 to 261) at <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0411/ltn20190411348.pdf>;
- the annual report of the Company for the year ended 31 December 2019 published on 15 April 2020 (pages 103 to 261) at <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0415/2020041500763.pdf>;
- the annual report of the Company for the year ended 31 December 2020 published on 19 March 2021 (pages 2 to 26) at <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0319/2021031901746.pdf>.

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

As at the close of business on 31 January 2021, being the latest practicable date for the purpose of this statement of indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

	Balance at 31 January 2021 <i>RMB'000</i>
Long-term	
Bank borrowings	
– <i>Unsecured</i>	29,655,295
– <i>Secured</i>	29,967,153
Other borrowings	
– <i>Unsecured</i>	–
– <i>Secured</i>	117,671
Corporate bonds	<u>9,995,380</u>
Subtotal	<u><u>69,735,499</u></u>
Short-term	
Bank borrowings	
– <i>Unsecured</i>	14,043,031
– <i>Secured</i>	8,263,599
Other borrowings	
– <i>Unsecured</i>	16,578,271
– <i>Secured</i>	79,450
Corporate bonds	<u>5,639,902</u>
Subtotal	<u><u>44,604,253</u></u>
Lease liabilities	
– <i>Unsecured</i>	1,140,590

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables, as at the closure of business on 31 January 2021, the Group did not have any issued and outstanding or authorized or otherwise created but unissued debt securities, time loans, bank overdrafts, mortgages, charges or similar indebtedness, hire purchase or finance leases commitments, liabilities under acceptance or facilities under acceptance, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

As at the Latest Practicable Date, after due enquiry and taking into account the effect of the Possible Merger, the internal resources of the Group and the banking facilities available to the Group, the Directors are of the opinion that the Group has sufficient working capital for its present requirement, that is for at least the next 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up pursuant to the Listing Rules.

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

Prior to the Merger, the Company indirectly held 42.84% equity interests in CGGC through CGGC Group and was the indirect controlling shareholder of CGGC, thus the assets, liabilities and gains, costs and profits of CGGC have been consolidated with and included the consolidated financial statements of the Company. Upon the completion of the Merger, CGGC will be disqualified as a legal person, and its assets, liabilities and gains, costs and profits will remain included in the consolidated financial statements of the Company.

The following analysis is based on the Company's financial statements and notes to financial statements audited by KPMG for the latest three years, the financial statements and notes to financial statements for 2020 and 2019 of CGGC audited by Zhongxinghua, and the financial statements and notes to financial statements for 2018 of CGGC audited by BDO.

(I) Financial Condition Analysis

Before the Merger, CGGC had been included in the scope of the Company's consolidated statements. Therefore, the assets, liabilities, solvency, asset turnover capability and cash flows of China Energy Engineering will not change due to the Merger.

After the Merger, all the remaining owners' equity apart from the owner's equity corresponding to the 42.84% equity interests of CGGC originally entitled by the Company will be incorporated into the financial statements of the Surviving Company. The consideration of the Shares to be issued by the Company for the absorption and merger of CGGC through Share Swap will be included in the share capital and reserves, respectively.

The changes in the composition of owners' equity before and after the Merger are as follows:

Item	31 December 2020	
	Before the Merger	After the Merger
Issued share capital	30,020,396	41,666,157
Perpetual capital instruments	9,500,000	9,500,000
Reserves	28,896,522	37,302,586
Equity attributable to equity holders of the Company	68,416,918	88,468,743
Perpetual capital instruments	30,984,433	30,984,433
Non-controlling interests	38,527,506	18,475,681
Total equity	137,928,857	137,928,857

(II) Profitability Analysis

Before the Merger, CGGC had been included in the scope of the Company's consolidated statements. Therefore, the revenue, costs, total profit, net profit and gross margin of the Company will not change due to the Merger.

The pro forma net profit of the Surviving Company attributable to the owners of the parent company in 2020 will increase, whereas the profit or loss attributable to non-controlling interests will decrease. Change in the net profit attributable to the owners of the parent company and the profit or loss attributable to non-controlling interests before and after the Merger is as follows:

Item	2020			
	Before the Merger	After the Merger	Change in amount	Percentage of change
Profit for the year attributable to equity holders of the Company	4,680,285	6,637,226	1,956,941	41.81%
Profit or loss attributable to non-controlling interests	4,011,809	2,054,868	(1,956,941)	-48.78%

(III) Comparative Analysis of Indicators per Share before and after Absorption and Merger through Share Swap

The total share capital of Company before the Merger was 30,020,396,364 Shares. The Company will issue 11,645,760,553 A Shares as a result of the Merger, the total share capital will be 41,666,156,917 Shares. Change in the indicators per share before and after the Merger is as follows:

Name of company	Item	2020	
		Before the Merger	After the Merger
The Company	Basic earnings per share attributable to Shareholders of the parent Company	0.15	0.16

(IV) Composition of Principal Business, Future Business Development Strategies and Business Management Model of the Surviving Company after the Completion of the Transaction

1. *Composition of principal business of the Surviving Company after the completion of the transaction*

Before the Absorption and Merger through Share Swap, China Energy Engineering is a comprehensive and ultra-large enterprise offering holistic solutions and full industry chain services in energy power and infrastructure sectors in China and the world at large. Its main businesses cover sectors such as energy power, water conservancy and water utilities, railways and highways, ports and navigation channels, municipal engineering, urban rail, eco-environment protection, cement and civil explosives, with a complete industrial chain integrating planning and consulting, evaluations and review, survey and design, construction and contracting and management, operation and maintenance and investment operation, technical services, equipment manufacturing, and building materials. CGGC is a subsidiary of China Energy Engineering, and its business scope covers engineering and construction, industrial manufacturing, investment and operation, and comprehensive services.

After the Absorption and Merger through Share Swap, China Energy Engineering's main business will not be changed. China Energy Engineering and CGGC will achieve full integration of resources, eliminate potential peer competition, and fully release business synergies. The comprehensive service capabilities of the Surviving Company after the Merger will be further improved. China Energy Engineering and CGGC will further enhance their core competitiveness and industry influence through the deep integration of assets, personnel, brand, management and other elements.

2. *Future business development strategy of the Surviving Company after the completion of the transaction*

After the completion of the transaction, the business organization and resources of the Surviving Company, China Energy Engineering, in the aspects of survey and design, equipment manufacturing, operation and maintenance and repair will be more effectively integrated with the business organization and resources of CGGC International in the aspects of operations, construction contracting, and investment operations, and the Company will further expand financing channels, expand brand influence and enhance competitiveness. In the future, the Company will continue to focus on customer needs and continue to create commercial and social value for customers, employees, shareholders and stakeholders with the best solutions and services. Looking forward to the "14th Five-Year Plan" period, the Company will focus on the two dimensions of "strengthening the long board, making up for the short board, optimizing the stock and upgrading the quality" and "adjusting the structure, changing the method, expanding the increment and opening up a new situation", and follow the policy of policy of vertical integration, horizontal diversification and outstanding professionalism, and increase our efforts in the layout in the upstream of the industrial chain and the top of the value chain, construct a new business development pattern featuring prominent main businesses, diversified side businesses, professional characteristics, and diversified supports, and gradually form an industrial system that focuses on engineering

construction and investment operations, integrates the main business of industry and capital and finance, also promotes and develops various business fields. The Company will highlight the priority, quality and coordination of overseas projects, and emphasize the “four major tractions” in high-end marketing planning, design and consulting, investment and technology to optimize productivity and industrial layout.

3. *Business management model of the Surviving company after the completion of the transaction*

- (1) Through the transaction, China Energy Engineering will exchange shares with shareholders of CGGC by issuing A shares. CGGC will be delisted and cancelled. China Energy Engineering will be the Merger and Surviving Company. All assets, liabilities, businesses, personnel, contracts and all other rights and obligations of CGGC will be inherited and undertaken by China Energy Engineering through CGGC Group;
- (2) The operation of China Energy Engineering will be based on its existing management team. They will be responsible for the management, operation and development of their own business;
- (3) The management of China Energy Engineering will be responsible for the formulation of the overall development strategy of the Surviving Company, and the assessment of the completion of various economic indicators, etc.;
- (4) In the future, China Energy Engineering will use the platform advantages and capital advantages as a A+H shares listed company, as well as the existing business development experience and management experience, to coordinate various resources and actively promote development;
- (5) Listed company will standardize, supplement, and improve the existing systems of the Company in accordance with the requirements of the China Securities Regulatory Commission and the SSE in terms of corporate governance, standardized operations, and information disclosure.

(V) The Integration Plans, Integration Risks, and Corresponding Management and Control Measures of the Transaction in Terms of Business, Assets, Finance, Personnel, Institutions and Others

Before the Transaction, China Energy Engineering, as the indirect controlling shareholder of CGGC, participated in the business decision-making of CGGC as a shareholder based on the corporate governance structure of the listed company. CGGC conducted self-management in accordance with its relevant system. China Energy Engineering has no influence on CGGC’s daily production and operation.

Upon the completion of the transaction, all of the assets, liabilities, business, personnel, contracts and all other rights and obligations of CGGC will be inherited and undertaken by China Energy Engineering. CGGC will be integrated into China Energy Engineering's corporate operation management system, and will be uniformly managed by China Energy Engineering through the relevant operating policies formulated by China Energy Engineering.

CGGC's main business and business model are basically the same as that of China Energy Engineering, and CGGC has always been a holding subsidiary of China Energy Engineering, which is conducive to the handover and integration of businesses and personnel of both parties. However, both parties to the Merger are still different in terms of internal management systems, daily business models and corporate culture, the Surviving Company may face certain integration risks during the integration process.

In order to give full play to the synergy of the transaction, from the perspectives of operation of listed companies and resource allocation, China Energy Engineering has formulated integration plans and management control measures in terms of business, assets, finance, personnel, institutions and etc., as follows:

In terms of business, after the completion of the transaction, China Energy Engineering will achieve full integration of resources, eliminate potential peer competition, and fully release business synergies, to further expand the Company's customer and partners base. In terms of customer resources, since China Energy Engineering and CGGC were operating independently before the transaction, and the two parties had overlapping customers in different business areas, upon the completion of the transaction, China Energy Engineering, as the Surviving Company, will integrate and coordinate customer resources of both parties, and provide more complete comprehensive service capability. After the completion of the transaction, CGGC will undertake the operation and management functions of all businesses of China Energy Engineering, which will help strengthen the core business of China Energy Engineering and has strong strategic significance.

In terms of assets, after the completion of the transaction, all the assets and liabilities of CGGC will be undertaken by CGGC Group. China Energy Engineering will further improve the operation and management level of CGGC's assets, and improve the efficiency of asset utilization based on the actual situation as well as the internal control management experience and industry management experience of listed companies.

In terms of finance, after the completion of the transaction, China Energy Engineering will further improve the construction of its internal control system in accordance with the requirements of its own financial management system, improve the organization and staffing of the financial department to build a financial management system that meets the standards of listed companies. China Energy Engineering will also make efforts on financial management, strengthen the management of cost and expense accounting, capital control, taxation and etc., coordinate the use of internal funds and external financing, and prevent operational and financial risks.

In terms of personnel, after the completion of the transaction, all employees of CGGC will be taken over by CGGC Group and the labor contracts of these employees will continue to be performed by CGGC Group. Any and all rights and obligations of CGGC, as the employer of its current employees, will be enjoyed and assumed by CGGC Group from the Closing Date of the Merger. The labor relations of employees of subsidiaries of CGGC remain unchanged.

In terms of institutions, after the completion of the transaction, China Energy Engineering Group will continue to establish a standardized governance structure in accordance with the latest regulations of CSRC and the stock exchange to ensure the smooth transition of CGGC's production and operation, and will continuously improve internal management system of China Energy Engineering to promote stable and standardized operation of various management systems.

(VI) Listed Companies' Management Control Measures for Subsidiaries After the Completion of the Transaction

Prior to the transaction, China Energy Engineering has established the Shareholders' general meeting, the Board of Directors, the Supervisory Committee and other organizational structures and formulated corresponding rules of procedures, institutionally ensuring the standardized operation of the Shareholders' general meeting, the Board of Directors and the Supervisory Committee as well as the performance of their duties in accordance with laws. China Energy Engineering has the sound organizational structure and perfect corporate governance structure, and simultaneously improves the internal control and corporate governance structures of subsidiaries at all levels.

After the transaction is completed, other than CGGC, although the management levels and structures of subsidiaries at all levels of China Energy Engineering have not changed, China Energy Engineering will standardize operations strictly according to the requirements of the Company Law, the Securities Law, the Governance Guidelines for Listed Companies and other laws and regulations as well as the Articles of Association, further improve the construction and implementation of various systems of the Company and its subsidiaries at all levels, and continuously improve the corporate governance structure of the Company.

Meanwhile, in order to reduce integration risk and improve the benefits of the transaction, China Energy Engineering will try to maintain the stability of CGGC's core assets and original business management personnel, will steadily promote the integration of two parties by improving the system construction, strengthening the communication between two parties and standardizing operations, so as to ensure the smooth implementation of the integration after the transaction is completed.

I. TARGET COMPANY ACCOUNTS

The following is (i) the audited consolidated financial statements of the Target Company for the financial year ended 31 December 2018, prepared in accordance with China Accounting Standard for Business Enterprise (“CAS”) and audited by BDO China Shu Lun Pan Certified Public Accountants LLP, (ii) the audited consolidated financial statements of the Target Company for the financial year ended 31 December 2019, prepared in accordance with CAS and audited by Zhongxinghua Certified Public Accountants LLP, and (iii) the audited consolidated financial statements of the Target Company for the financial year ended 31 December 2020, prepared in accordance with CAS and audited by Zhongxinghua Certified Public Accountants LLP (collectively referred to the “**Target Group Historical Track Record Accounts**”), as published by the Target Company on the Shanghai Stock Exchange website.

2018 Financial Report**I. AUDIT REPORT**

Applicable Not applicable

To all Shareholders of China Gezhouba Group Stock Company Limited,

I. OPINIONS

We have audited the accompanying financial statements of China Gezhouba Group Stock Company Limited (hereinafter referred to as “CGGC”), which comprise the consolidated and parent company balance sheets as at 31 December 2018, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, the consolidated and parent company statements of changes in owners’ equity for the year of 2018 and relevant notes to the financial statements.

In our opinions, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company’s financial position of CGGC as at 31 December 2018, and the consolidated and parent company’s operating results and cash flows for the year of 2018 in accordance with the requirements of Accounting Standards for Business Enterprises (“CASs”).

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing (“CSAs”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of CGGC in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants (“CICPA Code”), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

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

Key Audit Matters	How our audit addressed the key audit matters
(I) Revenue recognition	
<p>As stated in Note III (26) and Note V (45) in the financial statements, the revenue from construction business in 2018 was RMB54.539 billion, accounting for 54.0% of CGGC's revenue. For the engineering contracting services provided by CGGC, revenue is recognized over a period of time based on the progress of the contract performance. The progress of contract performance is determined according to the proportion of costs incurred to the estimated total costs. CGGC's management (the "Management") needs to make reasonable estimates on expected total revenue and costs of construction contracts to further calculate the percentage of completion. The estimates should be evaluated and updated on a regular basis during the execution of the contracts. We therefore identified it as a key audit matter as recognition of revenue from construction contracts involves significant accounting estimates and judgments of the Management.</p> <p>As stated in Note III (26) and Note V (45) to the financial statements, the revenue from environmental protection business in 2018 was RMB19.429 billion, accounting for 19.31% of CGGC's revenue. Due to the significant amount of revenue from environmental protection business, frequent business transactions involving in extensive and scattered areas, and high inherent risks of misstatement, we determined the recognition of revenue from environmental protection business as a key audit matter.</p>	<p>Our audit procedures in relation to recognition of revenue from construction business mainly included:</p> <ol style="list-style-type: none"> 1. Understanding, evaluating and testing the internal control related to the recognition of revenue from construction contract, such as the estimated total revenue, estimated total cost, performance progress calculation, contract cost collection, etc.; 2. Selecting a sample of construction contracts to inspect the budget information on which the estimated total revenues and costs were based, and evaluating the adequacy of supporting regarding the Management's estimation of expected total contract revenue and costs; 3. Making inquiry, analytical review and other related procedures for significant projects with abnormal fluctuations in estimated total costs, estimating total revenues or gross profit margins, checking whether the project is abnormal, and performing further inspection procedures for abnormalities; 4. Obtaining the construction contract account, executing remeasurement procedure, and checking the accuracy of the performance progress of construction contract; 5. Selecting samples of construction contracts to test the contract performance costs incurred for the year;

Key Audit Matters	How our audit addressed the key audit matters
	<p>6. Selecting samples of construction contracts, checking the image progress on-site, discussing with the project management department to confirm the rationality of the completion progress, and compare with the records.</p> <p>The key audit procedures we performed for revenue recognition for environmental protection business include:</p> <ol style="list-style-type: none"> 1. Understanding, assessing and testing the internal control related to revenue recognition for environmental protection business; 2. Reviewing the sales contract on a sample basis, identifying the contract terms and conditions related to the transfer of risks and rewards on the ownership of the commodity, and evaluating whether revenue recognition policy complies with the Accounting Standards for Business Enterprises; 3. Performing details testing, selecting samples for revenue transactions recorded this year, to check invoices, sales contracts, and delivery orders, as well as check the settlement statements and collection records confirmed by customers; and implementing procedures such as letter verification and on-site interviews with customers to evaluate the authenticity of sales revenue. 4. Regarding the revenue transactions recorded before and after the balance sheet date, selecting samples and checking the delivery orders and other supporting documents to evaluate whether the revenue is recorded in the appropriate accounting period.
(II) Bad debt provision for trade receivables	
As stated in Note III (11) and Note V (2) to the financial statements, the carrying amount of trade receivables as at 31 December 2018 was RMB15.271 billion, accounting for 7.00% of total assets. CGGC	Our procedures in relation to provision for bad debts of trade receivables included:

Key Audit Matters	How our audit addressed the key audit matters
<p>calculates the expected credit losses of receivables through default exposures of receivables and expected credit loss rates, and determines the expected credit loss rate based on default probability and default loss rate. As the determination of expected credit loss involves the Management's use of significant accounting estimates and the amount of impact is significant, we have identified the provision for bad debts of trade receivables as a key audit matter.</p>	<ol style="list-style-type: none"> 1. Understanding, evaluating and testing the internal control related to bad debt provision of trade receivables; 2. For individual impaired trade receivables, selecting samples to review the basis and rationality of Management's assessment of expected credit losses; 3. For trade receivables with provision for bad debts made on the grouping basis of credit risk characteristics, reviewing the rationality of Management's division of the grouping and expected credit loss rate, and selecting samples to test the accuracy of the grouping and age classification of trade receivables, and recalculating the accuracy of the expected credit loss; 4. Implementing letter verification procedures and checking relevant results with the amount recorded by the Management; 5. Evaluating the rationality of the Management's provision for bad debt in combination with the payment collection subsequent to the period.

IV. OTHER INFORMATION

The Management of CGGC is responsible for the other information. The other information comprises the information included in the 2018 annual report of CGGC, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the CASs, and for such internal control as the Management designs, performs and maintains is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing CGGC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate CGGC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of CGGC.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CGGC's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of users in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CGGC to cease to continue as a going concern.

- (5) Evaluate the overall presentation, structure and contents (including disclosure) of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within CGGC to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

BDO China Shu Lun Pan Certified Public
Accountants LLP

Chinese Certified Public Accountant: Li
Shunli
(Project partner)

Shanghai, the People's Republic of China

Chinese Certified Public Accountant: Xiong
Yu

27 March 2019

II. FINANCIAL STATEMENTS

Prepared by: China Gezhouba Group Stock Company Limited

CONSOLIDATED BALANCE SHEET
31 December 2018

Unit: Yuan Currency: RMB

Items	Notes	31 December 2018	31 December 2017
Current assets:			
Cash at bank and on hand	(1)	19,547,502,663.21	19,547,502,663.21
Settlement reserves for balance			
Loans to banks and other financial institutions			
Financial assets held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Bills receivables and trade receivables	(2)	18,745,847,940.80	19,194,370,250.63
Including: Bills receivables		3,475,032,065.02	2,708,466,221.80
Trade receivables		15,270,815,875.78	16,485,904,028.83
Prepayments	(3)	7,869,566,730.21	6,986,191,598.44
Premium receivables			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	(4)	10,702,509,036.51	11,679,634,166.47
Including: Interest receivable		251,300.00	
Dividends receivable			39,200,000.00
Financial assets purchased with agreement to re-sale			
Inventories	(5)	52,197,618,110.17	64,116,989,027.60
Contract assets	(6)	17,063,346,979.33	
Assets held for sale			
Non-current assets due within one year	(7)	1,071,855,569.69	848,829,002.75
Other current assets	(8)	2,579,085,047.67	1,381,808,104.17
Total current assets		129,777,332,077.59	123,188,852,961.67

Items	Notes	31 December 2018	31 December 2017
Non-current assets:			
Loans and advances to customers			
Debt investments			
Available-for-sale financial assets	(9)		5,615,186,206.42
Other debt investment			
Held-to-maturity investments			
Long-term receivables	(10)	15,274,561,016.63	8,612,831,444.76
Long-term equity investments	(11)	14,159,585,398.17	6,959,182,134.90
Other investment in equity instruments	(12)	699,777,632.80	
Other non-current financial assets	(13)	5,213,561,990.40	
Investment properties	(14)	38,252,959.50	38,394,509.07
Fixed assets	(15)	17,107,206,656.89	14,293,140,707.51
Construction in progress	(16)	16,089,509,517.57	9,957,096,784.89
Bearer biological assets			
Oil and gas assets			
Intangible assets	(17)	16,682,985,922.94	15,315,760,085.24
Research and development	(18)	202,447,664.50	185,151,197.39
Goodwill	(19)	1,539,598,450.11	1,337,745,813.55
Long-term prepaid expenses	(20)	599,559,732.77	502,861,235.20
Deferred income tax assets	(21)	732,356,187.10	546,209,464.15
Other non-current assets	(22)	92,530,714.76	371,261,198.97
Total non-current assets		88,431,933,844.14	63,734,820,782.05
Total assets		218,209,265,921.73	186,923,673,743.72

Items	Notes	31 December 2018	31 December 2017
Current liabilities:			
Short-term borrowings	(23)	29,614,035,130.24	14,419,747,133.00
Borrowings from central bank			
Receipts of deposits and deposits from other banks			
Loans from other banks			
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Bills payables and trade payables	(24)	38,636,853,026.46	35,899,008,146.58
Receipts in advance	(25)		10,011,743,718.84
Contract liabilities	(26)	14,556,285,412.84	
Funds from selling out and repurchasing financial assets			
Fee and commission payable			
Employee benefits payable	(27)	258,349,996.38	336,213,264.38
Taxes payable	(28)	2,530,455,699.97	2,724,025,453.83
Other payables	(29)	20,153,423,281.23	17,128,099,460.96
Including: Interest payable		1,304,487,613.85	290,608,336.62
Dividends payable		354,597,848.64	255,764,884.60
Reinsurance accounts payables			
Brokerage for trading securities			
Brokerage for consigning securities			
Liabilities held for sale			
Non-current liabilities due within one year	(30)	12,195,692,656.14	9,490,216,561.66
Other current liabilities	(31)	18,743,979.57	1,354,772,919.74
Total current liabilities		117,963,839,182.83	91,363,826,658.99

Items	Notes	31 December 2018	31 December 2017
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	(32)	31,782,735,313.26	27,782,209,574.50
Bonds payable	(33)	9,150,000,000.00	11,650,000,000.00
Including: Preference shares			
Perpetual bond			
Long-term payables	(34)	665,207,834.57	2,171,311,540.59
Long-term employee benefits payable	(35)	2,162,107,000.00	1,832,161,000.00
Estimated liabilities			
Deferred income	(36)	253,966,732.97	208,959,216.70
Deferred income tax liabilities	(21)	1,061,867,980.96	819,890,250.18
Other non-current liabilities	(37)	84,914,215.68	
Total non-current liabilities		45,160,799,077.44	44,464,531,581.97
Total liabilities		163,124,638,260.27	135,828,358,240.96
Owners' equity (or Shareholders' equity):			
Paid-in capital (or Share capital)	(38)	4,604,777,412.00	4,604,777,412.00
Other equity instruments	(39)	16,000,000,000.00	16,000,000,000.00
Including: Preference shares			
Perpetual bond		16,000,000,000.00	16,000,000,000.00
Capital reserve	(40)	7,511,468,750.95	7,616,488,182.55
Less: Treasury shares			
Other comprehensive income	(41)	-372,768,899.26	501,443,470.84
Special reserve	(42)	86,232,567.27	59,918,487.17
Surplus reserve	(43)	1,582,944,663.22	1,489,267,979.60
General risk reserve			
Undistributed profits	(44)	13,391,336,189.86	10,759,826,667.48
Total equity attributable to owners of the parent company		42,803,990,684.04	41,031,722,199.64
Minority interests		12,280,636,977.42	10,063,593,303.12
Total owners' equity (or Shareholders' equity)		55,084,627,661.46	51,095,315,502.76
Total liabilities and owners' equity (or Shareholders' equity)		218,209,265,921.73	186,923,673,743.72

Legal representative: Chen Xiaohua Principal in charge of accounting: Fu Junxiong
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

BALANCE SHEET OF THE PARENT
31 December 2018

Prepared by: China Gezhouba Group Stock Company Limited

Unit: Yuan Currency: RMB

Items	Notes	31 December 2018	31 December 2017
Current assets:			
Cash at bank and on hand		8,237,724,678.67	6,319,468,863.99
Financial assets held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Bills receivables and trade receivables	(1)	7,211,280,408.27	8,414,822,200.04
Including: Bills receivables		230,279,649.00	36,600,000.00
Trade receivables		6,981,000,759.27	8,378,222,200.04
Prepayments		2,029,909,088.31	906,363,123.06
Other receivables	(2)	40,488,889,903.83	35,041,044,126.01
Including: Interest receivable			
Dividends receivable			
Inventories		160,943,425.36	2,582,365,525.30
Contract assets		1,656,181,673.54	
Assets held for sale			
Non-current assets due within one year			200,000,000.00
Other current assets		63,839,155.60	50,706,943.86
Total current assets		59,848,768,333.58	53,514,770,782.26

Items	Notes	31 December 2018	31 December 2017
Non-current assets:			
Debt investments		270,000,000.00	
Available-for-sale financial assets			4,508,143,155.13
Other debt investment			
Held-to-maturity investments			3,570,000,000.00
Long-term receivables		1,295,630,133.93	1,226,447,145.46
Long-term equity investments	(3)	38,784,187,846.08	29,603,349,589.58
Other investment in equity instruments		699,777,632.80	
Other non-current financial assets		3,963,098,215.73	
Investment properties			
Fixed assets		301,160,464.04	343,379,147.54
Construction in progress			
Bearer biological assets			
Oil and gas assets			
Intangible assets		221,801,896.28	226,453,089.91
Research and development expenses		35,605,146.89	30,205,365.48
Goodwill			
Long-term prepaid expenses		8,876,706.38	11,087,124.10
Deferred income tax assets		5,951,798.25	5,497,356.97
Other non-current assets			
Total non-current assets		45,586,089,840.38	39,524,561,974.17
Total assets		105,434,858,173.96	93,039,332,756.43

Items	Notes	31 December 2018	31 December 2017
Current liabilities:			
Short-term borrowings		19,981,749,600.00	12,068,710,000.00
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Bills payables and trade payables		11,166,753,887.74	10,549,015,409.88
Receipts in advance			575,344,298.28
Contract liabilities		1,345,031,058.91	
Employee benefits payable		77,671,110.70	93,792,350.65
Taxes payable		388,167,615.09	536,927,930.16
Other payables		20,416,850,371.15	16,031,264,659.22
Including: Interest payable		257,870,666.67	257,870,666.67
Dividends payable		234,725,833.33	234,725,833.33
Liabilities held for sale			
Non-current liabilities due within one year		5,253,840,000.00	5,384,800,000.00
Other current liabilities			
Total current liabilities		58,630,063,643.59	45,239,854,648.19
Non-current liabilities:			
Long-term borrowings			
Bonds payable		5,353,000,000.00	1,461,000,000.00
Including: Preference shares		7,600,000,000.00	11,150,000,000.00
Perpetual bond			
Long-term payables			
Long-term employee benefits payable		43,850,000.00	47,590,000.00
Accrued liabilities			
Deferred income			
Deferred income tax liabilities		152,958,348.48	129,813,694.46
Other non-current liabilities			
Total non-current liabilities		13,149,808,348.48	12,788,403,694.46
Total liabilities		71,779,871,992.07	58,028,258,342.65

Items	Notes	31 December 2018	31 December 2017
Owners' equity (or Shareholders' equity):			
Paid-in capital (or Share capital)		4,604,777,412.00	4,604,777,412.00
Other equity instruments		16,000,000,000.00	16,000,000,000.00
Including: Preference shares			
Perpetual bond		16,000,000,000.00	16,000,000,000.00
Capital reserve		6,278,950,936.71	6,463,414,043.43
Less: Treasury shares			
Other comprehensive income		396,103,403.96	717,255,622.66
Special reserve		1,688,326.84	1,688,326.84
Surplus reserve		1,582,944,663.22	1,489,267,979.60
Undistributed profits		4,790,521,439.16	5,734,671,029.25
Total owners' equity (or Shareholders' equity)		33,654,986,181.89	35,011,074,413.78
Total liabilities and owners' equity (or Shareholders' equity)		105,434,858,173.96	93,039,332,756.43

Legal representative: Chen Xiaohua Principal in charge of accounting: Fu Junxiong
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

CONSOLIDATED INCOME STATEMENT

January to December 2018

Unit: Yuan Currency: RMB

Items	Notes	2018	2017
I. Total operating income		100,625,669,771.65	106,807,099,535.40
Including: Operating income	(45)	100,625,669,771.65	106,807,099,535.40
Interest income			
Premium earned			
Fee and commission income			
II. Total operating cost		96,089,572,788.99	102,690,936,307.91
Including: Operating cost	(45)	84,192,223,416.30	92,843,107,791.86
Interest expenses			
Fee and commission expenses			
Surrender payment			
Net expenditure for compensation			
Net provision for insurance contracts			
Insurance policy dividend expenses			
Reinsurance costs			
Taxes and surcharges	(46)	1,116,588,218.17	1,227,252,262.48
Selling and distribution expenses	(47)	1,301,187,534.54	1,064,938,254.46
Administrative expenses	(48)	4,455,338,439.97	3,828,721,778.66
Research and development expenses	(49)	1,980,553,048.35	1,597,450,002.07
Financial expenses	(50)	2,488,153,258.63	2,078,516,713.34
Including: Interest expenses		2,586,809,571.66	2,000,209,873.04
Interest income		375,932,327.28	150,256,042.18
Assets impairment losses	(51)	453,006,437.05	50,949,505.04
Credit impairment losses	(52)	102,522,435.98	
Add: Other gains	(53)	1,565,739,163.15	1,815,286,198.68
Investment income (loss represented by “-”)	(54)	1,140,822,153.76	1,353,094,752.42
Including: Investment income of profit of associates and joint ventures		979,440,321.23	509,940,782.80
Net exposure hedging income (loss represented by “-”)			
Gains on changes in fair value (loss represented by “-”)	(55)	418,392,062.83	
Gains on disposals of assets (loss represented by “-”)	(56)	48,256,144.11	6,495,089.69
Exchange gain (loss represented by “-”)			
III. Operating profit (loss represented by “-”)		7,709,306,506.51	7,291,039,268.28

Items	Notes	2018	2017
Add: Non-operating income	(57)	85,565,730.23	251,122,056.99
Less: Non-operating expenses	(58)	50,432,875.06	56,388,455.49
IV. Total profit			
(total loss represented by “-”)		7,744,439,361.68	7,485,772,869.78
Less: Income tax expenses	(59)	1,784,545,792.66	1,638,289,972.70
V. Net profit			
(net loss represented by “-”)		5,959,893,569.02	5,847,482,897.08
(I) Classified by continuity of operations			
1. Net profit from continuing operations (net loss represented by “-”)		5,959,893,569.02	5,847,482,897.08
2. Net profit from discontinued operations (net loss represented by “-”)			
(II) Classified by ownership of the equity			
1. Net profit attributable to shareholders of the parent		4,657,706,341.59	4,683,602,072.05
2. Minority interests		1,302,187,227.43	1,163,880,825.03
VI. Other comprehensive income, net of tax		-886,571,914.15	-716,819,764.42
Other comprehensive income attributable to owners of the parent, net of tax		-874,212,370.10	-712,021,690.16
(I) Other comprehensive income that cannot be reclassified to profit or loss		-576,929,907.43	152,748,168.00
1. Changes arising from the re-measurement of defined benefit plan		-262,762,584.00	152,703,996.00
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		-14,724.00	44,172.00
3. Change in fair value of other investment in equity instrument		-314,152,599.43	
4. Change in fair value of credit risk of corporate			

Items	Notes	2018	2017
(II) Other comprehensive income that will be reclassified to profit or loss		-297,282,462.67	-864,769,858.16
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Gain or loss arising from changes in fair value of available-for-sale financial assets			-728,282,159.56
4. Financial assets reclassified into other comprehensive income			
5. Gain or loss arising from held-to-maturity investments reclassified as available-for-sale financial assets			
6. Credit impairment provisions for other debt investment			
7. Hedging reserves from cash flows (Effective portion of hedging gain or loss arising from cash flows)			
8. Translation differences on translation of foreign currency financial statements		-297,282,462.67	-136,487,698.60
9. Others			
Other comprehensive income attributable to minority interests, net of tax		-12,359,544.05	-4,798,074.26
VII. Total comprehensive income		5,073,321,654.87	5,130,663,132.66
Total comprehensive income attributable to owners of the parent		3,783,493,971.49	3,971,580,381.89
Total comprehensive income attributable to minority interests		1,289,827,683.38	1,159,082,750.77
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.887	0.892
(II) Diluted earnings per share (RMB/share)		0.887	0.892

Legal representative: Chen Xiaohua Principal in charge of accounting: Fu Junxiong
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

INCOME STATEMENT OF THE PARENT
January to December 2018

Unit: Yuan Currency: RMB

Items	Notes	2018	2017
I. Operating income	(4)	17,309,834,705.08	17,050,513,758.61
Less: Operating cost	(4)	15,595,806,382.89	15,479,344,382.20
Taxes and surcharges		74,021,284.06	61,116,314.24
Selling and distribution expenses			
Administrative expenses		654,222,543.13	456,447,447.71
Research and development expenses		319,609,025.09	322,990,754.79
Financial expenses		76,486,458.84	-221,668,993.75
Including: Interest expenses		1,678,099,803.26	-171,402,622.08
Interest income		1,778,289,623.91	58,545,416.25
Assets impairment losses			-13,624,282.82
Credit impairment losses		3,029,608.57	
Add: Other gains		97,205.78	36,987.57
Investment income			
(loss represented by “-”)	(5)	283,241,293.76	2,183,007,607.93
Including: Investment income of associates and joint ventures		70,982,751.17	34,712,462.03
Net exposure hedging income			
(loss represented by “-”)			
Gains on changes in fair value			
(loss represented by “-”)		402,122,292.70	
Gains on disposals of assets (loss represented by “-”)		3,835,428.28	948,540.71
II. Operating profit			
(loss represented by “-”)		1,275,955,623.02	3,149,901,272.45
Add: Non-operating income		241,094.32	892,796.31
Less: Non-operating expenses		2,937,973.88	6,218,677.46
III. Total profit			
(total loss represented by “-”)		1,273,258,743.46	3,144,575,391.30
Less: Income tax expenses		336,491,907.25	270,016,393.62

Items	Notes	2018	2017
IV. Net profit			
(net loss represented by “-”)		936,766,836.21	2,874,558,997.68
(I) Net profit from continuing operations (net loss represented by “-”)		936,766,836.21	2,874,558,997.68
(II) Net profit from discontinued operations (net loss represented by “-”)			
V. Other comprehensive income, net of tax		-321,152,218.70	-720,667,196.01
(I) Other comprehensive income that cannot be reclassified to profit or loss		-313,087,323.43	3,934,172.00
1. Changes arising from the re-measurement of defined benefit plan		1,080,000.00	3,890,000.00
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		-14,724.00	44,172.00
3. Change in fair value of other investment in equity instrument		-314,152,599.43	
4. Change in fair value of credit risk of corporate			
(II) Other comprehensive income that will be reclassified to profit or loss		-8,064,895.27	-724,601,368.01
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Gain or loss arising from changes in fair value of available-for-sale financial assets			-728,282,159.56
4. Financial assets reclassified into other comprehensive income			

Items	Notes	2018	2017
5. Gain or loss arising from held-to-maturity investments reclassified as available-for-sale financial assets			
6. Credit impairment provisions for other debt investment			
7. Hedging reserves from cash flows (Effective portion of hedging gain or loss arising from cash flows)			
8. Translation differences on translation of foreign currency financial statements		-8,064,895.27	3,680,791.55
9. Others			
VI. Total comprehensive income		615,614,617.51	2,153,891,801.67
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative: Chen Xiaohua Principal in charge of accounting: Fu Junxiong
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

CONSOLIDATED CASH FLOW STATEMENT
January to December 2018

Unit: Yuan Currency: RMB

Items	Notes	2018	2017
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		105,142,524,465.01	95,545,580,097.22
Net increase in deposits from customer and interbank			
Net increase in borrowings from central bank			
Net increase in placements from other financial institutions			
Cash received from premiums under original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Net increase in disposal of financial assets at fair value through profit or loss			
Cash received from interest, fee and commission			
Net increase in placements			
Net increase in capital from repurchase business			
Net cash from brokerage for trading securities			
Refund of taxes and surcharges		1,613,104,901.79	1,732,592,605.40
Cash received relating to other operating activities	(60)	17,155,614,916.49	17,173,848,727.44
Sub-total of cash inflows from operating activities		123,911,244,283.29	114,452,021,430.06
Cash paid for goods and services		85,457,453,516.52	86,814,544,421.49
Net increase in loans and advances to customers			
Net increase in deposits with central bank and other banks			
Cash paid for compensation payments under original insurance contracts			
Net increase in financial assets held for trading			

Items	Notes	2018	2017
Net increase in placements with banks and other financial institutions			
Cash paid for interest, fee and commission			
Cash paid for policyholder dividends			
Cash paid to and on behalf of employees		6,711,557,502.98	6,449,908,967.97
Payments of taxes and surcharges		8,372,055,802.16	7,905,454,290.66
Cash paid relating to other operating activities	(60)	22,092,373,852.86	14,106,001,969.49
Sub-total of cash outflows from operating activities		122,633,440,674.52	115,275,909,649.61
Net cash flows from operating activities		1,277,803,608.77	-823,888,219.55
II. Cash flows from investing activities:			
Cash received from disposal of investments		537,009,099.79	1,137,696,646.81
Cash received from returns on investments		178,463,431.64	139,465,317.09
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		51,401,344.63	7,208,259.43
Net cash received from disposal of subsidiaries and other business units		880,665.73	28,107,489.11
Cash received relating to other investing activities	(60)	461,744,171.27	487,220,295.61
Sub-total of cash inflows from investing activities		1,229,498,713.06	1,799,698,008.05
Cash paid to acquire fixed assets, intangible assets and other long-term assets		9,087,556,894.73	8,556,914,461.61
Cash paid on investments		4,339,135,575.60	2,228,204,865.19
Net increase in pledged loans			
Net cash paid to acquire subsidiaries and other business units		1,164,629,658.19	174,675,180.21
Cash paid relating to other investing activities	(60)	532,304,596.12	
Sub-total of cash outflows from investing activities		15,123,626,724.64	10,959,794,507.01
Net cash flows from investing activities		-13,894,128,011.58	-9,160,096,498.96

Items	Notes	2018	2017
III. Cash flows from financing activities:			
Cash received from capital contributions		1,449,036,683.94	2,640,668,900.56
Including: Cash received from capital contributions by minority shareholders of subsidiaries		1,449,036,683.94	2,640,668,900.56
Cash received from borrowings		56,768,139,277.01	28,879,104,692.17
Cash received from issuance of bonds		1,200,000,000.00	
Cash received relating to other financing activities	(60)	3,740,085,713.80	4,745,871,248.18
Sub-total of cash inflows from financing activities		63,157,261,674.75	36,265,644,840.91
Cash repayments of borrowings		38,903,615,267.44	20,990,955,928.31
Cash payments for distribution of dividends or profits or interest expenses		6,766,895,301.70	5,516,261,856.45
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		583,857,854.84	941,815,685.77
Cash paid relating to other financing activities	(60)	4,538,224,982.53	2,299,423,543.94
Sub-total of cash outflows from financing activities		50,208,735,551.67	28,806,641,328.70
Net cash flows from financing activities		12,948,526,123.08	7,459,003,512.21
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-115,646,679.95	-59,357,403.14
V. Net increase in cash and cash equivalents		216,555,040.32	-2,584,338,609.44
Add: Balance of cash and cash equivalents at the beginning of the period		18,622,157,083.52	21,206,495,692.96
VI. Balance of cash and cash equivalents at the end of the period		18,838,712,123.84	18,622,157,083.52

Legal representative: Chen Xiaohua Principal in charge of accounting: Fu Junxiong
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

CASH FLOW STATEMENT OF THE PARENT
January to December 2018

Unit: Yuan Currency: RMB

Items	Notes	2018	2017
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		18,228,225,857.31	12,815,951,153.71
Refund of taxes and surcharges		107,450,431.00	710,442.01
Cash received relating to other operating activities		13,203,143,950.95	8,735,825,839.72
Sub-total of cash inflows from operating activities		31,538,820,239.26	21,552,487,435.44
Cash paid for goods and services		15,171,549,617.45	11,342,463,147.88
Cash paid to and on behalf of employees		623,387,292.11	722,954,836.54
Payments of taxes and surcharges		794,145,818.48	515,460,160.86
Cash paid relating to other operating activities		11,894,459,555.18	6,979,410,338.58
Sub-total of cash outflows from operating activities		28,483,542,283.22	19,560,288,483.86
Net cash flows from operating activities		3,055,277,956.04	1,992,198,951.58
II. Cash flows from investing activities:			
Cash received from disposal of investments		3,716,071,945.49	7,339,779,846.35
Cash received from returns on investments		1,363,961,603.25	1,455,834,223.05
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities			
Sub-total of cash inflows from investing activities		5,080,033,548.74	8,795,614,069.40
Cash paid to acquire fixed assets, intangible assets and other long-term assets		9,864,097.92	11,809,901.50
Cash paid on investments		5,448,076,955.68	4,116,978,157.09
Net cash paid to acquire subsidiaries and other business units			
Cash paid relating to other investing activities			
Sub-total of cash outflows from investing activities		5,457,941,053.60	4,128,788,058.59
Net cash flows from investing activities		-377,907,504.86	4,666,826,010.81

Items	Notes	2018	2017
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		34,299,076,000.00	17,946,965,000.00
Cash received from issuance of bonds			
Cash received relating to other financing activities		13,420,446,445.15	4,348,216,633.28
Sub-total of cash inflows from financing activities		47,719,522,445.15	22,295,181,633.28
Cash repayments of borrowings		26,294,004,400.00	14,877,042,233.60
Cash payments for distribution of dividends or profits or interest expenses		3,485,212,221.77	2,329,333,232.27
Cash paid relating to other financing activities		18,727,902,647.41	12,490,658,851.00
Sub-total of cash outflows from financing activities		48,507,119,269.18	29,697,034,316.87
Net cash flows from financing activities		-787,596,824.03	-7,401,852,683.59
IV. Effect of foreign exchange rate changes on cash and cash equivalents		28,482,187.53	-62,270,945.76
V. Net increase in cash and cash equivalents		1,918,255,814.68	-805,098,666.96
Add: Balance of cash and cash equivalents at the beginning of the period		6,319,281,867.84	7,124,380,534.80
VI. Balance of cash and cash equivalents at the end of the period		8,237,537,682.52	6,319,281,867.84

Legal representative: Chen Xiaohua Principal in charge of accounting: Fu Junxiong
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
January to December 2018

Unit: Yuan Currency: RMB

Items	2018														
	Other equity instruments				Equity attributable to owners of the parent					General risk reserve	Undistributed profits	Others	Sub-total	Minority interests	Total owners' Share capital equity
	Share capital	Prefer-ence shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve						
I. Balance at the end of previous year	4,604,777,412.00		16,000,000,000.00		7,616,488,182.55		501,443,470.84	59,918,487.17	1,489,267,979.60		10,759,826,667.48		41,031,722,199.64	10,063,593,303.12	51,095,315,502.76
Add: Changes in accounting policies											103,501,690.02		103,501,690.02		103,501,690.02
Correction of previous accounting errors															
Business combinations under common control															
Others															
II. Balance at the beginning of the year	4,604,777,412.00		16,000,000,000.00		7,616,488,182.55		501,443,470.84	59,918,487.17	1,489,267,979.60		10,863,328,357.50		41,135,223,889.66	10,063,593,303.12	51,198,817,192.78
III. Changes for the period (decrease represented by "-")					-105,019,431.60		-874,212,370.10	26,314,080.10	93,676,683.62		2,528,007,832.36		1,668,766,794.38	2,217,043,674.30	3,885,810,468.68
(I) Total comprehensive income							-874,212,370.10				4,657,706,341.59		3,783,493,971.49	1,289,827,683.38	5,073,321,654.87
(II) Contribution from owners and reduction of capital					-105,019,431.60						-226,841,472.91		331,860,904.51	1,604,689,959.51	1,272,829,055.00
1. Injection of ordinary shares from owners					-85,176,041.48								-85,176,041.48	308,374,434.57	223,698,393.09
2. Capital contribution by other equity instrument holders														1,180,000,000.00	1,180,000,000.00
3. Amount of share-based payments included in owner's equity															
4. Others					-19,843,390.12						-226,841,472.91		-246,684,863.03	115,815,524.94	-130,869,338.09
(III) Profit distribution									93,676,683.62		-1,902,857,036.32		-1,809,180,352.70	-682,690,818.88	-2,491,871,171.58
1. Withdrawn from surplus reserve									93,676,683.62		-93,676,683.62				
2. Withdrawn from general risk reserve															
3. Distribution to owners (or shareholders)													-1,809,180,352.70	-1,809,180,352.70	-2,491,871,171.58
4. Others															
(IV) Internal carry-forward of owners' equity															

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Items	2018													Minority interests	Total owners' Share capital equity			
	Other equity instruments				Equity attributable to owners of the parent					General risk reserve	Undistributed profits	Others	Sub-total					
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve									
1. Capital reserve converting to capital (or share capital)																		
2. Surplus reserve converting to capital (or share capital)																		
3. Surplus reserve used to compensate deficit																		
4. Changes in defined benefit scheme carried forward to retained earnings																		
5. Other comprehensive income carried forward to retained earnings																		
6. Others																		
(V) Special reserve								26,314,080.10						26,314,080.10		5,216,850.29		31,530,930.39
1. Withdrawn during the period								883,813,714.70						883,813,714.70		47,087,891.13		930,901,605.83
2. Utilized during the period								857,499,634.60						857,499,634.60		41,871,040.84		899,370,675.44
(VI) Others																		
IV. Balance at the end of the period	4,604,777,412.00		16,000,000,000.00		7,511,468,750.95		-372,768,899.26	86,232,567.27	1,582,944,663.22		13,391,336,189.86		42,803,990,684.04	12,280,636,977.42			55,084,627,661.46	

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Items	2017														
	Other equity instruments				Equity attributable to owners of the parent					General risk reserve	Undistributed profits	Others	Sub-total	Minority interests	Total owners' Share capital equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury shares	Less: Other comprehensive income	Special reserve	Surplus reserve						
I. Balance at the end of previous year	4,604,777,412.00		16,000,000,000.00		7,585,306,269.73		1,213,403,155.00	29,771,647.74	1,201,812,079.83		7,887,345,539.08		38,522,416,103.38	10,413,146,162.80	48,935,562,266.18
Add: Changes in accounting policies															
Correction of previous accounting errors															
Business combinations under common control															
Others															
II. Balance at the beginning of the year	4,604,777,412.00		16,000,000,000.00		7,585,306,269.73		1,213,403,155.00	29,771,647.74	1,201,812,079.83		7,887,345,539.08		38,522,416,103.38	10,413,146,162.80	48,935,562,266.18
III. Changes for the period (decrease represented by "-")					31,181,912.82		-711,959,684.16	30,146,839.43	287,455,899.77		2,872,481,128.40		2,509,306,096.26	-349,552,859.68	2,159,753,236.58
(I) Total comprehensive income							-712,021,690.16				4,683,602,072.05		3,971,580,381.89	1,159,082,750.77	5,130,663,132.66
(II) Contribution from owners and reduction of capital					31,181,912.82		62,006.00						31,243,918.82	-572,346,744.39	-541,102,825.57
1. Injection of ordinary shares from owners					61,983,498.79								61,983,498.79	928,399,871.50	990,383,370.29
2. Capital contribution by other equity instrument holders														-1,880,000,000.00	-1,880,000,000.00
3. Amount of share-based payments included in owner's equity															
4. Others					-30,801,585.97		62,006.00						-30,739,579.97	379,253,384.11	348,513,804.14
(III) Profit distribution									287,455,899.77		-1,811,120,943.65		-1,523,665,043.88	-943,770,909.98	-2,467,435,953.86
1. Withdrawn from surplus reserve									287,455,899.77		-287,455,899.77				
2. Withdrawn from general risk reserve															
3. Distribution to owners (or shareholders)											-1,523,665,043.88		-1,523,665,043.88	-943,770,909.98	-2,467,435,953.86
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Capital reserve converting to capital (or share capital)															

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Items	2017													Minority interests	Total owners' Share capital equity		
	Other equity instruments				Equity attributable to owners of the parent					General risk reserve	Undistributed profits	Others	Sub-total				
	Share capital	Prefer-ence shares	Perpetual bonds	Others	Capital reserve	Treasury shares	Less: Other comprehensive income	Special reserve	Surplus reserve								
2. Surplus reserve converting to capital (or share capital)																	
3. Surplus reserve to cover compensate deficit																	
4. Changes in defined benefit scheme carried forward to retained earnings																	
5. Other comprehensive income carried forward to retained earnings																	
6. Others																	
(V) Special reserve								30,146,839.43					30,146,839.43	7,482,043.92			37,628,883.35
1. Withdrawn during the period								853,936,171.98					853,936,171.98	43,023,312.45			896,959,484.43
2. Utilized during the period								823,789,332.55					823,789,332.55	35,541,268.53			859,330,601.08
(VI) Others																	
IV. Balance at the end of the period	4,604,777,412.00		16,000,000,000.00		7,616,488,182.55		501,443,470.84	59,918,487.17	1,489,267,979.60			10,759,826,667.48	41,031,722,199.64	10,063,593,303.12			51,095,315,502.76

Legal representative: Chen Xiaohua Principal in charge of accounting: Fu Junxiong
 Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT
January to December 2018

Unit: Yuan Currency: RMB

Items	Other equity instruments				2018		Special reserve	Surplus reserve	Undistributed profits	Total owners' equity	
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares					Other comprehensive income
I. Balance at the end of previous year	4,604,777,412.00		16,000,000,000.00		6,463,414,043.43		717,255,622.66	1,688,326.84	1,489,267,979.60	5,734,671,029.25	35,011,074,413.78
Add: Changes in accounting policies										103,501,690.02	103,501,690.02
Correction of previous accounting errors											
Others											
II. Balance at the beginning of the year	4,604,777,412.00		16,000,000,000.00		6,463,414,043.43		717,255,622.66	1,688,326.84	1,489,267,979.60	5,838,172,719.27	35,114,576,103.80
III. Changes for the period (decrease represented by "-")					-184,463,106.72		-321,152,218.70		93,676,683.62	-1,047,651,280.11	-1,459,939,921.91
(I) Total comprehensive income							-321,152,218.70			936,766,836.21	615,614,617.51
(II) Contribution from owners and reduction of capital					-184,463,106.72					-81,561,080.00	-266,024,186.72
1. Injection of ordinary shares from owners											
2. Capital contribution by other equity instrument holders											
3. Amount of share-based payments included in owner's equity											
4. Others					-184,463,106.72					-81,561,080.00	-266,024,186.72
(III) Profit distribution								93,676,683.62		-1,902,857,036.32	-1,809,180,352.70
1. Withdrawn from surplus reserve								93,676,683.62		-93,676,683.62	
2. Distribution to owners (or shareholders)										-1,809,180,352.70	-1,809,180,352.70
3. Others											
(IV) Internal carry-over of owners' equity											
1. Capital reserve converting to capital (or share capital)											
2. Surplus reserve converting to capital (or share capital)											
3. Surplus reserve to compensate deficit											
4. Changes in defined benefit scheme carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserve											
1. Withdrawn during the period								213,576,205.87			213,576,205.87
2. Utilized during the period								213,576,205.87			213,576,205.87
(VI) Others											
IV. Balance at the end of the period	4,604,777,412.00		16,000,000,000.00		6,278,950,936.71		396,103,403.96	1,688,326.84	1,582,944,663.22	4,790,521,439.16	33,654,986,181.89

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Items	Other equity instruments				2017		Other		Undistributed profits	Total owners' equity	
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	comprehensive income	Special reserve			
I. Balance at the end of previous year	4,604,777,412.00		16,000,000,000.00		6,660,463,481.15	1,437,922,818.67			1,201,812,079.83	4,671,232,975.22	34,576,208,766.87
Add: Changes in accounting policies											
Correction of previous accounting errors											
Others											
II. Balance at the beginning of the year	4,604,777,412.00		16,000,000,000.00		6,660,463,481.15		1,437,922,818.67		1,201,812,079.83	4,671,232,975.22	34,576,208,766.87
III. Changes for the period (decrease represented by "-")					-197,049,437.72		-720,667,196.01	1,688,326.84	287,455,899.77	1,063,438,054.03	434,865,646.91
(I) Total comprehensive income							-720,667,196.01			2,874,558,997.68	2,153,891,801.67
(II) Contribution from owners and reduction of capital					-197,049,437.72						-197,049,437.72
1. Injection of ordinary shares from owners											
2. Capital contribution by other equity instrument holders											
3. Amount of share-based payments included in owner's equity											
4. Others					-197,049,437.72						-197,049,437.72
(III) Profit distribution									287,455,899.77	-1,811,120,943.65	-1,523,665,043.88
1. Withdrawn from surplus reserve									287,455,899.77	-287,455,899.77	
2. Distribution to owners (or shareholders)										-1,523,665,043.88	-1,523,665,043.88
3. Others											
(IV) Internal carry-over of owners' equity											
1. Capital reserve converting to capital (or share capital)											
2. Surplus reserve converting to capital (or share capital)											
3. Surplus reserve to compensate deficit											
4. Changes in defined benefit scheme carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserve								1,688,326.84			1,688,326.84
1. Withdrawn during the period								135,800,950.99			135,800,950.99
2. Utilized during the period								134,112,624.15			134,112,624.15
(VI) Others											
IV. Balance at the end of the period	4,604,777,412.00		16,000,000,000.00		6,463,414,043.43		717,255,622.66	1,688,326.84	1,489,267,979.60	5,734,671,029.25	35,011,074,413.78

Legal representative: Chen Xiaohua Principal in charge of accounting: Fu Junxiong
 Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

III. BASIC INFORMATION OF THE COMPANY

1. Overview

Applicable Not applicable

China Gezhouba Group Stock Company Limited (the “**Company**”) is a joint stock company with limited liability established by way of public subscription exclusively promoted by China Gezhouba Water Conservancy and Hydropower Engineering Group Co., Ltd. (中國葛洲壩水利水電工程集團有限公司) in accordance to the Ministry of Electric Power Industry of Politics and Law [1996] No. 907. The Company’s business license registration number: 914200006155710107. In May 1997, the Company was listed on The Shanghai Stock Exchange in the civil construction segment.

As at 31 December 2018, the Company had a total of 4,604,777,412 issued shares, and registered capital amounting to RMB4,604,777,412. The address of the registered office and the head quarter is No. 558 Jiefang Road, Wuhan, Hubei, PRC. Within the scope of qualifications approved by the state, the Company is primarily engaged in the whole process or sub-contracting domestic and foreign engineering general contracting, project general contracting and project management services for projects bid at home and abroad, including water conservancy and hydropower, roads, railways, municipal public utilities, ports and waterways, housing construction, etc.; professional contracting of lifting equipment installation engineering, embankment, bridge, tunnel, airport, highway roadbed engineering, geological disaster control engineering, transmission line, electrical and mechanical equipment production and installation, and survey design, construction and installation of other construction engineering, ship manufacturing and repair, low-voltage switchgear manufacturing, power engineering construction; export of materials and equipment required for the above-mentioned projects; dispatching labor workers for projects and production in the industry; investment, construction and operation management of roads, railways, water affairs, hydropower, and urban public facilities; research and development, manufacturing, sales and service of distributed energy systems, energy storage, heat storage, refrigeration, generator sets, three-dimensional digital equipment, mechatronics equipment and related products; environmental protection business; production, sales and export of cement; operating and acting as an agent for the import and export business of commodities and technologies such as machinery and electrical equipment of the system; purchase, sale and leasing of construction and installation equipment; property development, investment and development of construction projects and construction; house leasing; operating the import and export business of the Company’s self-produced products and technologies and the import and export business of machinery and equipment, spare parts, raw and auxiliary materials and technologies required by the Company, except for commodities and technologies that are restricted or prohibited by the state; coal wholesale operation, production and installation of metal structure pressure vessels, transportation and tourism services (limited to branch operation with license); general freight (limited to branch operation).

The parent is China Gezhouba Group Company Limited and the de facto controller is State-owned Assets Supervision and Administration Commission of the State Council (“**SASAC**”).

This financial report was approved and authorized for issue by all directors (the board of directors) on 27 March 2019.

2. Scope of Consolidated Financial Statements

Applicable Not applicable

Details of the scope of the consolidated financial statement for the period and its changes are set out in “VI. Changes in the consolidated scope” and “VII. Equity in other entities” of this note.

IV. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**1. Basis of Preparation**

Based on going concern and actual transactions and events, the Company prepared financial statements in accordance with the basic and specific standards of the Accounting Standards for Business Enterprises, the Application Guidance for Accounting Standard for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as “CAS”), and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reporting issued by the China Securities Regulatory Commission.

2. Going Concern

Applicable Not applicable

For at least 12 months since the end of the reporting period, the Company it has ability to continue as a going concern and there’s no significant risk affecting its ability to continue as a going concern.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Notes to specific accounting policies and accounting estimates:

Applicable Not applicable

The following disclosures cover the specific accounting policies and accounting estimates formulated by the Company according to the characteristics of its production and operation. Please refer to the notes to “III. (11)Provision for bad debt of receivables”, “III. (12)Inventories”, “III. (17)Fixed assets”, “III. (20) Intangible assets” and “III. (26)Revenue” for details.

1. Statement of Compliance of Accounting Standards for Business Enterprises

The financial statements have been prepared by the Company in conformity with requirements of the Accounting Standards for Business Enterprises, and present truly and completely the Company’s financial position, operating results, changes in owners’ equity and cash flows.

2. Accounting Period

The accounting year of the Company is from 1 January to 31 December of each calendar year.

3. Operating Cycle

Applicable Not applicable

The Company's operating cycle is 12 months.

4. Reporting Currency

The reporting currency of the Company is Renminbi ("RMB").

5. Accounting Treatments for Business Combination under and Not under Common Control

Applicable Not applicable

Business combination under common control: The assets and liabilities acquired by the Company in business combination shall be measured at the carrying value of the assets and liabilities of the acquiree (including goodwill incurred in the acquisition of the acquiree by the ultimate controlling party) in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the carrying amount of the net assets obtained in the combination and the carrying amount of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to the share premiums in the capital reserves. Adjustments shall be made to retained earnings in the event that the share premiums in the capital reserves are not sufficient.

Business combination not under common control: The assets paid and liabilities incurred or committed as a consideration of business combination by the Company were measured at fair value on the date of acquisition and the difference between the fair value and its carrying value shall be charged to the profit or loss for the period. Where the cost of combination is higher than the fair value of the identifiable net assets acquired from the acquiree by the Company in combination, such difference shall be recognised as goodwill; where the cost of combination is less than the fair value of the identifiable net assets acquired from the acquiree in combination, such difference shall be charged to the profit or loss for the period.

The intermediary fees for audit, legal service and appraisal consulting and agency fee as well as other related costs incurred directly for business combination shall be recognised as the profit or loss for the period when the costs are incurred; the transaction costs for the equity securities issued for business combination shall write down equity.

6. Preparation of Consolidated Financial Statements

Applicable Not applicable

1. *Scope of combination*

The scope of combination of the consolidated financial statements of the Company is based on controlling interests, and all its subsidiaries (including the divisible part of the investees controlled by the Company) are included in the consolidated financial statements.

2. *Combination method*

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and in accordance with the other relevant information. In preparation of the Company's consolidated financial statements, the Company will treat the Group as a single accounting entity. The Group's overall financial condition, operating results and cash flows are reflected based on the recognition, measurement and presentation requirements of relevant accounting standards for business enterprises and in accordance with the unified accounting policies.

The subsidiaries that are within the scope of the combination of the consolidated financial statements shall have the same accounting policies and the accounting periods with those of the Company. In preparing the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and subsidiaries, the financial statements of subsidiaries are adjusted in accordance with the accounting policies and accounting period of the Company. For subsidiaries acquired from business combination not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets on the date of acquisition. For subsidiaries acquired from business combination under common control, the individual financial statements of the subsidiaries are adjusted based on the carrying value of the assets, liabilities of the acquiree (including goodwill incurred in the acquisition of the acquiree by ultimate controlling party) in the financial statements of the ultimate controlling party.

The owner's equity, the net profit or loss and the comprehensive income attributable to minority shareholders of a subsidiary of the current period are presented separately under the owners' equity in the consolidated balance sheet, the net profit and the total comprehensive income in the consolidated income statement respectively. Where losses attributable to the minority shareholders of a subsidiary exceed the owners' equity attributable to the minority shareholders of the subsidiary at the beginning of the period, the excess shall write down the minority interest.

(1) *Acquisition of subsidiaries or business*

For acquisition of subsidiaries or business due to business combination under common control during the reporting period, the opening balance of the consolidated balance sheet shall be adjusted; the revenue, expense and profit of such subsidiaries or business from the beginning to the end of the reporting period are included in the consolidated income statement; the cash flows of such subsidiaries or business from the beginning to the end of the reporting period are included in the consolidated cash flow

statement, and the comparative figures of the financial statements should be adjusted simultaneously as if the reporting entity after combination had been in existence since the beginning of the control by the ultimate controlling party.

An investor that may impose control over the investee under common control due to additional investment shall be deemed a party participating in the combination, and shall be adjusted at current status when the ultimate controlling party begins the control. The equity investment held before gaining the control of the combined party is recognised as relevant profit or loss, other comprehensive income and changes in other net assets at the later of the date of acquisition of the original equity and the date when the combining and the combined parties are under common control, and shall be written down to the opening retained earnings or profit or loss in the comparative reporting period.

For acquisition of subsidiaries or business due to business combination not under common control during the reporting period, the opening balance of consolidated balance sheet shall not be adjusted; the revenue, expense and profit of such subsidiaries or business from the date of acquisition to the end of the reporting period are included in the consolidated income statement; the cash flows of such subsidiaries or business from the date of acquisition to the end of the reporting period are included in the consolidated cash flow statement. In connection with imposing control over the investee not under common control as a result of additional investment and other reasons, the equity of acquiree held before acquisition date shall be remeasured by the Company at the fair value of such equity on the acquisition date and the difference between fair value and carrying amount shall be recognised as investment income in current period; if the equity held before the acquiring date involves other comprehensive income and the other changes of owner's equity except for net profits and losses, other comprehensive income and profit distributions under the equity method, the related other comprehensive income and changes in other owner's equity shall be transferred to investment gains or losses on the date of acquisition, except the other comprehensive income derived from changes of net liabilities or net assets due to re-measurement on defined benefit plan by the investee.

(2) *Disposal of subsidiaries or business*

① General treatment

For disposal of subsidiaries or business by the Company during the reporting period, the revenue, expense and profit of such subsidiaries or business from the beginning of the period to the date of disposal are included in the consolidated income statement; the cash flows of such subsidiaries or business from the beginning of the period to the date of disposal are included in the consolidated cash flow statement.

Where control of the investee is lost due to partial disposal of the equity investment or any other reasons, the remaining equity investment after disposal is remeasured at fair value at the date in which control is lost. The sum of consideration received from disposal of equity investment and the fair value of the remaining equity investment, net of the difference between the sum of the Company's previous share of the subsidiary's net assets recorded from the acquisition date or combination date and goodwill, is recognised in investment income in the period in which control is lost. Other comprehensive income related to the previous equity investment in the subsidiary, or changes in other owner's equity except the other comprehensive income and profit distribution, are transferred to investment income of the current period when control is lost, except the other comprehensive income as a result of the changes arising from the remeasurement of the net liabilities and net assets of the investee's defined benefit plan. Where loss of control is due to the decrease in the Company's shareholding as a result of the increase in capital contribution to the subsidiary by other investing parties, the accounting principle described above will be applied.

② Disposal of subsidiary achieved by stages

When disposal of equity interests of subsidiaries through multiple transactions until control is lost, generally transactions in stages are treatment as a package deal in accounting if the transaction terms, conditions, and economic impact of disposal of the subsidiary's equity interests comply with one or more of the following:

- i. These transactions are achieved at the same time or the mutual effects on each other are considered;
- ii. A complete set of commercial results can be achieved with reference to the series of transactions as a whole;
- iii. Achieving a transaction depends on at least achieving of one of the other transactions;
- iv. One transaction recognised separately is not economical, but it is economical when considered together with other transactions.

If losing control of a subsidiary in disposal of equity interests through multiple transactions is recognised as a package deal, these transactions shall be in accounting treated as loss control of a subsidiary in disposal of equity interests achieved. However, the differences between price on each disposal and disposal of investment on the subsidiary's net assets before losing control shall be recognised in other comprehensive income in the combined financial statements, and included in profit or loss for the period when the control is lost. If all transactions in disposal of equity interests of subsidiaries until losing control are

not a package deal, accounting treatment for partial disposal of equity investments of subsidiary without losing control shall be applied before control is lost. When control is lost, general accounting treatment for disposal of a subsidiary shall be applied.

(3) *Acquisition of minority interest of subsidiaries*

The Company shall adjust the share premium in the capital reserve of the consolidated balance sheet with respect to any difference between the long-term equity investment arising from the acquisition of minority interest and the net assets of the subsidiaries attributable to the Company continuously calculated on the basis of the newly increased shareholding proportion as of the acquisition date (or date of combination) or the retained earnings in case the share premium in the capital reserve is insufficient for write-down.

(4) *Partial disposal of equity investment in subsidiaries without losing control*

The difference between disposal consideration of long-term equity investment in subsidiaries partially disposed by the Group without losing control and the share of net assets calculated from the date of acquisition or combination date shall be adjusted to share premium in the capital reserve in the consolidated balance sheet. Adjustments shall be made to retained earnings in the event that the share premiums in the capital reserves are not sufficient.

7. Classification of the Joint Arrangements and Accounting Treatment Method for Joint Operations

Applicable Not applicable

A joint arrangement is classified as either a joint operation or a joint venture.

The Company is engaged in joint operation when the Company is a joint operator of joint arrangement, being entitled to the assets and assuming the liabilities relating to the arrangement.

The Company recognizes the following items in relation to its interest in a joint operation, and carries out corresponding accounting treatment in accordance with relevant accounting standards for business enterprises:

- (1) The Company's solely-held assets, and the Company's share of any assets held jointly;
- (2) The Company's solely-assumed liabilities, and the Company's share of any liabilities incurred jointly;
- (3) The Company's revenue from the disposal of its share of the output arising from the joint operation;

- (4) The Company's share of the revenue from the disposal of the output by the joint operation;
- (5) Its solely-incurred expenses and the Company's share of any expenses incurred jointly.

Please refer to Note "III. (XV) Long-term equity investment" for the Company's accounting policies of investment of joint venture.

8. Recognition Criteria for Cash and Cash Equivalents

In preparing the cash flow statement, the cash on hand and deposits that are available for payment at any time of the Company are recognised as cash. The short-term (due within 3 months from the date of purchase) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of value change are recognised as cash equivalents.

9. Translation of Foreign Currency Transactions and Foreign Currency Financial Statements

Applicable Not applicable

1. Foreign currency transactions

Foreign currency transactions shall be translated into RMB at the spot exchange rate on the day when the transactions occurred. The balance of foreign currency monetary items at the balance sheet date shall be translated using the spot exchange rate at the balance sheet date. The resulting exchange differences are recognised in profit or loss for the current period, except for those exchange differences related to a specific-purpose borrowing denominated in foreign currency for acquisitions and construction of the qualified assets, which should be capitalised as cost of the borrowings.

2. Translation of foreign currency financial statements

All assets and liabilities items in the balance sheet are translated based on spot exchange rate at the balance sheet date; the owners' equity items other than "undistributed profit" are translated at a spot exchange rate when accrued. Revenue and expense items in the income statement are translated at a spot exchange rate or approximate rate at the transaction date.

For disposal of overseas operation, the difference arising from the translation of the foreign currency financial statements of the overseas operation, is accounted for in the profit and loss account in the current period from the owners' equity items.

10. Financial Instruments

Applicable Not applicable

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

1. Classification of the financial instruments

Accounting policies applicable since 1 January 2018

According to the business model of the Company's management of financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified at the initial recognition as: financial assets measured at amortised cost, financial assets at fair value through other comprehensive income ("FVOCI") and financial assets at fair value through profit or loss ("FVPL").

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at FVPL as financial assets measured at amortized cost:

- (1) The Company's business model for managing the financial assets is to collect contractual cash flows;
- (2) The terms of the financial asset contract stipulate that the cash flows generated on a specific date are only the payment for principal and interest accrued on the outstanding principal.

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at FVPL period as financial assets at FVOCI:

- (1) The Company's business model for managing the financial assets is both to collect contractual cash flows and to sell the financial assets;
- (2) The terms of the financial asset contract stipulate that the cash flows generated on a specific date are only the payment for principal and interest accrued on the outstanding principal.

Investments in equity instruments are classified as at FVPL in general, except those designated as at FVOCI. For investments in non-trading equity instruments, the Company may, at the time of initial recognition, irrevocably designate it as a financial asset at FVOCI.

In addition to the above financial assets which are measured at amortized cost or at FVOCI, the Company classifies all other financial assets as financial assets at FVPL. When initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should have been measured at amortized cost or at FVOCI as financial assets at FVPL.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flows. The business model decides whether the source of cash flows of financial assets managed by the Company is to collect contract cash flows, sell financial assets or both of them. Based on objective facts and the specific business objectives of financial assets management decided by key managers, the Company determines the business model of financial assets management.

The Company evaluates the characteristics of the contract cash flows of financial assets to determine whether the contract cash flows generated by the relevant financial assets on a specific date is only to pay principal and interest based on the amount of unpaid principal. Among them, the principal refers to the fair value of financial assets at the time of initial recognition; the interest includes the consideration of time value of money, credit risk related to the amount of unpaid principal in a specific period, and other basic borrowing risks, costs and profits. In addition, the Company evaluates the terms and conditions of the contracts that may lead to changes in the time distribution or amount of cash flows in financial asset contracts to determine whether they meet the requirements of the above contract cash flow's characteristics.

On initial recognition, financial liabilities are classified as financial liabilities at FVPL and financial liabilities at amortised cost.

Accounting policies applicable prior to 1 January 2018

On initial recognition, financial assets and financial liabilities are classified as financial assets or financial liabilities at FVPL (including held-for-trading financial assets and financial liabilities and those designated as financial assets and financial liabilities at FVPL); held-to-maturity investments, receivables, available-for-sale financial assets and other financial liabilities.

2. *Recognition basis and measurement method of financial instruments*

Accounting policies applicable since 1 January 2018

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost, including bills receivables and trade receivables, other receivables, long-term receivables and debt investments, are initially measured at fair value with relevant transaction costs included in the amount of initial recognition. Trade receivables that do not contain significant financing components and trade receivables that the Company has decided not to consider for a financing component of no more than one year are initially measured at the contractual transaction price.

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

When recovering or disposing, the difference between the price obtained and the carrying amount of the financial asset is included in current profit or loss.

(2) Financial assets (debt instruments) at FVOCI

Financial assets (debt instruments) at FVOCI, including other debt investments, are initially measured at fair value with relevant transaction costs included in the amount of initial recognition. These financial assets are subsequently measured at FVOCI except for interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method.

On derecognition, the accumulated gain or loss previously recognized in other comprehensive income is transferred out from other comprehensive income and recognized in current profit or loss.

(3) Financial assets (equity instruments) at FVOCI

Financial assets (equity instruments) at FVOCI, including other equity instrument investment, are initially measured at fair value with relevant transaction costs included in the amount of initial recognition, and subsequently measured at FVOCI. The dividends received are included in current profit or loss.

When derecognized, the accumulated gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

(4) Financial assets at FVPL

Financial assets at FVPL including held-for-trading financial assets, derivative financial assets and other non-current financial assets, are initially measured at fair value with relevant transaction costs included in current profit or loss, and subsequently measured at FVPL.

On derecognition, the difference between the fair value and initially recorded amount of such financial assets shall be recognized as investment income, and concurrently adjustment shall be made to gains or losses on changes in fair value.

(5) Financial liabilities at FVPL

Financial liabilities at FVPL, including held-for-trading financial liabilities, derivative financial liabilities, etc., are initially measured at fair value with relevant transaction costs included in current profit or loss. Such financial liabilities are subsequently measured at fair value. Changes in fair value are recognized in current profit or loss.

On derecognition, the difference between the fair value and initially recorded amount of such financial liabilities shall be recognized as investment income, and concurrently adjustment shall be made to gains or losses on changes in fair value.

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost, including short-term borrowings, bills payables, trade payables, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value with relevant transaction costs included in the amount of initial recognition.

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

On derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognized in current profit or loss.

Accounting policies applicable prior to 1 January 2018

(1) Financial assets or financial liabilities carried at fair value through profit or loss for the current period

When obtained, the financial assets or financial liabilities shall be initially measured at their fair value (except for cash dividends which are declared but not distributed or interests on bonds of which the maturity interest is not drawn), its transaction costs are included in the profit or loss for the period.

The interest or cash dividend which was gained in the period are recognized as investment income. As at the end of the period, the change in the fair value of the financial asset or financial liability shall be included in the profit or loss for the period.

When disposal, the difference between the fair value and the amount of initial recognition shall be recognized as investment income; meanwhile, the profits and losses arising from the change in fair value shall be adjusted.

(2) Held-to-maturity investments

Held-to-maturity investments are initially measured at fair value when obtained (except for interests on bonds of which the maturity interest is not drawn) plus relevant transaction costs.

Interest income is calculated at the amortized cost and under effective interest rate and recorded into investment income. The effective interest rate, ascertained when initially obtained, shall remain unchanged within the predicted term of existence or within a shorter applicable term.

When disposal, the difference between the consideration obtained and the carrying amount of the investment shall be recorded into investment income.

(3) Trade receivables

The receivables that are formed in sale of goods or rendering of services to external parties, and the receivables, except for the debt instruments quoted in an active market, due to the Company from other entities, including trade receivables, other receivables, etc., are initially recognized at the consideration of the contract or agreement to be received from the purchasers; those which has financing nature are initially recognized at their present value.

Upon recovery or disposal of trade receivables, the difference between the consideration obtained and the carrying amount is charged to profit or loss for the period.

(4) Available-for-sale financial assets

Available-for-sale financial assets are initially measured at fair value when obtained (except for cash dividends which are declared but not distributed or interests on bonds of which the maturity interest is not drawn) plus relevant transaction costs.

The interests or cash dividends to be obtained during the period shall be recognized as investment income. By the end of the period, financial assets are measured at fair value, and the change in fair value shall be recorded into other comprehensive income. However, equity instrument investments not quoted in an active market and whose fair value cannot be reliably measured and derivatives linked to and settled by way of delivery of such equity are carried at cost.

When disposed of, the difference between the consideration obtained and the carrying amount of the financial assets shall be recorded into investment income; meanwhile, the corresponding portion of accumulated change in fair value previously directly recorded into shall be transferred to profit or loss.

(5) Other financial liabilities

Other financial liabilities are initially measured at fair value plus relevant transaction costs, and subsequently measured at amortized cost.

3. *Recognition and measurement of transfer of financial assets*

A financial asset shall be derecognized while the Company has transferred nearly all the risks and rewards related to the ownership of the financial asset to the transferee, and it shall not be derecognized if the Company has retained nearly all the risks and rewards related to the ownerships of the financial asset.

The substance-over-form principle shall be adopted while making a judgment on whether the transfer of financial assets satisfies the above conditions for derecognition. The transfer of financial assets by the Company could be classified into entire transfer and partial transfer. If the entire transfer of financial assets satisfies the conditions for derecognition, the difference between the amounts of the two below shall be recorded into profit or loss for the period:

- (1) The carrying amount of the financial asset transferred;
- (2) The consideration received as a result of the transfer, plus the accumulative amount of the change in fair value previously directly recorded into the owners' equities (in cases where the transferred financial asset is available-for-sale financial asset).

If the partial transfer of financial assets satisfies the conditions for derecognition, the overall carrying amount of the transferred financial asset shall be apportioned according to their respective relative fair value between the portion of derecognized part and the remaining part, and the difference between the amounts of the two below shall be recorded into profit or loss for the period:

- (1) The carrying amount of the derecognized portion;
- (2) The sum of consideration of the derecognized portion and the corresponding portion of accumulated change in fair value previously recorded into owners' equity (in cases where the transferred financial assets are available-for-sale financial assets). Financial assets will still be recognized if they fail to satisfy the conditions for derecognition, with the consideration received recognized as a financial liability.

4. *Conditions for derecognition of financial liabilities*

When the current obligation under a financial liability is completely or partially discharged, the whole or relevant portion of the liability is derecognized; an agreement is entered into between the Company and a creditor to replace the original financial liabilities with new financial liabilities with substantially different terms, the Company derecognize the original financial liabilities as well as recognize the new financial liabilities.

If all or part of the contract terms of the original financial liabilities are substantially amended, the original financial liabilities will be derecognized in full or in part, and the financial liabilities whose terms have been amended shall be recognized as a new financial liability.

When financial liabilities are derecognized in full or in part, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

Where the Company repurchases part of its financial liabilities, the carrying amount of such financial liabilities will be allocated according to the relative fair value between the continued recognized part and derecognized part on the repurchase date. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

5. *Determination of the fair value of financial assets and financial liabilities*

If there is an active market for financial instruments, the quoted price in the active market is used to measure fair values of the financial instruments. If no active market exists for financial instruments, valuation techniques are used to measure fair values. In valuation, the Company adopts valuation techniques that are applicable in the current situation and have sufficient available data and other support information, and selects inputs that are consistent with the asset or liability characteristics considered by market participants in the transaction of relevant assets or liabilities, and gives priority to relevant observable inputs. Unobservable inputs will be only applied where relevant observable cannot be obtained or are not practicable.

6. *Testing method and accounting treatment of impairments of financial assets*

Accounting policies applicable since 1 January 2018

Based on the expected credit losses, the Company conducts impairment accounting treatment and recognizes loss provisions for financial assets measured at amortized cost, debt instruments investment at FVOCL.

Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate, particularly, for credit-impaired financial assets purchased by the Company or originally arisen, they will be discounted at the credit-adjusted effective interest rate for the financial assets.

For receivables which do not contain significant financing components, the Group uses a simplified measurement method to provide loss provision based on the amount of expected credit losses equivalent to the entire duration of life.

In addition to the mentioned financial assets other than applying the simplified measurement method, the Company assesses whether the credit risk of financial assets has increased significantly since the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, e.g. at stage 1, the loss allowance is measured at an amount equal to 12-month expected credit losses, and the interest income is measured by carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but not credit-impaired, e.g. at stage 2, the loss allowance is measured at an amount equal to lifetime expected

credit losses, and the interest income is measured by carrying amount and the effective interest rate; if the financial assets are credit-impaired after initial recognition, e.g. at stage 3, the loss allowance is measured at an amount equal to lifetime expected credit losses, and the interest income is measured by amortised cost and the effective interest rate. The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the balance sheet date.

The Company assesses the expected credit losses of financial instruments based on an individual and a collective basis. For guarantee deposit receivables and receivables (other than guarantee deposits) whose credit risk has been significantly increased since initial recognition, the Company will estimate cash flows through considering all contract terms one by one of relevant financial assets during the whole expected life based on the individual financial asset, determine expected credit loss and make impairment allowance based on the above circumstances.

In addition to such financial assets whose provisions are provided individually, the Company divides the receivables into two groups based on the characteristics of credit risk, and calculate expected credit losses on a groups basis. The basis for determining the groups is as follows:

Group 1 Receivables except for Group 2

Group 2 Amount due from subsidiaries of Energy China Group within the scope of combination

For the trade receivable classified as a group, the Company refers to the historical credit loss experience, combined with the current condition and forecast of the future economic condition to calculate the expected credit loss according to the age of receivables and expected credit loss rate through full life time in reference.

For Group 1, based on all reasonable and supportable information, including forward-looking information, the provision for bad debt of trade receivables is estimated as follows:

Aging	Percentage of provision for trade receivables (%)
Within 1 year (inclusive)	
Including: Within 6 months	0
Six months to 1 year	5
1 to 2 years	8
2 to 3 years	10
3 to 4 years	20
4 to 5 years	30
More than 5 years	80

For Group 2, if there is objective evidence that a receivable has not been credit impaired, no provision for bad debt is made. If there is objective evidence that a receivable has been credit impaired, the Company makes provision for bad debts and confirms the expected credit losses for the trade receivables.

In assessing expected credit losses, the Company considers reasonable and evidenced information about past events, current conditions and future economic forecasts.

Accounting policies applicable prior to 1 January 2018

The Company assesses the carrying amount of financial assets, other than those at FVPL, at the balance sheet date. Impairment of financial assets is provided for when there is objective evidence that a financial asset is impaired.

(1) Impairment provision for available-for-sale financial asset:

While the fair value of available-for-sale financial asset falls significantly, or judged by the Company that descending trend is not temporary after taking into account related factors comprehensively at the end of the period, they will be recognised as impaired, the cumulative loss arising from decline in fair value that had been recognised directly in the owners' equity shall be transferred out and recognised as impairment loss.

If, after an impairment loss has been recognised on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss shall be reversed, with the amount of the reversal recognised in the profit or loss for the current period.

Impairment losses recognised for an investment in an available-for-sale equity instrument shall not be reversed through profit or loss.

For equity instrument investment, evidence indicating that available-for-sale equity instrument investment may be impaired includes the fair value of equity instrument investment is suffered from significant or non-temporary decline. The Company assesses every available-for-sale equity instrument investment for impairment individually at each balance sheet date. If the fair value of available-for-sale equity instrument investment at balance sheet date is below its initial investment more than 50% (including 50%) or the fair value is below its initial investment longer than one year (including one year), impairment exists. If the fair value of available-for-sale equity instrument investment at balance sheet date is below its initial investment more than 20% (including 20%) but not more than 50%, the Company will considers other relevant factors, such as price volatility to judge whether impairment exists. The Company uses weighted average method to calculate initial investment of available-for-sale equity instrument investment.

- (2) Impairment provision for held-to-maturity investments

Impairment loss for held-to-maturity investments is measured with reference to the measurement method for impairment loss for receivables.

11. Bills Receivables and Trade Receivables

✓Applicable Not applicable

Accounting policies applicable since 1 January 2018

Details of determination and provision for bad debt for receivables of the Company since 1 January 2018 are set out in Note III (X) Financial Instrument.

Accounting policies applicable prior to 1 January 2018

- (1) *Trade receivables individually significant for which provision for bad debts has been individually made:*

The criterion for determining individually significant amounts is any individual amount more than RMB50 million and there is objective evidence that its recoverability is significantly different from trade receivables for which provision for bad debts has been made on group basis by credit risk characteristics.

The provision for bad debts is made based on the difference between the present value of its future cash flows and its carrying amount.

- (2) *Receivables with provision for bad debts based on credit risk characteristics:*

Criterion for determining the groups of receivables for which provision for bad debts have been made on group basis by credit risk characteristics

Group 1	Receivables other than those in Group 2
Group 2	Amount due from subsidiaries and related parties of Energy China Group within the scope of combination

Methods for provision for bad debts on group basis

Group 1	Aging analysis
Group 2	If there is no evidence of impairment, no impairment testing or provision for bad debt is made; if there is evidence of impairment, the provision for bad bedt is made at the difference between the present value of its future cash flows and carrying amount.

For groups, the provision for bad debts based on aging analysis is listed as follows:

Aging	Percentage of provision for receivable (%)	Percentage of provision for other receivables (%)
Within 1 year (inclusive)		
Including: Within 6 months	0	0
Six months to 1 year	5	5
1 to 2 years	8	8
2 to 3 years	10	10
3 to 4 years	20	20
4 to 5 years	30	30
More than 5 years	80	80

(3) *Receivables individually insignificant for which provision for bad debts has been individually made:*

The reason for which the provision for bad debts is made individually is that the closing balance is below RMB50 million and there is objective evidence that its recoverability is significantly different from trade receivables for which provision for bad debts has been made on group basis by credit risk characteristics.

If there is objective evidence that it has been impaired once impairment test individually, the provision for bad debts is made based on the difference between the present value of its future cash flows and its carrying amount.

Applicable Not applicable

12. Inventories

Applicable Not applicable

(1) *Category of inventory*

Inventories include raw materials, circulating materials, finished products (development products), work in progress (development costs), etc.

(2) *Determination of cost of inventories*

Cost of inventories is determined using first-in and first-out or the weighted average method.

(3) *Basis for the determination of net realisable value of different type of inventories*

Net realisable value of held-for-sale commodity stocks, such as finished goods, goods-in-stock, and held-for-sale materials, during the normal course of production and operation, shall be determined by their estimated selling price less the related selling expenses and taxes; the net realizable value of material inventories, which need to be processed, during the normal course of production and operation, shall be determined by the amount after deducting the estimated cost of completion, estimated selling expenses and relevant taxes from the estimated selling price of finished goods; the net realisable value of inventories held for execution of sales contracts or labour contracts shall be calculated on the ground of the contracted price. If an enterprise holds more inventories than the quantity stipulated in the sales contract, the net realisable value of the exceeding part shall be calculated on the ground of general selling price.

Provision for inventory impairment is made on an item-by-item basis at the end of the period. For large quantity and low value items of inventories, provision is made based on categories of inventories; for items of inventories relating to a product line that is produced and marketed in the same geographical area and with the same or similar end uses or purposes, which cannot be practicably evaluated separately from other items in that product line, provision for inventory impairment is determined on an aggregate basis.

Unless there is evidence clearly shows that abnormality in market price exists as of the balance sheet date, the net realisable value of inventories is determined based on the market price as of the balance sheet date.

The net realisable value of inventories at the end of current period is determined based on the market price as of the balance sheet date.

(4) *Inventory system*

The perpetual inventory system is adopted.

(5) *Amortisation of low-value consumables and packaging materials*

(I) Low-value consumables are amortised using the immediate write-off method or multiple write-off method base on actual condition;

(II) Packaging materials are amortised using the immediate write-off method or multiple write-off method base on actual condition.

13. Contract Assets and Contract Liabilities

(1). *Recognition methods and standards of contract assets*

Applicable Not applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The consideration (except for receivables) that the Company has the right to transfer goods or provide services to customers is presented as contract assets; The obligation of the Company to transfer or receivable customers' considerations and to transfer goods or provide services to customers is presented as contract liabilities.

(2). *Recognition and accounting treatment of expected credit loss of contract assets*

Applicable Not applicable

For contract assets, whether it contains significant financing components, the Company always measures its loss provision in accordance with the amount of lifetime expected credit losses, and the increase or reversal of the loss provision resulting therefrom is included in the current profit or loss as an impairment loss or gain.

14. Assets Classified as Held-for-sale

Applicable Not applicable

The Company recognises non-current assets or disposal groups which meet the following conditions as assets held-for-sale:

- (1) The assets or disposal groups must be available for sale immediately under the current conditions according to the general practice of the sale of such assets or disposal groups in similar transactions;
- (2) The sale is very likely to happen, that is, the Company has already made a resolution on a sales plan and obtained a certain purchase commitment. It is expected that the sale will be completed within one year. Those regulations that require the approval of the Company's relevant authorities or regulatory authorities before they can be sold have already been approved.

15. Long-term Equity Investments

Applicable Not applicable

(1) *Joint control or significant influence criterion*

Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. The Company together with the other joint venture parties can jointly control over the investee and are entitled to the right of the net assets of the investee, the investee is a joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Company can exercise significant influence over the investee, the investee is an associate of the Company.

(2) *Determination of initial investment cost*

(I) *Long-term equity investments formed through business combination*

For business combination under common control: where the Company pays cash, transfers non-cash assets, bears debts or issues equity securities as consideration of combinations, the initial investment cost of long-term equity investments are the share with reference to the carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party on the date of combinations. In connection with imposing control over the investee under common control as a result of additional investment and other reasons, on the combination date, the initial investment cost of long-term equity investments shall be determined based on share of carrying amounts in the consolidated financial statement of the ultimate controlling party by net assets of the combined party after the combination. The difference between initial investment cost and the carrying value of long term equity investment before combination and the sum of carrying value of newly paid consideration for additional shares acquired on the date of combination is to adjust share premium. If the balance of share premium is insufficient, any excess is written down retained earnings.

Business combination not under common control: the cost of the combination ascertained on the date of acquisition shall be taken as the initial investment cost of long-term equity investments. In connection with imposing control over the investee not under common control as a result of additional investment and other reasons, the initial investment cost when changing to the cost method shall be the sum of the carrying value of the equity investment originally held and the newly increased initial investment cost.

(II) *Long-term equity investments acquired by other means*

The initial investment cost of a long-term equity investment obtained by the Company by cash payment shall be the purchase cost which it is actually paid. The initial investment cost of a long-term equity investment obtained by the Company by means of issuance of equity securities shall be the fair value of the equity securities issued.

If the non-monetary assets transaction has commercial nature and the fair value of the assets received or surrendered can be reliably measured, initial investment cost of a long-term equity investment received shall be determined on the basis of the fair value of the assets surrendered and the related tax payable, unless there are evidence that the fair value of the assets received is more reliable. For non-monetary assets transaction

which is not commercial in nature, or the fair value of the assets received or surrendered cannot be reliably measured, the initial investment cost of a long-term equity investment received shall be the carrying amount of the assets surrendered and the relevant taxes payable.

For the long-term equity investment obtained through debt restructuring, its initial investment cost shall be determined based on its fair value.

(3) *Subsequent measurement and recognition of profit or loss*

(I) *Long-term equity investment accounted for by cost method*

Long-term equity investment in subsidiaries of the Company is accounted for using cost method, except for the actual consideration paid for the acquisition of investment or the declared but not yet distributed cash dividends or profits which are included in the consideration, investment gains is recognised as the Company' shares of the cash dividends or profits declared by the investee.

(II) *Long-term equity investment accounted for by equity method*

Long-term equity investments of associates and jointly ventures are accounted for using equity method. Where the initial investment cost of a long-term equity investment exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost; where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to profit or loss for the current period.

The Company recognizes the investment income and other comprehensive income according to the shares of net profit or loss and other comprehensive income realised by the investee which it shall be entitled or shared respectively, and simultaneously makes adjustment to the carrying value of long-term equity investments; The carrying value of long-term equity investment shall be reduced by attributable share of the profit or cash dividends for distribution declared by the investee. In relation to other changes of owner's equity except for net profits and losses, other comprehensive income and profit distributions of the investee, the carrying value of long-term equity investments shall be adjusted and included in owner's equity.

When determining the share of net profit or loss in the investee which it entitles, fair value of each identifiable assets of the investee at the time when the investment is obtained shall be used as basis, and according to the accounting policies and accounting period of the Company, adjustment shall be made to the net profit of the investee. During the period of holding investments, when preparing consolidated financial statements by the investee, the accounting shall be based on the amounts attributable to the investee in the net profit, other comprehensive income and other changes of the owner's equity in the consolidated financial statements.

The unrealised profit or loss resulting from transactions between the Company and its associates or joint ventures shall be eliminated in portion to the investor's equity interest of investee, based on which investment income or loss shall be recognised. Any losses resulting from transactions, which are attributable to impairment loss of assets, shall be fully recognised. Transactions of the assets invested and sold that are able to constitute an agreement between the Company and associates, joint ventures shall be dealt with in accordance with Note "III. (V) Accounting treatments for business combination under and not under common control" and Note "III. (VI)Preparation of consolidated financial statements".

In recognition of share of losses in the investee, the Company treats it in the following order: Firstly, the Company will write off the carrying value of long-term equity investments. Secondly, in the event the aforesaid carrying value is insufficient for write off, it shall continue to recognize investment loss and write off carrying values of long-term receivables to the extent of the carrying amount of the long-term equity which substantively constitutes the net investment in the investee. Finally, after the above treatment, for the additional obligations which shall be still assumed by entities according to investment contract or agreement, the accrued liabilities shall be recognised based on the obligations which are expected to assume and included in the investment loss for the current period.

(III) Disposal of long-term equity investments

For disposal of long-term equity investment, the difference between the carrying amount and the consideration actually received shall be included in the current profit or loss.

For the long-term equity investment under the equity method, when disposing of such investment, part of amounts that shall be originally included in other comprehensive income shall be accounted for in proportion by using the same basis as the investee used for direct disposal of relevant assets or liabilities. The owner's equity which is recognised due to other changes of owner's equity except for net profits and losses, other comprehensive income and profit of the investee shall be transferred in proportion into the current profit or loss, excluding the other comprehensive income derived from changes of net liabilities or net assets due to re-measurement on defined benefit plan by the investee.

When the Company loses the controls or significant influence over the investee due to partially disposal of equity investment and other reasons, the remaining equities shall be accounted for in accordance with the standards on recognition and measurement of financial instruments, and the difference between the fair value and the carrying value at the date of losing control or significant influence shall be included in current profit or loss. For other comprehensive income recognised in the original equity investment using the equity method, it shall be treated using the same accounting basis as the investee used for direct disposal of relevant assets or liabilities when ceasing to use the equity method. All owner's equities which are recognised due to other changes

of owner's equity except for net profits and losses, other comprehensive income and profit distributions of the investee shall be transferred into the current profit or loss when ceasing to use the equity method.

When the Company loses the controls over the investee due to partially disposal of equity investment, additional investment in subsidiaries by other investors which resulted in the decrease in the Company's shareholding percentage and other reasons, the remaining equities after disposal shall be accounted for under equity method in preparation of individual financial statements provided that common control or significant influence over the investee can be imposed, and shall be adjusted as if such remaining equities has been accounted for under the equity method since they are obtained. Where the remaining equities after disposal cannot impose common control or significant influence over the investee, it shall be accounted for according to relevant provisions of the standards on recognition and measurement of financial instruments, and the difference between fair value and the carrying value on the date of losing control shall be included in the current profit or loss.

The disposed equity interest was acquired in a business combination as resulted from such as making additional investment, the remaining equity interest after disposal will be accounted for using cost method or equity method when preparing individual financial statements. Other comprehensive income and other owners' equity recognised when the equity investment held prior to the acquisition date is accounted for using equity method shall be carried forward on pro rata basis; For the remaining equity interest after disposal accounted for using the recognition and measurement standard of financial instruments, other comprehensive income and other owners' equity shall be fully carried forward.

16. Investment Property

Investment property is held to earn rentals or for capital appreciation or both which include leased land use rights; land use rights held for sale after appreciation; leased buildings (including buildings after self-completion of construction or development for the purpose of leasing and buildings that is being constructed or developed for the purpose of leasing in future).

(1). If measured at cost:

Method for depreciation or amortization

The Company's existing investment property is measured at cost. Investment property measured at cost – buildings held for leasing shall adopt the same depreciation policy for fixed assets of the Company, land use rights held for leasing shall adopt the same amortization policy for the intangible assets.

17. Fixed Assets**(1). Conditions for recognition**

Applicable Not applicable

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and have a useful life of more than one accounting year. Fixed asset is recognised when it meets the following conditions:

- (I) It is probable that the economic benefits associated with the fixed asset will flow to the enterprise;
- (II) Its cost can be reliably measured.

(2). Method for depreciation

Applicable Not applicable

Fixed assets are depreciated by categories using the straight-line method, and the depreciation rates are determined by categories based upon their estimated useful lives and their estimated residual values. Where the parts of a fixed asset have different useful lives or cause economic benefits for the enterprise in different ways, different depreciation rates or depreciation methods shall apply, and each part is depreciated separately.

For fixed assets obtained through financial lease, if it can be reasonably determined that the ownership of the leased asset will be obtained upon the expiry of the lease term, the leased asset shall be depreciated in the useful lives. If it is unable to determine if the ownership of the leased asset will be obtained upon the expiry of the lease term, the leased asset shall be depreciated in the shorter of the lease term and the useful lives of the leased asset.

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

Category	Depreciation method	Useful lives of depreciation (years)	Estimated residual value (%)	Annual depreciation rate (%)
Housing and building	straight line method	15-40	5	6.33-2.38
Machinery equipment	straight line method	4-18	5	23.75-5.28
Motor vehicles	straight line method	6-12	5	15.83-7.92
Electronic equipment	straight line method	5-10	5	19-9.50
Other equipment	straight line method	4-14	5	23.75-6.79

(3). *Recognition basis, measurement and depreciation method of fixed assets under finance lease*

Applicable Not applicable

Where any one of the following conditions is provided in the lease agreement between the Company and the lesser, assets under finance lease will be recognised:

- (1) upon the expiry of lease, the ownership of the leased asset is transferred to the Company;
- (2) the Company has the option to purchase the leased asset, the purchase consideration entered into is expected to be far less than the fair value of the leased asset upon the exercise of the option;
- (3) the lease term accounts for the majority of the useful life of the leased asset;
- (4) the present value of the minimum lease payment upon the commencement of the lease is substantially the same as the fair value of the leased asset.

On the commencement of the lease, the leased asset shall be recorded at an amount equal to the lower of the fair value of the leased asset or the present value of the minimum lease payments. And the minimum lease payments shall be recorded as the carrying amount of long-term payables. The difference between the recorded amount of the leased asset and the minimum lease payments shall be accounted for as unrecognised finance charge.

18. Construction in Progress

Applicable Not applicable

Construction in progress is measured at all the expenditures incurred to bring the fixed assets ready for their intended use. If the construction in progress of fixed assets constructed are ready for their intended use but the final account of completed project has not been issued, it should be transferred to fixed assets at an estimated cost according to the construction budget, construction price or actual cost, and depreciation should be provided according to deprecation policy for fixed assets from the date when the assets are ready for their intended use. When the final account of completed project is issued, the estimated cost will be adjusted according to the actual cost, while the original depreciation charge will not be adjusted.

19. Borrowing Costs

Applicable Not applicable

(1) *Criteria for recognition of capitalised borrowing costs*

Borrowing costs refers to the borrowing interests, amortization of discounts or premiums, ancillary costs and exchange differences arising from foreign currency borrowings, etc.

For borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets qualified for capitalisation, the costs will be capitalized and included in the costs of the related assets. Other borrowing costs shall be recognised as expense in the period in which they are incurred and included in profit or loss for the current period.

Assets qualified for capitalisation are assets (fixed assets, investment property, inventories, etc.) that necessarily take a prelong period of time for acquisition, construction or production to get ready for their intended use or sale.

Capitalisation of borrowing costs begins when the following three conditions are fully satisfied:

- (I) expenditures for the assets (including cash paid, transferred non-currency assets or expenditure for assuming debt liability for the acquisition, construction or production of assets qualified for capitalisation) have been incurred;
- (II) borrowing costs have been incurred;
- (III) acquisition, construction or production that are necessary to enable the asset reach its intended usable or saleable condition have commenced.

(2) *Capitalisation period of borrowing costs*

The capitalisation period shall refer to the period between the commencement and the cessation of capitalisation of borrowing costs, excluding the period in which capitalization of borrowing costs is temporarily suspended.

Capitalisation of borrowing costs shall be suspended during periods in which the qualifying asset under acquisition and construction or production ready for the intended use or sale.

If part of an asset being acquired, constructed or produced has been completed respectively and put into use individually, capitalisation of borrowing costs should be suspended.

If different parts of the assets acquired, constructed or produced are completed separately, but such asset will not be ready for the intended use or sale until all parts have been completed, then the borrowing costs will be capitalized until the completion of all parts of the said asset.

(3) *Suspension of capitalisation period*

Capitalisation of borrowing costs shall be suspended during period in which the acquisition, construction or production of a qualifying asset is suspended abnormally, when the suspension is for a continuous period of more than 3 months; if the suspension is a necessary step for making the qualifying asset under acquisition and construction or production ready for the intended use or sale, the capitalisation of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recognized as profit and loss of the current period. When the acquisition and construction or production of the asset resumes, the capitalisation of borrowing costs shall continue.

(4) *Calculation of capitalisation rate and amount of borrowing costs*

Specific borrowings for the acquisition, construction or production of assets qualified for capitalisation, borrowing costs of the specific borrowings actually incurred in the current period minus the interest income earned on the unused borrowing loans as a deposit in the bank or as investment income earned from temporary investment will be used to determine the amount of borrowing costs for capitalisation.

General borrowings for the acquisition, construction or production of assets qualified for capitalisation, the to-be-capitalized amount of interests on the general borrowing shall be calculated and determined by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the specifically borrowed loans by the capitalisation rate of the general borrowing used. The capitalisation rate shall be calculated and determined according to the weighted average interest rate of the general borrowing.

20. Intangible Assets

(1) *Valuation method, useful life and impairment testing*

Applicable Not applicable

(I) Valuation method of intangible assets

- (i) Intangible assets are initially measured at cost upon acquisition;

The costs of an externally purchased intangible asset include the purchase price, relevant taxes and expenses paid, and other expenditures directly attributable to putting the asset into condition for its intended use. If the payment for an intangible asset is delayed beyond the normal credit condition and it is of financing nature in effect, the cost of the intangible assets shall be ascertained based on the present value of the purchase price.

The amount of intangible assets acquired from debt restructuring shall be recorded at the fair value of the intangible assets, and the difference between the carrying amount of the restructured debt and the fair value of the intangible assets shall be included in the current profit and loss.

If the non-monetary assets transaction has commercial nature and the fair value of the assets received or surrendered can be reliably measured, the value of an intangible asset received shall be determined on the basis of the fair value of the assets surrendered, unless there are evidence that the fair value of the assets received is more reliable. For non-monetary assets transaction which is not commercial in nature, the cost of an intangible asset received shall be the carrying amount of the assets surrendered and the relevant taxes payable, and no profit or loss will be recognised.

- (ii) Subsequent measurement

The Company shall analyse and judge the useful life of intangible assets upon acquisition.

As for intangible assets with finite useful life, they are amortized using the straight-line method over the term in which economic benefits are brought to the entity ; If the term in which economic benefits are brought to the entity by an intangible asset cannot be estimated, the intangible asset shall be taken as an intangible asset with indefinite useful life, and shall not be amortised.

(II) Estimated useful lives for the intangible assets with finite useful life:

Item	Estimated useful life	Basis
Land use rights	Validity period of land use certificate	Land use rights
Franchise	Terms stipulated in the contract	Franchise
Others	5-10 years	Others

The useful life and amortization method of intangible assets with finite useful life are reviewed at the end of each year.

(III) *The Company had no intangible assets with indefinite useful life at the end of the period*

(2). *Accounting policies for internal research and development expenses*

✓Applicable Not applicable

(I) *Specific criteria for the division of research phase and development phase*

The expenses for internal research and development projects of the Company are divided into expenses in the research phase and expenses in the development phase.

Research phase: Scheduled innovative investigations and research activities to obtain and understand scientific or technological knowledge.

Development phase: Apply the research outcomes or other knowledge to a plan or design prior to a commercial production or use in order to produce new or essentially-improved materials, devices, products, etc.

(II) *Specific condition for capitalisation at development phase*

Expenses arising from development phase and meeting all following conditions shall be recognized as intangible assets, otherwise, they shall be included in the current profit and loss as incurred.

- (i) It is technically feasible to complete the intangible assets so that they can be used or sold;
- (ii) The Company has the intention to complete the intangible assets and use or sell them;
- (iii) The ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the products produced by the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (iv) The Company has sufficient technical, financial and other resources support to complete the development of the intangible assets, thereafter, has the ability to use or sell it;
- (v) The expenditure attributable to the development stage of the intangible assets can be reliably measured.

21. Impairment of Long-term Assets

✓Applicable Not applicable

Long-term assets, such as long-term equity investment, investment properties, fixed assets, construction in progress, intangible assets with finite useful life that measured at cost are tested for impairment if there is any indication that an asset may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment will be made at the difference and included in the impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs to is determined. A group of assets is the smallest group of assets that is able to generate cash inflows independently.

Impairment test to goodwill and intangible asset with indefinite useful life shall be carried out at least at the end of each year.

When the Company carries out impairment test to goodwill, the Company shall allocate on a reasonable basis the carrying value of the goodwill formed by business combination to the relevant asset groups since the date of acquisition, or if there is a difficulty in allocation, to allocate it to the combination of asset groups. When the Company allocates the carrying amount of goodwill to the relevant asset group or the combination of asset groups, the fair value of each asset group or the combination of asset groups shall be allocated based on the proportion to the total fair value of the relevant asset group or the combination of asset groups. If the fair value is difficult to be reliably measured, the carrying amount of each asset group or the combination of asset groups shall be allocated based on the proportion to the total fair value of the relevant asset group or the combination of asset groups.

For the purpose of impairment test on the relevant asset groups or the combination of asset groups including goodwill, if any evidence of impairment of asset groups or the combination of asset groups related to goodwill exists, an impairment test will be made firstly on the asset groups or the combination of asset groups excluding goodwill, and calculate the recoverable amount and compare it with relevant carrying value so as to recognize the corresponding impairment loss. Then, the Company will make an impairment test on the asset groups or the combination of asset groups including goodwill, and compare the carrying value of these asset groups or the combination of asset groups (including the carrying value of the goodwill allocated thereto) with its recoverable amount. Where the recoverable amount of the relevant assets or the combination of asset groups is lower than the carrying value thereof, the impairment loss of the goodwill shall be recognized.

Once the above asset impairment loss is recognised, it will not be reversed in the subsequent accounting periods.

22. Long-term Deferred Expenses

Applicable Not applicable

Long-term prepaid expenses are expenses which have occurred but shall be amortized over the current period and subsequent periods of more than one year. The Company's long-term deferred expenses include leasehold improvement of fixed assets under operating lease, rental fees, insurance premiums, etc.

Long-term deferred expenses will be amortized evenly during its beneficial period.

23. Employee Remuneration

(1). *Method of accounting treatment for short-term remuneration*

Applicable Not applicable

During the accounting period when the staff renders service, the Company will recognize the short-term remuneration actually incurred as liabilities, and the liabilities would be charged into current profits and loss or costs of relevant assets.

The Company will pay social insurance and housing provident funds, and will make provision of trade union funds and staff education costs in accordance with the requirements. During the accounting period when the staff renders service, the Company will determine the relevant amount of employee benefits in accordance with the required provision basis and provision ratios.

Non-currency employee benefits will be accounted for in accordance with their fair value if they can be measured reliably.

(2). *Method of accounting treatment for retirement benefit plan*

Applicable Not applicable

(i) *Defined contribution scheme*

The Company will pay basic pension insurance and unemployment insurance in accordance with the relevant provisions of the local government for the staff. During the accounting period when the staff renders service, the Company will calculate the amount payable in accordance with the local stipulated basis and proportions which will be recognised as liabilities, and the liabilities would be charged into current profits and loss or costs of assets.

In addition to basic pension insurance, the Company also established the enterprise annuity payment system (supplemental pension insurance) / enterprise annuity scheme according to relevant policy of national enterprise annuity system. The Company makes payment to local social insurance agencies based on a certain proportion of total staff remunerations. Corresponding expenditure is included in the profit or loss for the current period or costs of related assets.

(ii) *Defined benefit scheme*

The welfare responsibilities generated from defined benefit scheme based on the formula determined by projected unit credit method would be vested to the service period of the staff and charged into current profits and loss or costs of relevant assets.

The deficit or surplus generated from the present value of obligations of the defined benefit scheme minus the fair value of the assets of defined benefit scheme is recognised as net liabilities or net assets. When the defined benefit scheme has surplus, the Company will measure the net assets of the defined benefit scheme at the lower of the surplus of defined benefit scheme and the upper limit of the assets.

All defined benefit plans obligations, including the expected duty of payment within 12 months after the end of annual reporting period during which the staff rendered service, were discounted based on the bond market yield of sovereign bond matching the term of defined benefit plans obligations and currency or corporate bonds of high quality in the active market at the balance sheet date.

The service cost incurred by defined benefit scheme and the net interest of the net liabilities and net assets of the defined benefit scheme would be charged into the current profits and loss or relevant costs of assets. The changes generated from the re-calculation of the net liabilities or net assets of the defined benefit scheme would be included in the other comprehensive income and are not reversed to profit or loss in a subsequent accounting period. When the former defined benefit plans would be terminated, the part originally included in other comprehensive income would be reversed in full to undistributed profit within the scope of equity.

When the defined benefit scheme is settled, the gain or loss is recognized based on the difference between the present value of obligations and the settlement price of the defined benefit scheme as at the balance sheet date.

(3). ***Method of accounting treatment for termination benefits***

Applicable Not applicable

Employee benefits liabilities are recognized for termination benefits with a corresponding charge to profit or loss in the current period at the earlier of the point of time at which the Company cannot unilaterally withdraw the offer of termination benefits under an employment termination plan or redundancy proposal or the point of time at which the Company recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

(4). **Method of accounting treatment for other long-term employee benefits**

Applicable Not applicable

24. Accrued Liabilities

✓Applicable Not applicable

(1) Recognition criteria for accrued liabilities

The Company shall recognize an obligation related to contingency involving litigation, debt guarantee, loss-making contract or restructuring as an accrued liability, when all of the following conditions are satisfied:

- (1) such obligation is the present obligation of the Company;
- (2) the performance of such obligation is likely to lead to an outflow of economic benefits out of the Company;
- (3) the amount of such obligation can be reliably measured.

(2) Method of measuring the various accrued liabilities

Accrued liabilities shall be initially measured at the best estimate of the expenditure required to settle the related present obligation.

The Company shall take into consideration the risks, uncertainties, time value of money and other factors relating to the contingencies in determining the best estimate. If the time value of money is significant, the best estimates shall be determined after discount of relevant future cash outflows.

The best estimate will be dealt with separately in the following circumstances:

The expenses required have a successive range (or band), in which the possibilities of occurrence of each result are the same, and the best estimate should be determined as the middle value for the range, i.e. the average of the upper and lower limit.

The expenses required does not have a successive range (or band), or although there is a successive range, the possibilities of occurrence of each result are not the same, if the contingency is related to individual item, the best estimate should be determined as the most likely amount; where the contingency is related to a number of items, the best estimate should be calculated and determined according to the possible results and the relevant possibilities.

Where some or all of the expenditure required to settle an estimated liability is expected to be reimbursed by a third party, the reimbursement is separately recognised as an asset when it is virtually certain that the reimbursement will be received. The amount recognized for the reimbursement is limited to the carrying amount of the liability recognised.

25. Preference Shares, Perpetual Bonds and Other Financial Instruments

Applicable Not applicable

The Company classifies the financial instruments (such as perpetual bonds) issued as equity instruments when all of the following conditions are satisfied:

- (1) The financial instruments have no contractual obligation to pay in cash or other financial assets to other parties nor to exchange financial assets or financial liabilities under potential adverse condition with other parties;
- (2) If the financial instrument will or may be settled in the Company's own equity instruments, it is a non-derivative instrument that includes no contractual obligations to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Company exchanging a fixed amount of cash or other financial asset for a fixed number of its own equity instruments.

Except for other financial instruments that can be classified as equity instruments under the above conditions, other financial instruments issued by the Company are classified as financial liabilities.

For perpetual bonds classified as equity instruments, interest payments or dividend distributions are treated as the Company's profit distribution, and their repurchases and cancellations are treated as changes in equity, and related transaction costs are deducted from equity.

26. Revenue***(1). Accounting policies adopted in recognition and measurement of revenue***

Applicable Not applicable

Accounting policies applicable since 1 January 2018

The Company shall recognise revenue when the Company satisfies the performance obligation of the contract, that is, the customer obtains control of relevant assets (goods or services). Whether performance obligations satisfied over time or at a point in time is based on the contracts and related law regulations. The Company satisfies a performance obligation over time, if one of the following criteria is met:

1. the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
2. customer can control the asset which is created by the Group's performance.

3. the Company's performance does not create an asset with an alternative use the Company and the Company has an enforceable right to receive payment for performance completed to date during the whole contract period.

If the performance obligations satisfied over time, the Company will recognise revenue based on contract performance schedule, otherwise the Company satisfies the performance obligation at a point in time when the customer obtains control of relevant goods or services. The performance progress is measured by the Company's expenditure or investment in fulfilling the performance obligations. The progress is determined based on the proportion of the cumulative cost incurred as of the balance sheet date of each contract to the estimated total cost.

When determining the contract transaction price, if there is a variable consideration, the Company shall determine the best estimate of the variable consideration according to its expected value or the amount most likely to be incurred and the transaction price included by the Company does not exceed the amount of revenue accumulatively recognized when the relevant uncertainties are eliminated and where it is highly unlikely that a major reversal on such revenue will occur. Where there are significant financing elements in the contract, the Company will adjust the transaction price according to the financing elements in the contract; where the interval between the transfer of control right and the payment of the price by the customer dose not exceed one year, the financing elements in the contract will not be considered by the Company.

1. Revenue from sales of goods

Revenue from sale of goods is recognized when the Company has transferred the goods to customers and obtained the receipt certificate or acceptance form, i.e. when the performance obligation stipulated in the contract is performed.

2. Revenue from project construction

For a performance obligation of project construction contract satisfied over time, the Company shall recognize revenue based on performance schedule.

At the balance sheet date, when the schedule of completion could be measured reliably, the amount of total contract revenue multiplied by the completion progress and deducting the previous accumulated recognized revenue is recognized as contract income in the current period. Meanwhile, the amount of estimated total contract costs multiplied by the completion progress and deducting the previously recognized costs is recognized as contract costs in the current period.

If the performance progress cannot be reasonably measured and the costs incurred can be expected to be compensated, the revenue shall be recognized according to the costs incurred until such time that performance progress can be reasonably measured.

3. Revenue from sales of property

For performance business of the property sales contract that is performed within a certain period of time, the Company recognizes the revenue according to the schedule of completion, otherwise the Company recognizes the revenue at a certain point in time when the customer obtains control of the relevant assets.

For property sales contracts that transfer control of assets within a certain period of time, at the balance sheet date, the amount of total contract revenue multiplied by the completion progress and deducting the previous accumulated recognized revenue is recognized as contract income in the current period. Meanwhile, the amount of estimated total contract costs multiplied by the completion progress and deducting the previously recognized costs is recognized as contract costs in the current period.

For a property sales contract that transfers control at a certain point in time, the Company will recognise the revenue when all of the following conditions are met: the housing is completed and qualified, the sales contract is signed, the buyer's payment certificate is obtained, and the transfer of the commercial housing is completed. If the Company has notified the buyer to complete the transfer procedures of the housing within the specified time, but the buyer fails to complete the transfer formalities within the specified time without proper reason, the Company shall, if other conditions are met, recognize revenue upon expiry of the time limit specified in the notification.

4. Recognition of revenue for Build-Operate-Transfer (“BOT”) business

- ① The project company recognizes related revenue and costs for the construction service offered according to project construction income during project construction. After infrastructure is constructed, the project company recognizes the revenue related to operating services afterwards according to Accounting Standards for Business Enterprises No.14 - Revenue.

Revenue of construction contract shall be measured at fair values of consideration received or receivable, and the financial assets or intangible assets shall be recognised at the same time as revenue under the following circumstances:

- a. The project company recognizes financial assets while recognizing the revenue, and accounts for the financial asset in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments to the extent that it has an unconditional contractual right to receive specified or determinable amount of cash or another financial asset from the grantor within a certain period after the completion of construction of the infrastructure or the contract grantor is responsible for compensating the shortfall to the project company in accordance with the contract if the charge for operating services provided by the project company is less than a certain limited amount.
- b. The project company recognizes intangible assets while recognizing the revenue to the extent that it has a right to receive unspecified or indeterminable amount of fees from the users of service within a certain operating period after the completion of the relevant infrastructure where such right does not constitute an unconditional right to receive cash.

Borrowing costs incurred during the construction process shall be accounted for based on the Accounting Standards for Business Enterprises No. 17-Borrowing Costs.

- ② The project company, instead of recognising the revenue for those infrastructure construction being subcontracted to other parties other than providing actual construction service, recognises financial assets or intangible assets based on the costs incurred and paid during the construction and the contract arrangement of the project.

Accounting policies applicable prior to 1 January 2018

1. Revenue from sales of goods

The Company has transferred the significant risks and rewards of ownership of the goods to the buyer; the Company retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods; the amount of revenue can be measured in a reliable way; relevant economic benefits may flow into the Company; when relevant cost incurred or to be incurred can be reliably measured, the Company recognizes the sales revenue.

2. Revenue from construction contract

At the balance sheet date, when the outcome of construction contracts could be measured reliably, related revenue and cost for the construction contract is recognized according to the percentage of completion.

On the balance sheet date, the amount of total contract revenue multiplied by the completion progress and deducting the previous accumulated recognized revenue is recognized as contract income in the current period. Meanwhile, the amount of estimated total contract costs multiplied by the completion progress and deducting the previously recognized costs is recognized as contract costs in the current period.

For construction contract completed for current period, the amount of total actual contract revenue deducting the previous accumulated recognized revenue is recognized as contract income in the current period. Meanwhile, the amount of accumulated contract costs incurred actually deducting the previously accumulated recognized costs is recognized as contract costs in the current period.

When the outcome of a construction contract could not be measured reliably, the accounting shall be treated as follows:

- ① if the contract cost is recoverable, the contract revenue is recognized based on the actual recoverable contract cost, which is recognized as contract expenses in the current period.
- ② If contract cost is unrecoverable, it is recognized as contract expense at occurrence and is not recognized as contract revenue.

When the factor that causes the outcome of construction contract does not exist anymore, the relevant revenue and cost of construction contract is recognized based on percentage of completion.

If the estimated total cost of the contract exceeds the total contract revenue, the estimated loss shall be recognized as expense for the period.

3. Revenue from sales of property

The Company recognises revenue from sales of property when all of the following conditions are met: the housing is completed and qualified, the sales contract is signed, the buyer's payment certificate is obtained, and the transfer of the commercial housing is completed. If the Company has notified the buyer to complete the transfer procedures of the commercial housing within the specified time, but the buyer fails to complete the transfer formalities within the specified time without proper reason, the Company shall, if other conditions are met, recognize revenue upon expiry of the time limit specified in the notification.

4. Recognition of revenue for Built-Transfer (“**BT**”) business

The activities under the BT contract usually include building and transfer. For the construction services provided by the Company, during the construction phase, if the outcome could be measured reliably, the construction contract revenue is recognized based on the fair value of the consideration receivable. Meanwhile, the long-term receivable, which will be written off upon the receipt of payment from the owner, is recognized using the effective interest method and measured at amortized cost. The interest income is recognized on a regular basis, and the effective interest rate generally remains unchanged during the duration of the long-term receivable.

5. Recognition of revenue for Build-Operate-Transfer (“**BOT**”) business

- ① The project company recognizes related revenue and costs for the construction service offered according to the Accounting Standards for Business Enterprises No.15-Construction Contract during project construction. After infrastructure is constructed, the project company recognizes the revenue related to operating services afterwards according to the Accounting Standards for Business Enterprises No.14- Revenue.

Revenue of construction contract shall be measured at fair values of consideration received or receivable, and the financial assets or intangible assets shall be recognised at the same time as revenue, if:

- a. The project company recognizes financial assets while recognizing the revenue, and accounts for the financial asset in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments to the extent that it has an unconditional contractual right to receive specified or determinable amount of cash or another financial asset from the grantor within a certain period after the completion of construction of the infrastructure or the contract grantor is responsible for compensating the shortfall to the project company in accordance with the contract if the charge for operating services provided by the project company is less than a certain limited amount.
- b. The project company recognizes intangible assets while recognizing the revenue to the extent that it has a right to receive unspecified or indeterminable amount of fees from the users of service within a certain operating period after the completion of the relevant infrastructure where such right does not constitute an unconditional right to receive cash.

Borrowing costs incurred during the construction process shall be measured based on the Accounting Standards for Business Enterprises No. 17-Borrowing Costs.

- ② The project company, instead of recognising the revenue for those infrastructure construction being subcontracted to other parties other than providing actual construction service, recognises financial assets or intangible assets based on the costs incurred and paid during the construction and the contract arrangement of the project.

(2). *The adoption of different business models for the same type of business leading to different accounting policies for revenue recognition*

Applicable Not applicable

27. Contractual Costs

Applicable Not applicable

Contract costs are divided into contract performance costs and contract acquisition costs.

The costs incurred by the Company for the performance of the contract are recognised as an asset as contract performance costs when the following conditions are met:

1. This cost is directly related to a current or expected contract.
2. This cost increases the resources of the Company to fulfill its performance obligations in the future.
3. The cost is expected to be recovered.

The Company shall recognise the incremental costs of obtaining a contract as an asset if the Company expects to recover those costs. Assets related to the cost of the contract are amortized on the same basis as the revenue recognition of the goods or services related to the asset; however, if the amortization period of the contract acquisition cost is less than one year, the Company will account for the current profits and losses when incurred.

For assets related to contract costs whose carrying amount is higher than the difference between the following two items, the Company will make provision for impairment for the excess and recognize it as asset impairment loss:

1. The remaining consideration expected to be obtained by the transfer of goods or services related to the asset;
2. Estimate costs that will occur in order to transfer the relevant goods or services.

If the above-mentioned asset impairment provision is reversed, the carrying amount of the transferred asset shall not exceed the carrying amount of the asset on the reversal date without presuming the provision for impairment.

28. Government Grant

✓Applicable Not applicable

1. Types

Government grants are transfer of monetary assets and non-monetary assets from the government to the Company at no consideration, and are classified into government grant related to asset and government grant related to revenue.

Government grants related to assets is obtained by the Company for the purposes of constructing or forming long-term assets in other ways. Government grants related to revenue refer to the government grants other than those related to assets.

The Company classified government grants obtained for acquisition or construction of long-term assets or formation of long-term asset in other forms as government grants related to assets.

Government grants other than those related to assets are classified as government grants related to revenue.

If related government documents do not specify the objective of the grants, the government grants are classified as related to assets or revenue as follows: (1) in case a project for which the grants are granted is specified in such documents, the grants are classified as related to assets and income based on the budgeted ratio of the expenditure on asset formation and the expenditure recorded as expenses, where such ratio should be reviewed and, if necessary, changed on each balance sheet date; and (2) in case of general description without specifying any project in such documents, the grants are classified as related to revenue.

2. Time for recognition

Government grants measured at the amount receivable are recognised when there is conclusive evidence at the end of the accounting period that the Company could meet relevant conditions stipulated by the financial support policy and is expected to receive financial support funds.

Other government subsidies other than the government subsidies measured at the amount receivable shall be recognized when the subsidies are actually received.

3. *Accounting treatment*

Asset-related government grant shall be used to offset the carrying amount of relevant asset or recognized as deferred income. The amount recognized as deferred income shall be recorded in current profit or loss by installments in a reasonable and systematic way over the useful life of the relevant assets (the government grants related to the Company's daily activities shall be included in other income; the government grants unrelated to the Company's daily activities shall be included in non-operating income). A government grant related to income is used for compensation for related expenses or losses to be incurred by the Company in subsequent periods, the grant shall be recognised as deferred income, and recorded in current profit or loss when such expenses or losses are recognized (the government grants related to the Company's daily activities shall be included in other income; the government grants unrelated to the Company's daily activities shall be included in non-operating income); if the grant is a compensation for related expenses or losses already incurred by the Company, the grant shall be recognised immediately in profit or loss for the current period (the government grants related to the Company's daily activities shall be included in other income; the government grants unrelated to the Company's daily activities shall be included in non-operating income).

The Company receives the loan interest subsidies with policy reference and treats in different ways in accordance with two situations below:

- (1) If the interest grants paid to the bank and then the bank provides bank loans to the Company with interest rate in preferential policy, the Company will regard the borrowing amount received as the initial value and calculate the principle of borrowing and borrowing costs based on the interest rate in preferential policy.
- (2) If the interest grants paid directly to the Company, the Company will use such interest subsidies to offset the corresponding borrowing costs.

29. **Deferred Income Tax Assets/Deferred Income Tax Liabilities**

Applicable Not applicable

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. For deductible losses and tax credits that can be reversed in subsequent years, deferred tax assets shall be recognised to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits.

Save as the exceptions, deferred income tax liabilities shall be recognised for the taxable temporary difference.

The exceptions for not recognition of deferred income tax assets or liabilities include: the initial recognition of the goodwill; other transactions or matters other than business combinations in which neither profit nor taxable income (or deductible loss) will be affected when transactions occur.

When the Company has a legally enforceable right to set-off and intends either to settle on a net basis or to acquire the income tax asset and settle the income tax liability simultaneously, current income tax assets and current income tax liabilities shall be presented as the net amount after offsetting.

When the Company has the legal right to set off current income tax assets and current income tax liabilities on a net basis, such deferred income tax assets and deferred income tax liabilities are related to income tax to be paid by the same entity liable to pay tax to the same tax authority, or related to different entities liable to pay tax but the relevant entities intend to settle on a net basis or to acquire the income tax assets and settle the income tax liabilities simultaneously in the future period in which significant deferred income tax assets and liabilities would be reversed, deferred income tax assets and liabilities shall be presented as the net amount after offsetting.

30. Leases

(1). *Accounting of operating lease*

Applicable Not applicable

- (1) As the lessee of operating leases, rental payments under operating leases are recognised as costs or expenses on a straight line basis over the lease term (including rent free periods). Initial direct costs that are attributable to an lease transactions paid by the Company are charged to current expenses.

When the lesser bears the lease related expenses which should be undertaken by the Company, the Company shall deduct this part of expense from the total rent and amortize the net amount over the lease term and include it in the current expenses.

- (2) Leasing charges received by the Company for the assets leased out shall be amortized in a straight-line basis over the lease term without deducting the rent-free periods, and recognised as leasing income. The initial direct fee related to the leasing transactions paid by the Company shall be charged to current expenses; if the amount is significant, it shall be capitalized and charged to current income evenly on the same basis as the leasing income is recognised over the lease term.

When the Company bears the lease related expenses which should be undertaken by the lessee, the Company shall deduct this part of expense from the rent income, and amortize the net amount over the lease term.

(2). *Accounting of finance lease*

Applicable Not applicable

- (1) Assets acquired under financing leases: At the commencement of the lease term, the Company will use the lower of the fair value of the leased asset and the present value of the minimum lease payments as the book value of the leased assets, and the minimum lease payments as the book value of the long-term payables. The difference between the book value of the leased assets and the long-term payables is accounted for as unrecognised finance charge. The Company, by means of the effective interest method, amortizes the unrecognized financial charges during the lease term of the assets and includes them into financing expenses. Initial direct costs incurred by the Company are included in the leased asset value.
- (2) Assets leased out under financing leases: The difference between the sum of finance lease receivables and the unguaranteed residual value, and the present value thereof is accounted for as unrealized finance income and is recognised as rental income over the period when rental is received in the future. The Company's initial direct costs associated with rental transactions shall be included in the initial measurement of the finance lease receivables and deducted by the revenue recognised over the lease term.

31. Discontinued Operations

A discontinued operation is a clearly distinguished component of an entity, that either has been disposed of, or is classified as held for sale, and meets any of the following criteria:

- (1) represents a separate major line of business or geographical area of operations;
- (2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- (3) is a subsidiary acquired exclusively with a view to resale.

32. Asset Securitization Business

The Company evaluates the extent to which it transfers the risks and rewards of ownership of assets to the other entity and it exercises control on such entity while applying the accounting policy in respect of asset securitisation.

- (1) The financial asset is derecognised when the Company transfers substantially all the risks and rewards of ownership of the financial asset.
- (2) The financial asset continues to be recognised when the Company retains substantially all the risks and rewards of ownership of the financial asset.

- (3) When the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Company evaluates whether there is control over the financial asset, and if the Company does not retain control, it derecognises the financial asset and recognises any rights and obligations created or retained in the transfer separately as assets or liabilities, otherwise, the Company continues to recognise the financial asset to the extent of its continuing involvement in the financial asset and recognizes relevant liabilities.

33. Other Significant Accounting Policies and Accounting Estimates

Applicable Not applicable

The Company continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including the reasonable expectations of future events.

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

1. *Revenue from construction business*

The Company recognises the project contracting service income based on the schedule of completion. The Company is required to reasonably estimate the estimated total revenue and estimated total cost of the construction contract to determine the schedule of completion, and further evaluate and revise during the execution of the contract, which involves significant accounting estimates. If the project contract is expected to incur losses, such losses should be recognized as current expenses. The Company estimated expected losses that may occur based on the budgets of the contracting contract. Because of the nature of the construction contracting, the date at which the contract is entered into and the date when the project is completed usually fall into different accounting periods. The Company considers the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Company considers the effects of variable consideration, the existence of a significant financing component in the contract and other factors. The Company reviews the estimates of both contract revenue and contract costs during performance. When the initial estimate changes, such as contract changes, claims and awards, the estimated total contract revenue and estimated total contract cost are revised. When the estimated total cost of the contract exceeds the total revenue of the contract, the asset impairment loss and accrued liabilities are recognized in accordance with the loss-making contract to be executed. The Company also monitors the payment progress from property owners against the contract terms, and periodically evaluates the creditworthiness of the property owners. If circumstances arise that a property owner would default on all or part of its payments, the Company will reassess the impact of expected credit losses for the entire duration of the contract asset on the financial statements and may revise the amount of credit impairment loss. The revision will be reflected in the financial statements in the period in which the credit impairment loss that give rise to the revision become known by the Company.

2. *Impairment of financial instruments*

The Company uses the expected credit loss model to assess the impairment of financial instruments. The application of the expected credit loss model requires significant judgements and estimations, and all reasonable and evidenced information, including forward-looking information, should be considered. In making such judgements and estimations, the Company infers the expected changes in the debtor's credit risk based on the historical repayment data in combination with economic policies, macroeconomic indicators and industry risks and other factors.

3. *Impairment of non-current assets other than financial assets (other than goodwill)*

The Company assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the balance sheet date. For an intangible asset that has indefinite useful life, impairment test is made in addition to the annual impairment test if there is any indication of impairment. For non-current assets other than financial assets, impairment test is made when there is any indication that their carrying amounts cannot be recovered. An asset or asset group is impaired when its carrying amount is higher than the recoverable amount (i.e., the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from it).

The fair value net of disposal cost is determined by reference of the price of similar assets under a sale agreement in an arm's length transaction or an observable market price less the incremental cost directly attributable to the disposal of the asset. When estimating the present value of future cash flows, the management must estimate the expected future cash flows of such asset (or asset groups), and determine the present value of the future cash flows with appropriate discount rate.

4. *Impairment of goodwill*

The Company tests annually whether goodwill has suffered any impairment. The recoverable amount of group of assets and groups of asset combinations is the present value of the future cash flows expected to be derived from them. These calculations require use of estimates.

In estimating the impairment of goodwill, if the Company revises the gross margin or the pre-tax discount rate that is used in the calculation of the future cash flows of group of assets and groups of asset combinations or revises the pre-tax discount rate applied to the discounted cash flows, and the revised gross profit margin is lower than the one currently used or the revised pretax discount rate is higher than the one currently applied, the Company would consider the impact of these revises on the assessment results of goodwill impairment to determine the provision for impairment of goodwill. If the actual gross profit margin or pre-tax discount rate is higher or lower than management's estimates, the impairment loss of goodwill previously provided for is not allowed to be reversed by the Company.

5. *Property development cost*

Critical estimates and judgments on budget cost and development progress are required in determining property development cost. Should the actual cost differs from the budget cost, such difference will impact the accuracy of cost of properties held for sale, development cost and cost of principal business.

6. *Deferred income tax assets and deferred income tax liabilities*

Deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate at the time of expected recovery of deferred income tax assets or settlement of deferred income tax liabilities. Deferred income tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

The Company recognised the deferred income tax assets based on the tax laws that have been enacted or substantively enacted and the best estimate of the Company's realisable profitability in the future period of expected reversal of deferred income tax assets. It is estimated that the profit forecast or future taxable income require a lot of judgement and estimates, and are influenced by tax planning strategies. Different judgements and estimates will affect the amount of deferred tax assets recognised. The Company reassesses the estimates of profitability and other estimates at each balance sheet date.

7. *Defined benefit plan*

The Company appointed independent actuary to make actuarial valuation on the liabilities and expenses arising from retirement benefit plan provided by the Company as follows:

- (1) Eligible supplementary pension benefit for retired and resigned personnel and families of the deceased;
- (2) Eligible reimbursement for medical treatment or payment to commercial medical insurance for retired personnel after retirement;
- (3) Eligible continuous benefits off-post payroll for early retired personnel during the early retirement period.

The discount rate was determined by the Company with reference to government bonds of China, the normal retirement age was determined based on Chinese statutory retirement age and the mortality rate published by China Life Annuitant Mortality Table 2010-2013 was adopted.

8. *Determination of fair value of financial instruments*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, etc., and those prices represent actual or regularly occurring market transactions on an arm's length basis. The fair value of financial instruments in which there is no active market is recognized by valuation methods. The Company chooses various methods based on its judgments, and makes assumptions mainly based on the current market conditions at each balance sheet date.

The judgments based on the market condition on the balance sheet date and valuation method adopted may subject to the changes in the market, which will lead to the different actual results in the next period.

34. **Changes in Significant Accounting Policies and Accounting Estimates**

(1). *Changes in significant accounting policies*

Applicable Not applicable

In 2017, the Ministry of Finance revised the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24 – Hedge Accounting and Accounting Standards for Business Enterprises No. 37 – Financial Instruments Presentation (the above four terms are referred to as the New Financial Standards) and Accounting Standards for Business Enterprises No. 14 – Revenue (referred to as the New Income Standard), requiring companies simultaneously listed at both home and abroad to implement from 1 January 2018. China Energy Engineering Corporation Limited, an indirect controlling shareholder of the Company, was listed abroad, the Company therefore implemented the said New Income Standard and New Financial Instruments Standards from 1 January 2018.

On 15 June 2018, the Ministry of Finance issued the Notice on Amending the Format of 2018 Financial Statements of General Enterprises (referred to as the New Report Format Notice), which revised the financial statement format of general enterprises. The financial statements of the Company were prepared in accordance with the provisions of the New Report Format Notice, and items in the comparative statements were reclassified and presented.

The impacts of the above accounting policy are as follows:

- (1) According to the New Financial Instruments Standards, except some particular circumstances, the Company made retrospectively adjustment for the classification and measurement of financial instruments (including impairment), the differences between the original carrying value of the financial instruments and the new carrying value of the financial instruments at the date of implementation of the New Financial Instruments Standards (i.e. 1 January

2018) was included in the undistributed profit as at the beginning of 2018. Meanwhile, no adjustment was made by the Company on figures of the comparative financial statements. The affected items and amounts were as follows:

Item in consolidated statements	Amount on 31 December 2017 before changes in accounting policy	Reclassification influence under the New Income Standard	Re-measurement according to the New Income Standard	Amount on 1 January 2018 after changes in accounting policy
Available-for-sale financial assets	5,615,186,206.42	-5,615,186,206.42		
Other equity instrument investment		1,069,368,926.24		1,069,368,926.24
Other non-current financial assets		4,545,817,280.18	121,766,694.14	4,667,583,974.32
Deferred income tax liabilities	819,890,250.18		18,265,004.12	838,155,254.30
Undistributed profit	10,759,826,667.48		103,501,690.02	10,863,328,357.50

Item in statements of the parent	Amount on 31 December 2017 before changes in accounting policy	Reclassification influence under the New Financial Standards	Re-measurement according to the New Financial Standards	Amount on 1 January 2018 after changes in accounting policy
Held-to-maturity investments	3,570,000,000.00	-3,570,000,000.00		
Debt investment		3,570,000,000.00		3,570,000,000.00
Available-for-sale financial assets	4,508,143,155.13	-4,508,143,155.13		
Other equity instrument investment		1,069,368,926.24		1,069,368,926.24
Other non-current financial assets		3,438,774,228.89	121,766,694.14	3,560,540,923.03
Deferred income tax liabilities	129,813,694.46		18,265,004.12	148,078,698.58
Undistributed profit	5,734,671,029.25		103,501,690.02	5,838,172,719.27

- (2) According to the New Income Standard, the Company uses the transfer of control as the judgment standard of the time when the income is recognized, and recognizes income upon fulfillment of performance obligations under the contract, that is, when the customer obtains the control of the relevant goods or services. When certain conditions are met, they are subject to performance obligations within a certain period of time. Otherwise, they are subject to performance obligations at a certain point in time. For performance obligations performed during a certain period of time, the income shall be recognized in accordance with the progress of the performance during the period except that the progress of performance cannot be reasonably determined. For performance obligations performed at a certain point in time, the income is recognized when the customer obtains control of relevant goods. Contract assets or contract liabilities are presented in the balance sheet based on the relationship between performance obligations and customer payments.

After reviewing the source of income and the customer's contract process, the New Income Standard has no significant impact except for the presentation of the financial statements. According to the requirements of the standard, the Company only adjusts the cumulative impact of contracts that had not been completed on the first execution date.

Item in consolidated statements	Amount on 31 December 2017 before changes in accounting policy	Reclassification influence under the New Financial Standards	Re-measurement according to the New Financial Standards	Amount on 1 January 2018 after changes in accounting policy
Inventory	64,116,989,027.60	-17,114,136,192.01		47,002,852,835.59
Contract assets		17,114,136,192.01		17,114,136,192.01
Receipts in advance	10,011,743,718.84	-10,011,743,718.84		-
Contract liabilities		10,011,743,718.84		10,011,743,718.84

Item in statements of the parent	Amount on 31 December 2017 before changes in accounting policy	Reclassification influence under the New Financial Standards	Re-measurement according to the New Financial Standards	Amount on 1 January 2018 after changes in accounting policy
Inventory	2,582,365,525.30	-147,066,064.79		2,435,299,460.51
Contract assets		147,066,064.79		147,066,064.79
Receipts in advance	575,344,298.28	-575,344,298.28		
Contract liabilities		575,344,298.28		575,344,298.28

- (3) According to the New Report Format Notice, the Company adopts the financial statement format that has implemented the New Financial Standards and New Income Standard.

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item in consolidated balance sheet	Amount before adjustment on 31 December 2017	Adjustment	Amount after adjustment on 31 December 2017
Bills receivables	2,708,466,221.80	-2,708,466,221.80	
Trade receivables	16,485,904,028.83	-16,485,904,028.83	
Bills receivables and trade receivables		19,194,370,250.63	19,194,370,250.63
Dividend receivables	39,200,000.00	-39,200,000.00	-
Other receivables	11,640,434,166.47	39,200,000.00	11,679,634,166.47
Fixed assets	14,289,609,300.52	3,531,406.99	14,293,140,707.51
Liquidation of fixed assets	3,531,406.99	-3,531,406.99	
Bills payables	380,248,804.65	-380,248,804.65	
Trade payables	35,518,759,341.93	-35,518,759,341.93	
Bills payables and trade payables		35,899,008,146.58	35,899,008,146.58
Interest payables	290,608,336.62	-290,608,336.62	
Dividend payables	255,764,884.60	-255,764,884.60	
Other payables	15,538,668,159.22	492,596,500.00	16,031,264,659.22

Item in consolidated balance sheet of the Parent	Amount before adjustment on 31 December 2017	Adjustment	Amount after adjustment on 31 December 2017
Bills receivables	36,600,000.00	-36,600,000.00	
Trade receivables	8,378,222,200.04	-8,378,222,200.04	
Bills receivables and trade receivables		8,414,822,200.04	8,414,822,200.04
Fixed assets	343,058,332.08	320,815.46	343,379,147.54
Liquidation of fixed assets	320,815.46	-320,815.46	
Interest payables	257,870,666.67	-257,870,666.67	
Dividend payables	234,725,833.33	-234,725,833.33	
Other payables	15,538,668,159.22	492,596,500.00	16,031,264,659.22

Item in consolidated income statement	Amount before adjustment in 2017	Adjustment	Amount after adjustment in 2017
Administrative expenses	5,426,171,780.73	-1,597,450,002.07	3,828,721,778.66
Research and development expenses		1,597,450,002.07	1,597,450,002.07
Other income	1,811,402,642.10	3,883,556.58	1,815,286,198.68
Non-operating income	255,005,613.57	-3,883,556.58	251,122,056.99

Item in income statement of the Parent	Amount before adjustment in 2017	Adjustment	Amount after adjustment in 2017
Administrative expenses	779,438,202.50	-322,990,754.79	456,447,447.71
Research and development expenses		322,990,754.79	322,990,754.79
Other income		36,987.57	36,987.57
Non-operating income	929,783.88	-36,987.57	892,796.31

(2). *The changes in significant accounting estimates*

Applicable Not applicable

(3). *Information of adjustments made to relevant items of the opening financial statements for the year of first adoption of the New Financial Standards or New Income Standard*

Applicable Not applicable

CONSOLIDATED BALANCE SHEET

Unit: Yuan Currency: RMB

Items	31 December 2017	1 January 2018	Adjustment
Current assets:			
Cash at bank and on hand	18,981,030,811.61	18,981,030,811.61	
Settlement reserves for balance			
Loans to banks and other financial institutions			
Financial assets held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Bills receivables and trade receivables	19,194,370,250.63	19,194,370,250.63	
Including: Bills receivables	2,708,466,221.80	2,708,466,221.80	
Trade receivables	16,485,904,028.83	16,485,904,028.83	
Prepayments	6,986,191,598.44	6,986,191,598.44	
Premium receivables			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	11,679,634,166.47	11,679,634,166.47	
Including: Interest receivable			
Dividends receivable	39,200,000.00	39,200,000.00	

Items	31 December 2017	1 January 2018	Adjustment
Financial assets purchased with agreement to re-sale			
Inventories	64,116,989,027.60	47,002,852,835.59	-17,114,136,192.01
Contract assets		17,114,136,192.01	17,114,136,192.01
Assets held for sale			
Non-current assets due within one year	848,829,002.75	848,829,002.75	
Other current assets	1,381,808,104.17	1,381,808,104.17	
Total current assets	123,188,852,961.67	123,188,852,961.67	
Non-current assets:			
Loans and advances to customers			
Debt investments			
Available-for-sale financial assets	5,615,186,206.42		-5,615,186,206.42
Other debt investment			
Held-to-maturity investments			
Long-term receivables	8,612,831,444.76	8,612,831,444.76	
Long-term equity investments	6,959,182,134.90	6,959,182,134.90	
Other investment in equity instruments		1,069,368,926.24	1,069,368,926.24
Other non-current financial assets		4,667,583,974.32	4,667,583,974.32
Investment properties	38,394,509.07	38,394,509.07	
Fixed assets	14,293,140,707.51	14,293,140,707.51	
Construction in progress	9,957,096,784.89	9,957,096,784.89	
Bearer biological assets			
Oil and gas assets			
Intangible assets	15,315,760,085.24	15,315,760,085.24	
Research and development expenses	185,151,197.39	185,151,197.39	
Goodwill	1,337,745,813.55	1,337,745,813.55	
Long-term prepaid expenses	502,861,235.20	502,861,235.20	
Deferred income tax assets	546,209,464.15	546,209,464.15	
Other non-current assets	371,261,198.97	371,261,198.97	
Total non-current assets	63,734,820,782.05	63,856,587,476.19	121,766,694.14
Total assets	186,923,673,743.72	187,045,440,437.86	121,766,694.14
Current liabilities:			
Short-term borrowings	14,419,747,133.00	14,419,747,133.00	
Borrowings from central bank			
Receipts of deposits and deposits from other banks			
Loans from other banks			
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			

Items	31 December 2017	1 January 2018	Adjustment
Derivative financial liabilities			
Bills payables and trade payables	35,899,008,146.58	35,899,008,146.58	
Receipts in advance	10,011,743,718.84		-10,011,743,718.84
Contract liabilities		10,011,743,718.84	10,011,743,718.84
Funds from selling out and repurchasing financial assets			
Fee and commission payable			
Employee benefits payable	336,213,264.38	336,213,264.38	
Taxes payable	2,724,025,453.83	2,724,025,453.83	
Other payables	17,128,099,460.96	17,128,099,460.96	
Including: Interest payable	290,608,336.62	290,608,336.62	
Dividends payable	255,764,884.60	255,764,884.60	
Reinsurance accounts payables			
Brokerage for trading securities			
Brokerage for consigning securities			
Liabilities held for sale			
Non-current liabilities due within one year	9,490,216,561.66	9,490,216,561.66	
Other current liabilities	1,354,772,919.74	1,354,772,919.74	
Total current liabilities	91,363,826,658.99	91,363,826,658.99	
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	27,782,209,574.50	27,782,209,574.50	
Bonds payable	11,650,000,000.00	11,650,000,000.00	
Including: Preference shares			
Perpetual bonds			
Long-term payables	2,171,311,540.59	2,171,311,540.59	
Long-term employee benefits payable	1,832,161,000.00	1,832,161,000.00	
Accrued liabilities			
Deferred income	208,959,216.70	208,959,216.70	
Deferred income tax liabilities	819,890,250.18	838,155,254.30	18,265,004.12
Other non-current liabilities			
Total non-current liabilities	44,464,531,581.97	44,482,796,586.09	18,265,004.12
Total liabilities	135,828,358,240.96	135,846,623,245.08	18,265,004.12
Owners' equity (or Shareholders' equity):			
Paid-in capital (or share capital)	4,604,777,412.00	4,604,777,412.00	
Other equity instruments	16,000,000,000.00	16,000,000,000.00	
Including: Preference shares			
Perpetual bonds	16,000,000,000.00	16,000,000,000.00	
Capital reserve	7,616,488,182.55	7,616,488,182.55	
Less: Treasury shares			

Items	31 December 2017	1 January 2018	Adjustment
Other comprehensive income	501,443,470.84	501,443,470.84	
Special reserve	59,918,487.17	59,918,487.17	
Surplus reserve	1,489,267,979.60	1,489,267,979.60	
General risk reserve			
Undistributed profits	10,759,826,667.48	10,863,328,357.50	103,501,690.02
Total equity attributable to owners of the parent company	41,031,722,199.64	41,135,223,889.66	103,501,690.02
Minority interests	10,063,593,303.12	10,063,593,303.12	
Total owners' equity (or Shareholders' equity)	51,095,315,502.76	51,198,817,192.78	103,501,690.02
Total liabilities and owners' equity (or Shareholders' equity)	186,923,673,743.72	187,045,440,437.86	121,766,694.14

Description of adjustment of each item:

Applicable Not applicable

Balance Sheet of the Parent

Unit: Yuan Currency: RMB

Items	31 December 2017	1 January 2018	Adjustment
Current assets:			
Cash at bank and on hand	6,319,468,863.99	6,319,468,863.99	
Financial assets held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Bills receivables and trade receivables	8,414,822,200.04	8,414,822,200.04	
Including: Bills receivables	36,600,000.00	36,600,000.00	
Trade receivables	8,378,222,200.04	8,378,222,200.04	
Prepayments	906,363,123.06	906,363,123.06	
Other receivables	35,041,044,126.01	35,041,044,126.01	
Including: Interest receivable			
Dividends receivable			
Inventories	2,582,365,525.30	147,066,064.79	-2,435,299,460.51
Contract assets		2,435,299,460.51	2,435,299,460.51
Assets held for sale			
Non-current assets due within one year	200,000,000.00	200,000,000.00	

Items	31 December 2017	1 January 2018	Adjustment
Other current assets	50,706,943.86	50,706,943.86	
Total current assets	53,514,770,782.26	53,514,770,782.26	
Non-current assets:			
Debt investments		3,570,000,000.00	3,570,000,000.00
Available-for-sale financial assets	4,508,143,155.13		-4,508,143,155.13
Other debt investment			
Held-to-maturity investments	3,570,000,000.00		-3,570,000,000.00
Long-term receivables	1,226,447,145.46	1,226,447,145.46	
Long-term equity investments	29,603,349,589.58	29,603,349,589.58	
Other investment in equity instruments		1,069,368,926.24	1,069,368,926.24
Other non-current financial assets		3,560,540,923.03	3,560,540,923.03
Investment properties			
Fixed assets	343,379,147.54	343,379,147.54	
Construction in progress			
Bearer biological assets			
Oil and gas assets			
Intangible assets	226,453,089.91	226,453,089.91	
Research and development expenses	30,205,365.48	30,205,365.48	
Goodwill			
Long-term prepaid expenses	11,087,124.10	11,087,124.10	
Deferred income tax assets	5,497,356.97	5,497,356.97	
Other non-current assets			
Total non-current assets	39,524,561,974.17	39,646,328,668.31	121,766,694.14
Total assets	93,039,332,756.43	93,161,099,450.57	121,766,694.14
Current liabilities:			
Short-term borrowings	12,068,710,000.00	12,068,710,000.00	
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Bills payables and trade payables	10,549,015,409.88	10,549,015,409.88	
Receipts in advance	575,344,298.28		-575,344,298.28
Contract liabilities		575,344,298.28	575,344,298.28
Employee benefits payable	93,792,350.65	93,792,350.65	
Taxes payable	536,927,930.16	536,927,930.16	
Other payables	16,031,264,659.22	16,031,264,659.22	
Including: Interest payable	257,870,666.67	257,870,666.67	
Dividends payable	234,725,833.33	234,725,833.33	
Liabilities held for sale			
Non-current liabilities due within one year	5,384,800,000.00	5,384,800,000.00	

Items	31 December 2017	1 January 2018	Adjustment
Other current liabilities			
Total current liabilities	45,239,854,648.19	45,239,854,648.19	
Non-current liabilities:			
Long-term borrowings	1,461,000,000.00	1,461,000,000.00	
Bonds payable	11,150,000,000.00	11,150,000,000.00	
Including: Preference shares			
Perpetual bonds			
Long-term payables			
Long-term employee benefits payable	47,590,000.00	47,590,000.00	
Accrued liabilities			
Deferred income	129,813,694.46	148,078,698.58	18,265,004.12
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	12,788,403,694.46	12,806,668,698.58	18,265,004.12
Total liabilities	58,028,258,342.65	58,046,523,346.77	18,265,004.12
Owners' equity (or Shareholders' equity):			
Paid-in capital (or share capital)	4,604,777,412.00	4,604,777,412.00	
Other equity instruments	16,000,000,000.00	16,000,000,000.00	

Items	31 December 2017	1 January 2018	Adjustment
Including: Preference shares			
Perpetual bonds	16,000,000,000.00	16,000,000,000.00	
Capital reserve	6,463,414,043.43	6,463,414,043.43	
Less: Treasury shares			
Other comprehensive income	717,255,622.66	717,255,622.66	
Special reserve	1,688,326.84	1,688,326.84	
Surplus reserve	1,489,267,979.60	1,489,267,979.60	
Undistributed profits	5,734,671,029.25	5,838,172,719.27	103,501,690.02
Total owners' equity (or Shareholders' equity)	35,011,074,413.78	35,114,576,103.80	103,501,690.02
Total liabilities and owners' equity (or Shareholders' equity)	93,039,332,756.43	93,161,099,450.57	121,766,694.14

Description of adjustment of each item:

Applicable Not applicable

(4) *Retrospective adjustment of comparative information of the previous period by the first implementation of the New Financial Standards*

Applicable Not applicable

VI. TAXATION

1. Main Types of Taxes and Corresponding Rates

Main types of taxes and corresponding rates

Applicable Not applicable

Tax Type	Tax basis	Tax rate
Value-added Tax ("VAT")	Output VAT is calculated on product sales and taxable services revenue, based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable	17%, 16%, 11%, 10%, 5%, 3%
City maintenance and construction tax	Based on VAT actually paid	7%, 5%, 1%
Enterprise income tax	Based on taxable profits	15%, 25%
Land VAT	Appreciation amount on property sold and applicable tax rate	30%, 40%, 50%, 60%

Disclosure of companies subject to different income tax rates

Applicable Not applicable

2. Tax Preference

Applicable Not applicable

1. *Tax incentives for high and new technology enterprises*

The details of the Company and its subsidiaries that are recognized as key high and new technology enterprises in need of national support in accordance with the Enterprise Income Tax Law and other relevant regulations are as follows:

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, the Company was recognized as a high and new technology enterprise in December 2016 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Chongqing Association for Science and Technology, Chongqing Municipal Finance Bureau, Chongqing Municipal Tax Service, State Administration of Taxation and Chongqing Local Taxation Bureau, China Gezhouba Group Explosive Stock Co., Ltd., a holding subsidiary, was recognized as a high and new technology enterprise in October 2013 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon review, it continued to be recognized as a high and new technology enterprise in December 2016.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司), a wholly-owned subsidiary, was recognized as a high and new technology enterprise in October 2015 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon review, it continued to be recognized as a high and new technology enterprise in November 2018.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, China Gezhouba Group No.1 Engineering Co., Ltd. (中國葛洲壩集團第一工程有限公司), a wholly-owned subsidiary, was recognized as a high and new technology enterprise in November 2018 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, China Gezhouba Group Electric Power Co., Ltd. (中國葛洲壩集團電力有限責任公司), a wholly-owned subsidiary, was recognized as a high and new technology enterprise in November 2018 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, China Gezhouba Group No.5 Engineering Co., Ltd. (中國葛洲壩集團第五工程有限公司), a wholly-owned subsidiary, was recognized as a high and new technology enterprise in December 2016 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Science and Technology Department of Sichuan Province, Sichuan Provincial Finance Department, Sichuan Provincial Tax Service, State Taxation Administration and Sichuan Local Taxation Bureau, China Gezhouba Group No.2 Engineering Co., Ltd. (中國葛洲壩集團第二工程有限公司) and China Gezhouba Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司), both wholly-owned subsidiaries, are recognized as high and new technology enterprises in November 2018 with a term of 3 years, and they are subjected to the enterprise income tax rate of 15%.

Upon approval by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, Beijing Municipal Tax Service, State Taxation Administration and Beijing Local Taxation Bureau, China Gezhouba Group International Engineering Co., Ltd* (中國葛洲壩集團國際工程有限公司), a wholly-owned subsidiary, was recognized as a high and new technology enterprise in October 2017 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, China Gezhouba Group Foundation Engineering Co., Ltd. (中國葛洲壩集團基礎工程有限公司), a wholly-owned subsidiary, was recognized as a high and new technology enterprise in December 2016 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Science and Technology Department of Yunnan Province, Yunnan Provincial Department of Finance and Yunnan Provincial Tax Service, State Taxation Administration and Yunnan Provincial Local Taxation Bureau, China Gezhouba Group No.6 Engineering Co., Ltd. (中國葛洲壩集團第六工程有限公司), a subsidiary of the Company, was recognized as a high and new technology enterprise in November 2016 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, Gezhouba Group Testing and Inspection Co., Ltd. (葛洲壩集團試驗檢測有限公司), a wholly-owned subsidiary of China Gezhouba Group Survey and Design Co., Ltd. (中國葛洲壩集團勘測設計有限公司), a subsidiary of the Company, was recognized as a high and new technology enterprise in December 2013 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon review, it continued to be recognized as a high and new technology enterprise in November 2016.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, Gezhouba Surveying and Mapping Geographic Information Technology Co., Ltd. (葛洲壩測繪地理信息技術有限公司), a wholly-owned subsidiary of China Gezhouba Group Survey and Design Co., Ltd. (中國葛洲壩集團勘測設計有限公司), a subsidiary of the Company, was recognized as a high and new technology enterprise in November 2017 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, Beijing Municipal Tax Service, State Taxation Administration and Beijing Local Taxation Bureau, CGGC-UN POWER Co., Ltd. (葛洲壩能源重工有限公司), a holding subsidiary of China Gezhouba Group Equipment Industry Co., Ltd. (中國葛洲壩集團裝備工業有限公司), a subsidiary of the Company, was recognized as a high and new technology enterprise in November 2018 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon approval by Science & Technology Department of

Xinjiang Uygur Autonomous Region, Finance Department of Xinjiang Uygur Autonomous Region, Xinjiang Uygur Autonomous Region Tax Service, State Taxation Administration and Xinjiang Uygur Autonomous Region Local Tax Bureau, Gezhouba Xinjiang Engineering Bureau (Co., Ltd.)(葛洲壩新疆工程局(有限公司)), a holding subsidiary of China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限公司), a subsidiary of the Company, was recognized as a high and new technology enterprise in August 2018 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, Gezhouba Laohekou Cement Company Limited (葛洲壩老河口水泥有限公司), a holding subsidiary of China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司), a subsidiary of the Company, was recognized as a high and new technology enterprise in September 2013 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon review, it continued to be recognized as a high and new technology enterprise in November 2016.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, Gezhouba Yicheng Cement Co., Ltd. (葛洲壩宜城水泥有限公司), a holding subsidiary of China Gezhouba Group Cement Co., Ltd., a subsidiary of the Company, was recognized as a high and new technology enterprise in December 2013 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon review, it continued to be recognized as a high and new technology enterprise in November 2016.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, Gezhouba Dangyang Cement Co., Ltd. (葛洲壩當陽水泥有限公司), a holding subsidiary of China Gezhouba Group Cement Co., Ltd., a subsidiary of the Company, was recognized as a high and new technology enterprise in October 2014 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon review, it continued to be recognized as a high-tech enterprise in November 2017.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, Gezhouba Jingmen Cement Co., Ltd.(葛洲壩荊門水泥有限公司), a holding subsidiary of China Gezhouba Group Cement Co., Ltd., a subsidiary of the Company, was recognized as a high and new technology enterprise in October 2015 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon review, it continued to be recognized as a high and new technology enterprise in November 2018.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, Gezhouba Wuhan Road Materials Co., Ltd.

(葛洲壩武漢道路材料有限公司), a holding subsidiary of China Gezhouba Group Cement Co., Ltd., a subsidiary of the Company, was recognized as a high and new technology enterprise in November 2018 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, Gezhouba Songzi Cement Co., Ltd. (葛洲壩松滋水泥有限公司), a holding subsidiary of China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司), a subsidiary of the Company, was recognized as a high and new technology enterprise in November 2017 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Hunan Provincial Science & Technology Department, the Hunan Provincial Department of Finance, Hunan Provincial Tax Service, State Taxation Administration and the Hunan Local Taxation Bureau, Gezhouba Shimen Special Cement Co., Ltd. (葛洲壩石門特種水泥有限公司), a holding subsidiary of China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司), a subsidiary of the Company was recognized as a high and new technology enterprise in December 2016 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon approval by Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau, Gezhouba Zhonggu Technology Corporation Limited (葛洲壩中固科技股份有限公司), a holding subsidiary of China Gezhouba Group Lvyuan Technology Co., Ltd. (中國葛洲壩集團綠園科技有限公司), a subsidiary of the Company, was recognized as a high and new technology enterprise in December 2016 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%. Upon approval by Science and Technology Department of Shaanxi Province, Financial Department of Shaanxi Province, Shaanxi Provincial Tax Service, State Taxation Administration and Shaanxi Local Taxation Bureau, China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限公司), a subsidiary of the Company, was recognized as a high and new technology enterprise in October 2017 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

Upon approval by Tianjin Science and Technology Commission, Tianjin Finance Bureau, Tianjin Municipal Tax Service, State Taxation Administration and Tianjin Local Taxation Bureau, Tianjin Binhai New Area Tanggu Huanke Xinde Wastewater Treatment Co., Ltd. (天津濱海新區塘沽環科新河污水處理有限公司), a subsidiary of China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司), was recognized as a high and new technology enterprise in December 2017 with a term of 3 years, and it is subjected to the enterprise income tax rate of 15%.

2. Other preferential tax policies

According to the Notice on Directory of VAT Concessions on Comprehensive Utilization of Goods and Services (Cai Shui [2015] No. 78) (《關於印發〈資源綜合利用產品和勞務增值稅優惠目錄〉的通知》(財稅[2015]78號文件)), the Company's

subsidiary China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司) and its affiliated subsidiaries meet the requirement of Comprehensive Utilization of Resources, enjoying refund of 70% of VAT upon collection for revenue from cement of PC42.5 and above grades produced by comprehensive utilization of waste slag resources, with over 20% of raw materials and over 40% of other cement and cement clinker from waste slag resources; subsidiaries engaging in sewage treatment business of China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司), a subsidiary of the Company, meet the requirement of Comprehensive Utilization of Resources, enjoying refund of 70% of VAT upon collection; and scrap steel and waste plastic products operated by Gezhouba Xingye Renewable Resources Co., Ltd. (葛洲壩興業再生資源有限公司) and Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司), subsidiaries of China Gezhouba Group Lvyuan Technology Co. Ltd. (中國葛洲壩集團綠園科技有限公司), a subsidiary of the Company, meet the requirement of Comprehensive Utilization of Resources, enjoying refund of 30% and 50% of VAT upon collection, respectively. From 1 January 2011 to 31 December 2020, enterprise income tax may be levied at a reduced tax rate of 15% on Gezhouba Chongqing Daxihe Hydropower Development Co., Ltd. (葛洲壩重慶大溪河水電開發有限公司), a subsidiary of China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司), in encouraged industries that are established in the western region according to Cai Shui [2011] No. 58.

3. Others

Applicable Not applicable

VII. NOTES TO ITEMS IN CONSOLIDATED FINANCIAL STATEMENT

1. Cash at Bank and on Hand

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash	24,110,713.00	40,594,641.36
Bank deposit	19,024,035,842.49	18,559,049,566.34
Other currency	499,356,107.72	381,386,603.91
Total	19,547,502,663.21	18,981,030,811.61
Including: total amount		
deposited		
abroad	3,310,202,302.21	3,642,632,707.63

Other explanation

The monetary capital which was limited to use due to mortgage, pledge and being frozen, or limited to remit to China in foreign countries are as following:

Items	Closing balance	Opening balance
Deposits in other cities	520,069.69	
Bank acceptance deposit	73,768,361.79	30,684,268.35
Guarantee deposit	14,649,127.54	10,844,306.71
Letter of guarantee deposit	87,508,244.75	59,745,040.34
Others	246,244,735.60	257,600,112.69
Total	422,690,539.37	358,873,728.09

2. Bills Receivables and Trade Receivables*Consolidated statements**(1). Presentation by classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bills receivables	3,475,032,065.02	2,708,466,221.80
Trade receivables	15,270,815,875.78	16,485,904,028.83
Total	18,745,847,940.80	19,194,370,250.63

Other explanation:

Applicable Not applicable

*Bills receivables**(1). Bills receivable shown as classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bank acceptance bills	2,758,990,004.82	2,510,271,850.27
Commercial acceptance bills	716,042,060.20	198,194,371.53
Total	3,475,032,065.02	2,708,466,221.80

(2) *Bills receivables which was pledged at the end of the period*Applicable Not applicable(3) *Bills receivables that have been endorsed or discounted and is undue on the balance sheet date at the end of the period*Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount derecognised at the end of the period	Amount continued to be recognised at the end of the period
Bank acceptance bills	4,581,217,302.86	
Commercial acceptance bills	288,793,371.02	
Total	4,870,010,673.88	

(4) *Bills receivables reclassified into trade receivables due to issuer's default at the end of the period*Applicable Not applicable(5) *Bills receivables disclosed by classification by means of bad debt provision*Applicable Not applicable

Bills receivables accruing bad debt provision on an individual basis:

Applicable Not applicable

Bills receivables accruing bad debt provision on a combination basis:

Applicable Not applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

(6). *Provision for bad debt*

Applicable Not applicable

(7). *The situation of the actual write-off of bills receivables for the period*

Applicable Not applicable

Other explanation

Applicable Not applicable

Trade receivables

(1). *Disclosure by aging*

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance
Within 1 year	
Including: Subitems within 1 year	
0 to 6 months	12,493,398,535.97
6 months to 1 year	1,118,095,119.97
Sub-total within 1 year	13,611,493,655.94
1 to 2 years	714,339,413.01
2 to 3 years	522,529,625.74
3 to 4 years	355,881,223.13
4 to 5 years	187,520,733.67
Over 5 years	109,003,674.43
Total	15,500,768,325.92

(2). *Trade receivables disclosed by classification by means of bad debt provision*

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Carrying amount		Bad debt provision		Carrying Value	Carrying amount		Bad debt provision		Carrying Value
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision on an individual basis	3,653,669,652.76	23.57	27,738,490.51	0.76	3,625,931,162.25	3,635,582,428.32	21.79	12,913,739.95	0.62	3,622,668,688.37
Bad debt provision on a combination basis	11,847,098,673.16	76.43	202,213,959.63	1.71	11,644,884,713.53	13,049,986,166.67	78.21	186,750,826.21	1.43	12,863,235,340.46
Including:										
Group 1	11,767,552,326.30	75.92	202,213,959.63	1.72	11,565,338,366.67	13,013,950,488.62	78.00	186,750,826.21	1.44	12,827,199,662.41
Group 2	79,546,346.86	0.51			79,546,346.86	36,035,678.05	0.22			36,035,678.05
Total	15,500,768,325.92	/	229,952,450.14	/	15,270,815,875.78	16,685,568,594.99	/	199,664,566.16	/	16,485,904,028.83

Bad debt provision on an individual basis:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Carrying amount	Bad debt provision	Closing balance	Reasons for provision
			Provision percentage (%)	
Construction quality assurance fee	3,638,433,561.32	12,502,399.07	0.34	Provision for impairment is provided upon individual impairment test
Hubei Yuhu Industrial Co., Ltd. (湖北譽虎實業有限公司)	1,613,185.00	1,613,185.00	100.00	It is difficult to recover due to long aging
Jingmen Zhonghe Concrete Co., Ltd. (荊門中和混凝土有限責任公司)	7,565,992.39	7,565,992.39	100.00	It is difficult to recover due to long aging
Zhejiang Dadi Water Diversion Project (浙江大地引江濟漢通航工程)	672,204.02	672,204.02	100.00	It is difficult to recover due to long aging
Chengdu Qixin Engineering Materials Co., Ltd. (成都奇鑫工程材料有限公司)	705,490.00	705,490.00	100.00	It is difficult to recover due to long aging
Dalian Jindi Construction Engineering Co., Ltd. (大連金帝建設工程有限公司)	620,000.00	620,000.00	100.00	It is difficult to recover due to long aging
Zibo Yemai Construction Co., Ltd. (淄博業脈建設有限公司)	744,487.34	744,487.34	100.00	It is difficult to recover due to long aging
Others	3,314,732.69	3,314,732.69	100.00	It is difficult to recover due to long aging
Total	3,653,669,652.76	27,738,490.51		/

Description of single item of bad debt provision:

Applicable Not applicable

Provision by portfolio:

Applicable Not applicable

Provision by portfolio: Group 1

Unit: Yuan Currency: RMB

Name	Trade receivables	Closing balance	
		Bad debt Provision	Provision percentage (%)
Within 1 year			
Including: 0 to 6 months	10,276,070,900.25		
6 months to 1 year	419,721,468.18	20,986,073.50	5.00
Sub-total of within 1 year	10,695,792,368.43	20,986,073.50	0.20
1 to 2 years	390,129,024.59	31,210,321.96	8.00
2 to 3 years	304,754,332.92	30,475,433.30	10.00
3 to 4 years	162,523,729.93	32,504,745.97	20.00
4 to 5 years	168,889,822.88	50,666,946.88	30.00
Over 5 years	45,463,047.55	36,370,438.02	80.00
Total	11,767,552,326.30	202,213,959.63	

Recognition criteria and description of provision for bad debts made on a collective basis:

Applicable Not applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

(3). *Provision for bad debt*

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Provision	Change amount for current period		Closing balance
			Increase due to business combinations	Transfer or write-off	
Bad debt					
provision	199,664,566.16	5,437,048.44	31,658,241.23	6,807,405.69	229,952,450.14
Total	199,664,566.16	5,437,048.44	31,658,241.23	6,807,405.69	229,952,450.14

Explanation: Trade receivables written-off and trade receivables reversed for the current period amounted to RMB6,552,545.79 and RMB254,859.90, respectively.

The significant amount of provision recovery or reversal of bad debts provision in the period:

Applicable Not applicable

(4). *Trade receivables written off in the period*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Written off
Trade receivables written off	6,552,545.79

Of which, significant trade receivables written off

Applicable Not applicable

Description of trade receivables written off:

Applicable Not applicable

(5). *Status of top five trade receivables according to the closing balance collected by the debtor*

Applicable Not applicable

Name of company	Trade receivables	Closing balance Percentage of total trade receivables (%)	Provision for bad debts
The largest	1,228,621,729.34	7.93	
The second largest	621,717,774.62	4.01	
The third largest	540,701,174.91	3.49	
The fourth largest	396,020,713.92	2.55	
The fifth largest	395,834,177.20	2.55	
Total	3,182,895,569.99	20.53	

(6). *Derecognized trade receivables due to the transfer of financial assets*

Applicable Not applicable

(7). Amount of assets and liabilities from transferred trade receivables and continuing to be involved in

Applicable Not applicable

Other explanation:

Applicable Not applicable

3. Prepayments

(1). By aging

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	7,351,945,960.34	88.35	6,333,020,542.52	90.65
1 to 2 years	416,022,245.63	5.00	334,459,466.97	4.79
2 to 3 years	248,370,475.21	2.98	177,983,102.76	2.55
Over 3 years	304,850,325.93	3.67	140,728,486.19	2.01
Less: provision for impairment of prepayments	451,622,276.90			
Total	7,869,566,730.21	100.00	6,986,191,598.44	100.00

Reasons for delayed settlement of significant prepayments with an age of over one year:

- (1) Significant prepayments with an age of over one year are mainly prepayments for project construction, which has not been settled due to long construction period of partial project construction.
- (2) Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司), a holding subsidiary of China Gezhouba Group Lvyuan Technology Co., Ltd., a wholly-owned subsidiary of the Company, made prepayments to certain suppliers with whom it has long-term cooperation. The Company assessed the recoverable amount of part of the prepayments at the end of the period and made a provision for impairment of prepayments of RMB451,622,276.90 based on the principle of prudence.

(2). *Top five largest prepayments at the end of the period by the balance collected regarding receivers of advances*✓Applicable Not applicable

Receivers of advances	Closing balance	Percentage in the closing balance of total prepayments (%)
The largest	743,200,000.00	8.93
The second largest	612,651,601.79	7.36
The third largest	385,579,627.55	4.63
The fourth largest	284,458,341.90	3.42
The fifth largest	147,987,363.03	1.78
Total	2,173,876,934.27	26.12

Other explanation

Applicable ✓Not applicable**4. Other Receivables***Consolidated statements*(1). *Shown as classification*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Closing balance	Opening balance
Interest receivable	251,300.00	
Dividends receivable		39,200,000.00
Other receivables	10,702,257,736.51	11,640,434,166.47
Total	10,702,509,036.51	11,679,634,166.47

Other explanation:

Applicable ✓Not applicable*Interest receivable*(1). *Classification of interest receivable*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Borrowings interest	251,300.00	
Total	251,300.00	
(2). <i>Significant overdue interest</i>		
	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	
(3). <i>Provision for bad debts</i>		
	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	
	Other explanation:	
	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	

Dividends receivable

- (1). *Dividends receivable*
- Applicable Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地 產開發有限公司)		39,200,000.00
Total		39,200,000.00
(2). <i>Significant dividends receivable with an age over 1 year</i>		
	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	
(3). <i>Provision for bad debts</i>		
	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	

Other explanation:

Applicable Not applicable

Other receivables

(1). *Other receivables by aging*

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance
Within 1 year	
Including: subitems within 1 year	
0 to 6 months	9,543,621,165.22
6 months to 1 year	389,245,515.49
Sub-total within 1 year	9,932,866,680.71
1 to 2 years	161,473,097.87
2 to 3 years	601,111,515.96
3 to 4 years	12,554,127.37
4 to 5 years	33,209,430.52
Over 5 years	155,646,154.04
Total	10,896,861,006.47

(2). *Classification by nature*

Applicable Not applicable

Unit: Yuan Currency: RMB

Nature of accounts	Closing book balance	Opening book balance
Retention money	4,061,607,054.73	5,661,751,699.50
Interest-bearing placements	2,755,261,531.36	3,235,539,269.21
Non-interest-bearing placements	1,943,097,057.26	80,921,994.15
Deposits	93,636,823.56	81,868,721.20
Other prepayments receivable	698,883,444.75	114,431,510.25
Others	1,344,375,094.81	2,634,299,427.24
Total	10,896,861,006.47	11,808,812,621.55

(3). *Provision for bad debt*

Applicable Not applicable

Unit: Yuan Currency: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (non-creditimpaired)	Lifetime ECL (credit-impaired)	
Balance as at 1 January 2018	168,378,455.08			168,378,455.08
Balance for the period as at 1 January 2018				
- Transferred to stage 2				
- Transferred to stage 3				
- Reversed to stage 2				
- Reversed to stage 1				
Provision for the period	23,254,296.27			23,254,296.27
Reversal for the period				
Write-off for the period				
Cancellation for the period	678,000.00			678,000.00
Increase due to business combinations	3,648,518.61			3,648,518.61
Amounts as at 31 December 2018	194,603,269.96			194,603,269.96

Description about significant changes in gross carrying amount of other receivables for which loss provision has changed in the period:

Applicable Not applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

Applicable Not applicable

(4). *Provision for bad debt*

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Increase due to business combinations	Write-off or cancellation	
Provision for bad debt	168,378,455.08	23,254,296.27	3,648,518.61	678,000.00	194,603,269.96
Total	168,378,455.08	23,254,296.27	3,648,518.61	678,000.00	194,603,269.96

Significant amounts of provision for bad debts recovered or reversed in the period:

Applicable Not applicable

(5). *Other receivables written off in the period*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Write-off
Other receivables written off	678,000.00

Of which, significant other receivables written off:

Applicable Not applicable

Explanation of other receivables written off:

Applicable Not applicable

(6). *Five largest other receivables by debtor at the end of the period*

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of entity	Nature of receivable	Closing balance	Aging	Proportion of the closing balance of total other receivables (%)	Provision for bad debt closing balance
The largest	Interest-bearing placements, non-interest-bearing placements	2,393,850,761.37	0-6 months	21.97	
The second largest	Deposits	714,626,878.33	1-2 years	6.56	
The third largest	Non-interest-bearing placements	682,266,193.50	0-6 months	6.26	
The fourth largest	Interest-bearing placements	580,853,259.66	0-6 months	5.33	
The fifth largest	Deposits	514,487,500.00	1-2 years	4.72	
Total	/	4,886,084,592.86	/	44.84	

(7). *Receivables involving government subsidies*

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of entity	Projects related to government subsidies	Closing balance	Aging	Expected receiving time, balance and reason
Government of Ganjingzi District, Dalian	Tax refunds	73,246,806.16	Within 6 months, 1-2 years	2019
Zhoukou Logistics Industry Cluster	Tax refunds	34,119,613.97	Within 6 months	2019
Finance Bureau of Qi County	Tax refunds	47,462,200.00	Within 6 months	2019
Finance Bureau of Shangcheng County	Tax refunds	43,350,155.16	Within 6 months	2019
Laohekou Treasury Centralized Collection and Payment Center (老河口市國庫集中收付中心)	Tax refunds	40,265,644.53	Within 6 months	2019
Finance bureau of Tianjin Port Free Trade Zone (天津港保稅區財政局)	Tax refunds	35,264,172.99	Within 6 months	2019
Tianjin Ziya Circle Economic Park Government (天津子牙循環經濟園區政府)	Tax refunds	34,463,645.99	1-2 years	2019
Inner Mongolia Baotou Aluminum Industry Park Management Committee (內蒙古包頭鋁業產業園區管理委員會)	Tax refunds	32,981,272.11	Within 6 months	2019
Finance Bureau of Louxing District, Loudi City (婁底市婁星區財政局)	Tax refunds	27,854,895.00	Within 6 months	2019
People's Government of Huaiyuan County (懷遠縣人民政府)	Tax refunds	25,162,637.86	Within 6 months	2019
Xuyi County Guanzhen Town Finance Office (盱眙縣管鎮財政所)	Tax refunds	14,600,437.89	Within 6 months	2019
Finance Bureau of Changge City (長葛市財政局)	Tax refunds	10,547,300.00	Within 6 months	2019
Other	Tax refunds	80,990,573.57	Within 6 months, 1-2 years	2019
Total		500,309,355.23		

(8). *Other receivables derecognized due to the transfer of financial assets*

Applicable Not applicable

(9). *Amount of assets or liabilities resulting from transfer of other receivables and continuing involvement*

Applicable Not applicable

Other explanation:

Applicable Not applicable

5. Inventories

(1). *Classification*

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Items	Book balance	Closing balance		Opening balance		
		performance cost	Carrying amount	Book balance	Inventory impairment loss provision	Carrying amount
Raw materials	2,241,125,082.23		2,241,125,082.23	1,933,300,282.63		1,933,300,282.63
Product in progress	609,373,856.40		609,373,856.40	336,576,514.97		336,576,514.97
Finished products	1,175,847,666.60		1,175,847,666.60	1,533,644,987.42		1,533,644,987.42
Circulating material	152,475,961.08	4,383,299.18	148,092,661.90	133,790,777.18	4,383,299.18	129,407,478.00
Contract performance costs	102,536,978.39		102,536,978.39			
Development costs	45,681,423,730.57		45,681,423,730.57	40,559,561,076.37		40,559,561,076.37
Development of products	2,239,218,134.08		2,239,218,134.08	2,510,362,496.20		2,510,362,496.20
Completed but unsettled assets				17,116,657,746.20	2,521,554.19	17,114,136,192.01
Total	52,202,001,409.35	4,383,299.18	52,197,618,110.17	64,123,893,880.97	6,904,853.37	64,116,989,027.60

(I) Development costs:

Name of project	Estimated total investment	Closing balance for the year	Opening balance for the year
Hainan Gezhouba Fuwan Project (海南葛洲壩福灣項目)	9,127,506,100.00	2,516,173,442.61	5,413,594,981.79
Jinxiuhuafu project (錦繡華俯項目)	377,580,000.00	59,858,403.36	59,858,403.36
Shanghai Yulan Garden (上海玉蘭花園)	11,112,000,000.00	3,981,573,167.24	4,078,429,566.00
Nanjing Zijun Orchid Court (南京紫郡蘭園)	9,400,000,000.00	2,693,088,221.59	3,893,231,825.34
Guangzhou Zijun Residence (廣州紫郡府)	5,229,260,000.00	3,392,780,925.14	3,128,560,578.16
Shanghai Zijun Mansion (上海紫郡公館)	1,970,000,000.00	1,653,235,188.87	1,452,963,076.14
Beijing China Residence (北京中國府)	10,812,644,856.00	6,281,832,521.98	5,772,415,504.86
Chengdu Zijun Orchid Court (成都紫郡蘭園)	2,195,117,301.00	1,086,545,465.62	721,446,273.24
Nanjing China Residence (南京中國府)	5,500,000,000.00	4,007,880,728.13	3,715,295,899.40
Hefei Binhu Project (合肥濱湖項目)	6,977,071,000.00	4,663,800,865.80	4,268,968,602.43
Nanjing Zijun Residence project (南京紫郡府項目)	3,500,000,000.00	2,312,440,217.85	2,006,240,755.10
Plot No. 02-01 at Shengli Road (勝利路02-01地塊)	1,495,848,828.00	1,178,314,451.89	1,070,324,935.57
Hangzhou China Residence (杭州中國府)	9,441,920,000.00	4,697,319,838.42	22,060,211.27
Su Di Plot No. 2017-WG-20 (蘇地2017-WG-20地塊)	1,568,650,000.00	808,873,015.38	
Beijing Zijun Orchid Court (北京紫郡蘭園)	7,803,625,627.00	5,998,780,575.48	
Gezhouba Jingkai Zijun Orchid Garden (葛洲壩經開紫郡蘭園)	1,635,000,000.00	348,926,701.21	216,936,694.15
Beijing Jinghang Plaza Project (北京京杭廣場項目)			2,336,498,228.07
Gezhouba.Long Mansion (葛洲壩·玫瑰府)			173,697,887.44
Gezhouba Optics Valley Building (葛洲壩光谷大廈)			199,861,007.63
Gezhouba Weike Mansion (葛洲壩微客公館)			57,590,800.00
CGGC International Plaza (葛洲壩國際廣場)			1,891,350,386.53
Zone B of Gezhouba Century Garden (葛洲壩世紀花園B區)			80,235,459.89
Total		45,681,423,730.57	40,559,561,076.37

(II) Development of products:

Name of project	Date of completion	Closing balance for the year	Opening balance for the year
Chief Park City (Phase 1) project	2009-11-18	36,390,816.22	45,129,041.24
Chief Park City (Phase 2) project	2012-3-10	13,135,564.75	16,802,988.51
Jinxiuxingcheng project (錦繡星城項目)	2014-6-10	49,741,400.75	60,334,168.16
Yichang economically affordable housing project (宜昌經濟房項目)	2013-5-31	11,360,384.34	13,835,475.13
Gezhouba Sun City project (葛洲壩太陽城項目)	2013-6-30	141,872,070.62	147,489,832.24
North area of CGGC International Plaza (葛洲壩國際廣場北區)	2011-12-20	92,325,776.36	110,686,033.96
Zone B of Gezhouba Century Garden (葛洲壩世紀花園B區)	2018-12-21	71,191,318.33	201,633,414.12
Nanjing Zijun Orchid Court (南京紫郡蘭園)	2018-12-21	147,609,252.00	
Gezhouba Xinjiang Headquarters Tower and supporting residence (葛洲壩新疆總部大廈及配套住宅)	2017-1-18	49,239,079.58	86,440,910.70
Gezhouba Runjing International (葛洲壩潤景國際)	2015-12-8	92,499,553.56	91,216,908.25
City Garden Phase I (城市花園一期)	2015-3-26		31,300,935.23
Beijing Grand Canal Center (京杭廣場)	2015-12-31		32,344,566.38
Shanghai Orchid Zhen Garden project (上海玉蘭臻園項目)	2015-1-1	24,871,256.55	13,370,091.46
Jinxiuhua project	2015-7-1	9,343,364.88	30,329,822.62
Splendid Garden (錦繡華庭)	2015-7-1	27,548,669.91	40,655,038.02
Gezhouba Weike Mansion (葛洲壩微客公館)	2016-9-18	27,840,443.29	126,557,950.51
Gezhouba Zi Jun Mansion (葛洲壩紫郡府)	2015-1-4	53,272,236.26	55,213,088.82
Beijing Jade Mansion (北京西宸原著)	2017-1-30	627,688,765.81	609,291,003.13
Gezhouba City Garden (葛洲壩城市花園)	2017-1-1	602,728,500.36	751,305,098.53
Gezhouba.Long Mansion (葛洲壩·玫瑰府)	2018-5-23	160,559,680.51	46,426,129.19
Total		2,239,218,134.08	2,510,362,496.20

(2). *Provision for inventory impairment/impairment provision for contract performance cost*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Circulating material	4,383,299.18					4,383,299.18
Completed but unsettled assets	2,521,554.19			2,521,554.19		
Total	6,904,853.37			2,521,554.19		4,383,299.18

(3). *Amount of capitalised borrowing costs included in closing balance of inventories*

Applicable Not applicable

Capitalised interests in current period of RMB1,280,145,741.66 were included in development costs of inventories at the end of the period and the capitalization rate used to determine the amount of capitalised borrowing costs was 4.28%-9.00%.

(4). *Amortisation amount of contract performance cost for the current period*

Applicable Not applicable

Other explanation

Applicable Not applicable

6. **Contract Assets**(1). *Contract assets*

Applicable Not applicable

Unit: Yuan Currency: RMB

Contract assets

Contract assets	17,106,647,132.23
Less: Provision for impairment of contract assets	43,300,152.90
Closing balance	17,063,346,979.33
Of which: presented under contract assets	17,063,346,979.33
presented under other non-current assets	

(2). *The amount and reason for the significant change in the carrying amount during the reporting period*

Applicable Not applicable

(3). *Provision for impairment of contract assets in the current period*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Transfer in when reclassification	Provision for the period	Reversal for the period	Reversal/write- off for the period	Reason
Provision for impairment of contract assets	2,521,554.19	43,300,152.90		2,521,554.19	43,300,152.90
Total	2,521,554.19	43,300,152.90		2,521,554.19	43,300,152.90

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

Other explanation:

Applicable Not applicable

7. **Non-current Assets Due within One Year**

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term receivables due within one year	1,071,855,569.69	848,829,002.75
Total	1,071,855,569.69	848,829,002.75

8. Other Current Assets✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Prepaid taxes	2,578,523,974.20	1,377,355,809.19
Others	561,073.47	4,452,294.98
Total	2,579,085,047.67	1,381,808,104.17

9. Available-for-sale Financial Assets

Items	Book balance	Opening balance	
		Provision for impairment	Carrying amount
Available-for-sale equity instruments	5,183,599,882.53	11,886,833.20	5,171,713,049.33
Including: Measured at fair value	1,069,368,926.24		1,069,368,926.24
Measured at cost	4,114,230,956.29	11,886,833.20	4,102,344,123.09
Available-for-sale investment in trust products	443,473,157.09		443,473,157.09
Including: Measured at fair value	443,473,157.09		443,473,157.09
Total	5,627,073,039.62	11,886,833.20	5,615,186,206.42

10. Long-term Receivables**(1). Long-term receivables**✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Book balance	Closing balance		Book balance	Opening balance		Range of discount rate
		Provision for bad debt	Carrying amount		Provision for bad debt	Carrying amount	
BT project	1,666,744,287.10		1,666,744,287.10	1,735,917,519.78		1,735,917,519.78	
BOT project	9,886,846,983.92		9,886,846,983.92	3,401,118,188.26		3,401,118,188.26	
Long-term construction receivables	3,624,532,927.31	38,563,181.70	3,585,969,745.61	3,318,827,980.05	23,032,243.33	3,295,795,736.72	
Relocation compensation	150,000,000.00	15,000,000.00	135,000,000.00	180,000,000.00		180,000,000.00	
Total	15,328,124,198.33	53,563,181.70	15,274,561,016.63	8,635,863,688.09	23,032,243.33	8,612,831,444.76	/

(2). *Provision for bad debts*
 Applicable Not applicable

Unit: Yuan Currency: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit impaired)	
Amounts due as at 1 January 2018	23,032,243.33			23,032,243.33
Amounts due for the period as at 1 January 2018				
– Transferred to stage 2				
– Transferred to stage 3				
– Reversed to stage 2				
– Reversed to stage 1				
Provision for the period	30,530,938.37			30,530,938.37
Reversal for the period				
Write-off for the period				
Cancellation for the period				
Other changes				
Amounts due as at 31 December 2018	53,563,181.70			53,563,181.70

Description about obvious changes in gross carrying amount of other receivables for which loss provision has changed in the period:

 Applicable Not applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

Applicable Not applicable

(3). *Long-term receivables derecognised due to transfer of financial assets*

Applicable Not applicable

(4). *Amount of assets or liabilities resulting from long-term receivable transfer and continuing involvement*

Applicable Not applicable

Other explanation

Applicable Not applicable

11. Long-term Equity Investment

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period			Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Other equity changes						
I. Joint ventures												
Gezhouba Jianxin (Wuhan) Investment Fund Management Co., Ltd.(葛洲坝建信(武汉)投资基金管理有限公司)	5,010,967.40										5,010,967.40	
Jingzhou Chagelai Expressway Investment and Construction Co., Ltd.(荆州城北快速路投资建设有限公司)	350,000,000.00	382,010,000.00									732,010,000.00	
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd.(南京葛洲坝城市地下空间综合建设开发有限公司)	20,000,000.00	50,000,000.00									70,000,000.00	
Yichang Miaozui Bridge Construction Engineering Co., Ltd.(宜昌峡湾大桥建设工程有限公司)	93,300,000.00										93,300,000.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase or decrease in the period Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
Beijing Zongheng Wuzhou Management Consulting Co., Ltd.(北京縱橫五洲管理諮詢有限公司)	4,900,000.00			-407,848.91						4,492,151.09	
Guangzhou Runao Real Estate Development Co., Ltd.* (廣州市如安房地產開發有限公司)	1,033,339,452.68			15,149,129.75						1,048,488,582.43	
Guangzhou Zhengjin Real Estate Development Co., Ltd.(廣州市正林房地產開發有限公司)	1,102,961,316.12			290,380,652.19						1,393,341,968.31	
Sub-total	2,609,511,736.20	432,010,000.00		305,121,933.03						3,346,643,669.23	
II. Associates											
China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司)	950,117,686.25			66,973,695.62	-14,724.00	30,920.40	-30,894,091.20			986,213,487.07	
Chongqing Jiangqi Highway Co., Ltd.(重慶江綦高速公路有限公司)	487,324,000.00			-603,879.80						486,720,120.20	
Zhangjiajie Yongli Civil Explosive Co., Ltd.(張家界永利民爆有限公司)	588,490.19		-83.100	-2,721.39			-219,714.00			282,954.80	
Yiyang Yilian Civil Explosive Equipment Co., Ltd.(益陽益聯民爆器材有限公司)	531,559.35			120,567.40			-72,860.00			579,266.75	

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period			Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Other equity changes	Provision for impairment					
Chongqing Gezhouba Sinace Jinyu Properties Co., Ltd. (重慶葛洲壩創金裕置業有限公司)	308,405,667.48			77,445,783.79							385,851,451.27	
Chongqing Gezhouba Sinace Shanda Properties Co., Ltd. (重慶葛洲壩創金裕置業有限公司)	266,858,038.05			40,339,033.20							307,197,071.25	
Beijing Franchison Gezhouba Real Estate Development Co., Ltd. (北京力興葛洲壩房地產開發有限公司)	104,266,660.13			362,689,204.53							466,955,864.66	
Chongqing Geqing Construction Co., Ltd. (重慶市葛興建設有限公司)	3,353,136.64			-828,253.08							2,524,883.56	
Yichang High-tech Landscaping Co., Ltd. (宜昌高新園林綠化有限公司)	2,146,529.55	3,920,000.00		745,651.59							6,812,181.14	
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華陽置地葛洲壩置業有限公司)	950,207,502.43			-4,011,425.54							946,196,076.89	
Gezhouba Zhongle Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司)	58,285,700.00	19,000,000.00									77,285,700.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period		Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Other equity changes					
Weinan Dongyin Water Supply Co., Ltd.(渭南市東源供水有限公司)	50,000,000.00									50,000,000.00	
Panxian Hongcai Gezhouba Project Management Co., Ltd.(盤縣宏財葛州壩項目管理有限公司)	900,000.00									900,000.00	
Gezhouba (Tangshan) Feiguan Investment and Construction Co., Ltd.(葛州壩(唐山)豐南投資建設有限公司)	222,500,000.00									222,500,000.00	
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd.(葛州壩(瀘州)長江六橋投資有限公司)	25,000,000.00									25,000,000.00	
Gezhouba (Xi'an) Qinhuai Avenue Investment and Construction Co., Ltd.(葛州壩(西安)秦漢大道投資建設有限公司)	100,000,000.00									100,000,000.00	
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd.(葛州壩集團(貴陽)綜合保區投資建設有限公司)	1,500,000.00									1,500,000.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase or decrease in the period Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
Gezhouba (Huzhou) Huayang Investment and Construction Co., Ltd. (葛洲壩(湖州惠陽)投資建設有限公司)	6,000,000.00									6,000,000.00	
China Overseas Infrastructure Development Co., Ltd. (中國海外基礎設施開發有限公司)	332,210,000.00			3,913,143.33						327,023,143.33	
Shandong Gezhouba Jidun Expressway Co., Ltd. (山東葛洲壩巨野高速公路有限公司)	180,000.00									180,000.00	
Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩濰縣高速公路有限公司)	300,000.00									300,000.00	
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濰縣高速公路有限公司)	5,180,000.00									5,180,000.00	
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國鎮水環境治理投資建設有限公司)	161,500,000.00									161,500,000.00	
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	19,640,000.00									19,640,000.00	

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase or decrease in the period Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
Gezhouba (Shenzhen) Real Estate Development Co., Ltd./葛洲壩(深圳)房地產開發有限公司	38,830,186.10			-2,090,373.53						36,739,812.57	
Hangzhou Longshang Real Estate Development Co., Ltd./杭州龍尚房地產開發有限公司	230,065,770.48			126,745,162.73						356,810,933.21	
Gekuangli Nanjing Property Development Co., Ltd./葛礦利南京房地產開發有限公司	32,779,472.05			-779,489.24						31,999,982.81	
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃石高速公路有限公司)		1,950,000,000.00								1,950,000,000.00	
Gezhouba (Huzhou) Jiangnan Avenue Investment and Construction Co., Ltd./葛洲壩(湖州)江南大道投資建設有限公司										5,000,000.00	
Yunnan Gezhouba Xuanqiang Expressway Development Co., Ltd./雲南葛洲壩宣強高速公路開發有限公司		355,000,000.00								355,000,000.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase or decrease in the period Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
Pringon Gezhouba (Shenzhen) Expressway Investment Partnership Company* (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	257,487,703.00	257,487,703.00		4,009,055.55			-4,009,055.55			257,487,703.00	
Guangxi Gezhouba Tianci Expressway Co., Ltd.(廣西葛洲壩田西高速公路有限公司)	120,000,000.00	120,000,000.00								120,000,000.00	
Hubei Huangshi Wuyang Expressway Development Co., Ltd.(湖北黃石武陽高速公路發展有限公司)	20,000,000.00	20,000,000.00								20,000,000.00	
Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd.(南京江北新區地下空間研究院有限公司)	5,250,000.00	5,250,000.00								5,250,000.00	
Gezhouba Wuh Novel Blasting (PVT) Ltd.(葛洲壩瓦礫諾貝爾爆破有限公司)	4,866,319.35	4,866,319.35								4,866,319.35	
Hangzhou Longyu Investment Management Co., Ltd.(杭州龍魯投資管理有限公司)	578,000,000.00	578,000,000.00								578,000,000.00	
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd.(中葛永茂(蘇州)房地產開發有限公司)	22,000,000.00			-246,766.96						21,753,233.04	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase or decrease in the period Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
Wuhan Gezhouba Longshu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)		2,480,772,852.36								2,480,772,852.36	
Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)		2,400,000.00								2,400,000.00	
Huadian Huayuan Artificial Environment Engineering Co., Ltd. (華電華源人工環境工程有限公司)	4,349,670,398.70	5,823,696,874.71	-83,100.00	674,318,388.20	-14,724.00	30,920.40	-35,195,720.75		518,691.68	10,812,941,728.94	518,691.68
Total	6,939,182,134.90	6,255,706,874.71	-83,100.00	979,440,321.23	-14,724.00	30,920.40	-35,195,720.75		518,691.68	14,159,585,398.17	

12. Other Equity Instrument Investment**(1). Other equity instrument investment**

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Investment in equity of listed companies	699,777,632.80	
Total	699,777,632.80	

(2). Information of non-trading equity instrument investment

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Dividend income recognized in the period	Accumulated gains	Accumulated losses	Amounts transferred to retained earnings from other comprehensive income	Reasons designated to be measured at fair value through other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
Investment in equity of listed companies	20,381,872.80	495,833,336.30			Non-trading equity instrument investment	

Other explanation:

Applicable Not applicable

13. Other Non-current Financial Assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	5,213,561,990.40	
Including: investments in equity instruments	4,726,599,296.17	
Investments in trust products	486,962,694.23	
Total	5,213,561,990.40	

Other explanation:

✓Applicable Not applicable

Explanation: Except for investment in equity of listed companies, the investment in equity instruments of the Company includes other non-current financial assets and its change in fair value was included in gains or losses from change in fair value. As the end of 2018, the fair value of other non-current financial assets at the end of the period was assessed and the change in fair value of RMB418,392,062.83 for the period was included in gains or losses from change in fair value. Please refer to Note V (55) Gains or losses from change in fair value.

14. Investment Properties

Measurement of investment properties

(1). Investment properties measured at cost

Unit: Yuan Currency: RMB

Items	Buildings and structures	Total
I. Original carrying amount		
1. Opening balance	49,670,964.23	49,670,964.23
2. Increase for the period	4,312,234.42	4,312,234.42
– Acquisition of subsidiaries	4,312,234.42	4,312,234.42
3. Decrease for the period		
4. Closing balance	53,983,198.65	53,983,198.65
II. Accumulated depreciation and accumulated amortisation		
1. Opening balance	11,276,455.16	11,276,455.16
2. Increase for the period	4,453,783.99	4,453,783.99
(1) Provision or amortisation	2,215,711.95	2,215,711.95
(2) – Acquisition of subsidiaries	2,238,072.04	2,238,072.04

Items	Buildings and structures	Total
3. Decrease for the period		
4. Closing balance	15,730,239.15	15,730,239.15
III. Provision for impairment		
1. Opening balance		
2. Increase for the period		
3. Decrease for the period		
4. Closing balance		
IV. Carrying amount		
1. Closing carrying amount	38,252,959.50	38,252,959.50
2. Opening carrying amount	38,394,509.07	38,394,509.07

(2). *Information of investment properties for which title certificates have not been obtained*

Applicable Not applicable

Other explanation

Applicable Not applicable

15. Fixed Assets

Items in consolidated statements

(1). *Shown as classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	17,093,518,447.75	14,289,609,300.52
Disposal of fixed assets	13,688,209.14	3,531,406.99
Total	17,107,206,656.89	14,293,140,707.51

Other explanation:

Applicable Not applicable

*Fixed assets**(1). Fixed assets*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Buildings and structure	Machinery and equipment	Transportation tools	Electronic equipment	Others	Total
I. Original carrying amount						
1. Opening balance	9,983,748,266.31	9,421,906,164.41	1,792,921,518.43	508,426,464.44	398,268,494.87	22,105,270,908.46
2. Increase for the period	2,639,740,743.61	1,101,202,384.22	311,863,009.63	141,557,428.55	243,664,535.77	4,438,028,101.78
(1) Purchase	158,638,759.72	477,720,864.06	302,925,671.75	35,467,154.15	68,777,582.11	1,043,530,031.79
(2) Transferred from construction in progress	2,338,167,779.92	582,454,302.80	1,656,618.29	100,242,718.27	173,784,221.23	3,196,305,640.51
(3) Increase due to business combinations	65,483,527.04	29,004,581.64	5,455,980.72	5,739,677.09	497,022.00	106,180,788.49
(4) Carry forward inventories into self-use property	77,450,676.93					77,450,676.93
(5) Effect of change in exchange rates		12,022,635.72	1,824,738.87	107,879.04	605,710.43	14,560,964.06
3. Decrease for the period	175,349,923.77	516,563,762.64	242,392,154.96	- 83,644,937.42	45,756,079.23	896,416,983.18
(1) Disposal or retirement	25,400,771.12	450,525,923.62	162,050,680.01	26,794,517.88	44,121,541.13	708,893,433.76
(2) Decrease due to disposal of subsidiaries			2,287,515.56	1,038,865.69	692,319.00	4,018,700.25
(3) Impact of change in exchange rates	13,839,924.09	33,260,997.49	31,543,282.39	1,645,119.23	712,632.87	81,001,956.07
(4) Others	136,109,228.56	32,776,841.53	46,510,677.00	- 113,123,440.22	229,586.23	102,502,893.10
4. Closing balance	12,448,139,086.15	10,006,544,785.99	1,862,392,373.10	733,628,830.41	596,176,951.41	25,646,882,027.06
II. Accumulated depreciation						
1. Opening balance	1,854,990,840.85	4,435,700,267.61	987,583,334.28	301,267,358.74	224,893,076.46	7,804,434,877.94
2. Increase for the period	396,818,245.55	716,055,737.55	196,788,719.98	56,682,188.27	36,412,148.61	1,402,757,039.96
(1) Provision	390,392,674.00	702,902,073.77	193,409,910.77	52,435,400.12	35,709,576.84	1,374,849,635.50
(2) Acquisition of subsidiaries Transfer in	6,425,571.55	7,343,247.52	1,978,820.60	4,174,587.40	342,367.81	20,264,594.88
(3) Impact of change in exchange rates		5,810,416.26	1,399,988.61	72,200.75	360,203.96	7,642,809.58
3. Decrease for the period	29,478,482.75	377,449,816.65	194,876,830.54	25,628,722.91	38,748,138.78	666,181,991.63
(1) Disposal or retirement	23,490,520.12	403,784,125.78	143,260,291.53	23,383,609.94	37,599,247.50	631,517,794.87

Items	Buildings and structure	Machinery and equipment	Transportation tools	Electronic equipment	Others	Total
(2) Decrease due to disposal of subsidiaries			2,013,947.28	955,409.21	640,046.90	3,609,403.39
(3) Impact of change in exchange rates		10,660,465.48	10,681,453.98	914,359.69	120,493.07	22,376,772.22
(4) Others	5,987,962.63	- 36,994,774.61	38,921,137.75	375,344.07	388,351.31	8,678,021.15
4. Closing balance	2,222,330,603.65	4,774,306,188.51	989,495,223.72	332,320,824.10	222,557,086.29	8,541,009,926.27
III. Provision for impairment						
1. Opening balance	2,347,632.95	8,864,055.29	4,678.00	10,363.76		11,226,730.00
2. Increase for the period		1,348,000.00	36,160.15			1,384,160.15
(1) Provision		1,348,000.00	36,160.15			1,384,160.15
3. Decrease for the period	43,976.96	177,100.00	36,160.15			257,237.11
(1) Disposal or retirement	43,976.96	177,100.00	36,160.15			257,237.11
4. Closing balance	2,303,655.99	10,034,955.29	4,678.00	10,363.76		12,353,653.04
IV. Carrying amount						
1. Closing carrying amount	10,223,504,826.51	5,222,203,642.19	872,892,471.38	401,297,642.55	373,619,865.12	17,093,518,447.75
2. Opening carrying amount	8,126,409,792.51	4,977,341,841.51	805,333,506.15	207,148,741.94	173,375,418.41	14,289,609,300.52

(2). *Temporarily-idle fixed assets*Applicable Not applicable(3). *Fixed assets leased in through financial leases*Applicable Not applicable(4). *Fixed assets leased out through operating leases*Applicable Not applicable(5). *Fixed assets for which title certificates have not been obtained*Applicable Not applicable

Other explanation:

Applicable Not applicable*Disposal of fixed assets*Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets to be disposed upon approval	13,688,209.14	3,531,406.99
Total	13,688,209.14	3,531,406.99

16. Construction in Progress*Items in the consolidated statements*(1) *Presentation by classification*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Construction in progress	16,089,509,517.57	9,957,096,784.89
Construction materials		
Total	16,089,509,517.57	9,957,096,784.89

Other explanation:

Applicable ✓Not applicable*Construction in progress*(1) *Construction in progress*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Book balance	Closing balance		Book balance	Opening balance	
		Provision for impairment	Carrying amount		Provision for impairment	Carrying amount
Bazhong-Wanyuan expressway project	7,392,335,257.35		7,392,335,257.35	3,087,936,444.08		3,087,936,444.08
SK hydropower station project	3,010,426,754.97		3,010,426,754.97	1,849,117,364.25		1,849,117,364.25
Water diversion construction project of Nandu River in Haikou City	1,207,982,317.13		1,207,982,317.13	1,142,055,095.13		1,142,055,095.13

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Items	Book balance	Closing balance		Opening balance	
		Provision for impairment	Carrying amount	Provision for impairment	Carrying amount
Comprehensive treatment project of water environment of Zhupi river in Jingmen City (荆門市竹皮河水環境綜合治理)	1,322,357,547.38		1,322,357,547.38	1,057,912,623.99	1,057,912,623.99
Comprehensive Pipe Gallery of Hefei High-tech Zone (合肥高新區綜合管廊)	1,076,440,853.96		1,076,440,853.96	826,428,101.77	826,428,101.77
Expansion and technological transformation project of Cement Company (水泥公司擴建、技改項目)	159,189,096.55		159,189,096.55	682,341,191.92	682,341,191.92
Production line of Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司)	606,568,130.14		606,568,130.14	78,004,923.12	78,004,923.12
Yili Hydropower Station Project (伊犁水電站工程)	231,198,600.75		231,198,600.75	217,867,819.68	217,867,819.68
Wenling City Sewage Treatment Phase II and Middle East Sewage Treatment Project* (溫嶺市污水處理二期及中東部污水處理工程)				195,767,713.46	195,767,713.46
Reconstruction and expansion and pipe network project of Muyu Sewage Treatment Plant in Wenling City (溫嶺市牧嶼污水處理廠改擴建及管網工程)				191,203,282.62	191,203,282.62
Hami Coal Mine Project (哈密煤礦項目)	113,247,641.95		113,247,641.95	111,488,451.15	111,488,451.15
Environmental protection business base project (環保業務基地項目)	293,947,528.13		293,947,528.13	121,844,223.79	121,844,223.79
Expansion Project of Explosive Company (易普力公司擴建工程)	14,030,678.00		14,030,678.00	9,692,422.94	9,692,422.94

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Items	Book balance	Closing balance		Opening balance		
		Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Reconstruction and expansion of the water supply system in urban area of Gezhouba (葛洲壩城區供水系統改擴建)				34,873,813.00		34,873,813.00
Manas river hydropower station (瑪納斯河水電站)	85,466,932.14		85,466,932.14	84,641,935.08		84,641,935.08
Office building	60,693,267.75		60,693,267.75	41,585,857.68		41,585,857.68
Xinjiang gas & oil station project (新疆加油加氣站項目)	39,026,456.58		39,026,456.58	29,960,550.59		29,960,550.59
Black and odorous water treatment project in Yuyong area, Tongzhou District, Beijing (北京市通州區於永片區黑臭水體治理工程)	211,365,848.92		211,365,848.92	55,184,883.09		55,184,883.09
Pakistan Azad Patan hydropower project (巴基斯坦阿扎德帕坦水電項目)	54,631,734.81		54,631,734.81	44,229,783.39		44,229,783.39
Shandong Weifang gas station project (山東濰坊加氣站項目)				34,682,687.59		34,682,687.59
High-end equipment industrial park project (高端裝備產業園項目)	176,959,537.28		176,959,537.28	43,495,334.86		43,495,334.86
Mingguang new plant and equipment installation project (明光新廠房及設備安裝項目)	3,141,063.24		3,141,063.24			
Clean energy heating project in Guazhou County (瓜州縣清潔能源供熱工程)	7,282,630.46		7,282,630.46			
Others	23,217,640.08		23,217,640.08	16,782,281.71		16,782,281.71
Total	16,089,509,517.57		16,089,509,517.57	9,957,096,784.89		9,957,096,784.89

(2). Changes in important projects under construction for the current period

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Project name	Opening balance	Increase during the period	Transferred into fixed assets during the period	Decrease during the period	Closing balance	Proportion of total project investment in the budget (%)	Progress of project	Accumulated capitalised interest	Including capitalised interest for the period	Interest rate of capitalisation (%)	Sources of fund
SK Hydropower Station	1,849,117,364.25	1,458,544,838.44		297,235,447.72	3,010,426,754.97	22.90	22.90	94,542,793.56	62,744,751.07	5.52	Self-owned funds and loans from financial institutions
Production line of Gezhombu Xili Cement Co., Ltd. (葛州福西里水泥有限公司)	78,004,923.12	528,563,207.02			606,568,130.14	52.15	52.15	14,655,453.04	14,655,453.04	5.30	Self-owned funds and loans from financial institutions
Water diversion construction project of Nanhu river in Haitou City	1,142,055,095.13	65,927,222.00			1,207,982,317.13	33.54	33.54	6,122,550.00	4,955,664.00	4.41	Self-owned funds and loans from financial institutions
Black and odorous water treatment project in Yiyong area, Tongzhou District, Beijing	55,184,883.09	156,180,965.83			211,365,848.92	21.16	21.16	532,970.83	532,970.83	4.35	Self-owned funds and loans from financial institutions
Bazhong-Wanyuan expressway project	3,087,956,444.08	4,304,398,813.27			7,392,355,257.35	42.70	42.70	148,047,297.39	148,047,297.39	4.35	Self-owned funds and loans from financial institutions

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Project name	Transferred into		Closing balance	Proportion of total project investment in the budget (%)		Accumulated capitalised interest for the period	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of fund
	Opening balance	Increase during the period		Decrease during the period	Progress of project				
PPP project of comprehensive treatment of water environment of Zhupai river in Jingmen City (荆门市竹皮河水環境綜合治理PPP項目)	1,057,912,623.99	264,444,293.39	1,322,357,547.38	93.79	93.79				Self-owned funds and loans from financial institutions
Comprehensive Pipe Gallery of Hebei High-tech Zone (合肥高新區綜合管廊)	826,428,101.77	834,365,487.29	1,076,440,853.96	51.50	51.50	7,829,373.61	7,829,373.61	4.45	Self-owned funds and loans from financial institutions
Yili Hydropower Station Project (伊犁水電站工程)	217,867,819.68	13,330,781.07	231,198,600.75	17.86	17.86				Self-owned funds
Environmental protection business base project (環保業務基地項目)	121,844,223.79	513,629,140.53	293,947,528.13			14,223,902.13	10,961,633.94		Self-owned funds and loans from financial institutions
Expansion and technological transformation project of Cemen Company (水泥公司擴建、技改項目)	682,341,191.92	287,241,537.61	159,189,096.55						Self-owned funds
Total	9,118,692,670.82	8,426,624,916.45	15,511,811,935.28	286,054,340.56			249,727,143.88	/ /	

(3). *Provision for impairment of construction in progress made during the period*

Applicable Not applicable

Other explanation

Applicable Not applicable

17. Intangible Assets

(1). *Intangible assets*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Land use rights	Patent rights	Non-patented technology	Software	Mining rights	Franchise right	Others	Total
I. Original carrying amount								
1. Opening balance	2,183,757,676.33	59,895,582.15	101,857,401.49	54,598,570.59	205,306,003.67	15,182,767,584.23	128,825,034.92	17,917,007,853.38
2. Increase for the period	1,346,367,217.61	41,231,773.10	50,478,576.77	7,767,710.19	32,001,315.00	468,118,197.59	14,767,555.54	1,960,732,345.80
1) Purchase	352,601,119.22	60,599.81		7,035,989.85	291,590.00	773,095.80	573,849.62	361,336,244.30
2) Transferred from construction in progress	971,404,702.42				17,647,425.00	406,496,304.89		1,395,548,432.31
3) Acquisition of new subsidiaries	31,751,187.77							31,751,187.77
4) Transferred from development cost		41,451,173.29	50,478,576.77				19,291,229.05	111,220,979.11
5) Impact of change in exchange rates				26,705.41				26,705.41
6) Others	-9,389,791.80	-280,000.00		705,014.93	14,062,300.00	60,848,796.90	-5,097,523.13	60,848,796.90
3. Decrease during the period	70,118,325.84			69,260.00	6,289,613.47		386,653.18	76,863,852.49
1) Sales	14,706,900.00			11,600.00				14,718,500.00
2) Disposal	12,468,825.84			49,660.00			386,653.18	12,905,139.02
3) Impact of change in exchange rates					6,289,613.47			6,289,613.47
4) Others	42,942,600.00			8,000.00				42,950,600.00
4. Closing balance	3,460,006,568.10	101,127,355.25	152,335,978.26	62,297,020.78	231,017,705.20	15,650,885,781.82	143,205,937.28	19,800,876,346.69
II. Accumulated amortisation								
1. Opening balance	335,037,747.85	9,339,814.72	57,339,778.95	26,977,600.49	36,085,017.72	2,092,481,423.73	43,986,384.68	2,601,247,768.14
2. Increase for the period	55,256,554.55	8,964,583.65	17,129,105.97	7,725,975.96	21,892,903.48	398,816,295.32	12,471,709.08	522,257,128.01
1) Provision	56,056,183.10	9,244,583.65	17,129,105.97	7,334,507.90	20,123,158.27	398,816,295.32	12,818,464.26	521,522,298.47

Items	Land use rights	Patent rights	Non-patented technology	Software	Mining rights	Franchise right	Others	Total
2) Acquisition of new subsidiaries	725,991.74							725,991.74
3) Impact of change in exchange rates				8,837.80				8,837.80
4) Others	-1,525,620.29	-280,000.00		382,630.26	1,769,745.21		-346,755.18	
3. Decrease for the period	5,189,266.88			57,660.00			367,545.52	5,614,472.40
(1) Disposal	3,098,224.38			49,660.00			367,545.52	3,515,429.90
(2) Others	2,091,042.50			8,000.00				2,099,042.50
4. Closing balance	385,105,035.52	18,304,398.37	74,468,884.92	34,645,916.45	57,977,921.20	2,491,297,719.05	56,090,548.24	3,117,890,423.75
III. Provision for impairment								
1. Opening balance								
2. Increase for the period								
3. Decrease for the period								
4. Closing balance								
IV. Carrying amount								
1. Closing carrying amount	3,074,901,532.58	82,822,956.88	77,867,093.34	27,651,104.33	173,039,784.00	13,159,588,062.77	87,115,389.04	16,682,985,922.94
2. Opening carrying amount	1,848,719,928.48	50,555,767.43	44,517,622.54	27,620,970.10	169,220,985.95	13,090,286,160.50	84,838,650.24	15,315,760,085.24

(2). *Information about land use rights for which no certificate of title has been obtained*

Applicable Not applicable

Other explanation:

Applicable Not applicable

18. Development Expenditure

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Items	Opening balance	Increase for the period Internal development expenditure	Decrease for the period		Closing balance
			Recognised as intangible assets	Transferred to profit or loss for the period	
Informatization construction	30,205,365.48	24,965,727.44	19,291,229.05	274,716.98	35,605,146.89
Civil explosives and blasting service technology development	118,429,138.07	123,424,687.89	51,654,449.86	36,854,712.17	153,344,663.93
Melting technology research of environmental protection business		14,583,339.31	40,566.04	14,541,288.27	1,485.00
Wind power project	18,313,518.31	185,236.70	18,498,755.01		
Gas project	11,379,715.83	101,283.15	11,480,998.98		
Energy storage project	5,324,763.60		5,324,763.60		
Heat storage project	70,853.40	1,121,256.07			1,192,109.47
Energy internet project	93,398.09	1,084,811.52			1,178,209.61
Compressed air power storage project	1,334,444.61	3,595,771.96	4,930,216.57		
CSP system application technology research and development project		1,223,873.76			1,223,873.76
Low-voltage power distribution module intelligent technology research project		2,550,502.92			2,550,502.92
Multi-condition application diesel generating set technology research and development project		5,427,321.68			5,427,321.68
Research project on operation mode of gas distributed generator set		1,136,744.15			1,136,744.15
Research and development project of combined cooling and power technology using natural gas pressure difference		787,607.09			787,607.09
Others		5,599,964.08		5,599,964.08	
Total	185,151,197.39	185,788,127.72	111,220,979.11	57,270,681.50	202,447,664.50

19. Goodwill

(1). Original carrying amount of goodwill

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Opening balance	Increase for the period		Decrease for the period Disposal	Closing balance
		Arising from business combination	Others		
Lixian Erhua Civil Explosive Equipment Co., Ltd. (禮縣二化民爆器材有限責任公司)	791,139.94				791,139.94
Urumqi Civil Blasting Equipment Monopoly Co., Ltd. (烏魯木齊市民用爆破器材專賣有限公司)	1,041,503.84				1,041,503.84
Hunan Erhua Civil Explosive Co., Ltd. (湖南二化民爆有限公司)	6,398,960.31				6,398,960.31
Shandong Taishan Civil Explosive Co., Ltd. (山東泰山民爆有限公司)	2,130,607.73				2,130,607.73
Ningxia Tianchang Civil Explosive Co., Ltd. (寧夏天長民爆有限公司)	5,989,364.06				5,989,364.06
Chongqing Lineng Civil Explosive Equipment Co., Ltd. (重慶力能民爆器材有限公司)	329,986.22				329,986.22
Gezhouba Explosive Stock Co., Ltd.	1,000,000.00				1,000,000.00
Gezhouba Zhongxiang Cement Company Limited (葛洲壩鍾祥水泥有限公司)	653,761,832.15				653,761,832.15
Liaoyuan Zhuoli Petrochemical Co., Ltd. (遼源卓力化工有限公司)	7,459,989.24				7,459,989.24
Sichuan Huaqi Construction Co. Ltd. (四川華氣建設工程有限公司)	6,686,266.30				6,686,266.30
Kardan Water International Group (HK) Ltd	56,583,136.70		-56,583,136.70		
Dazhou Tianhe Water Supply and Drainage Co., Ltd. (達州市天和給排水有限公司)			10,258,021.28		10,258,021.28
Kaidan Water Investment (China) Co., Ltd. (凱丹水務投資(中國)有限公司)			20,521,715.42		20,521,715.42
Tianjin Binhai New Area Tanggu Huanke Xinhe Wastewater Treatment Co., Ltd. (天津濱海新區塘沽環科新河污水處理有限公司)			9,807,928.77		9,807,928.77
Tianjin Binhai New Area Dagang Huanke Lantian Wastewater Treatment Co., Ltd. (天津濱海新區大港環科藍天污水處理有限公司)			8,013,788.65		8,013,788.65
Gezhouba Water Affairs (Huantai) Co., Ltd. (葛洲壩水務(桓台)有限公司)			7,981,682.58		7,981,682.58

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Name of investee or matters resulting in goodwill	Opening balance	Increase for the period		Decrease for the period Disposal	Closing balance
		Arising from business combination	Others		
Beijing Zhongkai Xingye Investment Management Co., Ltd.	464,776,576.33		-464,776,576.33		
Laiwu Zhonghe Water Purification Co., Ltd. (萊蕪中和水質淨化有限公司)			150,536,452.24		150,536,452.24
Danjiangkou Zhonghe Water Purification Co., Ltd. (丹江口市中和水質淨化有限公司)			81,081,980.93		81,081,980.93
Gezhouba Water Affairs (Lingbao) Co., Ltd. (葛洲壩水務(靈寶)有限公司)			54,124,412.31		54,124,412.31
Gezhouba Water Affairs (Qinyang) Co., Ltd. (葛洲壩水務(沁陽)有限公司)			60,559,325.54		60,559,325.54
Gezhouba Water Affairs (Binzhou) Co., Ltd. (葛洲壩水務(濱州)有限公司)			78,027,130.55		78,027,130.55
Huanggang Zhonghe Water Purification Co., Ltd. (黃岡市中和水質淨化有限公司)			40,447,274.76		40,447,274.76
Hunan Haichuanda Investment Management Co., Ltd.	43,182,888.76		-43,182,888.76		
Jinshi Haichuanda Water Affairs Co., Ltd. (津海市海川達水務有限公司)			618,232.91		618,232.91
Anxiang Haichuanda Water Affairs Co., Ltd. (安鄉縣海川達水務有限公司)			1,398,388.90		1,398,388.90
Yueyang Haichuanda Water Affairs Co., Ltd. (岳陽縣海川達水務有限公司)			11,691,653.46		11,691,653.46
Xiangyin Haichuanda Water Affairs Co., Ltd. (湘陰縣海川達水務有限公司)			11,094,363.20		11,094,363.20
Anhua Haichuanda Water Affairs Co., Ltd. (安化縣海川達水務有限公司)			10,126,025.67		10,126,025.67
Lianyuan Haichuanda Water Affairs Co., Ltd. (漣源市海川達水務有限公司)			6,604,661.02		6,604,661.02
Qiyang Haichuanda Water Affairs Co., Ltd. (祁陽縣海川達水務有限公司)			1,649,563.60		1,649,563.60
Weifang Lixin Energy Co., Ltd.	18,033,713.44				18,033,713.44
China Gezhouba Group Xinjiang Oil & Gas Co., Ltd.	305,965.88				305,965.88
Suki Hydro (Private) Limited	59,669,547.61				59,669,547.61
Dubai Global Power Investment Co., Ltd.	9,604,335.04				9,604,335.04
Guazhou Lianyang New Energy Co., Ltd. (瓜州聯洋新能源有限責任公司)		1,524,474.09			1,524,474.09
Gezhouba Water Affairs (Baoding) Co., Ltd. (葛洲壩水務(保定)有限公司)		62,084,823.92			62,084,823.92

Name of investee or matters resulting in goodwill	Opening balance	Increase for the period		Decrease for the period Disposal	Closing balance
		Arising from business combination	Others		
Pengzhou Branch of Sichuan Tongda Chemical Co., Ltd. (四川通達化工有限責任公司彭州分公司)		97,988,616.23			97,988,616.23
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)		40,254,722.32			40,254,722.32
Total	1,337,745,813.55	201,852,636.56			1,539,598,450.11

Explanation: (1) The increase in goodwill for the period was not arising from business combination under common control. Please refer to Note “VI.(1) Business combination not under common control” for details.

(2) China Gezhouba Group Water Operation Co., Ltd., a wholly-owned subsidiary of the Company, acquired Kardan Water International Group (HK) Ltd (凱丹水務國際集團(香港)有限公司), Beijing Zhongkai Xingye Investment Management Co., Ltd. and Hunan Haichuanda Investment Management Co., Ltd. by absorption in the period, and the corresponding subsidiaries of such acquired companies were changed to subsidiaries of China Gezhouba Group Water Operation Co., Ltd. The Company reamortised the goodwill arising from the acquisition, which forming other changes due to the increase in goodwill in the period.

(2). *Provision for impairment of goodwill*

Applicable Not applicable

The goodwill acquired from business combination has been allocated to the asset group of relevant subsidiary for impairment testing of goodwill. The recoverable amount of the asset group which adopt the present value of the estimated future cash flows was determined based on cash flow projection in accordance to the 5-year financial budget approved by the management. After testing, the Company considered that goodwill has not been impaired and no provision impairment is required.

Key information on goodwill impairment test of Gezhouba Zhongxiang Cement Company Limited (葛洲壩鍾祥水泥有限公司):

(1) Discount rate used in cash flow forecasting is 9.50% (2017: 9.50%).

- (2) Revenue growth rate used for cash flow forecasting is the growth rate of Gezhouba Zhongxiang Cement Company Limited (葛洲壩鍾祥水泥有限公司) for years 2019 to 2023 of 3%, -1%, -1%, -1% and -1%, respectively, and there will be no growth after 2023.
- (3) Gross profit margin is determined based on average gross profit margin of historical operating results and expectations for market development.

(3). *Information about the asset group or combination of asset groups to which the goodwill belongs*

Applicable Not applicable

(4). *Explanation of the process of goodwill impairment test, key parameters (e.g. forecast period growth rate, stable period growth rate, profit rate, discount rate, forecast period, etc. in case of present value of expected future cash flows, if applicable) and the recognition method of goodwill impairment loss*

Applicable Not applicable

(5). *Impact of goodwill impairment test*

Applicable Not applicable

Other explanation

Applicable Not applicable

20. Long-term Deferred Expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase for the period	Amortization		Closing balance
			amount for the period	Other decrease	
Costs of improvements to fixed assets under operating leases	29,500,446.99	3,667,248.54	15,728,746.84	203,460.31	17,235,488.38
Insurance premiums	40,893,753.64	104,172,526.18	35,722,785.17		109,343,494.65
Rental fees	71,902,580.17	90,729,216.18	75,952,766.60		86,679,029.75
Others	360,564,454.40	141,833,842.82	83,896,755.98	32,199,821.25	386,301,719.99
Total	502,861,235.20	340,402,833.72	211,301,054.59	32,403,281.56	599,559,732.77

21. Deferred Tax Assets/Deferred Tax Liabilities

(1). *Deferred tax assets not offset*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for assets impairment	940,054,784.32	203,418,166.64	386,575,526.11	67,904,082.10
Unrealized profit in intra-group transactions	2,060,871,095.83	515,217,773.96	1,881,806,263.69	470,451,565.92
Change in fair value of trading financial assets	11,886,833.20	2,971,708.30		
Others	71,656,921.32	10,748,538.20	52,358,774.16	7,853,816.13
Total	3,084,469,634.67	732,356,187.10	2,320,740,563.96	546,209,464.15

(2). *Deferred tax liabilities not offset*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Appraised asset appreciation of business combination not under common control	135,579,174.51	27,970,661.05	139,514,915.91	28,761,798.64
Change in fair value of available-for-sale financial assets			865,424,629.74	129,813,694.46
Difference of depreciation and taxation	3,594,735,399.36	878,498,505.91	2,718,524,189.50	661,314,757.08
Change in fair value of other equity instrument investments	495,833,336.30	74,375,000.45		
Change in fair value of trading financial assets	540,158,756.97	81,023,813.55		
Total	4,766,306,667.14	1,061,867,980.96	3,723,463,735.15	819,890,250.18

(3) *Deferred tax assets or liabilities stated on a net basis after offset*Applicable Not applicable(4) *Breakdown of unrecognised deferred tax assets*Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Deductible temporary difference	49,723,499.50	34,518,155.03
Deductible loss	5,010,223,231.77	3,604,472,355.35
Total	5,059,946,731.27	3,638,990,510.38

(5) *Deductible loss for which no deferred tax assets are recognised will become due in the following years*Applicable Not applicable

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Remarks
2018		319,373,602.29	
2019	299,086,800.22	337,027,540.23	
2020	805,254,021.06	880,288,751.47	
2021	1,110,596,161.16	1,182,472,465.45	
2022	745,291,909.06	885,309,995.91	
2023	2,049,994,340.27		
Total	5,010,223,231.77	3,604,472,355.35	/

Other explanation:

Applicable Not applicable

22. Other Non-current Assets✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Temporary facilities	29,857,778.73		29,857,778.73	48,637,961.34		48,637,961.34
Prepaid taxes	33,998,848.57		33,998,848.57			
Prepayments for equipment	14,543,730.00		14,543,730.00	93,293,237.63		93,293,237.63
Prepayments for investment				227,200,000.00		227,200,000.00
Prepaid land premiums				2,130,000.00		2,130,000.00
Contract acquisition cost whose amortization period is over one year	14,130,357.46		14,130,357.46			
Total	92,530,714.76		92,530,714.76	371,261,198.97		371,261,198.97

23. Short-term Borrowings**(1). Classification of short-term borrowings**✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Closing balance	Opening balance
Secured borrowings		203,300,000.00
Mortgaged loans	20,000,000.00	
Guaranteed borrowings	2,594,640,000.00	286,000,000.00
Credit loans	26,999,395,130.24	13,930,447,133.00
Total	29,614,035,130.24	14,419,747,133.00

Explanation of classification of short-term borrowings:

- The balance of mortgaged loans amounted to RMB20 million at the end of the year, of which RMB3 million and RMB17 million were obtained by Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司), a holding subsidiary of the Company, with its building and structures as collaterals, from Shanghai Pudong Development Bank Hangzhou Wenhui Sub-branch and Everbright Bank Hangzhou Yuhang Sub-branch, respectively.

2. The balance of guaranteed borrowings amounted to RMB2,594,640,000 at the end of the year, of which RMB50 million was guaranteed by the Company for subsidiaries within the scope of combination; RMB1,422,640,000 was guaranteed by China Gezhouba Group Company Limited for subsidiaries of the Company; RMB800 million was guaranteed by China Gezhouba Group Lvyuan Technology Co. Ltd. (中國葛洲壩集團綠園科技有限公司) for subsidiaries of the Company; RMB300 million was guaranteed by China Gezhouba Group Equipment Industry Co., Ltd. for subsidiaries of the Company; RMB10 million was guaranteed by Hangzhou Huayuan Frontline Energy Equipment Co., Ltd. (杭州華源前線能源設備有限公司), a subsidiary of Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司) for subsidiaries of the Company; RMB5 million was guaranteed by Shanghai Huadian Runpaq Environmental Engineering Co., Ltd. (上海華電源牌環境工程有限公司), a subsidiary of Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司) for subsidiaries of the Company; RMB4 million was guaranteed by Shanghai Pudong Technology Financing Guarantee Co., Ltd. (上海浦東科技融資擔保有限公司) for Shanghai Huadian Runpaq Environmental Engineering Co., Ltd. (上海華電源牌環境工程有限公司), a subsidiary of the Company; and RMB3 million was guaranteed by Shanghai Administration Center of Policy Financing Guarantee Funds for SMEs (上海市中小微企業政策性融資擔保基金管理中心) for Shanghai Huadian Runpaq Environmental Engineering Co., Ltd. (上海華電源牌環境工程有限公司), a subsidiary of the Company.

(2). *Information about overdue but unpaid short-term borrowings*

Applicable Not applicable

Information about significant overdue but unpaid short-term borrowings is as following:

Applicable Not applicable

Other explanation

Applicable Not applicable

24. Bills Payables and Trade Payables

Information of the consolidated statements

(1). *Presentation by classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bills payables	2,717,201,183.75	380,248,804.65
Trade payables	35,919,651,842.71	35,518,759,341.93
Total	38,636,853,026.46	35,899,008,146.58

Other explanation:

Applicable Not applicable

Bills payables

(1). Breakdown of bills payables

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptances	2,053,024,554.81	351,142,862.35
Bank acceptances	664,176,628.94	29,105,942.30
Total	2,717,201,183.75	380,248,804.65

The overdue but unpaid bills payables at the end of the period amounted to RMB0.

Trade payables

(1). Breakdown of trade payables

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Progress payments for constructions	21,902,313,198.62	22,177,500,778.80
Materials payable	7,552,839,388.05	7,192,497,869.64
Equipment payables	240,737,325.67	754,814,968.89
Service fees payables	1,808,449,077.47	1,225,566,593.80
Others	4,415,312,852.90	4,168,379,130.80
Total	35,919,651,842.71	35,518,759,341.93

(2). Major trade payables aged over one year

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Reason for unsettlement or carrying forward
Constructions payables	1,720,269,198.02	The project was not completed and settled, and the payment has not yet been settled
Total	1,720,269,198.02	/

Other explanation

Applicable Not applicable

25. Advance Receipts

(1). *Breakdown of advance receipts*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Advanced receipts of construction works		2,899,756,020.19
Settled but uncompleted payments of construction contract		934,577,921.28
Advanced receipts of construction raw materials		107,542,996.61
Advanced sales receipt from real estate business		5,137,990,880.64
Advanced sales receipt from manufacturing of products		460,047,137.93
Others		471,828,762.19
Total		10,011,743,718.84

(2). *Major advance receipts aged over one year*Applicable Not applicable

Other explanation

Applicable Not applicable**26. Contract Liabilities**(1). *Contract liabilities*Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Closing balance	Opening balance
Advanced sales receipt from real estate business	8,723,620,962.68	
Settled but uncompleted payments	2,285,960,173.97	
Advanced receipts of construction raw materials	40,970,092.02	
Advanced receipts of construction works	2,180,914,454.37	
Advanced sales receipt from manufacturing of products	884,023,990.96	
Others	440,795,738.84	
Total	14,556,285,412.84	

The advanced sales receipt from real estate business is analysed as follows

Project name	Closing balance	Estimated date of completion	Pre-sale ratio
Hefei Gezhouba · Acesite Park (合肥葛洲壩·玖瓏府)	9,818,350.00	2018-3-31	86.98%
Gezhouba International Plaza, Century Park (葛洲壩國際廣場·世紀花園)	12,555,949.29	2011-12-20	90.00%
Xinjiang headquarters tower and supporting residence projects	4,346,528.47	2017-1-18	81.00%
Yili Gezhouba Runjing International (伊犁葛洲壩潤景國際)	325,211.55	2015-12-8	84.00%
Wuhan Gezhouba WeiKe Mansion (武漢葛洲壩微客公館)	18,397,722.00	2016-9-30	57.08%
Wuhan Gezhouba Sun City (武漢葛洲壩太陽城)	2,315,950.57	2015-6-30	70.00%
Shanghai Yulan Garden project (上海玉蘭花園項目)	238,146,783.36	2019-12-30	51.57%
Yichang Jinxiuxingcheng (宜昌錦繡星城)	440,078.86	2012-12-27	94.77%
Yichang Jinxiuhuafu (宜昌錦繡華俯)	6,444,160.84	2014-6-10	92.73%
Hainan Fuwan project (海南福灣項目)	411,668,014.10	2020-12-31	70.59%
Beijing Jade Mansion (北京西宸原著)	279,914,411.29	2014-12-2	91.08%
Nanjing Zijun Orchid Court (南京紫郡蘭園)	3,653,387,361.45	2021-12-31	60.93%
Chengdu Zijun Orchid Court (成都紫郡蘭園)	1,719,884,400.00	2019-9-12	67.00%
Guangzhou Zijun Residence (廣州紫郡府)	1,666,548,784.90	2019-8-31	16.83%
Zijun Orchid Court at Wuhan Economic & Technology Zone (武漢經開紫郡蘭園)	413,506,766.00	2021-6-30	31.00%
Hefei Binhu project (合肥濱湖項目)	285,920,490.00	2022-6-30	5.46%
Total	8,723,620,962.68		

(2). *Amount of and reason for significant change in carrying amount within the Reporting Period*

Applicable Not applicable

Other explanation:

Applicable Not applicable

27. Employee Benefits Payable

(1). Breakdown of employee benefits payable

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term benefits	312,443,051.10	6,047,619,047.32	6,128,086,194.73	231,975,903.69
II. Post-employment benefits (defined contribution plan)	23,679,406.28	912,093,718.50	909,489,839.09	26,283,285.69
III. Termination benefits	90,807.00	4,853,939.24	4,853,939.24	90,807.00
Total	336,213,264.38	6,964,566,705.06	7,042,429,973.06	258,349,996.38

(2). Breakdown of short-term benefits

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Wages, bonuses, allowances and subsidies	142,433,910.35	4,239,637,321.75	4,302,993,080.41	79,078,151.69
II. Employee welfare benefits		371,697,452.12	371,697,452.12	
III. Social insurance	8,663,963.75	424,811,522.81	422,352,724.28	11,122,762.28
Including: Medical insurance	5,870,950.84	297,136,491.71	294,970,952.30	8,036,490.25
Work-related injury insurance	1,280,539.09	40,408,241.78	40,569,948.17	1,118,832.70
Maternity insurance premiums	607,128.90	23,544,099.16	23,615,012.29	536,215.77
Supplementary medical insurance	905,344.92	63,722,690.16	63,196,811.52	1,431,223.56
IV. Housing provident fund	9,750,436.66	419,596,063.42	421,490,319.98	7,856,180.10
V. Union and education funds	127,796,918.75	169,941,523.30	184,327,947.47	113,410,494.58
VI. Short-term paid absence				
VII. Short-term profit sharing plan				
VIII. Others	23,797,821.59	421,935,163.92	425,224,670.47	20,508,315.04
Total	312,443,051.10	6,047,619,047.32	6,128,086,194.73	231,975,903.69

(3). *Breakdown of defined contribution plan*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	15,523,871.42	721,020,190.66	720,726,535.62	15,817,526.46
2. Unemployment insurance	5,102,332.70	24,455,528.21	24,303,153.73	5,254,707.18
3. Enterprise annuity payment	3,053,202.16	166,617,999.63	164,460,149.74	5,211,052.05
Total	23,679,406.28	912,093,718.50	909,489,839.09	26,283,285.69

Other explanation:

Applicable ✓Not applicable28. **Taxes Payable**✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Closing balance	Opening balance
Value-added tax	1,162,187,536.53	1,322,155,935.20
Business tax	11,250,327.61	14,996,594.87
Enterprise income tax	913,428,721.13	784,960,073.93
Individual income tax	105,527,532.27	141,083,523.85
City construction and maintenance tax	31,669,531.32	42,810,444.27
Property tax	21,619,404.40	22,339,711.36
Land value-added tax	121,402,730.11	171,331,905.16
Educational surcharge	30,457,659.36	39,965,905.82
Resources tax	3,653,662.61	2,798,491.07
Land use tax	10,007,586.40	8,516,083.09
Other	119,251,008.23	173,066,785.21
Total	2,530,455,699.97	2,724,025,453.83

29. **Other Payables***Information of the consolidated statements*(1). *Presentation by classification*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest payable	1,304,487,613.85	290,608,336.62
Dividends payable	354,597,848.64	255,764,884.60
Other payables	18,494,337,818.74	16,581,726,239.74
Total	20,153,423,281.23	17,128,099,460.96

Other explanation:

Applicable Not applicable**Interest payable**

(1). By classification

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest from long-term borrowings with installments payments and principal due upon maturity		
Interest from corporate bonds	276,675,973.08	261,578,773.25
Interest payables from short-term borrowings		
Interest from bank borrowings	1,026,314,913.34	22,662,587.30
Others	1,496,727.43	6,366,976.07
Total	1,304,487,613.85	290,608,336.62

Major overdue but unpaid interest:

Applicable Not applicable

Other explanation:

Applicable Not applicable

Dividend payables(1). *Breakdown*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Closing balance	Opening balance
Dividend of ordinary shares	119,872,015.31	21,039,051.27
Dividend of preference shares or perpetual shares classified as equity instruments	234,725,833.33	234,725,833.33
Total	354,597,848.64	255,764,884.60

Other payables(1). *Other payables by nature*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Closing balance	Opening balance
Retention money payable	5,493,505,267.69	5,045,485,763.75
Long-term assets purchase payable	249,477,632.47	104,286,989.29
Interest-bearing placements		1,618,733,127.99
Payment and collection clearance payables	120,906,579.33	317,294,612.36
Payables for advances	1,042,928,393.02	280,320,306.62
Earnest money from property sales	25,070,204.89	21,859,844.88
Current amount due to associates and joint ventures	7,322,183,566.52	5,024,999,734.43
Collection of asset securitization funds	1,263,726,504.29	629,000,000.00
Others	2,976,539,670.53	3,539,745,860.42
Total	18,494,337,818.74	16,581,726,239.74

(2). *Other major trade payables aged over one year*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Reasons for unsettlement or carrying forward
Current amount due to associates and joint ventures	710,345,288.30	Payables not due
Retention money payable	533,139,319.58	The project has not been completed, so the payment has not yet been settled
Others	346,430,650.06	
Total	1,589,915,257.94	/

Other explanation:

Applicable Not applicable

30. **Non-current Liabilities Due within One Year**

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term borrowings due within one year	8,019,169,890.96	9,068,233,333.30
Bonds payable due within one year	3,700,000,000.00	150,000,000.00
Long-term payables due within one year	280,130,575.89	72,093,228.36
Deferred income due within one year	62,189.29	
Long-term wages payable due within one year	196,330,000.00	199,890,000.00
Total	12,195,692,656.14	9,490,216,561.66

Long-term borrowings due within one year

Items	Closing balance for the year	Opening balance for the year
Secured borrowings	602,000,000.00	480,000,000.00
Mortgaged loans	3,954,000,000.00	885,000,000.00
Guaranteed borrowings	1,205,969,890.96	1,300,100,000.00
Credit loans	2,257,200,000.00	6,403,133,333.30
Total	8,019,169,890.96	9,068,233,333.30

- Notes:
- (1) The balance of secured borrowings amounted to RMB602,000,000, in particular, Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司), a subsidiary of China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司), a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB200,000,000 from a syndicate comprising Industrial and Commercial Bank of China Macheng Branch, Agricultural Bank of China Macheng Sub-branch and China Development Bank Hubei Branch; Gezhouba Hubei Xiangjing Expressway Co., Ltd. (葛洲壩湖北襄荊高速公路有限公司), a holding subsidiary of China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司), a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB300,000,000 from China Development Bank; Gezhouba Group Sichuan Neisui Expressway Co., Ltd. (葛洲壩集團四川內遂高速公路有限公司), a subsidiary of China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司), a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB80,000,000 from Agricultural Bank of China Macheng Sub-branch; and Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司), a holding subsidiary, pledged its collection rights of accounts receivable to secure the borrowings of RMB22,000,000 from China Development Bank Hainan Branch.
 - (2) The balance of mortgaged loans amounted to RMB3,954,000,000, in particular, Hainan Gezhouba Industrial Co., Ltd. (海南葛洲壩實業有限公司), a subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged the land and buildings thereon of Gezhouba Fuwan North District Project to secure the borrowings of RMB80,000,000 from Bank of China Limited Sanya Branch, for which China Gezhouba Group Co., Ltd. provided security; Gezhouba (Shanghai) Real Estate Development Co., Ltd. (葛洲壩(上海)房地產開發有限公司), a subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its land use rights of Xianghuaqiao E-04-01 and construction in progress to secure the borrowings of RMB1,104,000,000 from China Construction Bank Corporation Shanghai Qingpu Sub-branch, China Construction Bank Corporation Shanghai Pudong Branch and Agricultural Bank of China Co., Ltd. Shanghai Jinqiao Sub-branch; Hefei Gezhouba Real Estate Development Co., Ltd. (合肥葛洲壩房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged Nos. 8 and 9 plots located at Phase I of Zhongshang Mansion to secure the borrowings of RMB1,670,000,000 from China CITIC Bank Hefei Binhu Sub-branch; Hefei Gezhouba Real Estate Development Co., Ltd. (合肥葛洲壩房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate

Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged No. 23 plot located at Phase II of Zhongshang Mansion to secure the borrowings of RMB100,000,000 from Everbright Bank Hefei Wanda Branch; Gezhouba Weiyi (Nanjing) Real Estate Development Co., Ltd. (葛洲壩唯逸(南京)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged No. 8-6 plot located at Southwest of Hexi, Jianye District, Nanjing City to secure the borrowings of RMB1,000,000,000 from Bohai Bank.

- (3) Guaranteed borrowings amounted to RMB1,205,969,900, in particular, the Company guaranteed the loans of RMB695,200,000 for subsidiaries under combination, and China Gezhouba Group Co., Ltd. guaranteed the loans of RMB510,769,900 for a subsidiary of the Company.
2. For details of bonds payable due within one year, please refer to Note V. “(33) Bonds payable”.
3. Long-term payables due within one year refer to finance leasing payables due within one year, please refer to Note “V. (34) Long-term payables” for details.
4. For details of long-term employee benefits payable due within one year, please refer to Note “V. (35) Long-term employee benefits payable”.

31. Other Current Liabilities

Information of other current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Special plan supported by receivables		1,324,359,418.52
Pending output VAT	18,743,979.57	30,413,501.22
Total	18,743,979.57	1,354,772,919.74

Changes in short-term bonds payable:

Applicable Not applicable

Other explanation:

Applicable Not applicable

32. Long-term Borrowings

(1). Classification of long-term borrowings

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Secured borrowings	8,975,700,000.00	4,191,200,000.00
Mortgaged loans	7,201,159,151.51	12,493,148,200.00
Guaranteed borrowings	8,949,576,161.75	4,501,711,374.50
Credit loans	6,656,300,000.00	6,596,150,000.00
Total	31,782,735,313.26	27,782,209,574.50

Explanation on classification of long-term borrowings:

- The balance of secured borrowings amounted to RMB8,975,700,000, in particular Gezhouba Hubei Xiangjing Expressway Co., Ltd. (葛洲壩湖北襄荊高速公路有限公司), a holding subsidiary of China Gezhouba Group Highway Operation Co., Ltd., a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB487,000,000 from China Development Bank; Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司), a wholly-owned subsidiary of China Gezhouba Group Highway Operation Co., Ltd., a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB2,243,200,000 from the syndicate comprising Industrial and Commercial Bank of China Macheng Sub-branch, Agricultural Bank of China Macheng Sub-branch and China Development Bank Hubei Branch; Gezhouba Group Sichuan Neisui Expressway Co., Ltd. (葛洲壩集團四川內遂高速公路有限公司), a wholly-owned subsidiary of China Gezhouba Group Highway Operation Co., Ltd., a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB3,795,000,000 from Industrial and Commercial Bank of China and Agricultural Bank of China; Gezhouba Water (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司), a holding subsidiary, pledged its toll collection rights to secure the borrowings of RMB714,500,000 from China Development Bank Corporation; Gezhouba (Haikou) Water Diversion Investment Co., Ltd. (葛洲壩(海口)引水工程投資有限公司), a holding subsidiary, pledged its collection rights of account receivables to secure the borrowings of RMB240,000,000 from China Development Bank Hainan Branch; Gezhouba Water Affairs (Taizhou) Co., Ltd. (葛洲壩水務(台州)有限公司), a holding subsidiary, pledged its collection rights of account receivables to secure the

- borrowings of RMB525,000,000 from Agricultural Bank of China Wenling Sub-branch; Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司), a holding subsidiary, pledged its collection rights of account receivables to secure the borrowings of RMB298,000,000 from China Development Bank Hainan Branch; Hefei Gezhouba High-tech Pipe Gallery Investment and Construction Co., Ltd. (合肥葛洲壩高新管廊投資建設有限公司), a holding subsidiary, pledged its collection rights of account receivables to secure the borrowings of RMB471,000,000 from China Development Bank Corporation; and Gezhouba Xinfu (Nanning) Highway Construction Investment Co., Ltd. (葛洲壩新扶(南寧)公路建設投資有限公司), a holding subsidiary, pledged its collection rights of account receivables to secure the borrowings of RMB202,000,000 from China Development Bank Hainan Branch.
2. The balance of mortgaged loans amounted to RMB7,201,159,200, in particular, Hainan Gezhouba Industrial Co., Ltd. (海南葛洲壩實業有限公司), a subsidiary of China Gezhouba Group Real Estate Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged the land of Hainan Fuwan project it developed and the project in progress to secure the borrowings of RMB997,000,000 from China Construction Bank Corporation Sanya Branch, for which China Gezhouba Group Company Limited provided guarantees; Gezhouba Weiyi (Shanghai) Real Estate Development Co., Limited (葛洲壩唯逸(上海)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged the land use rights in Guanlian village of Xujing Town, Qingpu District, and the construction in progress of Fangjiatang Road, Xujing Town, Qingpu District to secure the syndicated loans of RMB797,700,000 from Bank of China Shanghai Qingpu Sub-branch and China Construction Bank Shanghai Qingpu Sub-branch; Gezhouba Nanjing Property Company Limited (葛洲壩南京置業有限公司), a holding subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged Plot A and Plot C of Line Equipment Factory, north of Heyan Road in Gulou District to secure the syndicated loans of RMB600,000,000 from Agricultural Bank of China, Bank of Communications and Shanghai Pudong Development Bank; Gezhouba Rongsheng (Shanghai) Property Development Co., Ltd. (葛洲壩融勝(上海)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a subsidiary, pledged its land use right at Heqiao Village, Qingpu Town, Qingpu District to secure the borrowings of RMB600,000,000 from Bank of China Limited Shanghai Qingpu Sub-branch; Hefei Gezhouba Property Development Co., Ltd. (合肥葛洲壩房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged Nos. 08 and 23 Plots of Phase I of China Residence to secure the borrowings of RMB690,040,000 from China CITIC Bank Hefei Binhu Sub-branch and Everbright Bank Hefei

Wanda Sub-branch; Gezhouba Rongchuang Nanjing Property Development Co., Ltd. (葛洲壩融創南京房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its Plot NO.2016053 to secure the borrowings of RMB874,300,000 from Zhongrong International Trust Co., Ltd.; Beijing Weiyi Real Estate Development Co., Limited (北京唯逸房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its Redevelopment Lands No. 6, 12 and 2 of Fanjia Village to secure the borrowing of RMB1,000,000,000 from China Merchants Bank Co., Ltd. Wuhan Branch Qiaokou Sub-branch; Gezhouba (Hangzhou) Property Development Co., Ltd. (葛洲壩(杭州)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its land use right of Hang Zheng Chu Chu (2017) No. 23 Plot to secure the borrowings of RMB29,516,600 from Agricultural Bank of China Hangzhou Chengxi Sub-branch, for which China Gezhouba Group Company Limited provided guarantee; SK Hydropower Private Limited (SK水電私營有限公司), a subsidiary of China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司), a subsidiary, pledged the assets of its project company to secure the syndicated loans of RMB1,612,602,600 from Industrial and Commercial Bank of China and Export-Import Bank of China.

3. The balance of guaranteed borrowings amounted to RMB8,949,576,200, in particular, the Company guaranteed the loans of RMB5,523,611,300 for subsidiaries under combination, China Gezhouba Group Company Limited provided guarantees for the borrowings of RMB2,870,230,100 to the Company and subsidiaries of the Company; Hubei Siping Hydropower Development Co., Ltd. (湖北寺坪水電開發有限公司), a holding subsidiary of China Gezhouba Group Water Operation Co., Ltd., a wholly-owned subsidiary, obtained borrowings of RMB121,907,400 from Japan Bank for International Cooperation, for which the Finance Bureau of Baokang County provided the guarantee; China Gezhouba Group Water Operation Co., Ltd., a wholly-owned subsidiary, provided guarantees for the borrowings of RMB15,761,700 secured by its holding subsidiary Zibo Boshan Huanke Sewage Treatment Co., Ltd. (淄博市博山區環科污水處理有限公司) from Zibo Sub-branch of Postal Savings Bank of China; China Gezhouba Group Cement Co., Ltd., a wholly-owned subsidiary, provided guarantees for the borrowings of RMB418,065,600 secured by its subsidiary Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司) from Hubei Branch of the Export-Import Bank of China.

Other explanations, including interest rate range:

Applicable Not applicable

As at 31 December 2018, the annual interest rates of borrowings ranged from 1.05% to 9.00%.

33. Bonds Payable

(1). Bonds payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Medium-term bonds	1,150,000,000.00	1,150,000,000.00
Corporate bonds	11,200,000,000.00	10,000,000,000.00
Asset-backed special project	500,000,000.00	650,000,000.00
Less: Medium-term bonds due within one year	-550,000,000.00	
Corporate bonds due within one year	-3,000,000,000.00	
Asset-backed special project due within one year	-150,000,000.00	-150,000,000.00
Total	9,150,000,000.00	11,650,000,000.00

(2). *Changes in bonds payable (excluding preference shares, perpetual bonds and other financial instruments classified as financial liabilities)*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Name of bonds	Par value	Issue date	Maturity	Issue amount	Opening balance	Issued in the period	Accrued interest at par value	Amortization of premium and discount	Repayments in the period	Reclassification of closing interest to interests payable	Reclassification of closing par value	Closing balance
											to non-current liabilities due within one year	
Corporate bonds	100	2016-1-19	5 years	3,000,000,000.00	3,000,000,000.00		94,200,000.00			86,611,666.67		3,000,000,000.00
Corporate bonds	100	2016-5-5	5 years	3,000,000,000.00	3,000,000,000.00		98,100,000.00			62,130,000.00	3,000,000,000.00	
Corporate bonds	100	2016-5-15	5 years	4,000,000,000.00	4,000,000,000.00		138,000,000.00			83,950,000.00		4,000,000,000.00
Green corporate bonds	100	2018-09-20	3 years	1,200,000,000.00		1,200,000,000.00	14,220,000.00			14,220,000.00		1,200,000,000.00
Medium-term bonds	100	2013-03-06	7 years	600,000,000.00	600,000,000.00		30,660,000.00			25,179,000.00		600,000,000.00
Medium-term bonds	100	2014-12-25	5 years	550,000,000.00	550,000,000.00		27,225,000.00				550,000,000.00	
Asset-backed special project	100	2016-11-22	5 years	800,000,000.00	650,000,000.00		22,012,199.82		150,000,000.00	4,585,306.41	150,000,000.00	350,000,000.00
Total	/	/	/	13,150,000,000.00	11,800,000,000.00	1,200,000,000.00	424,417,199.82		150,000,000.00	276,675,973.08	3,700,000,000.00	9,150,000,000.00

Explanation: The Company issued 5-year corporate bonds of RMB3 billion in May 2016 with the issuer's option to increase the par value and the investors' option to sell back at the end of the third year, therefore, the Company reclassified it as the non-current liabilities due within one year.

(3). *Explanation about the conditions and timing of conversion of convertible corporate bonds*Applicable Not applicable(4). *Explanation about other financial instruments classified as financial liabilities*

Basic information on preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

Applicable Not applicable

Statement on changes in preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

Applicable Not applicable

Explanation about basis for classifying other financial instruments as financial liabilities:

Applicable Not applicable

Other explanation:

Applicable Not applicable

34. Long-term Payables

Consolidated statement

(1). *Presentation by classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term payables	655,237,329.16	2,171,311,540.59
Special payables	9,970,505.41	
Total	665,207,834.57	2,171,311,540.59

Other explanation:

Applicable Not applicable

Long-term payables

(1). *Long-term payables by nature*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Closing balance
Finance lease payables		412,113.03
Sales and finance leaseback arrangement	927,731,540.59	1,788,776,291.46
Finance Bureau of Hefei High-tech Zone		446,580,000.00
Borrowings from Laiwu Finance Bureau	7,636,364.46	7,636,364.46

Items	Opening balance	Closing balance
Less: Long-term payables due within one year	280,130,575.89	72,093,228.36
Total	655,237,329.16	2,171,311,540.59

Other explanation:

Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司), a subsidiary of China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司), a wholly-owned subsidiary of the Company, performed sales and finance leaseback of the pavement assets from Hubei Macheng to Xishui section of Daguang Expressway to obtain the financing of RMB562,231,500 from Tianping Petrochemical Financial Leasing Co., Ltd. (天平石化金融租賃有限責任公司), for which the guarantee was provided by China Gezhouba Group Company Limited; China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司), a holding subsidiary of the Company, performed sales and finance leaseback of fixed assets to obtain bank facilities of RMB365,500,000 from the Export-Import Bank of China, for which the guarantee was provided by the Company.

Special payables

(1). *Special payables by nature*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason
Government special funds for dredging		9,970,505.41		9,970,505.41	
Special funds for "Water/Electricity/Gas Supply and Property" (三供一業)		16,770,652.18	16,770,652.18		
Total		26,741,157.59	16,770,652.18	9,970,505.41	/

35. Long-term Employee Benefits Payable

Applicable Not applicable

(1). Statement of long-term employee benefits payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Post-employment benefits (net liabilities under defined benefit plans)	2,295,557,000.00	1,939,221,000.00
II. Termination benefits	62,880,000.00	92,830,000.00
Total long-term employee benefits payable	2,358,437,000.00	2,032,051,000.00
Including: Long-term employee benefits payable due within one year	196,330,000.00	199,890,000.00
Long-term employee benefits payable due after one year	2,162,107,000.00	1,832,161,000.00

(2). Changes in defined benefit plans

Present value of obligations under defined benefit plans:

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
I. Opening balance	2,032,051,000.00	2,132,111,800.00
II. Defined benefit cost included in the current profit and loss	85,790,000.00	57,450,000.00
1. Current service costs		9,940,000.00
2. Past service costs		
3. Settlement gains (losses represented by “-”)	-7,810,000.00	-37,840,000.00
4. Net interests	93,600,000.00	85,350,000.00

Items	Amount for the current period	Amount for the last period
III. Defined benefit cost included in other comprehensive income	262,880,000.00	-152,640,000.00
1. Actuarial gains (losses represented by “-”)	262,880,000.00	-152,640,000.00
IV. Other changes	-22,284,000.00	-4,870,800.00
1. Consideration paid at settlement	187,566,000.00	200,299,200.00
2. Benefits paid	-209,850,000.00	-205,170,000.00
V. Closing balance	2,358,437,000.00	2,032,051,000.00

Planned assets:

Applicable Not applicable

Net liabilities (net assets) under defined benefit plans

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
I. Opening balance	2,032,051,000.00	2,132,111,800.00
II. Defined benefit cost included in the current profit and loss	85,790,000.00	57,450,000.00
III. Defined benefit cost included in other comprehensive income	262,880,000.00	-152,640,000.00
IV. Other changes	-22,284,000.00	-4,870,800.00
V. Closing balance	2,358,437,000.00	2,032,051,000.00

Explanation about impacts of the details of the defined benefit plan and its associated risks on the Company’ s future cash flows, timing and uncertainty:

Applicable Not applicable

The actuarial risks from the actuarial benefit plan of the Company mainly include interest rate risk, risks of growth in welfare and average medical premium.

Interest rate risk: The present value of defined benefit plan obligations is calculated with reference to the market yield of government bonds as the discount rate. Therefore, a decrease in the interest rate of government bonds will lead to an increase in the present value of defined benefit plan obligations.

Welfare growth risk: The present value of defined benefit plan liabilities is calculated with reference to the welfare of the three types of personnel. Therefore, the increase in the welfare growth rate of the three types of personnel due to rising prices and other factors will lead to an increase in the amount of liabilities.

Average medical premium growth risk: The present value of defined benefit plan liabilities is calculated with reference to the medical reimbursement benefit of the original retired personnel. Therefore, the increase in the average medical premium growth rate caused by factors such as the increase in medical reimbursement expenses will lead to an increase in the amount of liabilities.

Key actuarial assumptions and sensitivity analysis results of defined benefit plans

Applicable Not applicable

Key actuarial assumptions	For the current year	For the last year
Discount rate	3%-3.5%	3.75%-4%
Annual growth rate of pre-retirement benefits for retired personnel and non-working injury personnel	4.50%	4.50%
Annual growth rate of pension benefits for retirees, decentralized personnel and survivors	2.00%	2.00%
Average annual growth rate of medical expenses	5.50%	5.50%

Other explanation:

Applicable Not applicable

36. Deferred Income

Deferred income✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason
Government grants	160,185,398.28	86,281,602.40	35,226,216.78	211,240,783.90	
Unrecognised profit or loss from sales and leaseback	48,773,818.42		6,047,869.35	42,725,949.07	
Total	208,959,216.70	86,281,602.40	41,274,086.13	253,966,732.97	/

Projects related to government grants:

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Liability item	Opening balance	Additions of grants for the period	Included in other income for the period	Reclassified to non-current liabilities due within one year	Closing balance	Related to assets/income
Return income from land premiums	111,077,284.93	22,220,000.00	3,609,332.12		129,687,952.81	Related to assets
Scientific and research subsidy	100,000.00	4,000,000.00	100,000.00		4,000,000.00	Related to assets
Coal to gas technical reform subsidy	7,200,000.00		1,440,000.00		5,760,000.00	Related to assets
Special subsidies for the deep integration of informatization and industrialization	7,644,811.97		920,827.06		6,723,984.91	Related to assets
Domestic waste demonstration line subsidy	14,434,464.46	543,000.00	849,181.81		14,128,282.65	Related to assets
Industry development fund	19,728,836.92		1,233,052.32		18,495,784.60	Related to assets
Special award fund		17,415,000.00	611,111.11		16,803,888.89	Related to assets
Subsidy for people waiting for employment		41,850,602.40	26,355,229.07	-62,189.29	15,433,184.04	Related to income
Others		253,000.00	45,294.00		207,706.00	Related to assets
Total	160,185,398.28	86,281,602.40	35,164,027.49	-62,189.29	211,240,783.90	

Other explanation:

Applicable ✓Not applicable

37. Other Non-current Liabilities✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term tax payable by foreign companies	84,914,215.68	
Total	84,914,215.68	

38. Share Capital✓Applicable Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Changes for the period (+, -)				Sub-total	Closing balance
		Issuance of new shares	Bonus shares	Capitalization of surplus reserve	Others		
Total number of shares	4,604,777,412.00					4,604,777,412.00	

39. Other Equity Instruments**(1). Basic information on preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period**✓Applicable Not applicable

In May 2016, the Company issued 2016 Tranche I Perpetual Medium-term Bonds of RMB3 billion in National Association of Financial Market Institutional Investors.

In July 2016, the Company issued 2016 Tranche I Renewable Corporate Bonds of RMB5 billion in the Shanghai Stock Exchange.

In August 2016, the Company issued 2016 Tranche II Renewable Corporate Bonds of RMB5 billion in the Shanghai Stock Exchange.

In September 2016, the Company issued 2016 Tranche II Perpetual Medium-term Bonds of RMB3 billion in National Association of Financial Market Institutional Investors.

(2). *Statement on changes in preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period*✓Applicable Not applicable

Outstanding financial instruments	Beginning of the period		Increase for the period		Decrease for the period		End of the period	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
2016 Renewable Corporate Bonds (Tranche I)		5,000,000,000.00						5,000,000,000.00
2016 Renewable Corporate Bonds (Tranche II)		5,000,000,000.00						5,000,000,000.00
2016 Perpetual Medium-term Bonds (Tranche I)		3,000,000,000.00						3,000,000,000.00
2016 Perpetual Medium-term Bonds (Tranche II)		3,000,000,000.00						3,000,000,000.00
Total		16,000,000,000.00						16,000,000,000.00

Changes (increase or decrease) during the period, reasons for such changes and basis for relevant accounting treatment of other equity instruments:

Applicable Not applicable

Other explanation:

Applicable Not applicable**40. Capital Reserve**✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share premium)	5,977,094,902.38	5,917,104.88		5,983,012,007.26
Other capital reserves	1,639,393,280.17	-19,843,390.12	91,093,146.36	1,528,456,743.69
Total	7,616,488,182.55	-13,926,285.24	91,093,146.36	7,511,468,750.95

Other explanation, including changes (increase or decrease) during the period and reasons for such changes:

- (1) The increase of capital premiums in the current period is caused by the receipt of capital investments by partially-owned subsidiaries of the Company from minority shareholders.

- (2) The increase in other capital reserve in the current period of RMB-19,843,390.12 is caused by the 920 funds paid to relevant subsidiary by the Company is greater than the 920 funds allocated by China Gezhouba Group Company Limited, the parent. The decrease in capital premiums in current period is the difference between the consideration paid for disposal of minority interest and share of net assets.

41. Other Comprehensive Income

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Reclassification	Amount before income tax for the period	Amount for the current period		Amount attributable to the parent after tax	Amount attributable to the minority shareholders after tax	Closing balance
				Less: Amount transferred to profit or loss from other comprehensive income	Less: Income tax expense			
I. Other comprehensive income not to be reclassified into profit or loss	-53,902,521.60	735,610,935.28	-632,486,017.44	-55,438,694.01	-576,929,907.43	-117,416.00	104,778,506.25	
Including: Changes of the re-measurement of defined benefit plans	-53,924,607.60		-262,880,000.00		-262,762,584.00	-117,416.00	-316,687,191.60	
Other comprehensive income not to be reclassified into profit or loss under equity method	22,086.00		-14,724.00		-14,724.00		7,362.00	
Change in fair value of other equity instrument investments		735,610,935.28	-369,591,293.44	-55,438,694.01	-314,152,599.43		421,458,335.85	
II. Other comprehensive income to be reclassified into profit or loss	555,345,992.44	-735,610,935.28	-309,524,590.72		-297,282,462.67	-12,242,128.05	-477,547,405.51	
Including: Other comprehensive income to be reclassified into profit or loss under equity method								
Gains or losses from change in fair value of available-for-sale financial assets	735,610,935.28	-735,610,935.28						
Differences on translation of foreign currency financial statements	-180,264,942.84		-309,524,590.72		-297,282,462.67	-12,242,128.05	-477,547,405.51	
Total other comprehensive income	501,443,470.84		-942,010,608.16	-55,438,694.01	-874,212,370.10	-12,359,544.05	-372,768,899.26	

42. Special Reserve✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance
Production safety expenses	59,918,487.17	883,813,714.70	857,499,634.60	86,232,567.27
Total	59,918,487.17	883,813,714.70	857,499,634.60	86,232,567.27

43. Surplus Reserve✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	1,489,267,979.60	93,676,683.62		1,582,944,663.22
Total	1,489,267,979.60	93,676,683.62		1,582,944,663.22

44. Retained Earnings✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Current period	Last period
Retained earnings at the end of last period before adjustment	10,759,826,667.48	7,887,345,539.08
Total amount of retained earnings at the beginning of the adjustment period (increase +, decrease -)	103,501,690.02	
Retained earnings at the beginning of the period after adjustment	10,863,328,357.50	7,887,345,539.08
Add: Net profits attributable to owners of the parent during the current period	4,657,706,341.59	4,683,602,072.05
Less: Appropriation to statutory surplus reserve	93,676,683.62	287,455,899.77
Ordinary share dividends payable	1,234,080,352.70	948,565,043.88
Ordinary share dividends included in share capital	575,100,000.00	575,100,000.00

Items	Current period	Last period
Decrease in others	226,841,472.91	
Retained earnings at the end of the period	13,391,336,189.86	10,759,826,667.48

Breakdown of retained profit at the beginning of the adjustment period:

1. Due to changes in accounting policies, the opening retained profit is RMB103,501,690.02;
2. According to the Notice of the Office of the State Council on the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance Regarding the Guidelines Related to the Separation and Transfer of “Water/Electricity/Gas Supply and Property” in the Employee Family Area of the State-owned Enterprises”《國務院辦公廳轉發國務院國資委、財政部關於國有企業職工家屬區「三供一業」分離移交工作指導意見的通知》 and relevant policies, 17 subsidiaries of the Company officially implemented the separation and transfer of “Water/Electricity/Gas Supply and Property” in the employee family area For such separation and transfer of “Water/Electricity/Gas Supply and Property”, after deducting the part of transfer and renovation expenses that are borne collectively by the Ministry of Finance of the Central Government, China Energy Engineering Group Company Limited (the controlling shareholder of the Company) and China Gezhouba Group Company Limited, the Company carried forward the net carrying amount of the assets transferred and the transfer and renovation expenses of RMB226,841,472.91 to offset retained earnings.

45. Operating Income and Operating Costs

(1). Operating income and operating costs

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operations	100,128,014,993.62	83,833,834,259.68	105,945,062,563.04	92,158,340,829.95
Other operations	497,654,778.03	358,389,156.62	862,036,972.36	684,766,961.91
Total	100,625,669,771.65	84,192,223,416.30	106,807,099,535.40	92,843,107,791.86

(2) *Principal operations by industry*

Name of industry	Amount in the year		Amount of last year	
	Revenue of principal operations	Cost of principal operations	Revenue of principal operations	Cost of principal operations
Construction	54,538,541,997.17	47,111,413,518.09	56,986,869,544.65	49,956,138,431.67
Environment	19,428,830,386.28	19,141,452,328.03	26,647,265,254.31	26,425,523,657.74
Real estate	7,441,006,669.04	5,704,000,466.88	6,246,226,835.28	4,514,826,823.74
Cement	8,890,519,749.11	5,061,041,124.51	6,679,577,320.00	4,512,202,207.28
Civil explosive	3,184,737,408.82	2,409,717,287.15	3,031,945,146.07	2,315,084,475.50
Road	1,918,046,886.04	727,932,591.47	1,592,781,983.87	622,435,582.76
Water affairs	1,511,039,976.97	878,625,899.77	790,469,178.30	362,286,918.84
Equipment manufacturing	1,307,734,432.19	1,167,390,166.23	2,189,403,765.41	1,832,828,936.03
Others	1,907,557,488.00	1,632,260,877.55	1,780,523,535.15	1,617,013,796.39
Total	100,128,014,993.62	83,833,834,259.68	105,945,062,563.04	92,158,340,829.95

(3) *Principal operations by geography*

Regions	Amount in the year		Amount of last year	
	Revenue of principal operations	Cost of principal operations	Revenue of principal operations	Cost of principal operations
Domestic	82,518,321,246.47	68,896,437,260.31	85,340,396,630.33	74,282,509,705.43
Overseas	17,609,693,747.15	14,937,396,999.37	20,604,665,932.71	17,875,831,124.52
Total	100,128,014,993.62	83,833,834,259.68	105,945,062,563.04	92,158,340,829.95

Explanation: Included in the income from overseas contracted engineering of the Company in 2018, the income from engineering technology outsourcing was USD27,272,972.

(4) *Operating income from top five customers*

Name of customer	Operating income	Percentage to total operating income of the Company (%)
The largest	3,768,491,818.88	3.75%
The second largest	2,169,518,873.85	2.16%
The third largest	2,118,333,353.40	2.11%
The fourth largest	2,055,102,630.38	2.04%
The fifth largest	1,701,206,545.54	1.69%
Total	11,812,653,222.05	11.74%

(5) Revenue from contracts

Applicable Not applicable

Unit: Yuan Currency: RMB

Classification	Construction	Environment	Real estate	Cement	Civil explosive	Road	Water affairs	High-end equipment manufacturing	Other	Offset	Total
Revenue from principal operations	54,538,541,997.17	19,428,830,386.28	7,441,006,669.04	8,890,519,749.11	3,184,737,408.82	1,918,046,886.04	1,511,039,976.97	1,307,734,432.19	2,000,671,158.74	-93,113,670.74	100,128,014,993.62
Including: recognized at point in time		18,201,796,740.76	7,441,006,669.04	8,890,519,749.11	3,184,737,408.82	1,918,046,886.04	1,511,039,976.97	1,307,734,432.19	2,000,671,158.74	-93,113,670.74	44,362,439,350.93
Including: recognized over a period of time	54,538,541,997.17	1,227,033,645.52									55,765,575,642.69
Other operating income									530,258,132.31	-32,603,354.28	497,654,778.03
Total	54,538,541,997.17	19,428,830,386.28	7,441,006,669.04	8,890,519,749.11	3,184,737,408.82	1,918,046,886.04	1,511,039,976.97	1,307,734,432.19	2,530,929,291.05	-125,717,025.02	100,625,669,771.65

Explanation of revenue from contracts:

Applicable Not applicable

(2) Details of performance obligation

Applicable Not applicable

(3) Explanation about allocation to the remaining performance obligations

Applicable Not applicable

46. Taxes and Surcharges

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Business tax	2,833,726.01	86,314,264.08
City maintenance and construction tax	235,176,903.41	278,246,763.72
Educational surcharge	182,880,800.59	204,903,545.47
Resource tax	43,689,086.59	60,758,541.39
Land appreciation tax	358,250,207.62	350,500,337.41
Property tax	52,614,382.94	52,219,363.22

Items	Amount for the current period	Amount for the last period
Land use tax	48,927,558.61	47,699,228.89
Vehicle and vessels use tax	1,420,580.25	1,231,770.65
Stamp duty	51,322,868.94	51,040,748.87
Others	139,472,103.21	94,337,698.78
Total	1,116,588,218.17	1,227,252,262.48

47. Selling and Distribution Expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Employee benefits	223,140,318.34	200,047,639.84
Packaging expenses	101,374,427.69	113,079,347.10
Transportation and loading and unloading expenses	541,464,384.54	448,565,787.03
Selling expenses	152,542,093.78	105,990,492.40
Others	282,666,310.19	197,254,988.09
Total	1,301,187,534.54	1,064,938,254.46

48. Administrative Expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Employee benefits expenses	2,430,281,892.77	2,303,034,642.19
Depreciation and amortization expenses	387,447,088.27	328,794,168.02
Office and travel expenses	324,295,144.64	329,323,453.97
Others	1,313,314,314.29	867,569,514.48
Total	4,455,338,439.97	3,828,721,778.66

49. Research and Development Expenses✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the last period
Materials expenses	1,165,851,873.15	1,099,267,544.63
Labor expenses	472,654,971.01	267,371,831.31
Depreciation expenses of fixed assets	42,856,705.60	30,932,273.66
Amortization expenses of intangible assets	2,328,219.78	2,344,514.68
Rental fee	77,548,090.92	38,552,876.72
Utilities	49,111,241.08	53,680,942.75
Other	170,201,946.81	105,300,018.32
Total	1,980,553,048.35	1,597,450,002.07

50. Financial Costs✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the last period
Interest expense	2,586,809,571.66	2,000,209,873.04
Interest income	-375,932,327.28	-150,256,042.18
Exchange gains and losses	120,308,774.60	47,712,495.92
Commission expenses	156,967,239.65	180,850,386.56
Total	2,488,153,258.63	2,078,516,713.34

51. Asset Impairment Losses✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the last period
I. Bad debt losses		48,983,054.51
II. Loss of inventory depreciation and impairment loss of contract performance cost	451,622,276.90	1,966,450.53
III. Impairment loss of fixed assets	1,384,160.15	
Total	453,006,437.05	50,949,505.04

52. Credit Impairment Losses✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period
Losses from bad debts of bills and trade receivables	5,437,048.44
Losses from bad debts of other receivables	23,254,296.27
Losses from bad debts of long-term receivables	30,530,938.37
Impairment losses of contract assets	43,300,152.90
Total	102,522,435.98

53. Other Income

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period	Related to assets/ income
Tax rebate in respect of comprehensive utilization of resources	567,356,087.40	213,411,907.82	Related to income
Tax refunds	761,136,370.42	1,545,772,830.33	Related to income
Tax credits	44,547,409.29	23,280,000.00	Related to income
Enterprise support funds	61,762,877.19		Related to income
Natural gas subsidy	3,550,000.00	12,325,861.34	Related to income
Gas boiler subsidy	1,440,000.00	1,440,000.00	Related to income
Special award fund	611,111.11	307,927.07	Related to income
Return of land premium	3,609,332.12		Related to income
Scientific research subsidies	100,000.00		Related to income
Special subsidies for the deep integration of informatization and industrialization	920,827.06		Related to income
Domestic waste demonstration line subsidy	849,181.81		Related to assets
Industry development fund	1,233,052.32		Related to assets
Other government grants related to assets	45,294.00		Related to assets
Subsidy for people waiting for employment	26,355,229.07		Related to income
Relocation compensation subsidy	51,904,781.00		Related to income
Individual tax refunds	7,218,668.98	3,883,556.58	Related to income
Other	33,098,941.38	14,864,115.54	Related to income
Total	1,565,739,163.15	1,815,286,198.68	

54. Investment Income✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the last period
Income from long-term equity investment under equity method	979,440,321.23	509,940,782.80
Investment income generated from disposal of long-term equity investments	9,842,678.85	6,633,837.13
Investment income from available-for-sale financial assets		101,997,385.00
Investment income from disposal of available- for-sale financial assets		714,827,793.01
Gains from fair value remeasurement of remaining equity interests after loss of control		
Investment income earned during the holding period of trading financial assets		
Investment income earned during the holding period of other equity instrument investments	20,381,872.80	
Investment income earned during the holding period of other non-current financial assets	68,394,309.55	
Investment income from disposal of other non-current financial assets	54,079,231.29	
Other	8,683,740.04	19,694,954.48
Total	1,140,822,153.76	1,353,094,752.42

55. Gains on Changes in Fair Value✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Source of gains on change in fair value	Amount for the current period	Amount for the last period
Other non-current financial assets	418,392,062.83	
Total	418,392,062.83	

56. Gains from Disposal of Assets✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss of the period
Gains or losses from disposal of fixed assets	-9,923,317.49	6,496,585.84	-9,923,317.49
Gains or losses from disposal of intangible assets (other than land)		-1,496.15	
Gains or losses from disposal of land	58,308,644.24		58,308,644.24
Other	-129,182.64		-129,182.64
Total	48,256,144.11	6,495,089.69	48,256,144.11

57. Non-operating Income*Non-operating income*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss of the period
Government grants	3,452,464.90	198,243,718.57	3,452,464.90
Gains from default and late fees	7,365,072.72	11,173,805.06	7,365,072.72
Other penalty gains	3,801,987.47	4,983,442.53	3,801,987.47
Insurance compensation	39,734,536.97		39,734,536.97
Gains from acquisition of subsidiaries	4,467,989.18		4,467,989.18
Other gains	26,743,678.99	36,721,090.83	26,743,678.99
Total	85,565,730.23	251,122,056.99	85,565,730.23

Government grants included in profit and loss for the period✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Subsidy item	Amount for the current period	Amount for the last period	Related to assets/ income
Scientific research subsidy		845,833.33	Related to assets
Return income from land premiums		2,385,935.07	Related to assets
Industry development fund		308,263.08	Related to assets
Domestic waste demonstration line subsidy		805,557.76	Related to assets
Enterprise support funds	1,787,816.39	103,095,588.57	Related to income
Tax refunds and rewards		10,899,000.00	Related to income
Financial subsidy		55,101,889.02	Related to income
Post stabilization subsidy		7,286,533.86	Related to income
Other subsidy	1,664,648.51	17,515,117.88	Related to income
Total	3,452,464.90	198,243,718.57	

Other explanation:

Applicable ✓Not applicable

58. Non-operating Expenses✓ Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss of the period
External donations	2,678,500.00	5,594,789.67	2,678,500.00
Losses from default and late fees	10,921,045.25	26,486,507.99	10,921,045.25
Losses from compensation and default	17,176,865.78	8,562,214.22	17,176,865.78
Asset retirement losses	16,009,014.68		16,009,014.68
Other	3,647,449.35	15,744,943.61	3,647,449.35
Total	50,432,875.06	56,388,455.49	50,432,875.06

59. Income tax expenses**(1). Income Tax Expenses statement**✓ Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the last period
Current income tax expenses	1,801,924,671.76	1,748,542,102.26
Deferred income tax expenses	-17,378,879.10	-110,252,129.56
Total	1,784,545,792.66	1,638,289,972.70

(2). *Reconciliation for accounting profit and income tax expenses*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period
Total profit	7,744,439,361.68
Income tax expenses at the statutory/applicable income tax rate	1,936,109,840.42
Effect of different tax rates for subsidiaries	-489,755,308.60
Effect of adjustments of income tax of previous periods	
Effect of non-taxable income	-261,725,846.57
Effect of non-deductible cost, expenses and losses	10,774,735.61
Effect of utilization of deductible losses in deferred income tax assets not recognized in previous period	-26,787,557.29
Effect of deductible temporary differences or deductible losses in deferred income tax assets not recognized in the current period	516,431,817.25
Qualified R&D expenditure and tax effect of additional deductions	-161,391,611.69
Others	260,889,723.53
Income tax expenses	1,784,545,792.66

Other explanation:

Applicable Not applicable**60. Items in Statement of Cash Flows**(1). *Other cash received related to operating activities*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the previous period
Government grants received	87,326,783.77	193,898,129.33
Interest income	375,932,327.28	150,256,042.18
Deposits, current accounts and others	16,692,355,805.44	16,829,694,555.93
Total	17,155,614,916.49	17,173,848,727.44

(2). *Other cash paid related to operating activities*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the previous period
Expenses in current period	3,216,073,007.72	2,509,949,753.61
Deposits, current accounts and others	18,876,300,845.14	11,596,052,215.88
Total	22,092,373,852.86	14,106,001,969.49

(3). *Other cash received related to investment activities*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the previous period
Investment returns from BT projects	123,950,989.87	230,769,997.85
Recovery of time deposits	228,375,545.48	
Government grants related to assets received		55,241,200.00
Net cash received from acquisition of subsidiaries and other business units	3,057,130.51	93,200.03
Central fund investment budget	106,360,505.41	201,115,897.73
Total	461,744,171.27	487,220,295.61

(4). *Other cash paid related to investment activities*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the previous period
Time deposits	514,475,545.48	
Net cash paid for disposal of subsidiaries and other business units	17,829,050.64	
Total	532,304,596.12	

(5) *Other cash received related to financing activities*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the previous period
Finance Bureau of Hefei High-tech Zone (合肥市高新區財政局)		446,580,000.00
Notes deposits received	30,684,268.35	52,341,458.26
Cash received for securitization of assets	3,541,622,310.32	4,077,366,144.00
920 funds	167,779,135.13	169,583,645.92
Total	3,740,085,713.80	4,745,871,248.18

(6) *Other cash paid related to financing activities*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Amount for the current period	Amount for the previous period
Payment for finance leases and sales and leaseback	862,000,000.00	50,600,000.00
Payment for issuance of medium-term notes and short-term commercial paper		3,000,000.00
Payment of surety for bills	73,768,361.79	30,684,268.35
Repayment of cash for asset securitization	3,602,456,620.74	2,215,139,275.59
Total	4,538,224,982.53	2,299,423,543.94

61. **Supplementary Information to the Statement of Cash Flows**(1) *Supplementary information to the statement of cash flows*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Adjustment of net profit to cash flows of operating activities:		
Net profits	5,959,893,569.02	5,847,482,897.08
Add: Provision for asset impairment	555,528,873.03	50,949,505.04
Depreciation of fixed assets, oil and gas assets, productive biological assets	1,377,065,347.45	1,214,822,510.83
Amortization of intangible assets	516,504,412.58	426,621,346.87
Amortization of long-term prepaid expenses	211,301,054.59	160,415,993.73
Loss from disposal of fixed assets, intangible assets and other long-term assets (income represented by “-”)	-48,256,144.11	-6,495,089.69
Losses from damage and scrap of fixed assets (income represented by “-”)	12,872,704.38	
Losses due to changes in fair value (income represented by “-”)	-418,392,062.83	
Financial costs (income represented by “-”)	2,707,118,346.26	2,047,922,368.96
Investment loss (income as represented by “-”)	-1,140,822,153.76	-1,353,094,752.42
Decrease in deferred income tax assets (increase represented by “-”)	-180,246,465.73	-184,229,842.25
Increase in deferred income tax liabilities (decrease represented by “-”)	162,867,586.63	73,977,712.69
Decrease in inventories (increase represented by “-”)	-5,194,765,274.58	-25,265,332,205.07
Decrease in operating receivables (increase represented by “-”)	18,977,110,010.11	1,039,118,309.65
Increase in operating payables (decrease represented by “-”)	-22,219,976,194.27	15,123,953,025.03
Others		
Net cash flows generated from operating activities	1,277,803,608.77	-823,888,219.55
2. Major investment and financing activities not involving cash receipts and payments:		
Debt transferred to capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under financing leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	18,838,712,123.84	18,622,157,083.52
Less: Opening balance of cash	18,622,157,083.52	21,206,495,692.96
Add: Closing balance of cash equivalents		

Supplementary information	Amount for the current period	Amount for the previous period
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	216,555,040.32	-2,584,338,609.44

(2). *Net cash paid to acquire subsidiaries during the period*

Applicable Not applicable

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents paid during the period from business combination during the period	1,195,191,283.68
Including: San Noronso Water System Co., Ltd.	905,263,772.85
Gezhouba Water Affairs (Baoding) Co., Ltd. (葛洲壩水務(保定)有限公司)	60,433,158.15
China Gezhouba Group Explosive Stock Co., Ltd. Pengzhou Branch	68,352,000.00
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)	161,142,352.68
Less: cash and cash equivalents held by subsidiaries on the acquisition date	110,092,584.41
Including: San Noronso Water System Co., Ltd.	9,715,091.87
Gezhouba Water Affairs (Baoding) Co., Ltd. (葛洲壩水務(保定)有限公司)	1,971,884.15
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)	98,405,608.39
Add: Cash or cash equivalents paid during the period from business combination in previous periods	79,530,958.92
Including: Beijing Zhongkai Xingye Investment Management Co., Ltd.	79,530,958.92
Net cash paid for acquisition of subsidiaries	1,164,629,658.19

(3). *Net cash received from disposal of subsidiaries during the period*✓Applicable Not applicable

Unit: Yuan Currency: RMB

	Amount
Cash and cash equivalent received during the period from disposal of subsidiaries during the period	13,669,750.00
Including: Gezhouba Weiye (Hubei) Insurance Brokerage Co., Ltd. (葛洲壩偉業(湖北)保險經紀有限公司)	13,669,750.00
Beijing Dongbu Greentown Real Estate Co., Ltd.(北京東部綠城置業有限公司)	
Less: Cash and cash equivalents held by subsidiaries at the date of lost control	12,789,084.27
Including: Gezhouba Weiye (Hubei) Insurance Brokerage Co., Ltd. (葛洲壩偉業(湖北)保險經紀有限公司)	12,789,084.27
Beijing Dongbu Greentown Real Estate Co., Ltd. (北京東部綠城置業有限公司)	
Net cash received from disposal of subsidiaries	880,665.73

(4). *Composition of cash and cash equivalents*✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	18,838,712,123.84	18,622,157,083.52
Including: Cash on hand	24,110,713.00	40,594,641.36
Bank deposits available for payment	18,721,505,673.79	18,559,049,566.34
Other monetary funds available for payment	93,095,737.05	22,512,875.82
II. Cash equivalents		
Including: Bond investment due within three months		
III. Closing balance of cash and cash equivalents	18,838,712,123.84	18,622,157,083.52

Other explanation:

Applicable Not applicable

62. Assets with Restricted Ownership or Right-of-use✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Items	Closing carrying amount	Reasons of restriction
Monetary funds	422,690,539.37	Bank acceptance bill deposits; guarantee letter deposits; other purposes
Accounts receivable	10,788,359.76	Secured borrowings
Long-term receivables	1,767,445,464.44	Secured borrowings
Inventories	24,105,537,373.49	Loans mortgage
Fixed assets	20,000,000.00	Loans mortgage
Construction in progress	3,010,426,754.97	Loans mortgage
Intangible assets	12,988,866,444.59	Loans mortgage
Total	42,325,754,936.62	

63. Foreign Currency Monetary Items**(1). Foreign currency monetary items**✓Applicable Not applicable*Unit: Yuan*

Items	Ending balance of foreign currency	Exchange rate	Ending balance in RMB equivalent
Monetary funds			4,440,682,430.18
Including: US Dollar	448,817,131.80	6.86	3,080,321,602.76
Others			1,360,360,827.42
Accounts payable			579,614,784.44
Including: US Dollar	448,817,131.80	6.86	189,383,197.76
Others			390,231,586.68
Other receivables			854,386,867.27
Including: US Dollar	22,422,927.35	6.86	153,893,035.07
Others			700,493,832.20
Long-term receivables			17,462,679,202.94
Including: US Dollar			
Others			6,111,104,342.46
Short-term borrowings			5,675,787,430.24
Including: US Dollar	542,300,000.00	6.86	3,721,913,360.00
Others			1,953,874,070.24

Items	Ending balance of foreign currency	Exchange rate	Ending balance in RMB equivalent
Non-current liabilities due within a year			205,769,890.96
Including: US Dollar			
Others			205,769,890.96
Long-term borrowings			6,042,203,502.26
Including: US Dollar	291,732,196.39	6.89	2,010,668,166.51
Others			4,031,535,335.75
Accounts payable			4,562,533,818.05
Including: US Dollar	260,940,589.47	6.86	1,790,887,487.97
Others			2,771,646,330.08
Other payables			2,233,282,188.48
Including: US Dollar	71,909,139.16	6.86	493,526,803.99
Others			1,739,755,384.49
Interest payable			996,028,688.46
Including: US Dollar			
Others			996,028,688.46
Other non-current liabilities			84,914,215.68
Including: US Dollar			
Others			84,914,215.68

- (2). *Notes on the overseas operating entities, including, for significant overseas operating entities, the necessary disclosure of main overseas operating places, functional currency and selection basis, as well as reasons for changes of the functional currency*

Applicable Not applicable

64. Government Grants

(1). Basic information about government grants

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Amount	Items reported		
		Items included in current profit or loss or deducted related costs	Amount for the current period	Amount for the previous period
Tax rebate from comprehensive resources utilization	780,767,995.22	567,356,087.40	213,411,907.82	Other income
Tax refunds	2,306,909,200.75	761,136,370.42	1,545,772,830.33	Other income
Tax incentives	67,827,409.29	44,547,409.29	23,280,000.00	Other income
Corporate support fund	61,762,877.19	61,762,877.19		Other income
Natural gas subsidy	15,875,861.34	3,550,000.00	12,325,861.34	Other income
Subsidy for people waiting for employment	26,355,229.07	26,355,229.07		Other income
Relocation compensation	51,904,781.00	51,904,781.00		Other income
Individual tax return	11,102,225.56	7,218,668.98	3,883,556.58	Other income
Other	47,963,056.92	33,098,941.38	14,864,115.54	Other income
Corporate support fund	104,883,404.96	1,787,816.39	103,095,588.57	Non-operating income
Tax refunds and awards	10,899,000.00		10,899,000.00	Non-operating income
Finance aid	55,101,889.02		55,101,889.02	Non-operating income
Post stabilization subsidy	7,286,533.86		7,286,533.86	Non-operating income
Other subsidy	19,179,766.39	1,664,648.51	17,515,117.88	Non-operating income
Total	3,567,819,230.57	1,560,382,829.63	2,007,436,400.94	

(2). Return of government grants

Applicable Not applicable

VIII. CHANGES ON SCOPE OF COMBINATION

1. Business Combination Not under Common Control

✓Applicable Not applicable

(1). Business combination of entities under common control during the period

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Name of acquiree	Date of equity acquisition	Acquisition cost	Acquisition ratio (%)	Acquisition method	Acquisition date	Basis for determining the acquisition date	Revenue of the	Net profit of the
							acquiree from acquisition date to the end of the reporting period	acquiree from acquisition date to the end of the reporting period
San Noronso Water System Co., Ltd.	2018-5-23	1,015,780,046.63	100.00	Equity transfer	2018-5-23	Actual control	555,560,415.64	173,945,385.90
Gezhouba Water Affairs (Baoding) Co., Ltd.(葛洲壩水務(保定)有限公司)	2018-7-1	70,433,158.15	51.00	Capital increase	2018-7-1	Actual control	42,544,333.38	8,341,982.36
Guazhou Lianyang New Energy Co., Ltd.(瓜州聯洋新能源有限責任公司)	2018-8-2	7,200,000.00	60.00	Capital increase	2018-8-2	Actual control	6,454,549.39	-230,665.31
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd.(杭州華電華源環境工程有限公司)	2018-10-1	161,142,352.68	40.00	Capital increase and equity transfer	2018-10-1	Note 1	260,430,468.09	18,951,443.47
Gezhouba Sainuo (Rizhao) Environmental Technology Co., Ltd.	2018-7-1	52,040,816.33	51.00	Capital increase	2018-7-1	Actual control	191,517.24	37,791.03
China Gezhouba Group Explosive Co., Ltd. Pengzhou Branch	2018-10-29	170,883,400.00	100.00	Business combination	2018-10-29	Note 2	4,034,874.44	156,031.31

Other explanation:

- The Company acquired 40% equity interest of Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司) by way of capital increase in September 2018 at a consideration of RMB161,142,352.68. Pursuant to the concerted action agreement between Hangzhou Xiangyuan Asset Management Partnership (Limited Partnership) (杭州祥源資產管理合夥企業(有限合夥)), a former shareholder, and Ma Yan, Hangzhou Xiangyuan Asset Management Partnership (Limited Partnership) (杭州祥源資產管理合夥企業(有限合夥)) and Ma Yan entrusted the Company to exercise irrevocably the voting rights held by them, therefore, the Company was entitled to 51.83% voting rights of Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd.(杭州華電華源環境工程有限公司). The acquisition date was determined as 1 October 2018 as (1) the investment agreement and management agreement were signed; (2) the contribution capital was paid; (3) the industrial and commercial changes registration formalities were completed and (4) the handover procedures were completed.

2. China Gezhouba Group Explosive Co., Ltd., a holding subsidiary of the Company, acquired operating assets, capacity and employees of Pengzhou Branch of Sichuan Tongda Chemical Co., Ltd. at the consideration of RMB170,883,400.00, constituting a business combination. The basis for determining the acquisition date: (1) the investment agreement and management agreement have been signed; (2) the consideration has been paid; (3) industrial and commercial registration of change is completed; (4) the transfer procedure is completed.

(2). *Cost of combination and goodwill*

Applicable Not applicable

Unit: Yuan Currency: RMB

		Gezhouba Water Affairs (Baoding) Co., Ltd. (葛洲壩水務 保定)有限公司)	Guazhou Lianyang New Energy Co., Ltd. (瓜州聯洋新能 源)有限責任公司)	Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭 州華電華源環境工程有 限公司)	Rizhao Sainuo Environmental Technology Co., Ltd.	Pengzhou Branch of China Gezhouba Group Explosive Stock Co., Ltd.
Cost of combination	San Noronso Water System Co., Ltd.					
Cash	1,015,780,046.63	70,433,158.15	7,200,000.00	161,142,352.68	52,040,816.33	170,883,400.00
Total cost of combination	1,015,780,046.63	70,433,158.15	7,200,000.00	161,142,352.68	52,040,816.33	170,883,400.00
Less: Share of fair value of the identifiable net assets	1,019,936,921.24	8,348,334.23	5,675,525.91	120,887,630.36	52,351,930.90	72,894,783.77
The amount which goodwill or cost of combination is less than the share of the fair value of identifiable net assets	-4,156,874.61	62,084,823.92	1,524,474.09	40,254,722.32	-311,114.57	97,988,616.23

(3). *Identifiable assets and liabilities of the acquiree at the acquisition date*

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

	San Noronso Water System Co., Ltd.		Gezhouba Water Affairs (Baoding) Co., Ltd.(葛洲壩水務(保定)有限公司)		Guazhou Lianyang New Energy Co., Ltd.(瓜州聯洋新能源有限責任公司)	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Asset:	5,991,978,658.24	5,991,978,658.24	54,356,761.17	54,356,761.17	29,639,653.70	29,639,653.70
Cash at bank and on hand	9,715,091.87	9,715,091.87	1,971,884.15	1,971,884.15	1,550,517.92	1,550,517.92
Bills receivables and trade receivables			9,000,196.20	9,000,196.20		
Prepayments			1,080,854.70	1,080,854.70	20,569,500.00	20,569,500.00
Other receivables	2,351,071.90	2,351,071.90	40,521,023.40	40,521,023.40		
Inventories					10,783.53	10,783.53
Other current assets due within one year	292,686,781.02	292,686,781.02				
Other current assets			946,524.31	946,524.31	141,618.45	141,618.45
Long-term receivables	5,677,628,588.50	5,677,628,588.50				
Long-term equity investments						
Investment properties						
Fixed assets	1,965,285.98	1,965,285.98	836,278.41	836,278.41	10,056.47	10,056.47
Construction in progress					6,276,577.52	6,276,577.52
Intangible assets					1,080,599.81	1,080,599.81
Deferred income tax assets						
Other non-current assets	7,631,838.97	7,631,838.97				
Liabilities:	4,972,041,737.00	4,972,041,737.00	37,987,478.37	37,987,478.37	20,180,443.85	20,180,443.85
Short-term borrowings					697,948.00	697,948.00
Bills payables and trade payables	11,802,476.59	9,945,145.88	136,630.00	136,630.00	3,741,880.00	3,741,880.00
Contract liabilities			194,233.85	194,233.85	1,599,000.00	1,599,000.00
Employee benefits payable	4,926,565.52	4,926,565.52	1,069,240.61	1,069,240.61	212,454.62	212,454.62
Tax payable	915,186.04	915,186.04	1,179,066.51	1,179,066.51		
Other payables			35,408,307.40	35,408,307.40	13,929,161.23	13,929,161.23
Non-current liabilities due within one year	161,486,894.68	161,486,894.68				
Long-term borrowings	4,609,603,234.79	4,609,603,234.79				
Deferred income tax liabilities	112,254,533.33	114,111,864.04				
Other non-current liabilities	71,052,846.05	71,052,846.05				
Net asset	1,019,936,921.24	1,019,936,921.24	16,369,282.80	16,369,282.80	9,459,209.85	9,459,209.85
Less: Minority interest			8,020,948.57	8,020,948.57	3,783,683.94	3,783,683.94
Net assets acquired	1,019,936,921.24	1,019,936,921.24	8,348,334.23	8,348,334.23	5,675,525.91	5,675,525.91

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

	Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd.(杭 州華電華源環境工程有限公司)		Rizhao Sainuo Environmental Technology Co., Ltd.		Pengzhou Branch of China Gezhoubu Group Explosive Stock Co., Ltd.	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Assets:	767,645,782.41	782,125,582.41	143,056,551.02	143,056,551.02	72,894,783.77	72,894,783.77
Cash at bank and on hand	188,759,569.26	188,759,569.26	53,547,428.92	53,547,428.92	571,594.76	571,594.76
Bills receivables and trade receivables	258,443,725.33	258,443,725.33	7,785,000.00	7,785,000.00		
Prepayments	61,716,651.21	61,716,651.21	730,000.00	730,000.00		
Other receivables	43,018,779.32	43,018,779.32	25,441.31	25,441.31		
Inventories	173,212,643.82	173,212,643.82				
Non-current assets due within one year						
Other current assets	5,843,568.70	5,843,568.70	3,490,019.19	3,490,019.19		
Long-term receivables						
Long-term equity investments	518,691.68	518,691.68				
Investment properties	2,074,162.38	2,074,162.38				
Fixed assets	21,061,660.71	21,246,960.71	982,609.11	982,609.11	60,875,002.93	60,875,002.93
Construction in progress	2,886,441.94	2,886,441.94	52,096,052.49	52,096,052.49		
Intangible assets	4,201,910.14	18,496,410.14			11,448,186.08	11,448,186.08
Deferred income tax assets	5,907,977.92	5,907,977.92				
Other non-current assets			24,400,000.00	24,400,000.00		
Liabilities:	469,004,798.95	471,176,768.95	40,405,706.12	40,405,706.12		
Short-term borrowings	49,000,000.00	49,000,000.00	35,000,000.00	35,000,000.00		
Bills payables and trade payables	246,469,083.32	246,469,083.32	5,405,326.82	5,405,326.82		
Contract liabilities	129,666,809.82	129,666,809.82				
Employee benefit payable	78,117.58	78,117.58				
Taxes payable	12,232,318.15	12,232,318.15				
Other payables	31,558,470.08	31,558,470.08	379.30	379.30		
Non-current liabilities due within one year						
Long-term borrowings						
Deferred income tax liabilities		2,171,970.00				
Other non-current liabilities						
Net assets	298,640,983.46	310,948,813.46	102,650,844.90	102,650,844.90	72,894,783.77	72,894,783.77
Less: Minority interests	190,061,183.10	190,061,183.10	50,298,914.00	50,298,914.00		
Net assets acquired	108,579,800.36	120,887,630.36	52,351,930.90	52,351,930.90	72,894,783.77	72,894,783.77

- (4). *Profit and loss generated from re-measuring the equity interests held prior to the acquisition date at fair value*

Whether there are multiple transactions by steps to realize business combination and obtain the control within the reporting period

Applicable Not applicable

- (5). *Description of consideration for merger or identifiable assets and liabilities of the acquired party whose fair value cannot be appropriately determined as at the date of acquisition or the end of the period of merger*

Applicable Not applicable

- (6). *Other explanation*

Applicable Not applicable

2. Business Combination under Common Control

Applicable Not applicable

3. Disposal of Subsidiaries

Whether there is any single disposal of investment in subsidiaries that results in loss of control

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Equity disposal price	Percentage of Equity disposal (%)	Disposal method	Time point of losing control	Basis for determining the time point of losing control	Difference between the disposal price and the share of the subsidiary's net assets at the level of the consolidated financial statement corresponding to the disposal of the investment	Percentage of remaining equity at the date of loss of control (%)	Carrying amount of remaining equity at the date of loss of control	Fair value of remaining equity at the date of loss of control	Gains or losses arising from re-measurement of the fair value of remaining equity at the date of loss of control and key assumption	Amount of other consolidated revenue which is related to the original equity investment in subsidiary and stated as investment gains/losses
Gezhouba Weiye (Hubei) Insurance Brokerage Co., Ltd. (葛洲壩偉業(湖北)保險經紀有限公司)	13,669,750.00	55.00	Equity transfer	2018-7-30	Loss of control when transfer of assets	6,560,275.61					
Beijing Dongbu Greentown Real Estate Co., Ltd. (北京東部綠城置業有限公司)	45,261,700.00	51.00	Equity transfer	2018-12-31	Loss of control when transfer of assets	3,282,403.24					

Other explanation:

 Applicable Not applicable*Whether there are multiple transactions by steps to dispose the investment in subsidiaries and loss the control in the current period* Applicable Not applicable**4. Change in Scope of Combination for Other Reasons**

Explain change in scope of combination for other reasons (e.g. new establishment or liquidation of subsidiaries) and relevant details:

 Applicable Not applicable

The Company has no significant changes in the scope of combination for other reasons this year.

IX. EQUITY IN OTHER ENTITIES

1. Equity in Subsidiaries

(1). Constitution of enterprise group

✓Applicable □Not applicable

Name of subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Gezhouba Group No.1 Engineering Co., Ltd. (中國葛洲壩集團第一工程有限公司)	Yichang, Hubei	Yichang, Hubei	Project construction	99.10	0.90	Business combination under common control
China Gezhouba Group No.2 Engineering Co., Ltd. (中國葛洲壩集團第二工程有限公司)	Chengdu, Sichuan	Chengdu, Sichuan	Project construction	98.99	1.01	Business combination under common control
China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限公司)	Xi'an, Shaanxi	Xi'an, Shaanxi	Project construction	68.43	31.57	Investment or establishment
China Gezhouba Group No.5 Engineering Co., Ltd. (中國葛洲壩集團第五工程有限公司)	Yichang, Hubei	Yichang, Hubei	Project construction	99.09	0.91	Business combination under common control
China Gezhouba Group No.6 Engineering Co., Ltd. (中國葛洲壩集團第六工程有限公司)	Kunming, Yunnan	Kunming, Yunnan	Project construction	99.03	0.97	Business combination under common control
China Gezhouba Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司)	Chengdu, Sichuan	Chengdu, Sichuan	Project construction	99.00	1.00	Business combination under common control
China Gezhouba Group Basic Engineering Co., Ltd. (中國葛洲壩集團基礎工程有限公司)	Yichang, Hubei	Yichang, Hubei	Project construction	99.00	1.00	Business combination under common control
China Gezhouba Group Electric Power Co., Ltd. (中國葛洲壩集團電力有限責任公司)	Yichang, Hubei	Yichang, Hubei	Project construction	99.00	1.00	Business combination under common control
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	Yichang, Hubei	Yichang, Hubei	Project construction	99.00	1.00	Business combination under common control
China Gezhouba Group Explosive Stock Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	Chongqing	Chongqing	Civil explosive	68.36		Investment or establishment
China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司)	Wuhan	Jingmen	Cement production and sale	100.00		Investment or establishment

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司)	Beijing	Beijing	Real estate development	100.00		Business combination under common control
China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司)	Yichang, Hubei	Yichang, Hubei	Metal structure manufacturing	99.00	1.00	Business combination under common control
China Gezhouba Group International Engineering Co., Ltd. (中國葛洲壩集團國際工程有限公司)	Beijing	Beijing	Project construction	100.00		Business combination under common control
China Gezhouba Group Lvyuan Technology Co., Ltd. (中國葛洲壩集團綠園科技有限公司)	Shenzhen	Shenzhen	Environmental protection	100.00		Investment or establishment
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	Shanghai	Shanghai	Finance leases	60.00	25.00	Investment or establishment
China Gezhouba Group Survey and Design Co., Ltd. (中國葛洲壩集團勘测設計有限公司)	Wuhan, Hubei	Wuhan, Hubei	Survey and design	100.00		Investment or establishment
China Gezhouba Group Investment Holding Co., Ltd. (中國葛洲壩集團投資控股有限公司)	Wuhan, Hubei	Wuhan, Hubei	Investment	100.00		Investment or establishment
Fuzhou Jiangyin Industrial Zone Gezhouba Reclamation Investment Co., Ltd. (福州市江陰工業區葛洲壩填海投資有限公司)	Fuqing, Fujian	Fuqing, Fujian	Infrastructure investment and operation	72.00		Investment or establishment
Gezhouba (Haikou) Water Diversion Investment Co., Ltd. (葛洲壩(海口)引水工程投資有限公司)	Haikou, Hainan	Haikou, Hainan	Infrastructure investment and operation	80.00		Investment or establishment
China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司)	Beijing	Beijing	Investment	79.78	20.22	Investment or establishment
Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司)	Haikou, Hainan	Haikou, Hainan	Infrastructure investment and operation	80.00		Investment or establishment
Gezhouba Water Affairs (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司)	Jingmen, Hubei	Jingmen, Hubei	Infrastructure investment and operation	90.00		Investment or establishment
Sichuan Gezhouba Batongwan Expressway Limited (四川葛洲壩巴通萬高速公路有限公司)	Bazhong, Sichuan	Bazhong, Sichuan	Highway investment and operation	99.00		Investment or establishment
China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司)	Wuhan, Hubei	Wuhan, Hubei	Infrastructure investment and operation	100.00		Investment or establishment

Name of subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司)	Wuhan, Hubei	Wuhan, Hubei	Infrastructure investment and operation	100.00		Investment or establishment
China Gezhouba Group Equipment Industry Co., Ltd. (中國葛洲壩集團裝備工業有限公司)	Wuhan, Hubei	Wuhan, Hubei	Equipment Manufacturing	100.00		Investment or establishment
Beijing Gezhouba Zhenghe Yuyong Water Environmental Treatment Co., Ltd. (北京葛洲壩正和於永水環境治理有限公司)	Beijing	Beijing	Infrastructure investment and operation	85.50		Investment or establishment
Gezhouba Water Affairs (Taizhou) Co., Ltd. (葛洲壩水務(台州)有限公司)	Taizhou, Zhejiang	Taizhou, Zhejiang	Infrastructure investment and operation	80.00		Investment or establishment
Hefei Gezhouba High-tech Pipe Gallery Investment and Construction Co., Ltd. (合肥葛洲壩高新管廊投資建設有限公司)	Hefei, Anhui	Hefei, Anhui	Infrastructure investment and operation	60.00		Investment or establishment
Gezhouba Xinfu (Nanning) Highway Construction Investment Co., Ltd. (葛洲壩新扶(南寧)公路建設投資有限公司)	Nanning, Guangxi	Nanning, Guangxi	Infrastructure investment and operation	95.00		Investment or establishment
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Environmental protection engineering construction	40.00		Business combination not under common control
Gezhouba Jinghuan Technology Co., Ltd. (葛洲壩京環科技有限公司)	Beijing	Beijing	Environmental protection	51.00		Investment or establishment
Leqing Gezhouba Investment Co., Ltd. (樂清葛洲壩投資有限公司)	Wenzhou, Zhejiang	Wenzhou, Zhejiang	Infrastructure investment and operation	100.00		Investment or establishment

Note: In 2018, the Company transferred its equity interests in China Gezhouba Group Real Estate Co., Ltd. (中國葛洲壩集團置業有限公司) and Hubei Wuhan Gezhouba Industrial Co., Ltd. (湖北武漢葛洲壩實業有限公司), wholly-owned subsidiaries, to China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary. Upon completion of the transfer, China Gezhouba Group Real Estate Co., Ltd. (中國葛洲壩集團置業有限公司) and Hubei Wuhan Gezhouba Industrial Co., Ltd. (湖北武漢葛洲壩實業有限公司) become a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司).

(2). **Important non-wholly owned secondary subsidiary**

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding of minority shareholders	Profit or loss attributable to minority shareholders in current period	Dividends distributed to minority shareholders in current period	Closing balance of equity of minority shareholders
China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	31.64%	84,896,706.73	31,924,889.91	514,292,009.37
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	15.00%	4,091,184.16		54,731,117.26

Explanations for the inconsistency of shareholding percentage of non-controlling shareholders of subsidiaries with proportion of their voting rights:

Applicable Not applicable

Other explanation:

Applicable Not applicable

(3). *Main financial information of significant non-wholly second-tier owned subsidiaries*

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Current assets	Closing balance				Opening balance						
		Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	1,854,689,484.28	1,595,261,013.56	3,449,950,497.84	1,665,565,596.04	83,693,987.43	1,749,259,583.47	2,017,340,138.81	1,669,592,607.39	3,686,932,746.20	1,591,991,955.53	308,104,214.77	1,900,096,170.30
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	722,327,542.14	1,377,881,887.30	2,100,209,429.44	1,027,121,810.43	708,213,504.00	1,735,335,314.43	1,320,066,696.87	723,776,423.75	2,043,843,120.62	882,243,566.67	849,000,000.00	1,731,243,566.67

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Name of subsidiary	Amount for the current period				Amount for the last period			
	Operating income	Net profit	Total		Operating income	Net profit	Total	
			comprehensive income	Cash flows from operating activities			comprehensive income	Cash flows from operating activities
China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	3,318,297,380.50	265,030,529.02	264,990,529.02	290,786,364.21	3,060,484,521.91	239,800,978.21	239,610,978.21	-53,951,950.00
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	125,717,025.02	27,274,561.06	27,274,561.06	129,337,945.74	128,410,900.06	32,261,913.51	32,261,913.51	124,335,378.84

(4). Major restrictions on the use of assets and repayment of debts of the enterprise group:

Applicable Not applicable

(5). Financial or other support provided for structured entities included in the consolidated financial statements:

Applicable Not applicable

Other explanation:

Applicable Not applicable

2. Transaction in Which the Share of Owner's Interests in the Subsidiary Changes While Control over the Subsidiary Remaining Unchanged

Applicable Not applicable

3. Interests in the Joint Venture or Associate

Applicable Not applicable

(1). Significant joint ventures or associates

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of joint venture or associate	Principal place of business	Place of registration	Business nature	Shareholding ratio(%)		Accounting treatment for investment in joint venture or associate
				Direct	Indirect	
Jingzhou Chengbei Expressway Investment and Construction Co., Ltd.(荊州城北快速路投資建設有限公司)	Jingzhou	Jingzhou	Investment and operation of infrastructure	70.00		Equity method

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Name of joint venture or associate	Principal place of business	Place of registration	Business nature	Shareholding ratio(%)		Accounting treatment for investment in joint venture or associate
				Direct	Indirect	
Gezhouba Jianxin (Wuhan) Investment Fund Management Co., Ltd.(葛洲壩建信(武漢)投資基金管理有限公司)	Wuhan	Wuhan	Investment and management	50.00		Equity method
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd.(南京葛洲壩城市地下空間綜合建設開發有限公司)	Nanjing	Nanjing	Investment and operation of infrastructure	70.00		Equity method
Yichang Miaozui Bridge Construction Engineering Co., Ltd.(宜昌廟嘴大橋建設工程有限公司)	Yichang	Yichang	Road-bridge operation	50.00		Equity method
Beijing Zongheng Wuzhou Management Consulting Co., Ltd.(北京縱橫五洲管理諮詢有限公司)	Beijing	Beijing	Management consulting	49.00		Equity method
Guangzhou Zhenglin Real Estate Development Co., Ltd.(廣州市正林房地產開發有限公司)	Guangzhou	Guangzhou	Real estate development	49.00		Equity method
Guangzhou Rumao Real Estate Development Co., Ltd.* (廣州市如茂房地產開發有限公司)	Guangzhou	Guangzhou	Real estate development	49.00		Equity method
China Energy Engineering Group Gezhouba Finance Co., Ltd. (中國能源建設集團葛洲壩財務有限公司)	Wuhan	Wuhan	Finance	36.81		Equity method
Pingan Gezhouba (Shenzhen) Expressway Investment Partnership Company* (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	Shenzhen	Shenzhen	Investment and management	47.00		Equity method
Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd.(葛洲壩(西安)秦漢大道投資建設有限公司)	Xi'an	Xi'an	Investment and operation of infrastructure	20.00		Equity method
Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	Weinan	Weinan	Investment and operation of infrastructure	33.33		Equity method
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd.(葛洲壩(瀘州)長江六橋投資有限公司)	Luzhou	Luzhou	Investment and operation of infrastructure	10.00		Equity method
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	Tangshan	Tangshan	Investment and operation of infrastructure	7.50		Equity method

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Name of joint venture or associate	Principal place of business	Place of registration	Business nature	Shareholding ratio(%)		Accounting treatment for investment in joint venture or associate
				Direct	Indirect	
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd.(葛洲壩(惠州惠陽)投資建設有限公司)	Huizhou	Huizhou	Investment and operation of infrastructure	10.00		Equity method
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd.(葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	Guiyang	Guiyang	Investment and operation of infrastructure	5.00		Equity method
Pan Zhou County Hongcai Gezhouba Project Management Co., Ltd.(盤州縣宏財葛洲壩項目管理有限公司)	Pan County	Pan County	Investment and operation of infrastructure	30.00		Equity method
Shandong Gezhouba Judan Expressway Co., Ltd.(山東葛洲壩巨單高速公路有限公司)	Heze	Heze	Expressway investment and operation	35.00		Equity method
Shandong Gezhouba Zaohe Expressway Co., Ltd.(山東葛洲壩棗荷高速公路有限公司)	Jining	Jining	Expressway investment and operation	35.00		Equity method
Shandong Gezhouba Jitai Expressway Co., Ltd.(山東葛洲壩濟泰高速公路有限公司)	Jinan	Jinan	Expressway investment and operation	35.00		Equity method
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd.(阜陽葛洲壩國禎水環境治理投資建設有限公司)	Fuyang	Fuyang	Investment and operation of infrastructure	35.00		Equity method
Gezhouba (Wu'an) Investment and Construction Co., Ltd.(葛洲壩(武安)投資建設有限公司)	Wuan	Wuan	Investment and operation of infrastructure	19.64		Equity method
Guangxi Gezhouba Tianxi Expressway Co., Ltd.(廣西葛洲壩田西高速公路有限公司)	Baise	Baise	Expressway investment and operation	40.00		Equity method
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd.(葛洲壩(惠州)江南大道投資建設有限公司)	Huizhou	Huizhou	Expressway investment and operation	5.00		Equity method
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd (陝西葛洲壩延黃寧石高速公路有限公司)	Xi'an	Xi'an	Expressway investment and operation	40.00		Equity method
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd.(雲南葛洲壩宣揚高速公路開發有限公司)	Xuanwei	Xuanwei	Expressway investment and operation	50.00		Equity method

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of joint venture or associate	Principal place of business	Place of registration	Business nature	Shareholding ratio(%)		Accounting treatment for investment in joint venture or associate
				Direct	Indirect	
Hubei Huangshi Wuyang Expressway Development Co., Ltd.(湖北黃石武陽高速公路發展有限公司)	Huangshi	Huangshi	Expressway investment and operation	49.00		Equity method
Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd.(南京江北新區地下空間研究院有限公司)	Nanjing	Nanjing	Scientific research and technical services	35.00		Equity method
Chongqing Jiangqi Highway Co., Ltd.(重慶江碁高速公路有限公司)	Chongqing	Chongqing	Expressway investment and operation	40.00		Equity method
Yichang High-tech Landscaping Co., Ltd. (宜昌高新園林綠化有限公司)	Yichang	Yichang	Landscaping	49.00		Equity method
Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	Chongqing	Chongqing	Investment and operation of infrastructure	51.00		Equity method
China Overseas Infrastructure Development and Investment Corporation Limited (中國海外基礎設施開發投資有限公司)	Hong Kong	Hong Kong	Investment and management	21.74		Equity method
Gezhouba Wah Nobel Blasting (PVT) Ltd. (葛洲壩瓦赫諾貝爾爆破公司)	Pakistan	Pakistan	Civil explosive	43.35		Equity method
Hangzhou Longyu Investment Management Co., Ltd.(杭州龍譽投資管理有限公司)	Hangzhou	Hangzhou	Investment and management	34.00		Equity method
Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	Beijing	Beijing	Real estate development	49.00		Equity method
Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	Hangzhou	Hangzhou	Real estate development	25.00		Equity method
Gekuanli Nanjing Property Development Co. Ltd. (葛曠利南京房地產開發有限公司)	Nanjing	Nanjing	Real estate development	33.90		Equity method
Gezhouba (Shenzhen) Real Estate Development Co., Ltd.(葛洲壩(深圳)房地產開發有限公司)	Shenzhen	Shenzhen	Real estate development	40.00		Equity method
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd.(中葛永茂(蘇州)房地產開發有限公司)	Suzhou	Suzhou	Real estate development	22.00		Equity method

Name of joint venture or associate	Principal place of business	Place of registration	Business nature	Shareholding ratio(%)		Accounting treatment for investment in joint venture or associate
				Direct	Indirect	
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd.(武漢華潤置業地葛洲壩置業有限公司)	Wuhan	Wuhan	Real estate development	40.00		Equity method
Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd. (重慶葛洲壩融創金裕置業有限公司)	Chongqing	Chongqing	Real estate development	49.00		Equity method
Chongqing Gezhouba Sunac Shenda Properties Co., Ltd. (重慶葛洲壩融創深達置業有限公司)	Chongqing	Chongqing	Real estate development	49.00		Equity method
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	Wuhan	Wuhan	Real estate development	50.00		Equity method
Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限責任公司)	Zhangjiajie	Zhangjiajie	Civil explosive	30.15		Equity method
Yiyang Yilian Civil Explosive Equipment Co., Ltd. (益陽益聯民用爆破器材有限公司)	Yiyang	Yiyang	Civil explosive	36.43		Equity method
Gezhouba Zhongke Energy Storage Technology Co., Ltd.(葛洲壩中科儲能技術有限公司)	Beijing	Beijing	Energy storage technology development	51.00		Equity method
Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)	Wuhan	Wuhan	Technology research and technical services	40.00		Equity method
Huadian Huayuan Artificial Environment Engineering Co., Ltd.(華電華源人工環境工程有限公司)	Beijing	Beijing	Environmental protection engineering construction	22.00		Equity method

Notes:

1. According the articles of association and capital contribution agreement, the Company's appointment of 1 to 2 directors of Jingzhou Chengbei Expressway Investment and Construction Co., Ltd.(荊州城北快速路投資建設有限公司) and Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd.(南京葛洲壩城市地下空間綜合建設開發有限公司) may exercise significant control over Jingzhou Chengbei Expressway Investment and Construction Co., Ltd.(荊州城北快速路投資建設有限公司) and Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd.(南京葛洲壩城市地下空間綜合建設開發有限公司), but cannot control the general meeting and board meeting, hence, the Company accounted them as joint ventures using equity method.
2. According the articles of association and capital contribution agreement, the Company's appointment of 1 to 2 directors of Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd.(葛洲壩(唐山)豐南投資建設有限公司), Gezhouba Group (Guiyang) Comprehensive

Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司), Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司) and Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司) may exercise significant influence on Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司), Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司) and Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司), hence, the Company accounted them as associates using equity method.

3. China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司), a subsidiary of the Company, held 51% equity interest of Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司). Pursuant to the articles of association, China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司) may exercise significant influence on Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司), hence, the Company accounted it as associate using equity method.
4. China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司), a subsidiary of the Company, held 51% equity interest of Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司). Pursuant to the articles of association, China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司) may exercise significant influence on Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司), hence, the Company accounted it as associate using equity method.

(2). *Main financial information of significant joint ventures*

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

	Closing balance/Amount for the current period			Opening balance/Amount for the previous period		
	Jingzhou Chengbei Expressway Investment and Construction Co., Ltd.(荊州城北快速路 投資建設有限公司)	Guangzhou Rumao Real Estate Development Co., Ltd*(廣州市如茂房 地產開發有限公司)	Guangzhou Zhenglin Real Estate Development Co., Ltd.(廣州市正林房地 產開發有限公司)	Jingzhou Chengbei Expressway Investment and Construction Co., Ltd.(荊州城北快速路 投資建設有限公司)	Guangzhou Rumao Real Estate Development Co., Ltd*(廣州市如茂房 地產開發有限公司)	Guangzhou Zhenglin Real Estate Development Co., Ltd.(廣州市正林房地 產開發有限公司)
Current assets	1,132,532,192.10	3,343,388,805.23	4,626,331,284.68	449,999,640.00	3,623,715,151.11	5,043,127,181.61
Including: Cash and cash equivalents						
Non-current assets	2,616,097,285.02	438,354.64	2,032,329.92	1,360.00	12,081,175.57	493,981.41
Total assets	3,748,629,477.12	3,343,827,159.87	4,628,363,614.60	450,001,000.00	3,635,796,326.68	5,043,621,163.02
Current liabilities	1,772,889,477.12	1,204,054,542.66	1,784,808,577.23	1,000.00	605,044,994.69	1,768,676,844.41
Non-current liabilities	930,000,000.00				921,900,000.00	1,024,000,000.00
Total liabilities	2,702,889,477.12	1,204,054,542.66	1,784,808,577.23	1,000.00	1,526,944,994.69	2,792,676,844.41
Minority interests						
Shareholders' equity attributable to the parent	1,045,740,000.00	2,139,772,617.21	2,843,555,037.37	450,000,000.00	2,108,851,331.99	2,250,944,318.61
Proportionate share in net assets	732,018,000.00	1,048,488,582.43	1,393,341,968.31	315,000,000.00	1,033,337,152.68	1,102,962,716.12
Adjustments	-8,000.00			35,000,000.00	2,300.00	-1,400.00
- Goodwill						
- Unrealized profits from Intercompany transactions						
- Others	-8,000.00			35,000,000.00	2,300.00	-1,400.00
Carrying amount of equity investments in joint venture	732,010,000.00	1,048,488,582.43	1,393,341,968.31	350,000,000.00	1,033,339,452.68	1,102,961,316.12
Fair value of equity investments of joint ventures where there is quoted price						
Operating income		339,749,335.61	2,705,626,098.25		2,511,669,638.87	1,211,731,014.35
Finance coast		34,483,665.17	14,109,796.87		1,568,106.73	-1,467,546.55
Income tax expenses		8,515,792.78	197,520,026.14		177,371,970.00	38,880,842.94
Net profit		37,645,344.69	592,560,078.43		548,838,644.18	116,642,528.82
Net profit for discontinued operations						
Other comprehensive income						
Total comprehensive income		37,645,344.69	592,560,078.43		548,838,644.18	116,642,528.82
Dividend from joint venture in the year						

(3). *Main financial information of significant associates*

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

	Closing balance/Amount for the current period		Opening balance/Amount for the previous period	
	China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司)	Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司)	Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)
Current assets	26,217,325,685.49	1,430,517,163.07	14,491,497,661.73	3,641,973,073.04
Non-current assets	21,677,013,091.12	790,749,710.00	20,573,243,997.58	408,388,306.72
Total assets	47,894,338,776.61	2,221,266,873.07	35,064,741,659.31	4,050,361,379.76
Current liabilities	45,357,402,066.08	1,268,295,720.71	32,625,754,717.37	2,614,358,696.55
Non-current liabilities	540,000.00		650,000.00	1,199,422,994.80
Total liabilities	45,357,942,066.08	1,268,295,720.71	32,626,404,717.37	3,813,781,691.35
Minority interest				
Shareholders' equity attributable to the parent company	2,536,396,710.53	952,971,152.36	2,438,336,941.94	236,579,688.41
Proportionate share in net assets	933,647,629.15	466,955,864.66	897,551,828.33	115,924,047.32
Adjustment	52,565,857.92		52,565,857.92	-11,657,387.19
- Goodwill				
- Unrealized profits from Intercompany transactions				
- Others	52,565,857.92		52,565,857.92	-11,657,387.19
Carrying amount of equity investments in associates	986,213,487.07	466,955,864.66	950,117,686.25	104,266,660.13
Fair value of equity investments of associates where there is quoted price				
Operating income	1,358,707.11	4,134,790,806.89	3,163,836.43	2,102,149,140.48
Net profit	181,944,296.70	716,391,463.95	94,301,716.98	153,726,420.17
Net profit of discontinued operations				

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

	Closing balance/Amount for the current period		Opening balance/Amount for the previous period	
	China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司)	Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司)	Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)
Other comprehensive income	-40,000.00		120,000.00	
Total comprehensive income	181,904,296.70	716,391,463.95	94,421,716.98	153,726,420.17
Dividend from associates in the year	30,894,091.20	39,200,000.00	19,021,265.44	
	Closing balance/Amount for the current period		Opening balance/Amount for the previous period	
	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd.(武漢華潤置地葛洲壩置業有限公司)	Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd.(武漢華潤置地葛洲壩置業有限公司)	Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)
Current assets	6,075,842,468.11	2,497,930,256.94	5,914,850,784.20	5,732,979,319.93
Non-current assets	9,516,756.09	443,344.65	6,212,744.84	771,973.98
Total assets	6,085,359,224.20	2,498,373,601.59	5,921,063,529.04	5,733,751,293.91
Current liabilities	3,292,869,032.00	1,071,129,868.73	3,115,544,772.97	4,663,488,211.97
Non-current liabilities	427,000,000.00		430,000,000.00	150,000,000.00
Total liabilities	3,719,869,032.00	1,071,129,868.73	3,545,544,772.97	4,813,488,211.97
Minority interest				
Shareholders' equity attributable to the parent company	2,365,490,192.20	1,427,243,732.86	2,375,518,756.07	920,263,081.94
Proportionate share in net assets	946,196,076.88	356,810,933.22	950,207,502.43	230,065,770.49
Adjustment	0.01	-0.01		-0.01
- Goodwill				
- Unrealized profits from Intercompany transactions				
- Others	0.01	-0.01		-0.01

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

	Closing balance/Amount for the current period		Opening balance/Amount for the previous period	
	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd.(武漢華潤置地葛洲壩置業有限公司)	Hangzhou Longshang Real Estate Development Co., Ltd.(杭州龍尚房地產開發有限公司)	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd.(武漢華潤置地葛洲壩置業有限公司)	Hangzhou Longshang Real Estate Development Co., Ltd.(杭州龍尚房地產開發有限公司)
Carrying amount of equity investments in associates	946,196,076.89	356,810,933.21	950,207,502.43	230,065,770.48
Fair value of equity investments of associates where there is quoted price				
Operating income	1,223,905.70	4,682,767,637.27	518,833.64	
Net profit	-10,028,563.84	480,176,658.68	-22,163,666.44	-78,431,873.56
Net profit of discontinued operations				
Other comprehensive income				
Total comprehensive income	-10,028,563.84	480,176,658.68	-22,163,666.44	-78,431,873.56
Dividend from associates in the year				
	Closing balance/Amount for the current period		Opening balance/Amount for the previous period	
	Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)
Current assets	6,510,949,727.05	5,962,181,779.92	7,508,014,328.31	5,423,729,224.05
Non-current assets	185,934.00	221,646.57	328,859.80	318,836.53
Total assets	6,511,135,661.05	5,962,403,426.49	7,508,343,188.11	5,424,048,060.58
Current liabilities	2,852,614,087.94	3,439,670,628.02	2,867,932,916.72	2,153,639,819.66
Non-current liabilities	3,548,003,755.35	1,895,800,000.00	4,400,000,000.00	2,725,800,000.00
Total liabilities	6,400,617,843.29	5,335,470,628.02	7,267,932,916.72	4,879,439,819.66
Minority interest				

	Closing balance/Amount for the current period		Opening balance/Amount for the previous period	
	Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)
Shareholders' equity				
attributable of the parent	110,517,817.76	626,932,798.47	240,410,271.39	544,608,240.92
Proportionate share in net assets	54,153,730.70	307,197,071.25	117,801,032.98	266,858,038.05
Adjustment	331,697,720.57		190,604,634.50	
- Goodwill				
- Unrealized profits from Intercompany transactions				
- Others	331,697,720.57		190,604,634.50	
Carrying amount of equity investments in associates	385,851,451.27	307,197,071.25	308,405,667.48	266,858,038.05
Fair value of equity investments of associates where there is quoted price				
Operating income	1,660,025,035.69	2,220,722,238.15	141,616,762.92	3,476,477,722.39
Net profit	64,821,369.98	82,324,557.55	-61,918,519.21	347,594,319.71
Net profit of discontinued operations				
Other comprehensive income				
Total comprehensive income	64,821,369.98	82,324,557.55	-61,918,519.21	347,594,319.71
Dividend from associates in the year				

(4). *Summary of financial information of insignificant joint ventures and associates*

Applicable Not applicable

Unit: Yuan Currency: RMB

	Closing balance/ Amount for the current period	Opening balance/ Amount for the previous period
Joint ventures:		
Total carrying amount of investment	172,803,118.49	123,210,967.40
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profit	-407,848.91	
– Other comprehensive income		
– Total comprehensive income	-407,848.91	
Associates:		
Total carrying amount of investment	7,363,716,844.59	1,539,749,073.88
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profit	4,136,933.87	-2,249,421.34
– Other comprehensive income		
– Total comprehensive income	4,136,933.87	-2,249,421.34

(5). *Explanation for the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company*

Applicable Not applicable

(6). *Excessive loss incurred by joint ventures or associates*

Applicable Not applicable

(7). *Unrecognised commitments related to investments in joint ventures*

Applicable Not applicable

(8). *Contingent liabilities related to investments in joint ventures or associates*

Applicable Not applicable

4. Significant Joint Operation

Applicable Not applicable

5. Interests in Structured Entities not Included in the Scope of Consolidated Financial Statements

Explanation about structured entities not included in the scope of consolidated financial statements:

Applicable Not applicable

6. Others

Applicable Not applicable

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

Applicable Not applicable

The Company faces various financial risks in the course of its business: credit risk, market risk and liquidity risk. The Board of Directors is responsible for the determination of overall risk management objectives and policies and assumes ultimate responsibility for risk management objectives and policies. However, the Board of Directors has authorized the Company's risk control department to design and implement procedures that can ensure the effective implementation of risk management objectives and policies. The Board of Directors reviews the effectiveness of the implemented procedures and the rationality of risk management objectives and policies through the monthly report submitted by the risk control department. The Company's internal auditors also audit the risk management objectives and policies and record the results to the audit committee.

The overall objective of the Company's risk management is to formulate risk management policies which can minimise risks without excessively affecting the Company's competitiveness and adaptability.

(I) Credit risks

Credit risk refers to the risk that the party of a financial instrument does not fulfil its obligations and creates financial losses on the other party. The Company is mainly faced with credit risk caused by credit sales. Prior to signing the new contract, the Company will evaluate the credit risk of the new customer, including the external credit rating and, in some cases, the bank credit certificate (when this information is available). The Company sets a credit limit for each customer, which is the maximum amount that does not require additional approval.

The Company ensures that the Company's overall credit risk is within control of the Company through quarterly monitoring of existing customer credit ratings and monthly review of accounts receivable aging analysis. When monitoring the customer's credit risk, they are grouped according to their credit characteristics. Customers rated as "high-risk" will be placed on the list of restricted customers, and the Company can only sell them on the premise of additional approval, otherwise they must be required to pay in advance.

(II) Market risks

The market risk of financial instruments refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market prices, including foreign exchange risk, interest rate risk and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market interest rates. The interest rate risk faced by the Company mainly comes from long-term borrowings and bonds payable. The Company's current policy is that fixed-rate borrowings account for 10%-40% of external borrowings. In order to maintain this ratio, the Company may use interest rate swaps to achieve the expected interest rate structure. Although this policy does not enable the Company to completely avoid the risk of paying interest rates exceeding prevailing market rates, nor can it completely eliminate the cash flow risks associated with fluctuations in interest payments, the management believes that the policy achieves a reasonable balance between these risks.

As at 31 December 2018, if other variables remain unchanged and the borrowing rate calculated at floating interest rates rises or falls by 25 basis points, the Company's net profit will decrease or increase by RMB133,968,200. The management believes that 25 basis points reasonably reflect the reasonable range of possible changes in interest rates in the next year.

(2) Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in foreign exchange rates. The Company tries to match the revenue and cost in foreign currencies in order to reduce the exchange rate risk. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to achieve the purpose of avoiding exchange rate risk. In 2018 and 2017, the Company did not sign any forward exchange agreement and currency swap agreement.

The main foreign exchange risk is the financial assets and financial liabilities denominated in USD. The amount of the financial assets and liabilities in foreign currencies converted into RMB is as follows:

Items	USD	Closing balance		Opening balance for the year		
		Other currency	Total	USD	Other currency	Total
Monetary capital	3,080,321,602.76	1,360,360,827.42	4,440,682,430.18	3,052,653,500.78	2,098,206,812.35	5,150,860,313.13
Account receivables	189,383,197.76	390,231,586.68	579,614,784.44	535,241,387.26	182,930,224.91	718,171,612.17
Other receivables	153,893,035.07	700,493,832.20	854,386,867.27	228,019,792.31	24,886,596.18	252,906,388.49
Long-term receivables		6,111,104,342.46	6,111,104,342.46			
Total	3,423,597,835.59	8,562,190,588.76	11,985,788,424.35	3,815,914,680.35	2,306,023,633.44	6,121,938,313.79
Short-term borrowings	3,721,913,360.00	1,953,874,070.24	5,675,787,430.24	326,710,000.00	130,737,133.00	457,447,133.00
Accounts payables	1,790,887,487.97	2,771,646,330.08	4,562,533,818.05	130,723,807.72	801,693,306.59	932,417,114.31
Other payables	493,526,803.99	1,739,755,384.49	2,233,282,188.48	81,453,468.75	345,540,593.32	426,994,062.07
Non-current liabilities due within						
one year		205,769,890.96	205,769,890.96			
Interest payable		996,028,688.46	996,028,688.46			
Long-term borrowings	2,010,668,166.51	4,115,397,819.21	6,126,065,985.72	809,788,200.00	119,097,694.50	928,885,894.50
Other non-current liabilities		84,914,215.68	84,914,215.68			
Total	8,016,995,818.47	11,783,523,915.66	19,800,519,734.13	1,348,675,476.47	1,397,068,727.41	2,745,744,203.88

As at 31 December 2018, if other variables remain unchanged and RMB appreciates or depreciates against the U.S. dollar by 5%, the Company's net profit will increase or decrease by RM56,932,100 (31 December 2017: RMB 20,107,600). The management believes that 5% reasonably reflect the reasonable range of possible changes in the exchange rate of RMB against U.S. dollar in the next year.

(3) Other price risks

For equity investments held by the Company, the management believes that the market price risks faced by these investment activities are acceptable.

The equity investments held by the Company are listed below:

Items	Closing balance	Opening balance for the year
Available-for-sale financial assets		1,069,368,926.24
Other non-current financial assets	5,213,561,990.40	
Other equity instrument investment	699,777,632.80	
Total	5,913,339,623.20	1,069,368,926.24

As at 31 December 2018, if other variables remain unchanged and the value of equity instrument investment rises or falls by 5%, the Company's net profit will increase or decrease by RMB221,576,400 (31 December 2017: RMB0), other comprehensive income RMB29,740,500 (31 December 2017: RMB45,448,200). The management believes that 5% reasonably reflect the reasonable range of possible changes in the value of equity instrument investment in the next year.

(III) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter capital shortage when performing obligations that are settled by delivering cash or another financial asset. The Company's policy is to ensure it has sufficient cash to settle the debts when they fall due. The Company's finance department control the liquidity risk. Through monitoring cash balance, readily realizable marketable securities and the rolling forecasts of cash flows for the next 12 months, the finance department will ensure the Company has sufficient fund to settle its debts under all reasonable foreseeable circumstances.

The maturity profile of the Company's financial liabilities at each balance sheet date based on contractual undiscounted payments is analysed below:

Items	Closing balance					Total
	Within 1 year	1-2 years	2-3 years	3-5 years	Above 5 years	
Short-term borrowings	29,614,035,130.24					29,614,035,130.24
Bills payables and Trade payables	38,636,853,026.46					38,636,853,026.46
Other payables	20,153,423,281.23					20,153,423,281.23
Other current liabilities	18,743,979.57					18,743,979.57
Long-term borrowings	8,019,169,890.96	6,862,463,806.96	8,374,139,268.96	1,501,447,403.92	15,044,684,833.42	39,801,905,204.22
Bonds payable	3,700,000,000.00	750,000,000.00	8,400,000,000.00			12,850,000,000.00
Long-term payables	280,130,575.89	302,191,870.82	111,948,440.28	241,097,018.06		935,367,905.05
Other non-current liabilities		84,914,215.68				84,914,215.68
Total	100,422,355,884.35	7,999,569,893.46	16,886,087,709.24	1,742,544,421.98	15,044,684,833.42	142,095,242,742.45

XI. FAIR VALUE DISCLOSURE

The inputs used to measure fair value are categorised into three hierarchies:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The level of fair value measurement is determined by the lowest level inputs that are significant to the fair value measurement as a whole.

1. Closing Fair Value of Assets and Liabilities Measured at Fair Value

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Fair value at the end of period			Total
	Level 1 Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	
I. Continuing fair value measurement				
◆Other equity instrument investment	699,777,632.80			699,777,632.80
◆Other non-current financial assets			5,213,561,990.40	5,213,561,990.40
1. Financial assets at fair value through profit and loss			5,213,561,990.40	5,213,561,990.40
(1) Equity instrument investment			4,726,599,296.17	4,726,599,296.17
(2) Trust product investment			486,962,694.23	486,962,694.23
Total continuing assets measured at fair value	699,777,632.80		5,213,561,990.40	5,913,339,623.20

2. Basis for Determining Market Price of Continuous and Non-continuous Level-1 Fair Value Measurement Items

Applicable Not applicable

The market price of fair value measurement items of the Company comes from the closing price quoted on the stock exchange at the end of 2018.

3. Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

Applicable Not applicable

Financial assets and financial liabilities measured at amortised costs of the Company mainly include receivables, short-term borrowings, payables, long-term borrowings, bonds payable and long-term payables.

Except for the financial assets and financial liabilities below, the carrying amount of other financial assets and financial liabilities not measured at fair value are approximate to their fair value.

Items	At the end of the period			At beginning of the year		
	Carrying amount	Fair value	Level	Carrying amount	Fair value	Level
Bonds payable	12,850,000,000.00	12,759,400,000.00	Level 1	11,800,000,000.00	11,513,300,000.00	Level 1

For bonds payable in an active market, the fair value is determined by the quoted price in the active market, which belongs to level 1. The fair value of bonds payable without an active market is determined by the present value of the future cash flows stipulated in the contract, which is discounted at an interest rate that has a comparable credit rating in the market and provides almost the same cash flows under the same conditions, and belongs to level 3.

4. Others

Applicable Not applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS**1. Parent of the Company**

Applicable Not applicable

Unit: 0,000 yuan Currency: RMB

Name of the parent	Place of registration	Nature of business	Registered capital	Shareholding percentage of the parent to the Company (%)	Percentage of voting right of the parent to the Company (%)
China Gehouba Group Company Limited	Wuhan, Hubei	Project construction	321,277.34	42.34	42.34

Explanation about the parent of the Company

The Company's indirect controlling shareholder is China Energy Engineering Group Co., Ltd. and China Energy Engineering Corporation Limited.

The Company's ultimate controller is the State-owned Assets Supervision and Administration Commission of the State Council.

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, refer to the Note

Applicable Not applicable

For details of the subsidiaries of the Company, refer to the Note VII. Equity in other entities.

3. Details of the Joint Ventures and Associates of the Company

For details of significant joint ventures or associates of the Company, see the Note VII. Equity in other entities.

Applicable Not applicable

Information for other joint ventures and associates which form balance through related party transaction during the current or previous periods

✓Applicable □Not applicable

Name of joint venture or associates	Relationship with the Company
Yichang Miaozui Bridge Construction Engineering Co., Ltd.(宜昌廟嘴大橋建設工程有限公司)	Joint venture
Guangzhou Zhenglin Real Estate Development Co., Ltd.(廣州市正林房地產開發有限公司)	Joint venture
Guangzhou Rumao Real Estate Development Co., Ltd * (廣州市如茂房地產開發有限公司)	Joint venture
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd.(南京葛洲壩城市地下空間綜合建設開發有限公司)	Joint venture
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd.(荊州葛洲壩城北快速路投資建設有限公司)	Joint venture
China Energy Engineering Group Gezhouba Finance Co., Ltd. (中國能源建設集團葛洲壩財務有限公司)	Associate
Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	Associate
Gezhouba Chongqing Nanchuan District Infrastructure Construction Co., Ltd.(葛洲壩重慶市南川區基礎設施建設有限公司)	Associate
Gezhouba Group (Huizhou Huiyang) Investment and Construction Co., Ltd.(葛洲壩集團(惠州惠陽)投資建設有限公司)	Associate
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd.(葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	Associate
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd(陝西葛洲壩延黃寧石高速公路有限公司)	Associate
Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd.(葛洲壩(西安)秦漢大道投資建設有限公司)	Associate
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	Associate
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd.(葛洲壩(唐山)豐南投資建設有限公司)	Associate
Gezhouba (Shenzhen) Real Estate Development Co., Ltd.(葛洲壩(深圳)房地產開發有限公司)	Associate
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd.(葛洲壩(瀘州)長江六橋投資有限公司)	Associate
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd.(葛洲壩(惠州)江南大道投資建設有限公司)	Associate
Guangxi Gezhouba Tianxi Expressway Co., Ltd.(廣西葛洲壩田西高速公路有限公司)	Associate

Name of joint venture or associates	Relationship with the Company
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣揚高速公路開發有限公司)	Associate
Shandong Gezhouba Zaohe Expressway Co., Ltd.(山東葛洲壩棗 荷高速公路有限公司)	Associate
Shandong Gezhouba Judan Expressway Co., Ltd.(山東葛洲壩巨單 高速公路有限公司)	Associate
Shandong Gezhouba Jitai Expressway Co., Ltd.(山東葛洲壩濟泰 高速公路有限公司)	Associate
Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	Associate
Panzhou County Hongcai Gezhouba Project Management Co., Ltd.(盤州縣宏財葛洲壩項目管理有限公司)	Associate
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd.(阜陽葛洲壩國禎水環境治理 投資建設有限公司)	Associate
Chongqing Gexing Construction Co., Ltd.(重慶市葛興建設有限公 司)	Associate
Chongqing Jiangqi Highway Co., Ltd.(重慶江碁高速公路有限公 司)	Associate
Gekuangli Nanjing Property Development Co. Ltd.(葛礦利南京房 地產開發有限公司)	Associate
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	Associate
Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	Associate
Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛 洲壩融創深達置業有限公司)	Associate
Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲 壩融創金裕置業有限公司)	Associate
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd.(武 漢華潤置地葛洲壩置業有限公司)	Associate
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢 葛洲壩龍湖房地產開發有限公司)	Associate
Hangzhou Longyu Investment Management Co., Ltd.(杭州龍譽投 資管理有限公司)	Associate
Hangzhou Longshang Real Estate Development Co., Ltd.(杭州龍 尚房地產開發有限公司)	Associate
Shanghai Xiyue Real Estate Development Co., Ltd.(上海璽越房 地產開發有限公司)	Associate
Gezhouba Zhongke Energy Storage Technology Co., Ltd.(葛洲壩 中科儲能技術有限公司)	Associate

Name of joint venture or associates	Relationship with the Company
Gezhouba Energy Saving Technology Co., Ltd.(葛洲壩節能科技有限公司)	Associate
Zhangjiajie Yongli Civil Explosive Co., Ltd (張家界永利民爆有限責任公司)	Associate
Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民用爆破器材有限公司)	Associate
Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd.(南京江北新區地下空間研究院有限公司)	Associate
Huadian Huayuan Artificial Environment Engineering Co., Ltd. (華電華源人工環境工程有限公司)	Associate

Other explanation

Applicable Not applicable

4. Other Related Parties

Applicable Not applicable

Name of other related parties	Relationship between other related parties and the Company
China Energy Construction Yichang Gezhouba Asset Management Co., Ltd.(中能建宜昌葛洲壩資產管理有限公司)	Brother company of the Group
Gezhouba (Beijing) Investments Co., Limited(葛洲壩(北京)投資有限公司)	Brother company of the Group
Beijing Luostar Digital Remote Sensing Technology Co., Ltd.(北京洛斯達數字遙感技術有限公司)	Brother company of the Group
Beijing Luosida Science and Technology Development Co., Ltd. (北京洛斯達科技發展有限公司)	Brother company of the Group
China Energy Engineering Group Beijing Electric Power Construction Company (中國能源建設集團北京電力建設公司)	Brother company of the Group
China Energy Engineering Corporation Limited (中國能源建設股份有限公司)	Brother company of the Group
China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd.(中能建南建投(武穴)建設有限公司)	Brother company of the Group
China Energy Engineering Group Yunnan Thermal Power Construction Co., Ltd (中國能源建設集團雲南火電建設有限公司)	Brother company of the Group

Name of other related parties	Relationship between other related parties and the Company
China Energy Engineering Group Northwest Power Construction Engineering Company Limited (中國能源建設集團西北電力建設工程有限公司)	Brother company of the Group
China Energy Engineering Group Tianjin Electric Power Design Institute Co., Ltd.(中國能源建設集團天津電力設計院有限公司)	Brother company of the Group
China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	Brother company of the Group
China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電力建設一公司)	Brother company of the Group
China Energy Engineering Group Nanjing Power Line Products Co., Ltd (中國能源建設集團南京線路器材廠)	Brother company of the Group
China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	Brother company of the Group
China Energy Engineering Group Jiangsu Electric Power Design Institute Co., Ltd. (中國能源建設集團江蘇省電力設計院有限公司)	Brother company of the Group
China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd.	Brother company of the Group
China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd.(中國能源建設集團湖南火電建設有限公司)	Brother company of the Group
China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd.(中國能源建設集團廣西水電工程局有限公司)	Brother company of the Group
China Energy Engineering Group Guangxi Power Design Institute Co., Ltd.* (中國能源建設集團廣西電力設計研究院有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Power Line Equipment Factory(中國能源建設集團廣東省電力線路器材廠)	Brother company of the Group
China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.* (中國能源建設集團廣東火電工程有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Electric Power Engineering Co., Ltd. (中國能源建設集團廣東電力工程局有限公司)	Brother company of the Group

Name of other related parties	Relationship between other related parties and the Company
China Energy Engineering Group Gansu Electric Power Design Institute Co., Ltd.(中國能源建設集團甘肅省電力設計院有限公司)	Brother company of the Group
China Energy Engineering Group Gansu Thermal Power Construction Company(中國能源建設集團甘肅火電工程有限公司)	Brother company of the Group
China Energy Engineering Group Northeast No.2 Electric Power Engineering Co., Ltd (中國能源建設集團東北電業管理局第二工程公司)	Brother company of the Group
China Energy Construction Group E-Commerce Co., Ltd.(中國能源建設集團電子商務有限公司)	Brother company of the Group
China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司)	Brother company of the Group
China Energy Engineering Group Anshan Iron Tower Manufacturing Co., Ltd.(中國能源建設集團鞍山鐵塔有限公司)	Brother company of the Group
China Energy Engineering Group Anhui Electric Power Design Institute Co., Ltd.(中國能源建設集團安徽省電力設計院有限公司)	Brother company of the Group
China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd.(中國能源建設集團安徽電力建設第一工程有限公司)	Brother company of the Group
China Energy Engineering Group Anhui No.2 Electric Power Construction Co., Ltd.(中國能源建設集團安徽電力建設第二工程有限公司)	Brother company of the Group
Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group* (中國電力工程顧問集團中南電力設計院有限公司)	Brother company of the Group
South Wuhan Geotechnical Engineering Technique Co., Ltd (武漢南方巖土工程技術有限責任公司)	Brother company of the Group
China Energy Engineering Group Equipment Co., Ltd.(中國能建集團裝備有限公司)	Brother company of the Group
Beijing General Power Equipment Plant Co., Ltd.(北京電力設備總廠有限公司)	Brother company of the Group
Jiangsu Keneng Power Engineering Consulting Co., Ltd.(江蘇科能電力工程諮詢有限公司)	Brother company of the Group
Jiangsu Power Equipment Co., Ltd.(江蘇電力裝備有限公司)	Brother company of the Group
Hunan Electric Power Line Equipment Co., Ltd.(湖南省電力線路器材有限公司)	Brother company of the Group
Guangdong Power Material Co., Ltd.(廣東火電物資供應有限公司)	Brother company of the Group

Name of other related parties	Relationship between other related parties and the Company
Guangdong Thermal Power Engineering Co., Ltd. (廣東火電工程有限公司)	Brother company of the Group
Tongcheng Environmental Engineering Company (同誠環保工程公司)	Brother company of the Group
Anhui Huadian Engineering Consulting & Design Co., Ltd. (安徽華電工程諮詢設計有限公司)	Brother company of the Group
China Gezhouba Group International Travel Co., Ltd. (中國葛洲壩集團國際旅遊有限公司)	Wholly-owned subsidiary of the parent
Yichang City Gezhouba Hotel Co., Ltd. (宜昌市葛洲壩賓館有限公司)	Wholly-owned subsidiary of the parent
Huanjia Group Co., Ltd.(環嘉集團有限公司)	Other related party

5. Related Party Transactions

(1). Related party transactions of purchasing or selling goods and rendering or receiving services

Statement on procurement of goods/receipt of labour services

Applicable Not applicable

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the previous period
Beijing Electric Power Construction Company(北京電力建設有限公司)	Project construction	135,296,938.54	
Beijing Luosida Science and Technology Development Co., Ltd.(北京洛斯達科技發展有限公司)	Procurement of materials		1,377,320.63
Beijing Luostar Digital Remote Sensing Technology Co., Ltd.(北京洛斯達數字遙感技術有限公司)	Procurement of material	322,152.35	7,467,238.14
Beijing Luostar Digital Remote Sensing Technology Co., Ltd.(北京洛斯達數字遙感技術有限公司)	Provision of leasing	979,606.88	
China Energy Construction Yichang Gezhouba Asset Management Co., Ltd.(中能建宜昌葛洲壩資產管理有限公司)	Project construction	21,972,588.00	

Related parties	Contents of related party transactions	Amount for the current period	Amount for the previous period
China Energy Engineering Group Yunnan Thermal Power Construction Co., Ltd (中國能源建設集團雲南火電建設有限公司)	Project construction		165,081.48
China Energy Engineering Group Guangxi Power Design Institute Co., Ltd.* (中國能源建設集團廣西電力設計研究院有限公司)	Project construction	2,659,779.00	720,000.00
China Energy Engineering Group Gansu Electric Power Design Institute Co., Ltd(中國能源建設集團甘肅省電力設計院有限公司)	Project construction		8,971.44
China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd.(中國能源建設集團安徽電力建設第一工程有限公司)	Project construction	473,938,602.30	862,321,183.11
China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	Project construction	8,546,389.59	
China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	Project construction	248,057,865.28	132,527,617.69
China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	Project construction	199,583,216.37	
Jiangsu Power Equipment Co., Ltd.(江蘇電力裝備有限公司)	Project construction	10,075,770.63	
South Wuhan Geotechnical Engineering Technique Co., Ltd. (武漢南方巖土工程技術有限責任公司)	Project construction	1,482,979.81	
Anhui Huadian Engineering Consulting & Design Co., Ltd.(安徽華電工程諮詢設計有限公司)	Project construction		42,766,261.26
China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電力建設一公司)	Project construction		537,314.60
Anhui No. 2 Electric Power Construction Engineering Co., Ltd. (安徽電力建設第二工程公司)	Project construction	6,349,627.46	985,631.07
Gansu Thermal Power Construction Company(甘肅火電工程公司)	Project construction		11,100,000.00
Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group* (中國電力工程顧問集團中南電力設計院有限公司)	Project construction	770,000.00	1,160,000.00

Related parties	Contents of related party transactions	Amount for the current period	Amount for the previous period
China Energy Engineering Group Anhui Electric Power Design Institute Co., Ltd.(中國能源建設集團安徽省電力設計院有限公司)	Project construction		101,884,414.34
China Energy Engineering Group Northwest Power Construction Engineering Company Limited (中國能源建設集團西北電力建設工程有限公司)	Project construction	173,435.57	2,633,397.81
China Energy Engineering Group Science and Technology Development Co., Ltd.(中國能源建設集團科技發展有限公司)	Procurement of material	1,000.01	
China Energy Engineering Group Nanjing Power Line Products Co., Ltd. (中國能源建設集團南京線路器材廠)	Procurement of material	9,856.00	
China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd.(中國能源建設集團湖南火電建設有限公司)	Project construction	547,828.82	
China Gezhouba Group International Travel Co., Ltd.(中國葛洲壩集團國際旅遊有限公司)	Project construction	454,440.50	
Hunan Electric Power Line Equipment Co., Ltd.(湖南省電力線路器材有限公司)	Project construction	243,110.90	
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.* (中國能源建設集團廣東火電工程有限公司)	Project construction	1,079,989.09	
Beijing General Power Equipment Plant Co., Ltd.(北京電力設備總廠有限公司)	Procurement of material	494,108.80	
China Energy Construction Group E-Commerce Co., Ltd.(中國能源建設集團電子商務有限公司)	Procurement of material	1,303,178.41	39,870.15
China Gezhouba Group International Travel Co., Ltd.(中國葛洲壩集團國際旅遊有限公司)	Other services	18,714,878.62	
Zhangjiajie Yongli Civil Explosive Co., Ltd (張家界永利民爆有限責任公司)	Procurement of material	6,328,851.84	5,683,939.79
Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民用爆破器材有限公司)	Procurement of material	9,312,296.16	9,106,092.56
Huanjia Group Co., Ltd.(環嘉集團有限公司)	Procurement of material	987,402,627.17	533,144,111.10
Total		2,136,101,118.10	1,713,628,445.17

Statement on sales of goods/provision of labour services

Applicable Not applicable

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the previous period
China Energy Construction Yichang Gezhouba Asset Management Co., Ltd.(中能建宜昌葛洲壩資產管理有限公司)	Project construction	9,843,533.27	
Gezhouba (Beijing) Investments Co., Limited(葛洲壩(北京)投資有限公司)	Project construction	249,915.21	
China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd.(中能建南建投(武穴)建設有限公司)	Project construction	286,472,928.19	
Jiangsu Keneng Power Engineering Consulting Co., Ltd.(江蘇科能電力工程諮詢有限公司)	Project construction	3,645,897.44	
China Energy Engineering Group Guangdong Electric Power Engineering Co., Ltd. (中國能源建設集團廣東電力工程局有限公司)	Project construction	618,146.60	
China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)	Project construction	294,700.00	
China Energy Engineering Group Jiangsu Electric Power Design Institute Co., Ltd. (中國能源建設集團江蘇省電力設計院有限公司)	Sale of goods		5,980,100.00
China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd.(中國能源建設集團湖南省電力設計院有限公司)	Sale of goods		5,820,000.00
China Energy Construction Group Hunan Thermal Power Construction Company(中國能源建設集團湖南省火電建設公司)	Sale of goods		76,800.00
China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd.(中國能源建設集團安徽電力建設第一工程有限公司)	Sale of goods		826,000.00
China Energy Engineering Group Equipment Co., Ltd.(中國能建集團裝備有限公司)	Sale of goods		627,000.00
China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司)	Sale of goods		322,522.20
China Gezhouba Group International Travel Co., Ltd.(中國葛洲壩集團國際旅遊有限公司)	Sale of goods		794,752.24

Related parties	Contents of related party transactions	Amount for the current period	Amount for the previous period
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.* (中國能源建設集團廣東火電工程有限公司)	Project construction		14,993,834.31
Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group* (中國電力工程顧問集團中南電力設計院有限公司)	Project construction		1,275,648.26
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd.(葛洲壩(唐山)豐南投資建設有限公司)	Project construction	847,822,060.82	804,159,574.35
Panzhou County Hongcai Gezhouba Project Management Co., Ltd.(盤州縣宏財葛洲壩項目管理有限公司)	Project construction	300,066,008.00	689,980,691.48
Weinan Dongqin Water Supply Co., Ltd.(渭南市東秦供水有限公司)	Project construction	240,071,307.31	219,520,894.15
Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd.(葛洲壩(西安)秦漢大道投資建設有限公司)	Project construction		9,439,395.12
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd.(葛洲壩(瀘州)長江六橋投資有限公司)	Project construction	517,076,712.97	333,131,439.79
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd.(葛洲壩(惠州惠陽)投資建設有限公司)	Project construction		324,539,342.28
Shandong Gezhouba Zaohe Expressway Co., Ltd.(山東葛洲壩棗荷高速公路有限公司)	Project construction	2,052,000,860.98	1,711,757,293.91
Shandong Gezhouba Judan Expressway Co., Ltd.(山東葛洲壩巨單高速公路有限公司)	Project construction	667,762,246.86	986,200,028.82
Shandong Gezhouba Jitai Expressway Co., Ltd.(山東葛洲壩濟泰高速公路有限公司)	Project construction	1,247,870,381.79	812,026,343.67
Chongqing Jiangqi Highway Co., Ltd.(重慶江綦高速公路有限公司)	Project construction		41,222,946.02
Pingliang Pinghua Highway Construction and Operation Co., Ltd.(平涼平華公路建設運營有限責任公司)	Project construction	692,879,211.51	193,019,084.60
Chongqing Gexing Construction Co., Ltd.(重慶市葛興建設有限公司)	Project construction	168,026,068.56	198,575,292.48
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	Project construction	500,111,161.38	600,916,884.19

Related parties	Contents of related party transactions	Amount for the current period	Amount for the previous period
Yichang Miaozi Bridge Construction Engineering Co., Ltd.(宜昌廟嘴大橋建設工程有限公司)	Project construction	1,549,959.48	7,644,790.72
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd(陝西葛洲壩延黃寧石高速公路有限公司)	Project construction	757,181,890.73	358,793,854.95
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd.(阜陽葛洲壩國禎水環境治理投資建設有限公司)	Project construction	277,479,919.58	235,748,111.10
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd.(荊州葛洲壩城北快速路投資建設有限公司)	Project construction	1,788,870,241.20	101,050,662.13
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd.(葛洲壩(惠州)江南大道投資建設有限公司)	Project construction	643,728,776.69	421,406,851.97
Gezhouba Chongqing Nanchuan District Infrastructure Construction Co., Ltd.(葛洲壩重慶市南川區基礎設施建設有限公司)	Project construction		87,334,756.24
Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	Project construction		6,474,997.22
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd.(南京葛洲壩城市地下空間綜合建設開發有限公司)	Project construction	1,040,760,593.19	
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd.(雲南葛洲壩宣楊高速公路開發有限公司)	Project construction	231,892,865.45	
Total		12,276,275,387.21	8,173,659,892.20

Explanation about connected transactions of purchasing or selling goods and rendering or receiving services

Applicable Not applicable

(2). *Connected entrusted management/contracting and entrusted management/outsourcing*

Statement on entrusted management/contracting by the Company:

Applicable Not applicable

Description of connected custody/contracting

Applicable Not applicable

Statement on entrusted management/outsourcing by the Company:

Applicable Not applicable

Description of connected management/outsourcing

Applicable Not applicable

(3). Leases with related parties

The Company as lessor:

Applicable Not applicable

The Company as lessee:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of lessor	Type of leased assets	Rental fee recognized in current period	Rental fee recognized in last period
Huanjia Group Co., Ltd.(環嘉集團有限公司)	Land, building and machinery equipment	10,239,739.25	26,050,603.06
Total		10,239,739.25	26,050,603.06

Explanation of leases with related parties

Applicable Not applicable

(4). Related guarantee

The Company as a guarantor

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Secured party	Guarantee amount	Commencement date of guarantee	Expiry date	Whether the guarantee has been fulfilled
Fuzhou Jiangyin Industrial Zone Gezhouba Reclamation Investment Co., Ltd. (福州市江陰工業區葛洲壩填海投資有限公司)	700,000,000.00	2017-01-03	2028-12-01	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	18,000,000.00	2017-07-21	2020-07-21	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	111,000,000.00	2018-06-01	2021-06-01	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	150,000,000.00	2018-06-01	2021-05-22	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	117,000,000.00	2018-07-17	2021-05-30	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	50,000,000.00	2018-08-30	2019-08-30	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	248,000,000.00	2018-09-21	2021-09-13	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	39,200,000.00	2018-09-13	2021-09-13	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	24,220,000.00	2018-09-17	2021-09-17	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	10,993,504.00	2018-11-22	2021-09-17	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	365,500,000.00	2016-05-09	2019-04-17	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	24,000,000.00	2018-12-11	2021-09-17	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	80,500,000.00	2016-08-24	2019-08-24	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	115,000,000.00	2016-01-20	2019-01-19	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	100,000,000.00	2016-02-05	2019-02-04	No
San Noronso Water System Co., Ltd.	4,115,397,819.21	2018-05-23	2038-12-31	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	365,500,000.00	2016-05-09	2019-04-17	No
China Gezhouba Group Lyuan Technology Co., Ltd.	1,200,000,000.00	2018-09-23	2023-09-23	No
Zibo Boshan Huanke Sewage Treatment Co., Ltd. (淄博市博山區環科污水處理有限公司)	15,761,722.00	2017-05-12	2028-12-21	No

Secured party	Guarantee amount	Commencement date of guarantee	Expiry date	Whether the guarantee has been fulfilled
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	50,000,000.00	2018-10-28	2019-10-28	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	50,000,000.00	2018-10-28	2019-10-28	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	60,000,000.00	2018-06-14	2019-06-14	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	40,000,000.00	2018-06-15	2019-06-15	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	100,000,000.00	2018-06-15	2019-06-15	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	40,000,000.00	2018-01-05	2019-01-05	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	50,000,000.00	2018-01-30	2019-01-30	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	50,000,000.00	2018-02-13	2019-02-13	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	30,000,000.00	2018-03-13	2019-03-13	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	70,000,000.00	2018-03-28	2019-03-28	No
Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司)	260,000,000.00	2018-05-10	2019-05-10	No
Gezhouba Energy and Engineering Co., Ltd. (葛洲壩能源重工有限公司)	300,000,000.00	2018-01-19	2019-01-19	No
Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司)	199,032,800.00	2018-12-06	2027-06-21	No
Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司)	219,032,800.00	2018-11-01	2023-12-21	No

Secured party	Guarantee amount	Commencement date of guarantee	Expiry date	Whether the guarantee has been fulfilled
Shanghai Huadian Runpaq Environmental Engineering Co., Ltd. (上海華電源牌環境工程有限公司)	10,000,000.00	2018-08-08	2019-08-07	No
Hangzhou Huayuan Frontline Energy Equipment Co., Ltd. (杭州華源前線能源設備有限公司)	5,000,000.00	2018-06-15	2019-06-15	No
Chongqing Jiangqi Highway Co., Ltd. (重慶江綦高速公路有限公司)	320,000,000.00	2013-6-7	2043-6-7	No
Total:	9,703,138,645.21			

The Company as a secured party

Applicable Not applicable

Unit: Yuan Currency: RMB

Guarantor	Guarantee amount	Commencement date of guarantee	Expiry date	Whether the guarantee has been fulfilled
China Gezhoubu Group Company Limited	469,000,000.00	2007-10-29	2027-10-29	No
China Gezhoubu Group Company Limited	1,372,640,000.00	2018-03-28	2019-03-28	No
China Gezhoubu Group Company Limited	565,000,000.00	2015-12-15	2023-12-22	No
China Gezhoubu Group Company Limited	1,200,000,000.00	2016-05-11	2021-05-11	No
China Gezhoubu Group Company Limited	600,000,000.00	2016-06-16	2021-06-16	No
China Gezhoubu Group Company Limited	85,000,000.00	2018-03-30	2021-03-29	No
China Gezhoubu Group Company Limited	200,000,000.00	2018-04-04	2021-04-03	No
China Gezhoubu Group Company Limited	1,077,000,000.00	2014-06-20	2025-06-20	No
China Gezhoubu Group Company Limited	29,516,585.00	2018-12-11	2023-12-10	No
China Gezhoubu Group Company Limited	29,500,000.00	2016-01-18	2021-01-17	No
China Gezhoubu Group Company Limited	149,500,000.00	2016-03-03	2021-03-02	No
China Gezhoubu Group Company Limited	149,500,000.00	2016-03-03	2021-03-02	No
China Gezhoubu Group Company Limited	149,500,000.00	2016-04-19	2021-04-18	No
China Gezhoubu Group Company Limited	149,500,000.00	2016-05-16	2021-05-15	No
China Gezhoubu Group Company Limited	29,500,000.00	2015-12-29	2020-12-28	No
China Gezhoubu Group Company Limited	75,000,000.00	2018-03-20	2021-03-20	No
China Gezhoubu Group Company Limited	50,000,000.00	2018-05-28	2019-05-28	No
China Gezhoubu Group Company Limited	20,000,000.00	2016-10-21	2019-10-21	No
China Gezhoubu Group Company Limited	75,000,000.00	2016-08-12	2019-08-22	No
Total:	6,475,156,585.00			

Description of related guarantee

Applicable Not applicable

(5). *Lending to/borrowing from related parties*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Related parties	Amount of lending/borrowing	Commencement date	Date of expiry	Explanation
Borrowing from				
China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	136,928,227.93	2018-1-1	No fixed date of expiration	
China Gezhouba Group International Travel Co., Ltd. (中國葛洲壩集團國際旅遊有限公司)	73,585,939.00	2018-1-1	No fixed date of expiration	
Guangzhou Zhenglin Real Estate Development Co., Ltd. (廣州市正林房地產開發有限公司)	49,000,000.00	2018-12-5	No fixed date	
Beijing Frashion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	786,031,398.51	2018-4-25	No fixed date	
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	500,000,000.00	2018-4-2	No fixed date	
Shanghai Xiyue Real Estate Development Co., Ltd. (上海璽越房地產開發有限公司)	65,800,000.00	2017-5-17	No fixed date	
Hangzhou Longshang Real Estate Development Co., Ltd.	150,875,000.00	2018-1-18	No fixed date of expiration	
Lending from				
Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	1,135,000,000.00	2018-6-19	2018-7-5	
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	80,000,000.00	2016-9-1	2019-8-31	
Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	682,266,193.50	2018-1-1	2020-12-31	

(6). *Asset transfer and debt restructuring of related parties*Applicable ✓Not applicable(7). *Emolument of key management*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Emolument of key management	2,002.83	1,510.74

(8). Other connected transactions✓Applicable Not applicable

In 2018, the Company and its subsidiaries paid to China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司) interest expenses for bank borrowings of RMB267,753,956.65 and received interest income of bank deposits from China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司) of RMB16,313,213.65.

6. Amounts Due from/to Related Parties**(1). Amounts due from related parties**✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Monetary funds					
Monetary funds	China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司)	4,898,079,472.02		3,925,716,061.63	
Dividends receivable					
Dividends receivable	Beijing Frashion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)			39,200,000.00	
Accounts receivable					
Accounts receivable	China Energy Engineering Group Co., Ltd.	102,517.25		102,517.25	
Accounts receivable	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	8,416,226.00			

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Gezhouba (Beijing) Investments Co., Limited (葛洲壩(北京)投資有限公司)	12,495.76			
Accounts receivable	China Energy Engineering Group Gansu Electric Power Design Institute Co., Ltd (中國能源建設集團甘肅省電力設計院有限公司)			2,545,838.00	
Accounts receivable	China Energy Engineering Group Gansu Thermal Power Construction Company (中國能源建設集團甘肅火電工程有限公司)	253,228.20		253,228.20	
Accounts receivable	China Energy Engineering Group Guangdong Electric Power Engineering Co., Ltd. (中國能源建設集團廣東電力工程局有限公司)	1,691,022.90		1,254,331.90	
Accounts receivable	Guangdong Power Material Co., Ltd (廣東火電物資供應有限公司)			11,000.00	
Accounts receivable	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.* (中國能源建設集團廣東火電工程有限公司)	10,412,275.00		13,080,275.00	
Accounts receivable	China Energy Engineering Group Northeast No.2 Electric Power Engineering Co., Ltd (中國能源建設集團東北電業管理局第二工程公司)	9,596,585.47		9,596,585.47	
Accounts receivable	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	300,000.00		300,000.00	
Accounts receivable	Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group* (中國電力工程顧問集團中南電力設計院有限公司)	1,155,307.13		1,947,954.13	
Accounts receivable	China Energy Engineering Group Jiangsu Electric Power Design Institute Co., Ltd. (中國能源建設集團江蘇省電力設計院有限公司)	598,010.00		1,196,020.00	

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd.	1,164,000.00		3,492,000.00	
Accounts receivable	China Energy Construction Group Hunan Thermal Power Construction Company (中國能源建設集團湖南省火電建設公司)	3,840.00		61,440.00	
Accounts receivable	China Energy Engineering Group Anhui Electric Power Design Institute Co., Ltd. (中國能源建設集團安徽省電力設計院有限公司)			355,998.38	
Accounts receivable	China Energy Engineering Group Equipment Co., Ltd. (中國能建集團裝備有限公司)	70,997.44		159,700.00	
Accounts receivable	China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	416,000.00		807,776.06	
Accounts receivable	China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	43,701,332.71			
Accounts receivable	Jiangsu Keneng Power Engineering Consulting Co., Ltd. (江蘇科能電力工程諮詢有限公司)	1,279,710.00			
Accounts receivable	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)	294,700.00			
Accounts receivable	China Gezhouba Group International Travel Co., Ltd. (中國葛洲壩集團國際旅遊有限公司)	78,099.00		853,113.02	
Accounts receivable	China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司)			17,900.64	
Accounts receivable	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	148,486,265.02		350,544,699.23	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	540,701,174.91		412,785,575.41	
Accounts receivable	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	228,812,655.56		467,618,458.50	
Accounts receivable	Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	9,412,903.83		16,482,421.67	
Accounts receivable	Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	395,834,177.20		435,684,325.12	
Accounts receivable	Pan County Hongcai Gezhouba Project Management Co., Ltd. (盤縣宏財葛洲壩項目管理有限公司)	396,020,713.92		369,065,470.57	
Accounts receivable	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限公司)	20,502,433.00			
Accounts receivable	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	48,220,072.94		362,815,574.98	
Accounts receivable	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)			734,707,424.23	
Accounts receivable	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)			1,124,283,322.00	
Accounts receivable	Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	59,116,569.58		199,162,309.22	
Accounts receivable	Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)			68,581,634.00	
Accounts receivable	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	68,467,139.96		80,899,995.41	
Accounts receivable	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃寧石高速公路有限公司)	346,406,791.18		386,313,343.63	

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩鎮水環境治理投資建設有限公司)			251,122,987.91	
Accounts receivable	Jingzhou Gezhouba North Express Road Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	621,717,774.62		112,578,064.18	
Accounts receivable	Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	5,788,729.11		87,098,035.10	
Accounts receivable	Gezhouba Chongqing Nanchuan District Infrastructure Construction Co., Ltd. (葛洲壩重慶市南川區基礎設施建設有限公司)			49,931,820.13	
Accounts receivable	Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	255,082,152.00			
	Total	3,224,115,899.69		5,545,711,139.34	
Prepayments					
Prepayments	Beijing Electric Power Construction Company	115,000,000.00		115,000,000.00	
Prepayments	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)			21,972,588.00	
Prepayments	Hunan Electric Power Line Equipment Co., Ltd. (湖南省電力線路器材有限公司)	15,500,000.00		15,500,000.00	
Prepayments	China Energy Engineering Group Northwest Power Construction Engineering Company Limited			173,435.57	
Prepayments	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	3,278,814.25		4,115,739.17	

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Prepayments	China Energy Engineering Group Guangxi Power Design Institute Co., Ltd.* (中國能源建設集團廣 西電力設計研究院有限公司)	1,151,478.39		588,078.00	
Prepayments	Beijing General Power Equipment Plant Co., Ltd. (北京電力設備總 廠有限公司)			223,610.00	
Prepayments	China Energy Engineering Group Nanjing Power Line Products Co., Ltd (中國能源建設集團南京線路 器材廠)			9,856.00	
Prepayments	China Energy Construction Group E- Commerce Co., Ltd. (中國能源建 設集團電子商務有限公司)	12,015.60		-	
Prepayments	Jiangsu Power Equipment Co., Ltd.	2,523,785.84			
Prepayments	Huanjia Group Co., Ltd. (環嘉集團有 限公司)	98,464,807.68			
	Total	236,112,901.76		157,583,306.74	
Other receivables					
Other receivables	Beijing Electric Power Construction Company	514,487,500.00		514,487,500.00	
Other receivables	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理 有限公司)	1,244,152.07			
Other receivables	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd.	500.00		500.00	
Other receivables	Guangdong Power Material Co., Ltd (廣東火電物資供應有限公司)			186,122.00	
Other receivables	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.* (中國能源 建設集團廣東火電工程有限公司)	1,454,018.14			
Other receivables	China Energy Engineering Group Northeast No.2 Electric Power Engineering Co., Ltd (中國能源建 設集團東北電業管理局第二工程 公司)	2,006,585.27		7,596,585.27	

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Other receivables	China Energy Engineering Group Guangdong Electric Power Engineering Co., Ltd. (中國能源建設集團廣東電力工程局有限公司)			1,454,018.14	
Other receivables	China Energy Engineering Corporation Limited	114,072.00			
Other receivables	China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	19,958,321.63			
Other receivables	China Gezhouba Group Company Limited	296,012,000.00			
Other receivables	China Gezhouba Group International Travel Co., Ltd. (中國葛洲壩集團國際旅遊有限公司)	858,368.03			
Other receivables	Yichang City Gezhouba Hotel Co., Ltd. (宜昌市葛洲壩賓館有限公司)	804,093.19			
Other receivables	Gekuangli Nanjing Property Development Co. Ltd. (葛礦利南京房地產開發有限公司)	2,393,800,761.37		2,304,455,210.14	
Other receivables	Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	580,853,259.66		785,200,000.00	
Other receivables	Pan County Hongcai Gezhouba Project Management Co., Ltd. (盤縣宏財葛洲壩項目管理有限公司)	714,626,878.33		714,626,878.33	
Other receivables	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	427,296,129.51		197,179,664.38	
Other receivables	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	177,247,510.33		145,884,059.07	
Other receivables	Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	80,433,880.85		104,433,880.85	
Other receivables	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	28,599,003.00		17,073,979.43	

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Other receivables	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd (陝西葛洲壩延黃寧石高速公路有限公司)	3,146,291.00		11,947,835.37	
Other receivables	Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	700,673.90		1,009,407.51	
Other receivables	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)			913,062.50	
Other receivables	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	1,371,359.91		49,488.19	
Other receivables	Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	682,266,193.50			
Other receivables	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	14,392,324.00			
Other receivables	Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司)	19,892,118.90		20,722,067.83	
Other receivables	Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	2,755,252.08			
Other receivables	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	650,289.50			
Other receivables	Jingzhou Gezhouba North Express Road Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	131,510,332.56			
Other receivables	Yichang Miaozi Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	11,941,160.43			
Other receivables	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	166,803,106.80			

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Other receivables	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	180,000,000.00			
Other receivables	Huadian Huayuan Artificial Environment Engineering Co., Ltd. (華電華源人工環境工程有限公司)	4,291,561.90			
Other receivables	Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)	992,175.07			
Other receivables	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	619,500.00			
Other receivables	Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd. (葛洲壩(西安)秦漢大道投資建設有限公司)	290,000.00			
Other receivables	Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	100,000.00			
Other receivables	Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd. (南京江北新區地下空間研究院有限公司)	7,608.00			
	Total	6,461,526,980.93		4,827,220,259.01	
Long-term receivables					
Long-term receivables	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd (陝西葛洲壩延黃寧石高速公路有限公司)	15,731,457.00			
Long-term receivables	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	116,202,707.99			
Long-term receivables	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	64,123,764.36			
Long-term receivables	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	410,357,576.34			

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Long-term receivables	Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	40,440,855.24			
Long-term receivables	Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)	46,818,996.00			
Long-term receivables	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限公司)	19,863,494.00			
Long-term receivables	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	25,800,309.65			
Long-term receivables	Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	174,525,198.57			
	Total	913,864,359.15		-	
Non-current assets due within one year					
Non-current assets due within one year	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)			200,000,000.00	
	Total:			200,000,000.00	

(2). Amounts due to related parties

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Related parties	Closing book balance	Opening book balance
Bills payables			
Bills payable	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	16,888,891.59	17,601,248.56
	Total	16,888,891.59	17,601,248.56

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing book balance	Opening book balance
Accounts payable			
Accounts payable	Beijing Luosida Science and Technology Development Co., Ltd. (北京洛斯達科技發展有限公司)	452,557.84	1,156,717.84
Accounts payable	Beijing Electric Power Construction Company	2,355,287.36	
Accounts payable	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	73,270.72	323,270.22
Accounts payable	China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	265,950,484.54	232,498,628.47
Accounts payable	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	94,281,442.30	41,251,822.30
Accounts payable	China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	33,369,878.69	
Accounts payable	China Energy Engineering Group Yunnan Thermal Power Construction Co., Ltd (中國能源建設集團雲南火電建設有限公司)		18,088,769.09
Accounts payable	China Energy Engineering Group Anhui Electric Power Design Institute Co., Ltd.(中國能源建設集團安徽省電力設計院有限公司)		6,351,887.33
Accounts payable	Anhui Huadian Engineering Consulting & Design Co., Ltd.	7,005,000.00	5,606,916.57
Accounts payable	China Energy Engineering Group Guangxi Power Design Institute Co., Ltd.* (中國能源建設集團廣西電力設計研究院有限公司)	4,610,222.01	3,924,693.25

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing book balance	Opening book balance
Accounts payable	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	12,189,525.20	3,868,952.61
Accounts payable	China Energy Engineering Group Gansu Thermal Power Construction Company (中國能源建設集團甘肅火電工程公司)	2,845,225.06	2,930,614.58
Accounts payable	China Energy Engineering Group Anhui No.2 Electric Power Construction Co., Ltd.	7,364,827.46	1,015,200.00
Accounts payable	Beijing General Power Equipment Plant Co., Ltd. (北京電力設備總廠有限公司)	350,908.00	933,000.00
Accounts payable	China Energy Engineering Group Guangdong Power Line Equipment Factory (中國能源建設集團廣東省電力線路器材廠)	708,269.64	708,269.64
Accounts payable	Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group* (中國電力工程顧問集團中南電力設計院有限公司)	770,000.00	
Accounts payable	China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電力建設一公司)	178,919.21	596,419.21
Accounts payable	China Energy Engineering Group Gansu Electric Power Design Institute Co., Ltd (中國能源建設集團甘肅省電力設計院有限公司)		8,971.44

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing book balance	Opening book balance
Accounts payable	China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	763,817.02	3,364.58
Accounts payable	South Wuhan Geotechnical Engineering Technique Co., Ltd (武漢南方巖土工程技術有限責任公司)	1,482,979.81	
Accounts payable	China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源建設集團湖南火電建設有限公司)	547,828.82	
Accounts payable	Tongcheng Environmental Engineering Company (同誠環保工程公司)	530,097.38	
Accounts payable	China Energy Engineering Group Anshan Iron Tower Manufacturing Co., Ltd.	518,500.17	
Accounts payable	China Gezhouba Group International Travel Co., Ltd. (中國葛洲壩集團國際旅遊有限公司)	454,440.50	
Accounts payable	Hunan Electric Power Line Equipment Co., Ltd. (湖南省電力線路器材有限公司)	262,299.00	
Accounts payable	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.* (中國能源建設集團廣東火電工程有限公司)	1,079,989.09	
Accounts payable	Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民用爆破器材有限公司)	485,722.27	158,632.69
Accounts payable	Zhangjiajie Yongli Civil Explosive Co., Ltd (張家界永利民爆有限責任公司)		157,863.51
Accounts payable	Huanjia Group Co., Ltd. (環嘉集團有限公司)		36,866,258.74
	Total	438,631,492.09	356,450,252.07

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing book balance	Opening book balance
Receipts in advance			
Receipts in advance	Jiangsu Keneng Power Engineering Consulting Co., Ltd. (江蘇科能電力工程諮詢有限公司)		233,337.45
Receipts in advance	Guangdong Thermal Power Engineering Co., Ltd. (廣東火電工程有限公司)	1,811,120.00	
Receipts in advance	China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	1,712.06	
Receipts in advance	Yichang Miaozi Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)		20,336,139.57
Receipts in advance	Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	210,000,000.00	2,713,862.89
Receipts in advance	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)		50,776,976.00
Receipts in advance	Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)		16,578,857.03
Receipts in advance	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)		15,374,876.81
Receipts in advance	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd. (重慶葛洲壩融創深達置業有限公司)		529,330.06
Receipts in advance	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	23,039,958.88	2,000,000.00
Receipts in advance	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	130,134,007.15	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing book balance	Opening book balance
Receipts in advance	Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	113,466,358.00	
	Total	478,453,156.09	108,543,379.81
Other payables			
Other payables	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	163,653,064.89	26,724,836.96
Other payables	Beijing Luosida Science and Technology Development Co., Ltd. (北京洛斯達科技發展有限公司)		32,500.00
Other payables	Beijing Luostar Digital Remote Sensing Technology Co., Ltd. (北京洛斯達數字遙感技術有限公司)	1,124,218.36	4,366,599.00
Other payables	China Energy Engineering Group Beijing Electric Power Construction Company (中國能源建設集團北京電力建設公司)	13,935,584.66	–
Other payables	China Energy Engineering Group Yunnan Thermal Power Construction Co., Ltd (中國能源建設集團雲南火電建設有限公司)		545,585.11
Other payables	China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	2,641,123.53	4,008,874.05
Other payables	China Energy Engineering Group Gansu Thermal Power Construction Company (中國能源建設集團甘肅火電工程有限公司)		4,671,216.69
Other payables	China Energy Engineering Group Guangxi Power Design Institute Co., Ltd.* (中國能源建設集團廣西電力設計研究院有限公司)	2,280,469.78	2,025,602.00

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing book balance	Opening book balance
Other payables	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	8,126,097.63	8,340,649.50
Other payables	Beijing General Power Equipment Plant Co., Ltd. (北京電力設備總廠有限公司)		172,000.00
Other payables	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.* (中國能源建設集團廣東火電工程有限公司)	308,886.36	1,375,836.05
Other payables	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)		300,000.00
Other payables	China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電力建設一公司)	35,400.00	35,400.00
Other payables	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	460,000.00	416,970.58
Other payables	China Energy Engineering Group Tianjin Electric Power Design Institute Co., Ltd. (中國能源建設集團天津電力設計院有限公司)	20,000.00	5,000.00
Other payables	Anhui Huadian Engineering Consulting & Design Co., Ltd.		1,398,082.92
Other payables	China Energy Engineering Group Northwest Power Construction Engineering Company Limited		370,603.29
Other payables	China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	24,928,313.36	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing book balance	Opening book balance
Other payables	China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	4,533.00	
Other payables	China Energy Engineering Group Anhui No.2 Electric Power Construction Co., Ltd.	100,000.00	
Other payables	China Gezhouba Group Company Limited	52,076,548.60	52,076,548.60
Other payables	China Gezhouba Group International Travel Co., Ltd. (中國葛洲壩集團國際旅遊有限公司)	102,878,836.93	29,292,897.93
Other payables	Yichang City Gezhouba Hotel Co., Ltd. (宜昌市葛洲壩賓館有限公司)	1,802,931.63	3,402,931.63
Other payables	Guangzhou Rumao Real Estate Development Co., Ltd * (廣州市如茂房地產開發有限公司)	1,282,648,917.05	1,282,648,917.05
Other payables	Ganzhou Zhenglin Real Estate Development Co., Ltd. (廣州市正林房地產開發有限公司)	1,294,860,956.30	1,245,860,956.30
Other payables	Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	698,114,570.21	497,214,570.21
Other payables	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	141,656,407.12	51,496,407.12

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing book balance	Opening book balance
Other payables	Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	786,031,398.51	406,721,485.91
Other payables	Wuhan Gezhouba Longhu Property Development Co., Ltd (武漢葛洲壩龍湖房地產開發有限公司)	500,000,000.00	
Other payables	Shanghai Xiyue Real Estate Development Co., Ltd. (上海璽越房地產開發有限公司)	65,800,000.00	49,000,000.00
Other payables	Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	24,000,000.00	24,000,000.00
Other payables	Hangzhou Longshang Real Estate Development Co., Ltd.	386,942,500.00	236,067,500.00
Other payables	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	11,770,053.27	12,314,872.97
Other payables	Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	45,045,199.66	121,317,327.85
Other payables	Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd. (葛洲壩(西安)秦漢大道投資建設有限公司)	97,078,465.61	97,011,710.57
Other payables	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)		260,570,805.81
Other payables	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)		3,312,673.75
Other payables	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	574,181,770.31	707,385,063.07
Other payables	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	471,477,863.84	30,076,443.82

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing book balance	Opening book balance
Other payables	Jingzhou Gezhouba North Express Road Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	467,326,012.32	1,000.00
Other payables	Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	71,610,655.72	–
Other payables	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd (陝西葛洲壩延黃寧石高速公路有限公司)	397,553,209.93	–
Other payables	Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	6,056,335.98	–
Other payables	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)	29,220.69	
	Total	7,696,559,545.25	5,164,561,868.74
Short-term borrowings			
Short-term borrowings	China Energy Engineering Group Gezhouba Finance Co., Ltd.	5,433,000,000.00	2,438,000,000.00
Short-term borrowings	China Gezhouba Group Company Limited	385,247,700.00	170,000,000.00
Short-term borrowings	China Energy Engineering Corporation Limited	500,000,000.00	
	Total	6,318,247,700.00	2,608,000,000.00

Item	Related parties	Closing book balance	Opening book balance
Non-current liabilities due within one year			
Non-current liabilities due within one year	China Energy Engineering Group Gezhouba Finance Co., Ltd.	595,000,000.00	1,441,000,000.00
Non-current liabilities due within one year	China Gezhouba Group Company Limited		1,000,000,000.00
	Total	595,000,000.00	2,441,000,000.00
Long-term borrowings			
Long-term borrowings	China Energy Engineering Group Gezhouba Finance Co., Ltd.	75,000,000.00	595,000,000.00
Long-term borrowings	China Energy Engineering Corporation Limited	200,000,000.00	
	Total	275,000,000.00	595,000,000.00

7. Commitment of Related Parties

Applicable Not applicable

8. Others

Applicable Not applicable

XIII. SHARE-BASED PAYMENT

1. Overview of Share-based Payment

Applicable Not applicable

2. Information about Equity-settled Share-based Payment

Applicable Not applicable

3. Information about Cash-settled Share-based Payment

Applicable Not applicable

4. Information about Modification and Termination of Share-based Payment

Applicable Not applicable

5. Others

Applicable Not applicable

XIV. COMMITMENTS AND CONTINGENCIES**1. Significant Commitments**

Applicable Not applicable

Significant external commitments, nature and amount existing as at the balance sheet date

In December 2018, the Company and Huangshi Transportation Investment Group Co., Ltd.* (黄石市交通投資集團有限公司)(“**Huangshi Transportation Investment**”) formed a consortium to jointly participate in the construction of the Huangshi section of the Wuhan-Yangxin Expressway. Among them, Huangshi Transportation Investment as the leader of the consortium holds 51%, and the Company as a member holds 49%, both parties enjoy investment income in proportion to their shareholdings. The project investment amount is RMB12.557 billion, and the project capital is 20% of the total investment, i.e. approximately RMB2.511 billion.

In December 2017, the Company was identified as a social investor of, and invested in, the “Tianlin-Xilin (Dian-Gui) Highway PPP Project”. The cooperation term of the project is 34.5 years, and total investment of the project is RMB26.06 billion.

As of 31 December 2018, save as disclosed above, the Company has no other significant commitments that are required to be disclosed.

2. Contingencies***(1). Material contingencies existing as at the balance sheet date***

Applicable Not applicable

1. Contingent liabilities and their financial impacts arising from significant pending litigation or arbitration

The Company has no pending litigation or arbitration that has significant impact on financial statements as at 31 December 2018.

2. Commitments

As of 31 December 2018, the balance of guaranteed borrowings of the Company amounted to RMB12,750,186,100, among which, RMB7,817,638,600 was guaranteed by the Company and its subsidiaries, please refer to Note V (23) “Short-term borrowings”, Note V (30) “Non-current liabilities due within one year” and Note V (32)

“Long-term borrowings” for details. Chongqing Jiangqi Highway Co., Ltd. (重慶江綦高速公路有限公司), a related associate of the Company, obtained loans of RMB3,640,000,000 from China Development Bank Co., Ltd. Gezhouba Group No.5 Engineering Co., Ltd. (葛洲壩集團第五工程有限公司), a wholly-owned subsidiary of the Company, is willing to provide guarantee to the lender for the borrower’s repayment of the principal of RMB320,000,000 under the master contract and its accrued interest, penalty interest, compound interest, compensation, damages and the expenses of exercising creditor’s rights.

China Gezhouba Group Investment Holding Co., Ltd, a wholly-owne subsidiary of the Company, issued Huatai Asset Management – Gezhouba Green Asset-Backed Special Plan of Hydropower Grid Toll Right in 2016. As at 31 December 2018, the balance of the special plan amounted to RMB500 million, including priority beneficiary fund of RMB460 million and subordinated beneficiary funds of RMB40 million. China Gezhouba Group Investment Holding Co., Ltd provides compensation for the difference in priority principal and interest payments, and the Company provides joint liability guarantees for the compensation of the difference. China Gezhouba Group Lvyuan Technology Co., Ltd., a wholly-owned subsidiary of the Company, applied for the issuance of RMB1.2 billion green corporate bonds on the Shanghai Stock Exchange, and the Company provided guarantee.

As at 31 December 2018, the balance of sale and leaseback long-term payables of the Company amounted to RMB927,731,500, of which RMB365,500,000 was secured by the Company.

3. *Mortgages*

As at 31 December 2018, the balance of mortgaged loans of the Company amounted to RMB9,577,700,000, please refer to Note V (23) “Short-term borrowings”, Note V (30) “Non-current liabilities due within one year” and Note V (32) “Long-term borrowings” for details.

4. *Security*

As at 31 December 2018, the balance of secured borrowings of the Company amounted to RMB11,175,159,200, please refer to Note V (23) “Short-term borrowings”, Note V (30) “Non-current liabilities due within one year” and Note V (32) “Long-term borrowings” for details.

(2). *To state that the Company has no material contingency that needs to be disclosed:*

Applicable Not applicable

XV. EVENTS AFTER THE BALANCE SHEET DATE

1. Significant Events not Subject to Adjustment

Applicable Not applicable

1. Approved by “Zheng Jian Xu Ke [2018] No. 1833” document issued by the China Securities Regulatory Commission, the Company issued RMB1 billion special corporate bonds for house leasing with a coupon rate of 3.85% in January 2019.
2. Approved by “Zheng Jian Xu Ke [2019] No. 218” document issued by the China Securities Regulatory Commission, the Company issued RMB1.5 billion corporate bonds with a coupon rate of 4.10% in March 2019.
3. In March 2019, the Company received the Approval of the Public Offering of Renewable Corporate Bonds by China Gezhouba Group Company Limited to Qualified Investors (Zheng Jian Xu Ke [2019] No. 295) (《關於核准中國葛洲壩集團股份有限公司向合格投資者公開發行可續期公司債券的批覆》(證監許可[2019]295號)) issued by the China Securities Regulatory Commission, whereby the Company was permitted to publicly offer renewable corporate bonds with a total par value not exceeding RMB5.0 billion to qualified investors. The renewable corporate bonds would be issued in tranches, and the issuance of the first tranche shall be completed within 12 months from the date of the approval by the CSRC. The remaining tranches of bond issuance shall be completed within 24 months from the date on which the approval of the CSRC is obtained;
4. In March 2019, China Gezhouba Group No.5 Engineering Co., Ltd. (中國葛洲壩集團第五工程有限公司) provided joint guarantee liabilities to its associate Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司) for bank loans with an amount of not exceeding RMB340 million.

2. Information about Profit Distribution

Applicable Not applicable

Unit: Yuan Currency: RMB

Profit or dividend proposed to be distributed	828,859,934.16
Profits or dividends declared to distribute after review and approval	

Explanation: the profit distribution plan of the Company in 2018 is distributing to all shareholders of a cash dividend of RMB1.80 (tax inclusive) for every 10 shares held, based on the total share capital of the Company of 4,604,777,412 shares. A total of RMB828,859,934.16 was distributed in cash, and the remaining profits would be carried forward to next year. The Company will not increase its share capital with the capital reserve this year.

XVI. OTHER SIGNIFICANT EVENTS**1. Early Correction of Accounting Error****(1). Retrospective restatement**Applicable Not applicable**(2). Prospective application**Applicable Not applicable**2. Debt Restructuring**Applicable Not applicable**3. Asset Replacement****(1). Exchange of non-monetary assets**Applicable Not applicable**(2). Other asset replacement**Applicable Not applicable**4. Annuity Plan**Applicable Not applicable

In accordance with relevant national regulations, the Company and its subsidiaries implementd enterprise annuity plan after being reviewed and approved by the board of directors and reported to the labor and social security department for review and filing. The Company accounted enterprise annuity expenses that should be borne as employee remuneration into the current profit and loss, and transferred the annuity payments payable to the employe's bank account opened by the account manager on time. As of the end of 2018, no significant changes have taken place in the annuity plan.

5. Discontinuing OperationsApplicable Not applicable**6. Segment Information****(1). The basis of determination and accounting policy for segment information**Applicable Not applicable

The Company identified 8 reportable segments according to the internal organisational structure, management requirement and internal report system, namely construction, environmental protection, real estate, cement, civil explosive, highway, water affairs, high-end equipment manufacturing and others. Each reportable segment of the Company provides different products and services. Since every segment requires different technologies and marketing strategies, the management of the Company manage the business activities of different reportable segments separately, and regularly evaluate the operating results of these reportable segments in order to determine the resource allocation and evaluate its performance.

The transfer price between different segments is based on the actual transaction price, and cost indirectly assumed by each segment is allocated in accordance of the corresponding proportion among segments. Assets are allocated in accordance of business performance and location. Segment liabilities include the liabilities arising from business activities which attributable to its own segment. If the costs related to a joint liability, the liability would be allocated to different segments at the proportion.

(2). *Financial information of reportable segment*

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Items								High-end	Intersegment		Total
	Construction	Environmental protection	Real estate	Cement	Civil explosive	Highway	Water affairs	equipment manufacturing	Others	elimination	
I. Revenue from external transactions	54,538,541,997.17	19,428,830,386.28	7,441,006,669.04	8,890,519,749.11	3,184,737,408.82	1,918,046,886.04	1,511,039,976.97	1,307,734,432.19	2,405,212,266.03		100,625,669,771.65
II. Revenue from inter-segment transactions									125,717,025.02	125,717,025.02	
III. Investment income from joint ventures and associates	3,322,574.26		848,280,211.23		117,846.01				70,378,990.04	-57,340,699.69	979,440,321.23
IV. Losses from impairment of assets	40,626,983.33	460,915,992.15	-98,975.88	47,172,797.11	261,759.62		14,011,991.25	-5,941,206.21	-1,420,468.34		555,528,873.03
V. Depreciation and amortization expenses	680,729,091.37	39,167,189.12	50,974,455.34	615,789,143.82	120,932,160.32	262,845,868.29	84,796,697.86	30,531,879.06	5,222,669.64		1,890,989,154.82
VI. Total profit	3,729,513,873.56	-216,357,605.38	643,654,734.34	2,441,869,973.21	309,009,855.41	733,030,656.15	236,907,562.37	-80,101,973.69	9,642,936.92	62,730,651.21	7,744,439,361.68
VII. Income tax expenses	712,586,646.96	-62,606,746.23	176,319,605.50	434,828,454.98	73,092,063.88	236,840,711.98	90,322,481.75	6,345,075.92	146,835,335.65	30,017,837.73	1,784,545,792.66
VIII. Net profit	3,016,927,226.60	-153,750,859.15	467,335,128.84	2,007,041,518.23	235,917,791.53	496,189,944.17	146,585,080.62	-86,447,049.61	-137,192,398.73	32,712,813.48	5,959,893,569.02
IX. Total assets	101,432,870,001.47	11,053,977,601.66	71,433,022,084.59	14,663,691,922.49	3,449,950,497.84	22,572,501,703.13	22,336,315,020.93	2,942,165,225.84	6,548,825,818.97	38,224,053,955.19	218,209,265,921.73
X. Total liabilities	80,858,322,252.00	7,853,599,037.18	60,287,694,514.73	5,916,624,074.41	1,749,259,583.47	16,122,617,619.33	14,735,376,844.82	1,763,848,220.46	6,247,859,717.86	32,410,563,603.99	163,124,638,260.27

(3). *To state the reasons if the Company has no reportable segment or cannot disclose the total assets and total liabilities of each reportable segment*

Applicable Not applicable

(4). *Other explanation*

Applicable Not applicable

7. **Other Significant Transactions and Events that Have Impact on Investors' Decision-making**

Applicable Not applicable

8. **Others**

Applicable Not applicable

XVII. NOTES TO MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE PARENT

1. **Bills Receivables and Trade Receivables**

Consolidated statement

(1). *Presentation by classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bills receivables	230,279,649.00	36,600,000.00
Trade receivables	6,981,000,759.27	8,378,222,200.04
Total	7,211,280,408.27	8,414,822,200.04

Other explanation:

Applicable Not applicable

Bills receivables

(1). *Presentation of bills receivables by classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bank acceptance bills	2,000,000.00	36,600,000.00
Commercial acceptance bills	228,279,649.00	
Total	230,279,649.00	36,600,000.00

(2) Bills receivables pledged by the Company at the end of the period

Applicable Not applicable

(3) Bills receivables endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount derecognised at the end of the period	Amount continued to be recognised at the end of the period
Bank acceptance bills	166,719,597.00	
Total	166,719,597.00	

(4) Bills transferred to bills receivables by the Company due to the drawer' s failure to perform the contract at the end of the period

Applicable Not applicable

(5) Disclosure by classification with the method of provision for bad debt

Applicable Not applicable

Single provision for bad debt:

Applicable Not applicable

Provision for bad debt on group basis:

Applicable Not applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

(6). *Provision for bad debt*

Applicable Not applicable

(7). *Write-off of bills receivables for the period*

Applicable Not applicable

Other explanation:

Applicable Not applicable

Trade receivables

(1). *Disclosure by aging*

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance
Within 1 year	
Including: Within 1 year	
0 to 6 months	6,135,665,039.91
6 months to 1 year	695,435,531.07
Sub-total of within 1 year	6,831,100,570.98
1 to 2 years	66,317,716.19
2 to 3 years	67,911,367.37
3 to 4 years	6,020,430.24
4 to 5 years	5,600,421.64
Over 5 years	19,190,946.58
Total	6,996,141,453.00

(2). *Disclosure by classification with the method of provision for bad debt*

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Category	Closing balance				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Single provision for bad debt	850,165,617.92	12.15	10,373,284.09	1.22	839,792,333.83
Provision for bad debt on group basis	6,145,975,835.08	87.85	4,767,409.64	0.08	6,141,208,425.44
Including:					
Group 1	3,473,324,548.59	49.65	4,767,409.64	0.14	3,468,557,138.95
Group 2	2,672,651,286.49	38.20			2,672,651,286.49
Total	6,996,141,453.00	100.00	15,140,693.73		6,981,000,759.27

Category	Opening balance				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Trade receivables individually significant for which provision for bad debts has been individually made	772,222,499.91	9.20			772,222,499.91
Receivables with provision for bad debts based on credit risk characteristics	7,085,756,581.26	84.45	1,419,863.21	0.02	7,084,336,718.05
Including: Group 1	4,479,744,493.85	53.39	1,419,863.21	0.03	4,478,324,630.64
Group 2	2,606,012,087.41	31.06			2,606,012,087.41
Receivables individually insignificant for which provision for bad debts has been individually made	532,036,266.17	6.34	10,373,284.09	1.95	521,662,982.08
Total	8,390,015,347.34	99.99	11,793,147.30		8,378,222,200.04

Single provision for bad debt:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Book balance	Provision for bad debt	Closing balance		Reason for provision
			Provision proportion (%)		
Construction quality assurance fee	850,165,617.92	10,373,284.09	1.22		Provision for impairment was made after individual impairment test.
Total	850,165,617.92	10,373,284.09			/

Descriptions of single provision for bad debt:

Applicable Not applicable

Provision for bad debt on group basis:

Applicable Not applicable

Provision items on group basis: Provision for bad debt based on Group 1

Unit: Yuan Currency: RMB

Name	Accounts receivable	Closing balance Provision for bad debt	Provision proportion (%)
Within 1 year			
Including: 0 to 6 months	3,406,498,504.52		
6 months to 1 year	13,292,419.92	193,975.80	1.46
Sub-total of within 1 year	3,419,790,924.44	193,975.80	0.01
1 to 2 years	48,550,853.98	3,884,068.32	8.00
2 to 3 years	4,549,137.04	454,913.70	10.00
3 to 4 years	187,424.47	37,484.89	20.00
4 to 5 years			
Over 5 years	246,208.66	196,966.93	80.00
Total	3,473,324,548.59	4,767,409.64	

Recognition standards and explanation of provision for bad debt on group basis:

Applicable Not applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

(3). *Provision for bad debts*

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Increase/decrease during the period		Write-off or cancellation	Closing balance
		Provision	Recovery or reversal		
Provision for bad debt	11,793,147.30	3,347,546.43			15,140,693.73
Total	11,793,147.30	3,347,546.43			15,140,693.73

Significant amounts recovered or reversed to bad debts in the period:

Applicable Not applicable(4). *The actual write-off of trade receivables for the period*Applicable Not applicable

The write-off of significant trade receivables

Applicable Not applicable(5). *Top five trade receivables by closing balance of debtors*Applicable Not applicable

Name of entity	Trade receivables	Closing balance Percentage of total trade receivables (%)	Provision for bad debt
The largest	1,337,963,993.81	19.12	
The second largest	621,717,774.62	8.89	
The third largest	540,701,174.91	7.73	
The fourth largest	444,026,066.99	6.35	
The fifth largest	440,529,762.60	6.30	
Total	3,384,938,772.93	48.38	

(6). *Trade receivables derecognized due to the transfer of financial assets*Applicable Not applicable(7). *Amount of assets or liabilities resulting from trade receivables transfer and continuing involvement*Applicable Not applicable

Other explanation:

Applicable Not applicable

2. Other Receivables

Consolidated statement

(1). *Presentation by classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	40,488,889,903.83	35,041,044,126.01
Total	40,488,889,903.83	35,041,044,126.01

Other explanation:

Applicable Not applicable

Interest receivable

(1). *Classification of interest receivable*

Applicable Not applicable

(2). *Significant overdue interest*

Applicable Not applicable

(3). *Provision for bad debts*

Applicable Not applicable

Other explanation:

Applicable Not applicable

Dividends receivable

(1). *Dividends receivable*

Applicable Not applicable

(2). *Significant dividends receivable aging over one year*

Applicable Not applicable

(3). *Provision for bad debts*

Applicable Not applicable

Other explanation:

Applicable Not applicable

Other receivables

(1). *Disclosure by aging*

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging

Closing balance

Within 1 year

Including: Subitems within 1 year

0 to 6 months

39,802,587,671.93

6 months to 1 year

72,429,437.49

Sub-total within 1 year

39,875,017,109.42

1 to 2 years

2,178,010.77

2 to 3 years

562,251,973.98

3 to 4 years

3,852,997.31

4 to 5 years

46,992,086.00

Over 5 years

40,971,850.60

Total

40,531,264,028.08

(2). *Classification by nature*

Applicable Not applicable

Unit: Yuan Currency: RMB

Nature	Closing book balance	Opening book balance
Deposits	2,976,244,876.40	2,655,972,512.97
Advances receivable	36,660,993,904.10	29,561,582,014.51
Reserves	14,296,285.04	16,021,887.88
Others	879,728,962.54	2,850,159,772.76
Total	40,531,264,028.08	35,083,736,188.12

(3). *Provision for bad debts*

Applicable Not applicable

Unit: Yuan Currency: RMB

Provision for bad debt	Stage I ECL over the next 12 months	Stage II Lifetime ECL (non-credit impaired)	Stage III Lifetime ECL (credit impaired)	Total
Balance as at 1 January 2018	42,692,062.11			42,692,062.11
Balance as at 1 January 2018 for the current period				
– Transferred to Stage II				
– Transferred to Stage III				
– Reversed to Stage II				
– Reversed to Stage I				
Provision for the period	-317,937.86			-317,937.86
Reversal for the period				
Write-off for the period				
Cancellation for the period				
Other changes				
Balance as at 31 December 2018	42,374,124.25			42,374,124.25

Description of significant changes in the book balance of other receivables for which loss provision has changed in the period:

Applicable Not applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

Applicable Not applicable

(4). *Provision for bad debt*

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Provision for bad debt	42,692,062.11	-317,937.86			42,374,124.25
Total	42,692,062.11	-317,937.86			42,374,124.25

Significant amounts of provision for bad debts recovered or reversed in the period:

Applicable Not applicable

(5). *The actual write-off of other receivables for the period*

Applicable Not applicable

(6). *Top five other receivables by closing balance of debtors*

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of entity	Nature of receivables	Closing balance	Aging	Proportion to the total closing balance of other receivables (%)	Closing balance of provision for bad debt
The largest	Advances receivable	25,235,537,759.33	0-6 months	62.26	
The second largest	Advances receivable	4,585,801,607.08	0-6 months	11.31	
The third largest	Advances receivable	2,924,730,581.51	0-6 months	7.22	
The fourth largest	Advances receivable	1,294,633,919.24	0-6 months	3.19	
The fifth largest	Advances receivable	1,169,624,348.03	0-6 months	2.89	
Total	/	35,210,328,215.19	/	86.87	

(7). *Receivables involving government subsidies*

Applicable Not applicable

(8). *Other receivables derecognized due to the transfer of financial assets*

Applicable Not applicable

(9). *Amount of assets or liabilities resulting from transfer of other receivables and continuing involvement*

Applicable Not applicable

Other explanation:

Applicable Not applicable

3. Long-term Equity Investments

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Book balance	Closing balance		Book balance	Opening balance	
		Provision for impairment	Carrying amount		Provision for impairment	Carrying amount
Investment in subsidiaries	33,743,331,546.53		33,743,331,546.53	27,738,086,793.85		27,738,086,793.85
Investment in associates and joint ventures	5,040,856,299.55		5,040,856,299.55	1,865,262,795.73		1,865,262,795.73
Total	38,784,187,846.08		38,784,187,846.08	29,603,349,589.58		29,603,349,589.58

(1). *Investment in subsidiaries*

Applicable Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for	Closing balance of
					impairment in the period	provision for impairment
China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司)	2,039,814,691.56	200,000,000.00		2,239,814,691.56		
China Gezhouba Group Water Utilities Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司)	747,695,472.15	679,000,000.00		1,426,695,472.15		
Gezhouba Jinghuan Technology Co., Ltd. (葛洲壩京環科技有限公司)		10,200,000.00		10,200,000.00		

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment in the period	Closing balance of provision for impairment
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)		161,142,352.68		161,142,352.68		
China Gezhouba Group Equipment Industry Co., Ltd. (中國葛洲壩集團裝備工業有限公司)	500,000,000.00	440,000,000.00		940,000,000.00		
Gezhouba (Beijing) Property Management Co., Ltd. (葛洲壩(北京)物業管理有限公司)	30,000,000.00			30,000,000.00		
China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司)	4,429,209,507.92			4,429,209,507.92		
China Gezhouba Group No.1 Engineering Co., Ltd. (葛洲壩集團第一工程有限公司)	998,996,508.05	67,200,000.00		1,066,196,508.05		
China Gezhouba Group No.2 Engineering Co., Ltd. (中國葛洲壩集團第二工程有限公司)	1,020,042,472.77			1,020,042,472.77		
China Gezhouba Group No.5 Engineering Co., Ltd. (中國葛洲壩集團第五工程有限公司)	1,105,369,709.86			1,105,369,709.86		
China Gezhouba Group No.6 Engineering Co., Ltd. (中國葛洲壩集團第六工程有限公司)	700,410,816.99			700,410,816.99		
China Gezhouba Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司)	493,424,461.86			493,424,461.86		
China Gezhouba Group Basic Engineering Co., Ltd. (中國葛洲壩集團基礎工程有限公司)	425,103,178.09			425,103,178.09		
China Gezhouba Group Electric Power Co., Ltd. (中國葛洲壩集團電力有限責任公司)	501,303,531.96			501,303,531.96		
China Gezhouba Group International Engineering Co., Ltd. (中國葛洲壩集團國際工程有限公司)	1,000,008,223.47	383,000,000.00		1,383,008,223.47		
China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司)	642,451,517.39			642,451,517.39		
China Gezhouba Group Real Estate Co., Ltd. (中國葛洲壩集團置業有限公司)	606,000,000.00		606,000,000.00			
Hubei Wuhan Gezhouba Industrial Co., Ltd. (湖北武漢葛洲壩實業有限公司)	215,797,600.00		215,797,600.00			
China Gezhouba Group Explosive Stock Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	153,816,321.67			153,816,321.67		
China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司)	2,035,977,655.83	4,000,000,000.00		6,035,977,655.83		
China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司)	3,128,840,200.00			3,128,840,200.00		

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment in the period	Closing balance of provision for impairment
Gezhouba Weiye (Hubei) Insurance Brokerage Co., Ltd. (葛洲壩偉業(湖北)保險經紀有限公司)	5,500,000.00		5,500,000.00			
China Gezhouba Group Investment Holding Co., Ltd	660,853,476.82			660,853,476.82		
China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限公司)	463,008,134.36			463,008,134.36		
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	602,658,676.30			602,658,676.30		
China Gezhouba Group Survey and Design Co., Ltd. (中國葛洲壩集團勘測設計有限公司)	229,494,636.80			229,494,636.80		
China Gezhouba Group Lvyuan Technology Co., Ltd. (中國葛洲壩集團綠園科技有限公司)	2,000,000,000.00			2,000,000,000.00		
Gezhouba Chongqing Investment Co., Ltd. (葛洲壩重慶投資有限公司)	15,000,000.00			15,000,000.00		
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	180,000,000.00			180,000,000.00		
Zhongge Wuhan Rail Transit Construction Co., Ltd. (中葛武漢軌道交通建設有限公司)	63,300,000.00			63,300,000.00		
Fuzhou Jiangyin Industrial Zone Gezhouba Reclamation Investment Co., Ltd. (福州市江陰工業區葛洲壩填海投資有限公司)	432,000,000.00			432,000,000.00		
Gezhouba (Haikou) Water Diversion Investment Co., Ltd. (葛洲壩(海口)引水工程投資有限公司)	280,000,000.00	280,000,000.00		560,000,000.00		
Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司)	131,200,000.00			131,200,000.00		
Sichuan Gezhouba Batongwan Expressway Limited (四川葛洲壩巴通萬高速公路有限公司)	1,000,000,000.00	470,000,000.00		1,470,000,000.00		
Gezhouba Water Affairs (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司)	174,210,000.00	122,000,000.00		296,210,000.00		
Beijing Gezhouba Zhenghe Yuyong Water Environmental Treatment Co., Ltd. (北京葛洲壩正和於永水環境治理有限公司)	25,650,000.00			25,650,000.00		
Gezhouba Water Affairs (Taizhou) Co., Ltd. (葛洲壩水務(台州)有限公司)	53,040,000.00			53,040,000.00		

Investee	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment in the period	Closing balance of provision for impairment
Gezhouba Xinfu (Nanning) Highway Construction Investment Co., Ltd. (葛洲壩新扶(南寧)公路建設投資有限公司)	395,910,000.00			395,910,000.00		
Hefei Gezhouba High-tech Pipe Gallery Investment and Construction Co., Ltd. (合肥葛洲壩高新管廊投資建設有限公司)	252,000,000.00			252,000,000.00		
Leqing Gezhouba Investment Co., Ltd. (樂清葛洲壩投資有限公司)		20,000,000.00		20,000,000.00		
Total	27,738,086,793.85	6,832,542,352.68	827,297,600.00	33,743,331,546.53		

(2). Investments in associates and joint ventures

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Investor	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period			Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
				Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Change in other equity					
I. Joint ventures											
Gezhouba Jianxin (Wuhan) Investment Fund Management Co., Ltd. (葛洲壩建信(武漢)投資基金管理有限公司)	5,010,967.40									5,010,967.40	
Jingzhou Chengbei Expressway Investment and Construction Co., Ltd. (荊州城北快速路投資建設有限公司)	350,000,000.00	382,010,000.00								732,010,000.00	
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	20,000,000.00	50,000,000.00								70,000,000.00	
Sub-total	375,010,967.40	432,010,000.00								807,020,967.40	
II. Associates											
China Energy Engineering Group Gezhouba Finance Co., Ltd. (中國能源建設集團葛洲壩財務有限公司)	897,551,828.33			66,973,695.62	-14,724.00	30,920.40	30,894,091.20			933,647,629.15	
Shaanti Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃寧石高速公路有限公司)		1,950,000,000.00								1,950,000,000.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investor	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period			Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
				Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Change in other equity					
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)		5,000,000.00								5,000,000.00	
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣陽高速公路開發有限公司)		355,000,000.00								355,000,000.00	
Ping'an Gezhouba (Shenzhen) Expressway Investment Partnership Company (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))		257,487,703.00		4,009,055.55			4,009,055.55			257,487,703.00	
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)		120,000,000.00								120,000,000.00	
Hubei Huangshi Wuyang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)		20,000,000.00								20,000,000.00	
Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd. (葛洲壩(西安)秦漢大道投資建設有限公司)	100,000,000.00									100,000,000.00	
Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	50,000,000.00									50,000,000.00	
Gezhouba (Luzhou) Yangtze River Bridge 6 Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	25,000,000.00									25,000,000.00	
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	222,500,000.00									222,500,000.00	
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	6,000,000.00									6,000,000.00	
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	1,500,000.00									1,500,000.00	
Pan County Hongcai Gezhouba Project Management Co., Ltd. (盤縣宏財葛洲壩項目管理有限公司)	900,000.00									900,000.00	
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	180,000.00									180,000.00	
Shandong Gezhouba Zaoche Expressway Co., Ltd. (山東葛洲壩棗嶗高速公路有限公司)	300,000.00									300,000.00	

Investor	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period			Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
				Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Change in other equity					
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	5,180,000.00									5,180,000.00	
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國鎮水環境治理投資建設有限公司)	161,500,000.00									161,500,000.00	
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	19,640,000.00									19,640,000.00	
Sub-total	1,490,251,828.33	2,707,487,703.00		70,982,751.17	-14,724.00	30,920.40	34,903,146.75			4,233,835,332.15	
Total	1,865,262,795.73	3,139,497,703.00		70,982,751.17	-14,724.00	30,920.40	34,903,146.75			5,040,856,299.55	

4. Operating Income and Operating Costs

(1). Operating income and operating costs

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Increase in the period		Amount for the previous period	
	Income	Costs	Income	Costs
Principal business	17,275,846,863.37	15,568,378,923.60	16,983,553,052.74	15,371,710,334.72
Other businesses	33,987,841.71	27,427,459.29	66,960,705.87	107,634,047.48
Total	17,309,834,705.08	15,595,806,382.89	17,050,513,758.61	15,479,344,382.20

(2). Principal operations by industry

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of sector	Amount for the current period		Amount for the previous period	
	Revenue from principal operations	Cost of principal operations	Revenue from principal operations	Cost of principal operations
Environmental protection	155,772,435.07	27,614,213.50	925,880,269.56	796,825,366.90
Construction	17,069,809,272.65	15,502,062,512.38	15,989,742,956.39	14,523,429,364.04
High-end equipment manufacturing	7,527,767.54	7,527,767.56	8,559,529.30	8,559,531.73
Others	42,737,388.11	31,174,430.16	59,370,297.49	42,896,072.05
Total	17,275,846,863.37	15,568,378,923.60	16,983,553,052.74	15,371,710,334.72

Applicable Not applicable

(3). *Principal operations by region*

Applicable Not applicable

Items	Amount for the current period		Amount for the previous period	
	Income	Costs	Income	Costs
Domestic	16,952,460,743.94	15,299,499,170.79	16,595,811,550.43	15,024,897,227.99
Overseas	323,386,119.43	268,879,752.81	387,741,502.31	346,813,106.73
Total	17,275,846,863.37	15,568,378,923.60	16,983,553,052.74	15,371,710,334.72

(4). *Explanation about allocation to the remaining performance obligations*

Applicable Not applicable

5. **Investment Income**

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Income from long-term equity investment under cost method	68,965,011.72	1,320,200,408.67
Income from long-term equity investment under equity method	70,982,751.17	34,712,462.03
Investment income generated from disposal of long-term equity investments	8,169,750.00	3,412,926.56
Investment income during the holding period of available-for-sale financial assets		94,752,955.73
Investment income from disposal of available-for-sale financial assets		711,482,188.29
Dividend income during the holding period of other equity instrument investments	20,381,872.80	
Investment income during the holding period of other non-current financial assets	61,123,715.24	
Investment income from disposal of held-for-trading financial assets	47,289,026.17	
Others	6,329,166.66	18,446,666.65
Total	283,241,293.76	2,183,007,607.93

XVIII. SUPPLEMENTARY INFORMATION

1. Breakdown of Current Non-recurring Profit or Loss

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount	Note
Gains or loss from disposal of non-current assets	58,098,822.96	
Tax refund or relief for which approval is not authorized or no formal approval is issued		
Government grants included in current profit or loss (other than government grants which are closely related to corporate business and granted based on a fixed amount or a fixed quantity unified by the state)	244,876,609.28	

Items	Amount	Note
Capital occupation fee charged to non-financial enterprises included in current profits and losses		
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the subsidiaries, associates and joint ventures	4,467,989.18	
Profit or loss from exchange of non-monetary assets		
Gain or loss on entrusted investments or asset under management		
Provision for impairment on assets due to force majeure events, such as natural disasters		
Gain or loss on debt restructuring		
Corporate restructuring costs, such as employee relocation expenses and integration costs		
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on other contingencies which are not related to the Company' s normal operations		
Gain or loss on changes in fair value from held-for-trading financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment income from disposal of financial assets for trading, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investment, except for effective hedging transactions that are related to the Company' s normal operation	474,825,867.50	

Items	Amount	Note
Reversal of the impairment provision for receivables and contract assets which are tested individually for impairment		
Gain or loss on external entrusted loans	6,329,166.66	
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Effect of one-off adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations on current profit or loss		
Entrusted fee income from entrusted operations		
Other non-operating income and expenses apart from the aforesaid items	27,212,401.09	
Other gain or loss items falling within the definition of extraordinary items		
Effect of income tax	-137,804,739.18	
Effect of minority interest	-32,660,776.69	
Total	645,345,340.80	

Reasons shall be given for non-recurring profit or loss items defined by the Company according to definitions under the *Explanatory Announcement No.1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profits or Losses* and for non-recurring profit or loss items listed in the *Explanatory Announcement No.1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profits or Losses* but defined by the Company as recurring profit or loss.

Applicable Not applicable

2. Return on Net Assets and Earnings Per Share

Applicable Not applicable

Profit for Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	15.652	0.887	0.887
Net profits attributable to ordinary shareholders of the Company after deducting non- recurring gains and losses	13.178	0.746	0.746

3. Differences in Accounting Data under Domestic and Overseas Accounting Standards

Applicable Not applicable

4. Supplementary Information Related to Changes in Accounting Policies

The Company has changed the relevant accounting policies and retrospectively restated the comparative financial statement in accordance with the New Income Standard, the New Financial Standards as well as other accounting standards and relevant regulations. The restated consolidated balance sheet as at 1 January 2017 and 31 December 2017 is as follows:

Items	1 January 2017	31 December 2017	31 December 2018
Current assets:			
Cash at bank and on hand	21,424,438,244.61	18,981,030,811.61	19,547,502,663.21
Settlement reserves for balance			
Loans to banks and other financial institutions			
Financial assets held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Bills receivables and trade receivables	13,035,641,525.33	19,194,370,250.63	18,745,847,940.80
Prepayments	18,790,785,800.85	6,986,191,598.44	7,869,566,730.21
Premium receivables			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	7,054,850,180.43	11,679,634,166.47	10,702,509,036.51

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Items	1 January 2017	31 December 2017	31 December 2018
Financial assets purchased with agreement to re-sale			
Inventories	38,853,623,273.06	64,116,989,027.60	52,197,618,110.17
Contract assets			17,063,346,979.33
Assets held for sale			
Non-current assets due within one year	518,106,624.29	848,829,002.75	1,071,855,569.69
Other current assets	858,774,864.99	1,381,808,104.17	2,579,085,047.67
Total current assets	100,536,220,513.56	123,188,852,961.67	129,777,332,077.59
Non-current assets:			
Loans and advances to customers			
Debt investments			
Available-for-sale financial assets	5,203,701,539.95	5,615,186,206.42	
Other debt investment			
Held-to-maturity investments			
Long-term receivables	5,508,960,773.15	8,612,831,444.76	15,274,561,016.63
Long-term equity investments	5,428,309,189.22	6,959,182,134.90	14,159,585,398.17
Other investment in equity instruments			699,777,632.80
Other non-current financial assets			5,213,561,990.40
Investment properties	39,742,039.48	38,394,509.07	38,252,959.50
Fixed assets	13,911,246,552.34	14,293,140,707.51	17,107,206,656.89
Construction in progress	2,688,670,129.90	9,957,096,784.89	16,089,509,517.57
Bearer biological assets			
Oil and gas assets			
Intangible assets	15,352,289,550.91	15,315,760,085.24	16,682,985,922.94
Research and development expenses	155,229,489.99	185,151,197.39	202,447,664.50
Goodwill	1,250,132,251.58	1,337,745,813.55	1,539,598,450.11
Long-term prepaid expenses	253,017,925.57	502,861,235.20	599,559,732.77
Deferred income tax assets	361,979,621.90	546,209,464.15	732,356,187.10
Other non-current assets	539,331,246.34	371,261,198.97	92,530,714.76
Total non-current assets	50,692,610,310.33	63,734,820,782.05	88,431,933,844.14
Total assets	151,228,830,823.89	186,923,673,743.72	218,209,265,921.73
Current liabilities:			
Short-term borrowings	7,127,350,000.00	14,419,747,133.00	29,614,035,130.24
Borrowings from central bank			
Loans from other banks			
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Bills payables and trade payables	23,315,029,273.87	35,899,008,146.58	38,636,853,026.46

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Items	1 January 2017	31 December 2017	31 December 2018
Receipts in advance	8,441,237,719.02	10,011,743,718.84	
Funds from selling out and repurchasing financial assets			
Customers deposits and deposits from banks and other financial institutions			
Brokerage for trading securities			
Brokerage for consigning securities			
Employee benefits payable	344,038,656.53	336,213,264.38	258,349,996.38
Taxes payable	1,910,953,474.26	2,724,025,453.83	2,530,455,699.97
Other payables	13,012,966,532.28	17,128,099,460.96	20,153,423,281.23
Fee and commission payable			
Reinsurance accounts payables			
Contract liabilities			14,556,285,412.84
Liabilities held for sale			
Non-current liabilities due within one year	5,436,603,056.74	9,490,216,561.66	12,195,692,656.14
Other current liabilities	486,418.42	1,354,772,919.74	18,743,979.57
Total current liabilities	59,588,665,131.12	91,363,826,658.99	117,963,839,182.83
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	26,152,971,306.00	27,782,209,574.50	31,782,735,313.26
Bonds payable	11,800,000,000.00	11,650,000,000.00	9,150,000,000.00
Including: Preference shares			
Perpetual bonds			
Long-term payables	1,790,776,291.46	2,171,311,540.59	665,207,834.57
Long-term employee benefits payable	1,918,191,800.00	1,832,161,000.00	2,162,107,000.00
Accrued liabilities			
Deferred income	168,231,110.54	208,959,216.70	253,966,732.97
Deferred income liabilities	874,432,918.59	819,890,250.18	1,061,867,980.96
Other non-current liabilities			84,914,215.68
Total non-current liabilities	42,704,603,426.59	44,464,531,581.97	45,160,799,077.44
Total liabilities	102,293,268,557.71	135,828,358,240.96	163,124,638,260.27
Owners' equity:			
Share capital	4,604,777,412.00	4,604,777,412.00	4,604,777,412.00
Other equity instruments	16,000,000,000.00	16,000,000,000.00	16,000,000,000.00

APPENDIX II**FINANCIAL INFORMATION OF THE TARGET GROUP**

Items	1 January 2017	31 December 2017	31 December 2018
Including: Preference shares			
Perpetual bonds	16,000,000,000.00	16,000,000,000.00	16,000,000,000.00
Capital reserve	7,585,306,269.73	7,616,488,182.55	7,511,468,750.95
Less: Inventory shares			
Other comprehensive income	1,213,403,155.00	501,443,470.84	-372,768,899.26
Special reserve	29,771,647.74	59,918,487.17	86,232,567.27
Surplus reserve	1,201,812,079.83	1,489,267,979.60	1,582,944,663.22
General risk reserve			
Undistributed profit	7,887,345,539.08	10,759,826,667.48	13,391,336,189.86
Total owner's equity attributable to the parent	38,522,416,103.38	41,031,722,199.64	42,803,990,684.04
Minority interest	10,413,146,162.80	10,063,593,303.12	12,280,636,977.42
Total owners' equity	48,935,562,266.18	51,095,315,502.76	55,084,627,661.46
Total liabilities and owners' equity	151,228,830,823.89	186,923,673,743.72	218,209,265,921.73

2019 Financial Report

I. AUDIT REPORT

Applicable Not applicable

Zhong Xing Hua Shen Zi (2020) No. 040006

To all Shareholders of China Gezhouba Group Stock Company Limited,

I. OPINIONS

We have audited the accompanying financial statements of China Gezhouba Group Stock Company Limited (hereinafter referred to as “CGGC”), which comprise the consolidated and parent company balance sheets as at 31 December 2019, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, the consolidated and parent company statements of changes in owners’ equity for the year of 2019 and relevant notes to the financial statements. In our opinions, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company’s financial position of CGGC as at 31 December 2019, and the consolidated and parent company’s operating results and cash flows for the year of 2019 in accordance with the requirements of Accounting Standards for Business Enterprises (“CASs”).

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing (“CSAs”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of CGGC in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants (“CICPA Code”), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

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

(I) *Revenue Recognition*

1. *Description of key audit matters*

As stated in Note IV. 24 and Note VI. 48 in the financial statements, the revenue from engineering construction business in 2019 was RMB65.894 billion, accounting for 60.32% of CGGC's principal business revenue. For the engineering contracting services provided by CGGC, revenue is recognized over a period of time based on the progress of the contract performance. The progress of contract performance is determined according to the proportion of costs incurred to the estimated total costs. CGGC's management (the "Management") needs to make reasonable estimates on expected total revenue and costs of construction contracts to further calculate the percentage of completion. The estimates should be evaluated and updated on a regular basis during the execution of the contracts. We therefore identified it as a key audit matter as recognition of revenue from construction contracts involves significant accounting estimates and judgments of the management.

2. *How our audit addressed the key audit matters*

Our audit procedures in relation to recognition of revenue from engineering construction business mainly included:

- (1) Understanding, evaluating and testing the internal control related to the recognition of revenue from construction contract, such as the estimated total revenue, estimated total cost, performance progress calculation, contract cost collection, etc.;
- (2) Selecting a sample of construction contracts to inspect the budget information on which the estimated total revenues and costs were based, and evaluating the adequacy of supporting regarding the estimation of expected total contract revenue and costs;
- (3) Making inquiry, analytical review and other related procedures for significant projects with abnormal fluctuations in estimated total costs, estimating total revenues or gross profit margins, checking whether the project is abnormal, and performing further inspection procedures for abnormalities;
- (4) Obtaining the construction contract account, executing remeasurement procedure, and checking the accuracy of the performance progress of construction contract;
- (5) Selecting samples of construction contracts to test the contract performance costs incurred for the year;

- (6) Selecting samples of construction contracts, checking the image progress on-site, discussing with the project management department to confirm the rationality of the completion progress, and compare with the records.

(II) *Bad Debt Provision for Receivables*

1. Description of key audit matters

As stated in Note IV. 9 and Note VI. 3 to the financial statements, the carrying amount of trade receivables as at 31 December 2019 was RMB14.812 billion, accounting for 6.32% of total assets.

CGGC calculates the expected credit losses of receivables through default exposures of receivables and expected credit loss rates, and determines the expected credit loss rate based on default probability and default loss rate. As the determination of expected credit loss involves the management's use of significant accounting estimates and the amount of impact is significant, we have identified the provision for bad debts of trade receivables as a key audit matter.

2. How our audit addressed the key audit matters

Our procedures in relation to provision for bad debts of trade receivables included:

- (1) Understanding, evaluating and testing the internal control related to bad debt provision of trade receivables;
- (2) For individual impaired trade receivables, selecting samples to review the basis and rationality of management's assessment of expected credit losses;
- (3) For trade receivables with provision for bad debts made on the grouping basis of credit risk characteristics, reviewing the rationality of management's division of the grouping and expected credit loss rate, and selecting samples to test the accuracy of the grouping and age classification of trade receivables, and recalculating the accuracy of the expected credit loss;
- (4) Implementing letter verification procedures and checking relevant results with the amount recorded by the management;
- (5) Evaluating the rationality of the management's provision for bad debt in combination with the payment collection subsequent to the period.

*(III) Disposal of Equity Interest in Daguangbei Company**1. Description of key audit matters*

As stated in Note VII. 2 to the financial statements, on 27 December 2019, China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司) (“**Highway Company**”), a wholly-owned subsidiary of CGGC, transferred its 100% equity interest in Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司) (“**Daguangbei Company**”) by the open bidding process in China Beijing Equity Exchange, and entered into a property rights transaction contract on the same date. Highway Company received the equity transaction certificate issued by China Beijing Equity Exchange on 30 December 2019, and received the entire equity transfer payment of RMB3.457 billion on 31 December 2019. Since 31 December 2019, CGGC has lost control over Daguangbei Company. In 2019, CGGC recognised the equity transfer income of RMB2.25 billion from disposal of Daguangbei Company, accounting for 25.60% of CGGC’s total profit. As the disposal of the equity of Daguangbei Company was completed near the end of the period and the amount of impact is significant, we have identified it as a key audit matter.

2. How our audit addressed the key audit matters

- (1) Understanding, assessing and testing the internal control related to the disposal of long-term equity investments;
- (2) Checking the decision-making and approval documents related to the disposal of the equity interest in Daguangbei Company, and verifying whether the equity transfer has been approved by relevant authorities;
- (3) Checking the property rights transaction contract, the transaction certificate of state-owned asset issued by China Beijing Equity Exchange, the bank receipt of equity transfer payment, the decision of Executive Directors, and the Shareholders’ decision issued by Highway Company, and verifying whether CGGC has lost the control over Daguangbei Company;
- (4) Checking the legal opinion issued by the law firm and verifying whether Highway Company has the shareholder right over Daguangbei Company;
- (5) Recalculating whether the income from equity transfer is correct.

IV. OTHER INFORMATION

The management of CGGC (the “Management”) is responsible for the other information. The other information comprises the information included in the 2019 annual report of CGGC, but does not include the financial statements and our auditor’s report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the CASs, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing CGGC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate CGGC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of CGGC.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CGGC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of users in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CGGC to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within CGGC to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with Those Charged with Governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Zhongxinghua Certified Public Accountants LLP

Chinese Certified Public Accountant:
(Project partner)

Beijing, the PRC

Chinese Certified Public Accountant:

27 March 2020

II. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

31 December 2019

Prepared by: China Gezhouba Group Stock Company Limited

Unit: Yuan Currency: RMB

Items	Notes VII	31 December 2019	31 December 2018
Current assets:			
Cash at bank and on hand	1	22,082,716,460.56	19,547,502,663.21
Settlement reserves for balance			
Loans to banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Bills receivables	2	2,668,187,445.20	3,475,032,065.02
Trade receivables	3	14,811,827,638.69	15,270,815,875.78
Receivables financing			
Prepayments	4	8,473,874,899.35	7,869,566,730.21
Premium receivables			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	5	9,596,046,730.89	10,702,509,036.51
Including: Interest receivable			251,300.00
Dividends receivable		11,863,946.55	
Financial assets purchased with agreement to re-sale			
Inventories	6	53,458,921,007.51	52,197,618,110.17
Contract assets	7	18,235,459,448.24	17,063,346,979.33
Assets held for sale			
Non-current assets due within one year	8	956,802,086.19	1,071,855,569.69
Other current assets	9	3,755,370,890.34	2,579,085,047.67
Total current assets		134,039,206,606.97	129,777,332,077.59

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Items	<i>Notes VII</i>	31 December 2019	31 December 2018
Non-current assets:			
Loans and advances to customers			
Debt investments			
Other debt investment			
Long-term receivables	<i>10</i>	15,606,247,562.66	15,274,561,016.63
Long-term equity investments	<i>11</i>	20,810,283,694.07	14,159,585,398.17
Other investment in equity instruments	<i>12</i>	970,177,145.28	699,777,632.80
Other non-current financial assets	<i>13</i>	5,375,588,446.33	5,213,561,990.40
Investment properties	<i>14</i>	194,127,937.66	38,252,959.50
Fixed assets	<i>15</i>	17,053,769,945.53	17,107,206,656.89
Construction in progress	<i>16</i>	24,249,852,146.02	16,089,509,517.57
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	<i>17</i>	651,363,811.00	
Intangible assets	<i>18</i>	12,254,891,906.47	16,682,985,922.94
Research and development expenses	<i>19</i>	192,234,969.87	202,447,664.50
Goodwill	<i>20</i>	1,539,598,450.11	1,539,598,450.11
Long-term prepaid expenses	<i>21</i>	424,711,158.61	599,559,732.77
Deferred income tax assets	<i>22</i>	838,954,644.13	732,356,187.10
Other non-current assets	<i>23</i>	262,364,209.03	92,530,714.76
Total non-current assets		100,424,166,026.77	88,431,933,844.14
Total assets		234,463,372,633.74	218,209,265,921.73
Current liabilities:			
Short-term borrowings	<i>24</i>	17,193,582,132.84	29,614,035,130.24
Borrowings from central bank			
Loans from other banks			
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payables	<i>25</i>	6,896,860,218.99	2,717,201,183.75
Trade payables	<i>26</i>	37,379,719,843.98	35,919,651,842.71
Receipts in advance			
Contract liabilities	<i>27</i>	20,994,388,985.65	14,556,285,412.84
Funds from selling out and repurchasing financial assets			
Receipts of deposits and deposits from other banks			
Brokerage for trading securities			
Brokerage for consigning securities			
Employee benefits payable	<i>28</i>	280,258,503.79	258,349,996.38
Taxes payable	<i>29</i>	2,903,157,677.77	2,530,455,699.97
Other payables	<i>30</i>	21,748,778,601.17	20,153,423,281.23
Including: Interest payable		1,394,019,080.65	1,304,487,613.85
Dividends payable		481,314,603.58	354,597,848.64
Fee and commission payable			
Reinsurance accounts payables			
Liabilities held for sale			
Non-current liabilities due within one year	<i>31</i>	5,065,596,064.20	12,195,692,656.14
Other current liabilities	<i>32</i>	7,071,158.02	18,743,979.57
Total current liabilities		112,469,413,186.41	117,963,839,182.83

Items	Notes VII	31 December 2019	31 December 2018
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	33	39,284,312,089.44	31,782,735,313.26
Bonds payable	34	12,400,000,000.00	9,150,000,000.00
Including: Preference shares			
Perpetual bond			
Lease liabilities	35	368,558,662.22	
Long-term payables	36	15,970,505.41	665,207,834.57
Long-term employee benefits payable	37	2,232,163,400.00	2,162,107,000.00
Estimated liabilities	38	44,703,828.76	
Deferred income	39	267,413,476.75	253,966,732.97
Deferred income tax liabilities	22	1,054,660,387.09	1,061,867,980.96
Other non-current liabilities	40	94,675,825.82	84,914,215.68
Total non-current liabilities		55,762,458,175.49	45,160,799,077.44
Total liabilities		168,231,871,361.90	163,124,638,260.27
Owners' equity (or Shareholders' equity):			
Paid-in capital (or share capital)	41	4,604,777,412.00	4,604,777,412.00
Other equity instruments	42	21,500,000,000.00	16,000,000,000.00
Including: Preference shares			
Perpetual bond		21,500,000,000.00	16,000,000,000.00
Capital reserve	43	7,615,101,441.65	7,511,468,750.95
Less: Treasury shares			
Other comprehensive income	44	-191,375,410.14	-372,768,899.26
Special reserve	45	98,341,095.32	86,232,567.27
Surplus reserve	46	1,652,127,077.28	1,582,944,663.22
General risk reserve			
Undistributed profits	47	17,255,150,152.67	13,391,336,189.86
Total equity attributable to owners of the parent company (or Shareholders' equity)		52,534,121,768.78	42,803,990,684.04
Minority interests		13,697,379,503.06	12,280,636,977.42
Total owners' equity (or Shareholders' equity)		66,231,501,271.84	55,084,627,661.46
Total liabilities and owners' equity (or Shareholders' equity)		234,463,372,633.74	218,209,265,921.73

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling

Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

BALANCE SHEET OF THE PARENT
31 December 2019

Prepared by: China Gezhouba Group Stock Company Limited

Unit: Yuan Currency: RMB

Items	Notes XVII	31 December 2019	31 December 2018
Current assets:			
Cash at bank and on hand		12,333,175,968.01	8,237,724,678.67
Financial assets held for trading			
Derivative financial assets			
Bills receivables		1,000,000.00	230,279,649.00
Trade receivables	1	5,945,531,732.82	6,981,000,759.27
Receivables financing			
Prepayments		4,079,332,678.91	2,029,909,088.31
Other receivables	2	38,247,832,880.41	40,488,889,903.83
Including: Interest receivable			
Dividends receivable		11,863,946.55	
Inventories		277,768,662.01	160,943,425.36
Contract assets		1,114,639,134.57	1,656,181,673.54
Assets held for sale			
Non-current assets due within one year			
Other current assets		314,266,162.78	63,839,155.60
Total current assets		62,313,547,219.51	59,848,768,333.58
Non-current assets:			
Debt investments			270,000,000.00
Other debt investment			
Long-term receivables		681,744,675.11	1,295,630,133.93
Long-term equity investments	3	48,117,692,940.66	38,784,187,846.08
Other investment in equity instruments		970,177,145.28	699,777,632.80
Other non-current financial assets		4,167,932,513.72	3,963,098,215.73
Investment properties			
Fixed assets		307,781,061.51	301,160,464.04
Construction in progress			
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		1,491,362.14	
Intangible assets		211,638,078.20	221,801,896.28
Research and development expenses		51,002,446.33	35,605,146.89
Goodwill			
Long-term prepaid expenses		2,432,911.31	8,876,706.38
Deferred income tax assets		6,268,179.92	5,951,798.25
Other non-current assets			
Total non-current assets		54,518,161,314.18	45,586,089,840.38
Total assets		116,831,708,533.69	105,434,858,173.96

Items	<i>Notes XVII</i>	31 December 2019	31 December 2018
Current liabilities:			
Short-term borrowings		15,866,954,000.00	19,981,749,600.00
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payables		1,896,079,186.83	1,676,209,597.00
Trade payables		9,568,546,924.61	9,490,544,290.74
Receipts in advance			
Contract liabilities		3,096,966,660.24	1,345,031,058.91
Employee benefits payable		77,661,482.44	77,671,110.70
Taxes payable		264,819,445.79	388,167,615.09
Other payables		30,627,899,865.12	20,416,850,371.15
Including: Interest payable		340,178,166.67	257,870,666.67
Dividends payable		339,550,833.33	234,725,833.33
Liabilities held for sale			
Non-current liabilities due within one year		1,487,890,000.00	5,253,840,000.00
Other current liabilities			
Total current liabilities		62,886,817,565.03	58,630,063,643.59
Non-current liabilities:			
Long-term borrowings		4,211,000,000.00	5,353,000,000.00
Bonds payable		11,000,000,000.00	7,600,000,000.00
Including: Preference shares			
Perpetual bond			
Lease liabilities		984,296.28	
Long-term payables			
Long-term employee benefits payable		44,770,000.00	43,850,000.00
Estimated liabilities			
Deferred income			
Deferred income tax liabilities		203,047,522.28	152,958,348.48
Other non-current liabilities			
Total non-current liabilities		15,459,801,818.56	13,149,808,348.48
Total liabilities		78,346,619,383.59	71,779,871,992.07

Items	<i>Notes XVII</i>	31 December 2019	31 December 2018
Owners' equity (or Shareholders' equity):			
Paid-in capital (or share capital)		4,604,777,412.00	4,604,777,412.00
Other equity instruments		21,500,000,000.00	16,000,000,000.00
Including: Preference shares			
Perpetual bond		21,500,000,000.00	16,000,000,000.00
Capital reserve		6,180,357,380.40	6,278,950,936.71
Less: Treasury shares			
Other comprehensive income		626,791,969.63	396,103,403.96
Special reserve		16,657,079.28	1,688,326.84
Surplus reserve		1,652,127,077.28	1,582,944,663.22
Undistributed profits		3,904,378,231.51	4,790,521,439.16
Total owners' equity (or Shareholders' equity)		38,485,089,150.10	33,654,986,181.89
Total liabilities and owners' equity (or Shareholders' equity)		116,831,708,533.69	105,434,858,173.96

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

CONSOLIDATED INCOME STATEMENT
January to December 2019

Unit: Yuan Currency: RMB

Items	Note VII	2019	2018
I. Total operating income		109,945,696,867.36	100,625,669,771.65
Including: Operating income	48	109,945,696,867.36	100,625,669,771.65
Interest income			
Premium earned			
Fee and commission income			
II. Total operating cost		104,712,575,770.49	95,534,043,915.96
Including: Operating cost	48	91,941,725,516.55	84,192,223,416.30
Interest expenses			
Fee and commission expenses			
Surrender payment			
Net expenditure for compensation			
Net provision for insurance liabilities			
Insurance policy dividend expenses			
Reinsurance costs			
Taxes and surcharges	49	1,149,162,558.63	1,116,588,218.17
Selling and distribution expenses	50	1,380,083,783.41	1,301,187,534.54
Administrative expenses	51	4,687,208,935.58	4,455,338,439.97
Research and development expenses	52	2,789,157,724.31	1,980,553,048.35
Financial expenses	53	2,765,237,252.01	2,488,153,258.63
Including: Interest expenses		2,895,796,192.41	2,586,809,571.66
Interest income		314,509,414.31	375,932,327.28
Add: Other gains	54	1,126,998,773.88	1,565,739,163.15
Investment income (loss represented by “-”)	55	3,237,836,151.65	1,140,822,153.76
Including: Investment income of associates and joint ventures		806,662,212.19	979,440,321.23
Derecognition income of financial assets measured at amortised cost			
Exchange gain (loss represented by “-”)			
Net exposure hedging income (loss represented by “-”)			
Gains on changes in fair value (loss represented by “-”)	56	44,373,957.58	418,392,062.83
Credit impairment loss (loss represented by “-”)	57	-715,855,357.50	-102,522,435.98
Asset impairment loss (loss represented by “-”)	58	-123,553,335.30	-453,006,437.05

Items	Note VII	2019	2018
Gains on disposals of assets (loss represented by “-”)	59	-25,084,161.93	48,256,144.11
III. Operating profit (loss represented by “-”)		8,777,837,125.25	7,709,306,506.51
Add: Non-operating income	60	57,470,220.02	85,565,730.23
Less: Non-operating expenses	61	47,417,095.43	50,432,875.06
IV. Total profit (total loss represented by “-”)		8,787,890,249.84	7,744,439,361.68
Less: Income tax expenses	62	2,224,280,760.82	1,784,545,792.66
V. Net profit (net loss represented by “-”)		6,563,609,489.02	5,959,893,569.02
(I) Classified by continuity of operations			
1. Net profit from continuing operations (net loss represented by “-”)		6,563,609,489.02	5,959,893,569.02
2. Net profit from discontinued operations (net loss represented by “-”)			
(II) Classified by ownership of the equity			
1. Net profit attributable to shareholders of the parent (net loss represented by “-”)		5,441,781,311.03	4,657,706,341.59
2. Minority interests (net loss represented by “-”)		1,121,828,177.99	1,302,187,227.43
VI. Other comprehensive income, net of tax		178,934,563.49	-886,571,914.15
(I) Other comprehensive income attributable to owners of the parent, net of tax		181,393,489.12	-874,212,370.10
1. Other comprehensive income that cannot be reclassified to profit or loss		267,455,975.27	-576,929,907.43
(1) Changes arising from the re-measurement of defined benefit plan		37,634,688.00	-262,762,584.00
(2) Other comprehensive income that cannot be reclassified to profit or loss under equity method		-18,298.35	-14,724.00
(3) Change in fair value of other investment in equity instrument		229,839,585.62	-314,152,599.43
(4) Change in fair value of credit risk of corporate			

Items	<i>Note VII</i>	2019	2018
2. Other comprehensive income that will be reclassified to profit or loss		-86,062,486.15	-297,282,462.67
(1) Other comprehensive income that may be reclassified to profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) Financial assets reclassified into other comprehensive income			
(4) Credit impairment provisions for other debt investment			
(5) Hedging reserves from cash flows			
(6) Translation differences on translation of foreign currency financial statements		-86,062,486.15	-297,282,462.67
(7) Others			
(II) Other comprehensive income attributable to minority interests, net of tax		-2,458,925.63	-12,359,544.05
VII. Total comprehensive income		6,742,544,052.51	5,073,321,654.87
(I) Total comprehensive income attributable to owners of the parent		5,623,174,800.15	3,783,493,971.49
(II) Total comprehensive income attributable to minority interests		1,119,369,252.36	1,289,827,683.38
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		1.034	0.887
(II) Diluted earnings per share (RMB/share)		1.034	0.887

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

INCOME STATEMENT OF THE PARENT
January to December 2019

Unit: Yuan Currency: RMB

Items	Note XVII	2019	2018
I. Operating income	4	22,636,067,123.34	17,309,834,705.08
Less: Operating cost	4	20,697,741,103.12	15,595,806,382.89
Taxes and surcharges		23,133,663.22	74,021,284.06
Selling and distribution expenses			
Administrative expenses		586,253,304.07	654,222,543.13
Research and development expenses		659,274,734.72	319,609,025.09
Financial expenses		266,012,498.25	76,486,458.84
Including: Interest expenses		1,940,405,741.86	1,678,099,803.26
Interest income		1,673,020,128.38	1,778,289,623.91
Add: Other gains		56,227.80	97,205.78
Investment income (loss represented by “-”)	5	242,618,476.54	283,241,293.76
Including: Investment income of associates and joint ventures		66,651,385.09	70,982,751.17
Derecognition income of financial assets measured at amortised cost			
Net exposure hedging income (loss represented by “-”)			
Gains on changes in fair value (loss represented by “-”)		62,623,784.87	402,122,292.70
Credit impairment loss (loss represented by “-”)		-2,087,288.75	-3,029,608.57
Asset impairment loss (loss represented by “-”)			
Gains on disposals of assets (loss represented by “-”)		104,970.71	3,835,428.28
II. Operating profit (loss represented by “-”)		706,967,991.13	1,275,955,623.02
Add: Non-operating income		5,290,021.10	241,094.32
Less: Non-operating expenses		8,835,047.63	2,937,973.88
IV. Total profit (total loss represented by “-”)		703,422,964.60	1,273,258,743.46
Less: Income tax expenses		11,598,824.03	336,491,907.25
IV. Net profit (net loss represented by “-”)		691,824,140.57	936,766,836.21
(I) Net profit from continuing operations (net loss represented by “-”)		691,824,140.57	936,766,836.21
(II) Net profit from discontinued operations (net loss represented by “-”)			

Items	<i>Note XVII</i>	2019	2018
V. Other comprehensive income, net of tax		230,688,565.67	-321,152,218.70
(I) Other comprehensive income that cannot be reclassified to profit or loss		232,651,287.27	-313,087,323.43
1. Changes arising from the re-measurement of defined benefit plan		2,830,000.00	1,080,000.00
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		-18,298.35	-14,724.00
3. Change in fair value of other investment in equity instrument		229,839,585.62	-314,152,599.43
4. Change in fair value of credit risk of corporate			
(II) Other comprehensive income that will be reclassified to profit or loss		-1,962,721.60	-8,064,895.27
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Financial assets reclassified into other comprehensive income			
4. Credit impairment provisions for other debt investment			
5. Hedging reserves from cash flows			
6. Translation differences on translation of foreign currency financial statements		-1,962,721.60	-8,064,895.27
7. Others			
VI. Total comprehensive income		922,512,706.24	615,614,617.51
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

CONSOLIDATED CASH FLOW STATEMENT
January to December 2019

Unit: Yuan Currency: RMB

Items	Note VII	2019	2018
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		112,876,894,008.20	105,142,524,465.01
Net increase in deposits from customer and interbank			
Net increase in borrowings from central bank			
Net increase in placements from other financial institutions			
Cash received from premiums under original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Cash received from interest, fee and commission			
Net increase in placements			
Net increase in capital from repurchase business			
Net cash from brokerage for trading securities			
Refund of taxes and surcharges		1,389,589,449.99	1,613,104,901.79
Cash received relating to other operating activities	63	18,973,267,704.38	17,155,614,916.49
Sub-total of cash inflows from operating activities		133,239,751,162.57	123,911,244,283.29
Cash paid for goods and services		90,602,007,660.34	85,457,453,516.52
Net increase in loans and advances to customers			
Net increase in deposits with central bank and other banks			
Cash paid for compensation payments under original insurance contracts			
Net increase in placements with banks and other financial institutions			
Cash paid for interest, fee and commission			
Cash paid for insurance policy dividends		7,650,084,499.49	6,711,557,502.98
Cash paid to and on behalf of employees		6,897,959,027.56	8,372,055,802.16
Cash paid relating to other operating activities	63	22,019,266,656.43	22,092,373,852.86
Sub-total of cash outflows from operating activities		127,169,317,843.82	122,633,440,674.52
Net cash flows from operating activities		6,070,433,318.75	1,277,803,608.77

Items	Note VII	2019	2018
II. Cash flows from investing activities:		678,156,442.20	537,009,099.79
Cash received from disposal of investments		105,375,305.36	178,463,431.64
Cash received from returns on investments		13,089,783.71	51,401,344.63
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units		3,465,473,765.12	880,665.73
Cash received relating to other investing activities	63	408,721,724.17	461,744,171.27
Sub-total of cash inflows from investing activities		4,670,817,020.56	1,229,498,713.06
Cash paid to acquire fixed assets, intangible assets and other long-term assets		6,285,522,683.43	9,087,556,894.73
Cash paid on investments		3,531,092,579.07	4,339,135,575.60
Net increase in pledged loans			
Net cash paid to acquire subsidiaries and other business units		135,090,492.46	1,164,629,658.19
Cash paid relating to other investing activities			532,304,596.12
Sub-total of cash outflows from investing activities		9,951,705,754.96	15,123,626,724.64
Net cash flows from investing activities		-5,280,888,734.40	-13,894,128,011.58
III. Cash flows from financing activities:			
Cash received from capital contributions		12,014,087,321.62	1,449,036,683.94
Including: Cash received from capital contributions by minority shareholders of subsidiaries		2,014,087,321.62	1,449,036,683.94
Cash received from borrowings		49,107,188,108.83	57,968,139,277.01
Cash received from issuance of bonds			
Cash received relating to other financing activities	63	7,379,204,494.08	3,740,085,713.80
Sub-total of cash inflows from financing activities		68,500,479,924.53	63,157,261,674.75
Cash repayments of borrowings		52,511,154,277.61	38,903,615,267.44
Cash payments for distribution of dividends or profits or interest expenses		6,977,104,997.03	6,766,895,301.70
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		813,579,939.37	583,857,854.84
Cash paid relating to other financing activities	63	6,976,002,546.70	4,538,224,982.53
Sub-total of cash outflows from financing activities		66,464,261,821.34	50,208,735,551.67
Net cash flows from financing activities		2,036,218,103.19	12,948,526,123.08

Items	Note VII	2019	2018
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-43,777,617.77	-115,646,679.95
V. Net increase in cash and cash equivalents		2,781,985,069.77	216,555,040.32
Add: Balance of cash and cash equivalents at the beginning of the period		18,838,712,123.84	18,622,157,083.52
VI. Balance of cash and cash equivalents at the end of the period		21,620,697,193.61	18,838,712,123.84

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

CASH FLOW STATEMENT OF THE PARENT
January to December 2019

Unit: Yuan Currency: RMB

Items	Notes	2019	2018
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		25,884,211,281.68	18,228,225,857.31
Refund of taxes and surcharges		99,136,661.71	107,450,431.00
Cash received relating to other operating activities		11,517,921,130.31	13,203,143,950.95
Sub-total of cash inflows from operating activities		37,501,269,073.70	31,538,820,239.26
Cash paid for goods and services		22,242,967,166.33	15,171,549,617.45
Cash paid to and on behalf of employees		750,662,293.28	623,387,292.11
Payments of taxes and surcharges		293,067,818.00	794,145,818.48
Cash paid relating to other operating activities		9,144,130,589.24	11,894,459,555.18
Sub-total of cash outflows from operating activities		32,430,827,866.85	28,483,542,283.22
Net cash flows from operating activities		5,070,441,206.85	3,055,277,956.04
II. Cash flows from investing activities:			
Cash received from disposal of investments		429,462,429.64	3,716,071,945.49
Cash received from returns on investments		208,747,919.22	1,363,961,603.25
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,278,240.00	
Net cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities			
Sub-total of cash inflows from investing activities		639,488,588.86	5,080,033,548.74
Cash paid to acquire fixed assets, intangible assets and other long-term assets		35,654,502.51	9,864,097.92
Cash paid on investments		6,770,004,143.72	5,448,076,955.68
Net cash paid to acquire subsidiaries and other business units			
Cash paid relating to other investing activities			
Sub-total of cash outflows from investing activities		6,805,658,646.23	5,457,941,053.60
Net cash flows from investing activities		-6,166,170,057.37	-377,907,504.86
III. Cash flows from financing activities:			

Items	Notes	2019	2018
Cash received from capital contributions		10,000,000,000.00	
Cash received from borrowings		29,640,295,000.00	34,299,076,000.00
Cash received relating to other financing activities		14,714,319,802.01	13,420,446,445.15
Sub-total of cash inflows from financing activities		54,354,614,802.01	47,719,522,445.15
Cash repayments of borrowings		35,263,490,600.00	26,294,004,400.00
Cash payments for distribution of dividends or profits or interest expenses		3,262,058,176.02	3,485,212,221.77
Cash paid relating to other financing activities		10,646,512,969.60	18,727,902,647.41
Sub-total of cash outflows from financing activities		49,172,061,745.62	48,507,119,269.18
Net cash flows from financing activities		5,182,553,056.39	-787,596,824.03
IV. Effect of foreign exchange rate changes on cash and cash equivalents		8,627,083.47	28,482,187.53
V. Net increase in cash and cash equivalents		4,095,451,289.34	1,918,255,814.68
Add: Balance of cash and cash equivalents at the beginning of the period		8,237,537,682.52	6,319,281,867.84
VI. Balance of cash and cash equivalents at the end of the period		12,332,988,971.86	8,237,537,682.52

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
January to December 2019

Unit: Yuan Currency: RMB

Items	2019													Total owners' equity	
	Other equity instruments				Equity attributable to owners of the parent					General risk reserve	Undistributed profits		Sub-total		Minority interests
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve		Others				
I. Balance at the end of previous year	4,604,777,412.00		16,000,000,000.00		7,511,468,750.95		-372,768,899.26	86,232,567.27	1,582,944,663.22		13,391,336,189.86		42,803,990,684.04	12,280,636,977.42	55,084,627,661.46
Add: Changes in accounting policies															
Correction of previous accounting errors															
Business combinations under common control															
Others															
II. Balance at the beginning of the year	4,604,777,412.00		16,000,000,000.00		7,511,468,750.95		-372,768,899.26	86,232,567.27	1,582,944,663.22		13,391,336,189.86		42,803,990,684.04	12,280,636,977.42	55,084,627,661.46
III. Changes for the period (decrease represented by "-")			5,500,000,000.00		103,632,690.70		181,393,489.12	12,108,528.05	69,182,414.06		3,863,813,962.81		9,730,131,084.74	1,416,742,525.64	11,146,873,610.38
(I) Total comprehensive income							181,393,489.12				5,441,781,311.03		5,623,174,800.15	1,119,369,252.36	6,742,544,052.51
(II) Contribution from owners and reduction of capital			5,500,000,000.00		103,632,690.70								5,603,632,690.70	1,131,795,989.97	6,735,428,680.67
1. Injection of ordinary shares from owners					-3,561,907.04								-3,561,907.04	2,017,821,209.66	2,014,259,302.62
2. Capital contribution by other equity instrument holders			5,500,000,000.00										5,500,000,000.00	-1,000,000,000.00	4,500,000,000.00
3. Amount of share-based payments included in owner's equity															
4. Others					107,194,597.74								107,194,597.74	113,974,780.31	221,169,378.05
(III) Profit distribution									69,182,414.06		-1,577,967,348.22		-1,508,784,934.16	-835,471,694.31	-2,344,256,628.47
1. Withdrawn from surplus reserve									69,182,414.06		-69,182,414.06				
2. Withdrawn from general risk reserve															
3. Distribution to owners (or shareholders)											-1,508,784,934.16		-1,508,784,934.16	-835,471,694.31	-2,344,256,628.47
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Capital reserve converting to capital (or share capital)															
2. Surplus reserve converting to capital (or share capital)															
3. Surplus reserve to compensate deficit															
4. Changes in defined benefit scheme carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Special reserve								12,108,528.05					12,108,528.05	1,048,977.62	13,157,505.67
1. Withdrawn during the period								970,864,406.92					970,864,406.92	55,949,515.94	1,026,813,922.86
2. Utilized during the period								958,755,878.87					958,755,878.87	54,900,538.32	1,013,656,417.19
(VI) Others															
IV. Balance at the end of the period	4,604,777,412.00		21,500,000,000.00		7,615,101,441.65		-191,375,410.14	98,341,095.32	1,652,127,077.28		17,255,150,152.67		52,534,121,768.78	13,697,379,503.06	66,231,501,271.84

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Items	2018														Total owners' equity
	Other equity instruments				Equity attributable to owners of the parent					General risk reserve	Undistributed profits		Sub-total	Minority interests	
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Others						
I. Balance at the end of previous year	4,604,777,412.00		16,000,000,000.00		7,616,488,182.55		501,443,470.84	59,918,487.17	1,489,267,979.60		10,759,826,667.48		41,031,722,199.64	10,063,593,303.12	51,095,315,502.76
Add: Changes in accounting policies											103,501,690.02		103,501,690.02		103,501,690.02
Correction of previous accounting errors															
Business combinations under common control															
Others															
II. Balance at the beginning of the year	4,604,777,412.00		16,000,000,000.00		7,616,488,182.55		501,443,470.84	59,918,487.17	1,489,267,979.60		10,863,328,357.50		41,135,223,889.66	10,063,593,303.12	51,198,817,192.78
III. Changes for the period (decrease represented by "-")					-105,019,431.60		-874,212,370.10	26,314,080.10	93,676,683.62		2,528,007,832.36		1,668,766,794.38	2,217,043,674.30	3,885,810,468.68
(I) Total comprehensive income							-874,212,370.10				4,657,706,341.59		3,783,493,971.49	1,289,827,683.38	5,073,321,654.87
(II) Contribution from owners and reduction of capital					-105,019,431.60						-226,841,472.91		-331,860,904.51	1,604,689,959.51	1,272,829,055.00
1. Injection of ordinary shares from owners					-85,176,041.48								-85,176,041.48	308,874,434.57	223,698,393.09
2. Capital contribution by other equity instrument holders														1,180,000,000.00	1,180,000,000.00
3. Amount of share-based payments included in owner's equity															
4. Others					-19,843,390.12						-226,841,472.91		-246,684,863.03	115,815,524.94	-130,869,338.09
(III) Profit distribution									93,676,683.62		-1,902,857,036.32		-1,809,180,352.70	-682,690,818.88	-2,491,871,171.58
1. Withdrawn from surplus reserve									93,676,683.62		-93,676,683.62				
2. Withdrawn from general risk reserve															
3. Distribution to owners (or shareholders)											-1,809,180,352.70		-1,809,180,352.70	-682,690,818.88	-2,491,871,171.58
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Capital reserve converting to capital (or share capital)															
2. Surplus reserve converting to capital (or share capital)															
3. Surplus reserve to compensate deficit															
4. Changes in defined benefit scheme carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Special reserve							26,314,080.10						26,314,080.10	5,216,850.29	31,530,930.39
1. Withdrawn during the period							883,813,714.70						883,813,714.70	47,087,891.13	930,901,605.83
2. Utilized during the period							857,499,634.60						857,499,634.60	41,871,040.84	899,370,675.44
(VI) Others															
IV. Balance at the end of the period	4,604,777,412.00		16,000,000,000.00		7,511,468,750.95		-372,768,899.26	86,232,567.27	1,582,944,663.22		13,391,336,189.86		42,803,990,684.04	12,280,636,977.42	55,084,627,661.46

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
 Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT
January to December 2019

Unit: Yuan Currency: RMB

Items	2019										
	Paid-up capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
I. Balance at the end of previous year	4,604,777,412.00		16,000,000,000.00		6,278,950,936.71		396,103,403.96	1,688,326.84	1,582,944,663.22	4,790,521,439.16	33,654,986,181.89
Add: Changes in accounting policies											
Correction of previous accounting errors											
Others											
II. Balance at the beginning of the year	4,604,777,412.00		16,000,000,000.00		6,278,950,936.71		396,103,403.96	1,688,326.84	1,582,944,663.22	4,790,521,439.16	33,654,986,181.89
III. Changes for the period (decrease represented by "-")			5,500,000,000.00		-98,593,556.31		230,688,565.67	14,968,752.44	69,182,414.06	-886,143,207.65	4,830,102,968.21
(I) Total comprehensive income							230,688,565.67			691,824,140.57	922,512,706.24
(II) Contribution from owners and reduction of capital			5,500,000,000.00		-98,593,556.31						5,401,406,443.69
1. Injection of ordinary shares from owners											
2. Capital contribution by other equity instrument holders			5,500,000,000.00								5,500,000,000.00
3. Amount of share-based payments included in owner's equity											
4. Others					-98,593,556.31						-98,593,556.31
(III) Profit distribution								69,182,414.06	-1,577,967,348.22	-1,508,784,934.16	
1. Withdrawn from surplus reserve								69,182,414.06	-69,182,414.06		
2. Distribution to owners (or shareholders)										-1,508,784,934.16	-1,508,784,934.16
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Capital reserve converting to capital (or share capital)											
2. Surplus reserve converting to capital (or share capital)											
3. Surplus reserve to compensate deficit											
4. Changes in defined benefit scheme carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserve								14,968,752.44			14,968,752.44
1. Withdrawn during the period								263,799,023.92			263,799,023.92
2. Utilized during the period								248,830,271.48			248,830,271.48
(VI) Others											
IV. Balance at the end of the period	4,604,777,412.00		21,500,000,000.00		6,180,357,380.40		626,791,969.63	16,657,079.28	1,652,127,077.28	3,904,378,231.51	38,485,089,150.10

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Items	2018										
	Paid-up capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
I. Balance at the end of previous year	4,604,777,412.00		16,000,000,000.00		6,463,414,043.43		717,255,622.66	1,688,326.84	1,489,267,979.60	5,734,671,029.25	35,011,074,413.78
Add: Changes in accounting policies										103,501,690.02	103,501,690.02
Correction of previous accounting errors											
Others											
II. Balance at the beginning of the year	4,604,777,412.00		16,000,000,000.00		6,463,414,043.43		717,255,622.66	1,688,326.84	1,489,267,979.60	5,838,172,719.27	35,114,576,103.80
III. Changes for the period (decrease represented by "+")					-184,463,106.72		-321,152,218.70		93,676,683.62	-1,047,651,280.11	-1,459,589,921.91
(I) Total comprehensive income							-321,152,218.70			936,766,836.21	615,614,617.51
(II) Contribution from owners and reduction of capital					-184,463,106.72					-81,561,080.00	-266,024,186.72
1. Injection of ordinary shares from owners											
2. Capital contribution by other equity instrument holders											
3. Amount of share-based payments included in owner's equity											
4. Others					-184,463,106.72					-81,561,080.00	-266,024,186.72
(III) Profit distribution									93,676,683.62	-1,902,857,036.32	-1,809,180,352.70
1. Withdrawn from surplus reserve									93,676,683.62	-93,676,683.62	
2. Distribution to owners (or shareholders)											-1,809,180,352.70
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Capital reserve converting to capital (or share capital)											
2. Surplus reserve converting to capital (or share capital)											
3. Surplus reserve to compensate deficit											
4. Changes in defined benefit scheme carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserve											
1. Withdrawn during the period									213,576,205.87		213,576,205.87
2. Utilized during the period									213,576,205.87		213,576,205.87
(VI) Others											
IV. Balance at the end of the period	4,604,777,412.00		16,000,000,000.00		6,278,950,936.71		396,103,403.96	1,688,326.84	1,582,944,663.22	4,790,521,439.16	33,654,986,181.89

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Lu Zhongnian

III. BASIC INFORMATION OF THE COMPANY

1. Overview

✓Applicable Not applicable

① *Registered address, organizational form and headquarter address*

China Gezhouba Group Stock Company Limited (the “**Company**”) is a joint stock company with limited liability established by way of public subscription exclusively promoted by China Gezhouba Water Conservancy and Hydropower Engineering Group Co., Ltd. (中國葛洲壩水利水電工程集團有限公司) in accordance to the Ministry of Electric Power Industry of Politics and Law [1996] No. 907. The Company’s business license registration number: 914200006155710107. In May 1997, the Company was listed on The Shanghai Stock Exchange.

As at 31 December 2019, the Company had a total of 4,604,777,412 issued shares, and registered capital amounting to RMB4,604,777,412. The address of the registered office and the headquarter is No. 558 Jiefang Road, Wuhan, Hubei, PRC.

② *Business nature and main business activities*

The industry in which the Company operates is civil engineering and construction. The Company is primarily engaged in the whole process or sub-contracting domestic and foreign engineering general contracting, project general contracting and project management services for projects bid at home and abroad, including water conservancy and hydropower, roads, railways, municipal public utilities, ports and waterways, housing construction, etc.; professional contracting of lifting equipment installation engineering, embankment, bridge, tunnel, airport, highway roadbed engineering, geological disaster control engineering, transmission line, electrical and mechanical equipment production and installation, and survey design, construction and installation of other construction engineering, ship manufacturing and repair, low-voltage switchgear manufacturing, power engineering construction; export of materials and equipment required for the above-mentioned projects; dispatching labor workers for projects and production in the industry; investment, construction and operation management of roads, railways, water affairs, hydropower, and urban public facilities; research and development, manufacturing, sales and service of distributed energy systems, energy storage, heat storage, refrigeration, generator sets, three-dimensional digital equipment, mechatronics equipment and related products; environmental protection business; production, sales and export of cement; operating and acting as an agent for the import and export business of commodities and technologies such as machinery and electrical equipment of the system; purchase, sale and leasing of construction and installation equipment; property development, investment and development of construction projects and construction; house leasing; operating the import and export business of the Company’s self-produced products and technologies and the import and export business of machinery and equipment, spare parts, raw and auxiliary materials and technologies required by the Company, except for commodities and

technologies that are restricted or prohibited by the state; wholesale operation, production and installation of metal structure pressure vessels, transportation and tourism services (limited to branch operation with license); general freight (limited to branch operation).

The main business segments of the Company are engineering construction, industrial manufacturing, investment operations and comprehensive services.

③ ***Approval of the financial report***

This financial report was approved and authorized for issue by the Board of Directors of the Company on 27 March 2020.

2. Scope of Consolidated Financial Statements

Applicable Not applicable

Details of the scope of the financial statements for the year 2019 and its changes are set out in “VIII. Changes in the consolidated scope” and “IX. Equity in other entities” of this note.

IV. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

1. Basis of Preparation

The financial statements of the Company are prepared based on going-concern assumption and actual transactions and events according to the Accounting Standards for Business Enterprises – Basic Standard (the Ministry of Finance Order No. 33 Issue, the Ministry of Finance Order No. 76 Amendment) issued by the Ministry of Finance, and 42 specific accounting standards, application guidelines for Accounting Standards for Business Enterprises, explanation of Accounting Standards for Business Enterprises and other relevant regulations (hereinafter collectively referred to as “**Accounting Standards For Business Enterprises**”) issued and revised on 15 February 2006 or later, and the Information Disclosure Regulations for Companies Publicly Issuing Securities No. 15 – General Provisions for Financial Statements (Revised 2014) issued by China Securities Regulatory Commission.

According to the relevant provisions of Accounting Standards for Business Enterprises, the Company’s financial accounting is conducted on accrual basis. Except for certain financial instruments, the financial statements take the historical cost as the accounting basis. If an asset is impaired, the provision for impairment shall be accrued in accordance with the relevant provisions.

2. Going Concern

Applicable Not applicable

The financial statements are presented on a going concern basis. The Company has the ability to continue as a going concern for at least 12 months since the end of the reporting period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Notes to specific accounting policies and accounting estimates:

Applicable Not applicable

The Company and its subsidiaries have prepared several specific accounting policies and accounting estimates for transactions and events such as bad debt provision for receivables, inventories, Fixed assets, intangible assets and revenue recognition in accordance with the actual production and operation characteristics and the provisions under the Accounting Standards for Business Enterprises. See Note V. 10 “Financial instrument”, V.11 “Inventories”, V.16 “Fixed assets”, V.19 “Intangible assets”, V.26 “Revenue” for descriptions. Please refer to Note V. 32 “Other significant accounting judgements and estimates” for explanations on the significant accounting judgements and estimates made by the management.

1. Statement of Compliance of Accounting Standards for Business Enterprises

The financial statements have been prepared by the Company in conformity with requirements of the Accounting Standards for Business Enterprises, and present truly and completely the consolidated and the parent’s financial position and as at 31 December 2019, consolidated and the parent’s operating results as well as consolidated and the parent’s cash flows for the year 2019 and other relevant information. In addition, the financial statements of the Company, in all material aspects, comply with the disclosure requirements of the Information Disclosure Regulations for Companies Publicly Issuing Securities No. 15 – General Provisions for Financial Statements (Revised 2014) issued by China Securities Regulatory Commission on financial statements and notes thereof.

2. Accounting Period

The accounting period of the Company is classified into an accounting year and an interim accounting period. The interim accounting period is a reporting period shorter than a full accounting year. The accounting year of the Company is a calendar year, that is, from 1 January to 31 December in each year.

3. Operating Cycle

Applicable Not applicable

The Company takes the period from the acquisition of assets for processing to until the ultimate realisation of cash or cash equivalents as a normal operating cycle. The operating cycle of the Company is 12 months and the Company regards it as the mobility dividing standards of assets and liabilities.

4. Reporting Currency

The reporting currency of the Company is Renminbi. These financial statements prepared by the Company are presented in Renminbi.

5. Accounting Treatments for Business Combination under and Not under Common Control

Applicable Not applicable

Business combination refers to a transaction or event in which two or more separate enterprises are combined to form a reporting entity. Business combinations are divided into business combinations under common control and business combinations not under common control.

(1) Business combination under common control

The enterprises participating in the merger are ultimately controlled by the same party or the same multiple parties before and after the merger, and the control is not temporary. It is a business combination under common control. In a business combination under the common control, the party that obtains control of other participating companies on combining date is the combining party, and the other participating companies are the combined party. The merger date refers to the date on which the combining party actually obtains control of the combined party.

The assets and liabilities acquired by the Company in business combination shall be measured at the carrying value of the assets and liabilities of the acquiree (including goodwill incurred in the acquisition of the acquiree by the ultimate controlling party) in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the carrying value of the net assets obtained and the carrying value of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to the share premiums in the capital reserves. Adjustments shall be made to retained earnings in the event that the share premiums in the capital reserves are not sufficient.

The direct costs incurred by the combining party for the business combination shall be included in the profit or loss for the current period when incurred.

(2) Business combinations not under common control

Enterprises that participate in the merger are not under the same party or the same multiple parties' ultimate control before and after the merger, which is a business combination not under the common control. For a business combination not under the common control, the party that obtains control of other participating companies on the purchase date is the purchaser, and the other companies participating in the combination are the purchased party. The purchase date refers to the date on which the purchaser actually obtains control of the purchased party.

For a business combination not under the same control, the cost of the combination includes the assets paid by the purchaser to obtain control of the purchased party, the liabilities incurred or assumed, and the fair value of the equity securities issued on the purchase date. Intermediary expenses such as audits, legal services, evaluation and consulting, and other management expenses are included in the profit or loss for the current period when incurred. The transaction cost of equity securities or debt securities issued by the purchaser as the

merger consideration is included in the initial recognition amount of equity securities or debt securities. The contingent consideration involved is included in the merger cost based on its fair value at the date of purchase. If there is new or further evidence of the existing conditions on the purchase date within 12 months of the purchase date and the adjustment or consideration is required, adjust the merger accordingly reputation. The merger costs incurred by the purchaser and the identifiable net assets obtained in the merger are measured at the fair value at the date of purchase. The difference between the merger cost and the fair value share of the identifiable net assets of the acquired party acquired on the acquisition date is recognized as goodwill. If the merger cost is less than the fair value share of the identifiable net assets of the acquired party acquired in the merger, first of all, the measured fair value of the identifiable assets, liabilities and contingent liabilities of the acquired party and the measurement of the merger cost shall be reviewed. If the merger cost is still less than the fair value share of the acquiree's identifiable net assets obtained in the merger, the difference is included in the profit or loss for the current period.

If the purchaser obtains the deductible temporary difference of the purchased party and fails to confirm the deferred income tax asset recognition condition on the purchase date, within 12 months after the purchase date, if new or further information is obtained indicating the purchase, the relevant situation on the day already exists. If the economic benefit brought by the deductible temporary difference on the purchase date is expected to be realized, the relevant deferred income tax assets are recognized, and the goodwill is reduced, and the goodwill is not offset enough. The difference is recognized as the profit or loss for the current period; in addition to the above, if the deferred income tax assets related to the business combination are recognized, it is included in the profit or loss for the current period.

Business combination under different control realized step by step through multiple transactions, according to the "Notice of the Ministry of Finance on Issuing the Interpretation of Accounting Standards for Enterprises No. 5" (Caihui [2012] No. 19) and "Accounting Standards for Business Enterprises No. 33-Mergers" "Financial Statement" Article 51 on the "package deal" judgment criteria (see Note V. 6(2)), to determine whether the multiple transactions belong to "package deal". If it belongs to a "package deal", refer to the previous paragraphs of this part and the Notes V. 14 "Long-term equity investment" for accounting treatment; if it does not belong to a "package deal", distinguish between individual financial statements and consolidated financial statements for related accounting treatment:

In the individual financial statements, the sum of the book value of the equity investment held by the purchaser before the purchase date and the new investment cost of the purchase date is taken as the initial investment cost of the investment; the equity of the purchased party held before the purchase date involves other comprehensive income, the other comprehensive income related to the investment will be accounted for on the same basis as the purchaser's direct disposal of related assets or liabilities (i.e., except for Except for the corresponding share in the changes caused by the net liabilities or net assets of the defined benefit plan, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the purchased party held before the purchase date is remeasured according to the fair value of the equity at the purchase date, and the difference between the fair value and its book value is included in the current investment income; the equity of the purchased party held before the purchase date involves other comprehensive income, the other comprehensive income related to it should be accounted for on the same basis as the purchaser's direct disposal of related assets or liabilities (i.e., except for the corresponding share in the changes caused by the net liabilities or net assets of the defined benefit plan, the rest are converted into the current investment income of the purchase date).

6. Preparation of Consolidated Financial Statements

Applicable Not applicable

(1) *Principles for determining the scope of consolidated financial statements*

The consolidation scope in consolidated financial statements is determined on the basis of control. The control refers to the power to influence the investee and participate in its operating activities to obtain benefits, the amount at which shall be effected by the power. The scope of consolidation financial statements includes the Company and all subsidiaries. The subsidiaries refer to the entity controlled by the Company.

The Company will conduct a reassessment, once control related elements involved in the definition involved in the above cause the relevant facts and circumstances have changed.

(2) *Method of preparing consolidated financial statements*

From the date of obtaining the net assets of the subsidiary and the actual control of the production and operation decision, the Group began to include it in the scope of consolidation; the inclusion of the scope of consolidation is suspended from the date of loss of actual control. For the disposed subsidiaries, the operating results and cash flows before the disposal date have been properly included in the consolidated income statement and consolidated cash flow statement; Subsidiaries disposed of in the current period do not adjust the opening balance of the consolidated balance sheet. For subsidiaries that are not consolidated under the common control, the operating results and cash flows of the future purchases have been properly included in the consolidated income statement and consolidated cash flow statement, and the opening and closing figures of the consolidated financial statements are not adjusted. Subsidiaries that have increased business combinations under the common control, the operating results and cash flows from the beginning of the current period to the date of consolidation have been properly included in the consolidated income statement and consolidated cash flow statement, and adjust the comparison of consolidated financial statements at the same time.

In the preparation of the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiaries and the company are inconsistent, the necessary adjustments shall be made to the financial statements of the subsidiaries in accordance with the

accounting policies and accounting periods of the company. For subsidiaries acquired from business combinations not under the same control, the financial statements are adjusted based on the fair value of identifiable net assets at the acquisition date.

All major current balances, transactions and unrealized profits in the company are offset when the consolidated financial statements are prepared.

The shareholder's equity of the subsidiary and the portion of the current net profit or loss that is not owned by the Company are separately presented as minority shareholders' equity and minority shareholders' gains and losses in the consolidated financial statements under shareholders' equity and net profit. The portion of the subsidiary's current net profit or loss that belongs to minority shareholders' equity is presented as "minority shareholder gains and losses" under the net profit item in the consolidated income statement. The loss of a subsidiary shared by a minority shareholder exceeds the share of the minority shareholder's equity at the beginning of the subsidiary, and it still reduces the minority shareholders' equity.

When the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity is re-measured according to its fair value on the date of loss of control. The sum of the consideration for the disposal of the equity and the fair value of the remaining equity, less the difference between the share of the original shareholding and the share of the net assets that the original subsidiary has continued to calculate from the date of purchase, which is included in investment income of loss of control in the current period. Other comprehensive income related to the original subsidiary's equity investment shall be treated on the same basis as the directly disposed of the relevant assets or liabilities of the purchased party when the control is lost, that is, in addition to the re-measurement of changes in the net liabilities or net assets of the defined benefit plan in the original subsidiary, the rest will be converted into current investment income. Thereafter, the remaining equity of the part is subsequently measured in accordance with the relevant provisions of the "Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment" or "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments". For details, refers to this Note V. 14 "Long-term equity investment" or this Note V. 10 "Financial instruments".

If the Company disposes of the equity investment in the subsidiary through multiple transactions until it loses control, it shall distinguish whether the transactions dealing with the equity investment of the subsidiary until the loss of control are a package transaction. The terms, conditions, and economic impact of each transaction for the disposal of equity investments in subsidiaries are consistent with one or more of the following conditions, and generally indicate that multiple transactions should be accounted for as a package transaction: ① these transactions are concluded at the same time or with consideration of each other's influence; ② these transactions as a whole can achieve a complete business result; ③ the occurrence of a transaction depends on the occurrence of at least one other transaction; ④ a transaction alone is not economical, but it is economical when considered together with other transactions. If it is not a package transaction, each of the transactions shall be partially disposed of in the long-term equity of the subsidiary in accordance with "without loss of control" (refers to Note V.14 and (2) ④). The accounting principle is applied to the principle

that “the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons” (mentioned in the previous paragraph). Disposal of the equity investment in a subsidiary until the loss of control is a package transaction, and the transactions are treated as a transaction that disposes of the subsidiary and loses control; However, the difference between the disposal price and the disposal investment before the loss of control and the share of the net assets of the subsidiary is recognized as other comprehensive income in the consolidated financial statements, and it is transferred to the profit or loss for the current period of loss of control when the control is lost.

7. Classification of Joint Arrangements and Accounting Treating Method for Joint Operations

Applicable Not applicable

The joint venture arrangement refers to the arrangement jointly controlled by two or more parties. According to the differences in the rights and responsibilities, the joint venture arrangement is classified as a joint operation and joint venture. A joint operation refers to a joint arrangement whereby the parties have the rights to the assets, and obligations for the liabilities, and Joint venture refers to the entity which is only entitled to the joint venture arrangement of the net assets.

The equity method is adopted for the investment of the joint venture, please refers to Note V.14(2)② “Long-term equity investments accounted by equity method”.

As a joint venture, the Company recognizes the assets held by the Company separately, the liabilities assumed separately, and the co-held assets and co-owned liabilities recognized by the Company’s share; confirms its revenue from the sale of its share of the output arising from the joint operation; and recognizes the expenses incurred by the company separately and the expenses incurred arising from the joint operation according to the share of the company.

When the Company transacts with a joint operation in which the Company is a joint operator, such as a sale or contribution assets, (the assets do not constitute as business, similarly hereinafter).The profit or loss resulting from the transactions is recognized only to the extent of the other parties’ interests in the joint operation; When the Company transacts with a joint operation in which the Company is a joint operator, such as a purchase of assets, the Company does not recognize its share of the profit or loss until it resells those assets to a third party. A loss shall be recognized in the full amount of the sale or contribution of assets, and of the purchase of the assets from the joint operation in accordance with “ASBE-No.8-assets impairment” and other provisions.

8. Recognition Standard for Cash and Cash Equivalents

Cash and cash equivalents of the Company comprise cash on hand, deposits that can be readily drawn on demand, and highly liquid short-term (generally within 3 months from the purchase date) investments held by the Company that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

9. Translation of Foreign Currency Transactions and Foreign Currency Financial Statements

✓Applicable Not applicable

(1) Translation of foreign currency transactions

At the time of initial recognition of a foreign currency transaction, the foreign currency is translated to RMB at the spot exchange rate at the transaction date. Transaction in foreign currency exchange or transaction involving foreign currency exchange shall be translated into RMB at the actual exchange rate.

(2) Translation of foreign monetary items and foreign non-monetary items

At the balance sheet date, monetary items denominated in foreign currency are translated into RMB at the spot exchange rate and the arising difference shall be recorded into the profit or loss for the current period, except ① the exchange differences related to a specific-purpose borrowing denominated in foreign currency for acquisitions and construction of the qualified assets, which should be capitalised as cost of the borrowings, and ② the exchange difference arising from the change in the carrying amount other than amortized cost of an available-for-sale foreign monetary item which shall be recognized directly in other comprehensive income.

For the purpose of preparing consolidated financial statements involving foreign operations, the exchange differences arising from changes in exchange rates in relation to translation of foreign currency monetary items which effectively constitute a net investment in the foreign operation, are included in other comprehensive income, or upon disposal of the foreign operations, in the profit or loss for the period.

Foreign currency non-monetary items measured at the historical cost shall still be translated at the spot exchange rate at the transaction date, of which the amount of functional currency shall not be changed. The foreign currency non-monetary items measured at the fair value shall be translated at the spot exchange rate at the date of fair value evaluation, and the translation difference, treated as the variation of fair value (including the variation of exchange rate), shall be recorded into the profit or loss for the current period and recognized as other comprehensive income.

(3) Translation of foreign currency financial statements

Where the preparation of consolidated financial statements involves overseas operations, if there is a foreign currency monetary item substantially constituting net investment in overseas operations, the exchange difference resulting from the change of exchange rate shall be included in the “Translation differences on translation of foreign currency financial statements” item of other comprehensive income; when dealing with overseas operations, it shall be included in the profit or loss for the current period of disposal.

The financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for "retained profits" are translated at the spot exchange rates at the dates on which such items arose; the income and expense items in the income statement are translated at the spot exchange rate prevailing on the transaction date or the rate approximate thereto. The opening balance of retained profits is the translated closing balance of the previous year's retained profits; the closing balance of retained profits is calculated and presented on the basis of each translated profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is presented as the exchange differences arising on translation of financial statements denominated in foreign currencies under the other comprehensive income. Such exchange difference in relation to the foreign operation as shown under shareholders' equity in the balance sheet will be reclassified to profit or loss for current period in full or on a pro rata basis when the foreign operation is disposed and leads to a loss of control.

The cash flows in foreign currency and of overseas operations are translated at the spot exchange rates on the dates of the cash flows or the rates approximate thereto. The effect of exchange rate changes on cash is presented separately as an adjustment item in the cash flow statement.

The opening balances and the prior year's actual figures are presented as the balances after translation in the financial statements of last year.

All the translation difference in relation to the foreign operation as shown under shareholders' equity in balance sheet and attributable to owners of the parent are reclassified into the profit or loss for the current period, when the Company disposes all of offshore shareholders' equity, and ceases control over its overseas operations due to partial disposal of equity investment or other reasons.

The Company takes the exchange difference from its overseas operations related foreign currency reports into minority interests but not in the profit or loss for the current period, when its shareholding declines but still remains control over the relative operations when disposing part of the equity investment or due to other reasons. Such exchange differences are taken into the profit or loss for the current period on a pro rata basis when the share equity disposed are with the Company's associate or joint venture.

10. Financial Instruments

Applicable Not applicable

A financial asset or financial liability is recognised when the Company becomes a party to the relative financial instrument contract.

(1) *Classification of financial assets*

According to the business model of the Company's management of financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified at the initial recognition as: financial assets measured at amortised cost, financial assets at fair value through other comprehensive income ("FVOCI"), and financial assets at fair value through profit or loss ("FVPL").

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at FVPL as financial assets measured at amortised cost:

- ① The Company's business model for managing the financial assets is to collect contractual cash flows;
- ② The terms of the financial asset contract stipulate that the cash flows generated on a specific date are only the payment for principal and interest accrued on the outstanding principal.

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at FVPL as financial assets at FVOCI:

- ① The Company's business model for managing the financial assets is both to collect contractual cash flows and to sell the financial assets;
- ② The terms of the financial asset contract stipulate that the cash flows generated on a specific date are only the payment for principal and interest accrued on the outstanding principal.

Investments in equity instruments are classified as at FVPL in general, except those designated as at FVOCI. For investments in non-trading equity instruments, the Company may, at the time of initial recognition, irrevocably designate it as a financial asset at FVOCI.

In addition to the above financial assets which are measured at amortized cost or at FVOCI, the Company classifies all other financial assets as financial assets at FVPL. When initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should have been measured at amortized cost or at FVOCI as financial assets at FVPL.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flows. The business model decides whether the source of cash flows of financial assets managed by the Company is to collect contract cash flows, sell financial assets or both of them. Based on objective facts and the specific business objectives of financial assets management decided by key managers, the Company determines the business model of financial assets management.

The Company evaluates the characteristics of the contract cash flows of financial assets to determine whether the contract cash flows generated by the relevant financial assets on a specific date is only to pay principal and interest based on the amount of unpaid principal. Among them, the principal refers to the fair value of financial assets at the time of initial recognition; the interest includes the consideration of time value of money, credit risk related to the amount of unpaid principal in a specific period, and other basic borrowing risks, costs and profits. In addition, the Company evaluates the terms and conditions of the contracts that may lead to changes in the time distribution or amount of cash flows in financial asset contracts to determine whether they meet the requirements of the above contract cash flow's characteristics.

On initial recognition, financial liabilities are classified as financial liabilities at FVPL and financial liabilities at amortised cost.

(2) *Recognition basis and measurement method of financial instruments*

① *Financial assets measured at amortized cost*

Financial assets measured at amortized cost, including bills receivables and trade receivables, other receivables, long-term receivables and debt investments, are initially measured at fair value plus relevant transaction costs. Trade receivables that do not contain significant financing components and trade receivables that the Company has decided not to consider for a financing component of no more than one year are initially measured at the contractual transaction price.

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

When recovering or disposing, the difference between the price obtained and the carrying amount of the financial asset is included in current profit or loss.

② *Financial assets (debt instruments) at FVOCI*

Financial assets (debt instruments) at FVOCI, including other debt investments, are initially measured at fair value plus relevant transaction costs. These financial assets are subsequently measured at FVOCI except for interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method.

On derecognition, the accumulated gain or loss previously recognized in other comprehensive income is transferred out from other comprehensive income and recognized in current profit or loss.

③ *Financial assets (equity instruments) at FVOCI*

Financial assets (equity instruments) at FVOCI, including other equity instrument investment, are initially measured at fair value plus relevant transaction costs, and subsequently measured at FVOCI. The dividends received are included in current profit or loss.

When derecognized, the accumulated gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

④ *Financial assets at FVPL*

Financial assets at FVPL, including held-for-trading financial assets, derivative financial assets and other non-current financial assets, are initially measured at fair value with relevant transaction costs included in current profit or loss, and subsequently measured at FVPL.

On derecognition, the difference between the fair value and initially recorded amount of such financial assets shall be recognized as investment income, and concurrently adjustment shall be made to gains or losses on changes in fair value.

⑤ *Financial liabilities at FVPL*

Financial liabilities at FVPL, including held-for-trading financial liabilities, derivative financial liabilities, etc., are initially measured at fair value with relevant transaction costs included in current profit or loss. Such financial liabilities are subsequently measured at FVPL.

On derecognition, the difference between the fair value and initially recorded amount of such financial liabilities shall be recognized as investment income, and concurrently adjustment shall be made to gains or losses on changes in fair value.

⑥ *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost, including short-term borrowings, bills payables, trade payables, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value with relevant transaction costs included in the amount of initial recognition.

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

On derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognized in current profit or loss.

(3) *Recognition and measurement of transfer of financial assets*

A financial asset shall be derecognized while the Company has transferred nearly all the risks and rewards related to the ownership of the financial asset to the transferee, and it shall not be derecognized if the Company has retained nearly all the risks and rewards related to the ownerships of the financial asset.

The substance-over-form principle shall be adopted while making a judgment on whether the transfer of financial assets satisfies the above conditions for termination of recognition. The transfer of financial assets by the Company could be classified into entire transfer and partial transfer. If the transfer of an entire financial asset satisfies the conditions for termination of recognition, the difference between the two amounts below shall be recorded into current profit or loss:

- ① The carrying amount of the financial asset transferred;
- ② The consideration received as a result of the transfer, plus the accumulative amount of the change in fair value previously directly recorded into the owners' equities (in cases where the transferred financial asset is available-for-sale financial asset).

If the partial transfer of financial assets satisfies the conditions for derecognition, the overall carrying amount of the transferred financial asset shall be apportioned according to their respective relative fair value between the portion of derecognized part and the remaining part, and the difference between the two amounts below shall be included into profit or loss for the current period:

- ① The carrying amount of the derecognized part;
- ② The sum of consideration of the derecognized portion and the corresponding portion of accumulated change in fair value previously recorded into owners' equity (in cases where the transferred financial assets are available-for-sale financial assets).

Financial assets will still be recognized if they fail to satisfy the conditions for termination of recognition, with the consideration received recognized as a financial liability.

(4) *Conditions for derecognition of financial liabilities*

When the current obligation under a financial liability is completely or partially discharged, the whole or relevant portion of the liability is derecognized; if an agreement is entered into between the Company and a creditor to replace the original financial liabilities with new financial liabilities with substantially different terms, the Company derecognize the original financial liabilities as well as recognize the new financial liabilities.

If all or part of the contract terms of the original financial liabilities are substantially amended, the original financial liabilities will be derecognized in full or in part, and the financial liabilities whose terms have been amended shall be recognized as a new financial liability.

When financial liabilities are derecognized in full or in part, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

Where the Company repurchases part of its financial liabilities, the carrying amount of such financial liabilities will be allocated according to the relative fair value between the continued recognized part and derecognized part on the repurchase date. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

(5) *Determination of the fair value of financial assets and financial liabilities*

If there is an active market for financial instruments, the quoted price in the active market is used to measure fair values of the financial instruments. If no active market exists for financial instruments, valuation techniques are used to measure fair values. In valuation, the Company adopts valuation techniques that are applicable in the current situation and have sufficient available data and other information to support it, and selects input values that are consistent with the asset or liability characteristics considered by market participants in the transaction of relevant assets or liabilities, and gives priority to relevant observable input values. Use of unobservable input values where relevant observable input values cannot be obtained or are not practicable.

(6) *Testing method and accounting treatment of impairments of financial assets*

Based on the expected credit losses, the Company conducts impairment accounting treatment and recognizes loss provisions for financial assets measured at amortized cost, debt instruments at FVOCI.

Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate particularly, for credit-impaired financial assets purchased by the Company or originally arisen, they will be discounted at the credit-adjusted effective interest rate for the financial assets.

For receivables which do not contain significant financing components, the Group uses a simplified measurement method to provide loss provision based on the amount of expected credit losses equivalent to the entire duration of life.

In addition to the mentioned financial assets other than applying the simplified measurement method, the Company assesses whether the credit risk of financial assets has increased significantly since the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, as at stage 1, the loss allowance is measured at an amount equal to 12-month expected credit losses, and the interest income is measured by carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but not credit-impaired, as at stage 2, the loss allowance is measured at an amount equal to lifetime expected credit losses, and the interest income is measured by carrying amount and the effective interest rate; if the financial assets are credit-impaired after initial recognition, as at stage 3, the loss allowance is measured at an amount equal to lifetime expected credit losses, and the interest income is measured by amortised cost and the effective interest rate. The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the balance sheet date.

The Company assesses the expected credit losses of financial instruments based on an individual and a collective basis. For guarantee deposit receivables and receivables (other than guarantee deposits) whose credit risk has been significantly increased since initial recognition, the Company will estimate cash flows through considering all contract terms one by one of relevant financial assets during the whole expected life based on the individual item of financial assets, determine expected credit loss and make impairment allowance based on the above circumstances.

In addition to such financial assets whose provisions are provided individually, the Company divides the receivables into two combinations based on the characteristics of credit risk, and calculate expected credit losses on a combined basis. The basis for determining the combination is as follows:

Group 1 Receivables except for Group 2

Group 2 Amount due from subsidiaries of Energy China Group within the scope of combination

For the receivables classified as a group, the Company refers to the historical credit loss experience, combined with the current condition and forecast of the future economic condition to calculate the expected credit loss according to the account receivable age and expected credit loss rate through full life time in reference.

For Group 1, based on all reasonable and well-founded information, including forward-looking information, the expected loss rate of trade receivables is estimated as follows:

Aging	Expected loss rate (%)
Within 1 year (inclusive)	
Including: Within 6 months	0
Six months to 1 year	5
1 to 2 years	8
2 to 3 years	10
3 to 4 years	20
4 to 5 years	30
More than 5 years	80

For Group 2, if there is objective evidence that a receivable has not been credit impaired, no provision for bad debt is made. If there is objective evidence that a receivable has been credit impaired, the Company makes provision for bad debts and confirms the expected credit losses for the trade receivables.

The Company calculates the loss provision of notes receivable based on the amount equivalent to the lifetime expected credit losses. Based on the credit risk characteristics of notes receivable, the Company divides them into different groups:

Item	Basis for determination of groups
Bank acceptance notes	Acceptor being a bank with less credit risk
Commercial acceptance notes	Same as the group of “accounts receivable”

When evaluating expected credit losses, the Company considers reasonable and evidence-based information in relation to past events, current conditions and forecasts of future economic conditions.

11. Inventories

Applicable Not applicable

(1) *Category of inventory*

Inventories include raw materials, circulating materials, finished products (development products), work in progress (development costs), etc.

(2) *Measurement of inventories received and issued*

The inventory is initially measured at the actual cost; Inventory costs comprise costs of purchase, costs of conversion and other costs. Cost of inventories is determined using “first-in and first-out” or the weighted average method.

(3) *Recognition of the net realizable value and measurement of provision for decline in value of inventories*

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The Company determines the net realizable value of inventories based on solid evidence obtained and after taking into consideration the purpose for which the inventory is held, and the effect of events occurring after the balance sheet date.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value of the inventory is lower than the cost, a provision for decline in value of inventories is recognized. The provision for inventory depreciation shall be made at the difference between the cost of a single inventory item and its net realizable value. The provision for inventory depreciation in large quantity and at low unit prices shall be made by category; for items of inventories relating to a product line that is produced and marketed in the same geographical area and with the same or similar end uses or purposes, which cannot be practicably evaluated separately from other items in that product line, provision for decline in value of inventories may be determined on an aggregate basis.

After the provision of decline in value of inventories is made, if the circumstances that caused the value of the inventory to be written down below cost no longer exist so that the net realizable value of the inventory is higher than its carrying amount, the original provision for decline in value is reversed and the reversed amount is recognized in profit or loss for the period.

(4) *The stock count system for inventories is the perpetual inventory system*

(5) *Amortisation of low-value consumables and packaging materials*

Low-value consumables are amortised using the immediate write-off method or multiple write-off method when issued for use; packaging materials are amortised using the immediate write-off method or multiple write-off method when issued for use.

12. Contract Assets and Contract Liabilities

(1) *Recognition methods and standards of contract assets*

Applicable Not applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The right (other than receivables) to collect consideration on account of has transferred the goods or provided services to customers is listed as contract assets. The obligation of the Company to transfer goods or provide services to customers due to the consideration received or receivable from customers is listed as contract liabilities.

(2). *Recognition and accounting treatment of expected credit loss of contract assets*

Applicable Not applicable

For contract assets, whether it contains significant financing components, the Company always measures its loss reserves in accordance with the amount of expected credit losses for the entire life period, and the increase or reversal of the loss provision resulting therefrom is included in the current profit or loss as an impairment loss or gain.

13. Assets Classified as Held-for-sale

Applicable Not applicable

A non-current asset or disposal group is classified as asset held for sale when the carrying amount of the asset is recovered principally through a sale transaction (including an exchange of non-monetary assets with commercial substance, the same below) rather than through continuing use. The specific standard is to satisfy the following conditions at the same time: an immediate sale of a non-current asset or disposal group can be made under the current conditions according to the practice of selling such assets or disposal groups in similar transactions; the Company has made a resolution on a sale plan and obtained a definite purchase commitment, and the sale is expected to be completed within one year. Of which, a disposal group is a group of assets that are handled collectively through disposals or other approaches in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. If the asset group or asset group to which the disposal group belongs is allocated the goodwill acquired in the business combination in accordance with Accounting Standards for Business Enterprises No. 8 – Impairment of Assets, the disposal group shall include the goodwill allocated to the disposal group.

Upon initial measurement or re-measurement of non-current assets held for sale and disposal groups at the balance sheet date, if the carrying amount is higher than the net amount of fair value minus sales expense, the carrying amount shall be written down to the net amount of fair value minus sales expense; the amount written down is recognized as impairment losses for assets and included in current profit or loss. Meanwhile, impairment provision for assets held for sale is accrued. For the disposal group, firstly, the recognized impairment losses for assets deduct the carrying amount of the goodwill in the disposal group. Then the loss proportionally deducts the carrying amount of the various non-current assets in the disposal group under the measurement regulations based on Accounting Standards for Business Enterprises No. 42 – Non-current Assets Held for Sale, Disposal Companies and Termination of Operations (hereinafter referred to as the “**holding for sale standard**”). If the fair value of the disposal group held for sale on the subsequent balance sheet date minus the sales proceeds increases, the amount previously written down shall be recovered. This part of amount should be reversed within the impairment losses of non-current assets which are applicable for held for sale standard after these assets are classified as assets held for sale. The reversal amount is recognized in current profit or loss. Meanwhile, the carrying amount of these non-current assets (except goodwill) in disposal group should be increased proportionally according to the carrying amount of each non-current asset which is applicable to held for sale standard. The carrying amount of goodwill that has been deducted and the impairment losses recognized before the non-current assets classified as held for sale category cannot be reversed.

Depreciation or amortization shall not be accrued for non-current assets held for sale or non-current assets in the disposal group held for sale. The interest of liabilities and other expenses in the disposal group held for sale shall be recognized.

When a non-current asset or disposal group no longer meets the conditions for the held for sale category, the Company no longer divides it into the held for sale category or removes the non-current assets from disposal groups held for sale., and the asset or asset group is measured by the following two items: (1) the amount of book value classified as held for trading after depreciation, amortization, impairment or other adjustments to be recognized based on the hypothesis that they are not classified as held for trading; (2) the recoverable amount, whichever is lower.

14. Long-term Equity Investments

Applicable Not applicable

Long-term equity investments in this part refers to the long-term equity investments that the Company can exercise control, joint control or significant influence over the investee. When the Company can no longer exercise control, joint control or significant influence over the investee, the long-term equity investment shall be treated as financial asset at FVPL, and for non-transactional long-term equity investment among which, the Company can designate it to be financial asset at FVOCI upon initial recognition. Please refer to Note V. 10 “Financial instrument”.

Joint control refers to joint control owned by the Company over an arrangement as per relevant agreements and relevant activities of this arrangement must be determined upon consent of participants sharing the right of control. Significant influence refers to the power to participate in making determinations on the financial and operating policies of an investment entity, but not to control or do joint control together with other parties over the formulation of these policies.

(1) Recognition of investment cost

If the long-term equity investment is obtained from the business combination involving enterprises under the common control, the share of carrying amount of shareholder’s equity of the acquiree in consolidated financial statements of the ultimate controlling party under the combination date shall be deemed as the initial investment cost of the long-term equity investment. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings. If the Company issues equity securities as the consideration for combination, the carrying amount of the shareholder’s equity of the combined party on the combination date in consolidated financial statements of the ultimate controlling party shall be the initial investment cost of long-term equity investments. With the total carrying amount of the shares issued as equity, the difference between the initial investment cost of long-term equity investment and the total carrying amount of the shares issued shall be adjusted as capital reserve. If the capital reserve is insufficient to set it off, the retained earnings shall be adjusted. If equity interests of the acquiree under the common control are obtained step by step through several transactions, which results in the combination of enterprises under the common control,

it shall be treated respectively as per whether it belongs to “a package deal”: where it belongs to “a package deal”, the accounting treatment for each transaction shall be conducted as a transaction obtaining the right of control. Where it does not belong to “a package deal”, the carrying amount of the shareholder’s equity of the acquiree on the combination date in consolidated financial statements of the ultimate controlling party shall be the initial investment cost of long-term equity investments. The difference among the initial investment cost of long-term equity investments, the carrying amount of long-term equity investment which has reached the amount before the combination and total carrying amount of new payment consideration obtained under the acquisition date shall be adjusted as capital reserve. If the capital reserve is insufficient to set it off, the retained earnings shall be adjusted. As the other comprehensive income is measured under equity method or recognized as financial assets at FVOCI, the accounting treatment on the equity investments held before the combination date shall not be conducted.

For long-term equity investment obtained through business combination not involving enterprises under the common control, the cost of combination shall be deemed as the initial investment cost of long-term equity investments on the acquisition date, and the cost of combination is the aggregate of the fair values, include the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer. If equity interests of the acquiree are obtained step by step through several transactions, which results in the combination of enterprises under the different control, it shall be treated respectively as per whether it belongs to “a package deal”: where it belongs to “a package deal”, the accounting treatment for each transaction shall be conducted as a transaction obtaining the right of control. Where it does not belong to “a package deal”, the sum of the carrying amount of equity investment of the acquiree held originally and additional investment costs shall be initial investment costs of long-term equity investment if the accounting method is changed as cost approach. If equity held originally is accounted for using equity method, the accounting treatment shall not be conducted on the other comprehensive income related to it.

The intermediary costs for the business combination including the expenses for audit, legal services and consultancy services and other relevant management costs by the merging party and the acquirer shall be recorded into current profit or loss.

Equity investments other than long-term equity investment from business combination are initially measured at cost. Such cost is respectively recognized at the purchase price in cash actually paid by the Company, fair value of equity securities issued by the Company, specified value in investment contracts or agreements, fair value or original carrying amount of transferred assets in non-monetary asset exchange and transactions and fair value of the long-term equity investment itself based on different means of acquiring that long-term equity investment. Expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investment are also included into investment cost. In case of being able to implement significant influence or common control to the invested entity due to additional investment but which does not constitute control, cost of long-term equity investment shall be the sum of fair value of original held equity investment recognized according to the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments and newly increased investment cost.

(2) *Subsequent measurement and method of recognition of profit or loss*

Where an investing enterprise can exercise joint control (except those that constitutes the joint operators) or significant influence over the investee, a long-term equity investment shall be accounted for using the equity method. In addition, the Company uses the cost model in the financial statements to calculate long-term equity investment that can control the investee.

① *Long-term equity investment income accounted by cost method*

The long-term equity investment accounted by the cost model shall be measured at the initial investment cost. And the additional or recovered investments shall be used to adjust the cost of long-term equity investment. Except for the cash dividends or distributions declared and not yet distributed in the considerations paid to acquire the investment, the cash dividend or distributions declared by the investee that belong to the investee shall be recognized as the investment gains.

② *Long-term equity investment accounted by equity method*

If the initial cost of a long-term equity investment, accounted by equity method, is more than attributable share of the fair value of the investee's identifiable net assets for the investment in the investee, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of a long-term equity investment is less than the attributable share of the fair value of the investee's identifiable net assets for the investment in the investee, the difference shall be recorded into current profit or loss and the cost of the long-term equity investment shall be adjusted simultaneously.

When it is accounted by equity method, the investment gains and other comprehensive incomes shall be recognized respectively, and the carrying amount of long-term equity investment shall be adjusted according to the net profit or loss and other comprehensive incomes realized by the investee, which shall be enjoyed or shared. The enjoyed part shall be accounted according to profits or cash dividends announced to be assigned by the investee with the corresponding decrease of the carrying amount of long-term equity investment. For other changes of shareholder's equity excluding net profit or loss of investee, other comprehensive income and profits distributed, the carrying amount of long-term equity investments shall be adjusted and included into capital reserve. The Company shall, on the ground of the fair value of all identifiable assets of the investee when it obtains the investment, recognize the attributable share of the net profit or loss of the investee after it adjusts the net profits of the investee. If the accounting policies and accounting period adopted by the investee do not consistent with the Company, the financial statements of the investee shall be adjusted according to the accounting policies and accounting periods of the Company, and according to which the investment profits and other comprehensive incomes shall be recognized. If investment and sales of assets cannot constitute business in transactions between the Company, associates and joint ventures, the unrealized profit or loss of internal transaction shall be offset through calculating the part attributable to the Company

based on sharing ratio so as to recognize the profit or loss of investment. Where the unrealized losses from the internal transactions between the Company and the invested entity belong to the impairment losses from the transferred assets, they shall not be written off. Where the assets contributed by the Company towards joint ventures or associates constitute business, and the investor acquires long-term equity investment but not the control right thereof, the fair value of the contribution shall be the initial investment cost of the newly added long-term equity investment. The balance of carrying amount between initial investment cost and the contribution shall be recorded into current profit or loss in full amount. If the assets sales, from the Company to joint ventures or associates, constitute business, the total difference between consideration achieved and carrying amount of business shall be recorded into current profit or loss. Where the assets purchased by the Company from associates and joint ventures constitute business, accounting treatment shall be carried out based on Accounting Standards for Business Enterprises No.20 – Business Combination and recognize the profit or loss in relation to the transaction in full amount.

The Company shall recognize the net losses of the investee until the carrying amount of the long-term equity investment and other long-term equity which substantially forms the net investment made to the investee are reduced to zero. In addition, if the Company has the extra obligation towards its investee to undertake extra losses, the expected liabilities shall be recognized according to expected obligation and recorded into current profit or loss. If the investee realizes any net profits later, the Company shall, after the amount of its attributable share of profits offsets against its attributable share of the unrecognized losses, resume recognizing its attributable share of profits.

③ *Minority equity purchase*

When preparing consolidated financial statements, as for the difference between the long-term equity investment increased newly due to purchase minority equity and the net asset proportion continuously calculated from the purchase date (or combination date) by subsidiary based and enjoyed by the Company based on newly increasing shareholding ratio, capital reserve is adjusted. If the capital reserve is insufficient to write down, the retained income shall be adjusted.

④ *Disposal of long-term equity investment*

In the consolidated financial statements, the parent company disposes the long-term equity investment of the subsidiary without losing control right. The difference between the disposing amount and the net asset of the subsidiary enjoyed correspondingly in disposing long-term equity investment is recorded into shareholder's equity; If the parent company loses its control right on the subsidiary due to the disposal of the long-term equity investment of the subsidiary, the relevant accounting policy as indicated in Note V. 6(2) "Method for Preparation of Consolidated Financial Statements" shall be followed for handling.

When disposing of a long-term equity investment under other circumstances, for equity being disposed, the difference between its carrying amount and actual purchase price shall be recorded into current profit or loss.

If long-term equity investment is accounted by equity method while the residual equity after disposal is still accounted for by equity method, the accounting treatment of other comprehensive income included in shareholder's equity originally shall be conducted as per proportion on the same base as investee disposes of relevant assets and liabilities directly. Other shareholder's equity, which is recognized for changes of other shareholder's equity of the investee excluding net profit or loss, other comprehensive incomes and profits distribution, shall be translated into current profit or loss as per proportion.

If long-term equity investment is accounted by the cost model while the residual equity after disposal is still accounted by the cost model, the accounting treatment of other comprehensive incomes which are recognized for being accounted by equity method or recognition and measurement standards of financial instruments shall be conducted on the same base as investee disposes of relevant assets and liabilities directly, and other comprehensive incomes shall be carried forward into current profit or loss as per proportion. Owners' equity, which is recognized for changes of other shareholder's equity of the investee excluding net profit or loss, other comprehensive incomes and profits distribution when the equity method is adopted, shall be carried forward into current profit or loss as per proportion.

When the Company loses the control over investee for disposal of some equity interests, the accounting method shall be changed as equity method in compiling individual financial statements and the remaining shares shall be deemed to be adjusted by equity method upon being obtained if the remaining shares after disposal still have joint control or significant impacts on investee. While the remaining equity interests after disposal do not have joint control or significant impacts on investee anymore, the accounting treatment shall be conducted according to regulations related to recognition and measurement standards of financial instruments and its difference between fair value and carrying amount on the date of losing the control shall be included into current profit or loss. For other comprehensive income recognized as being accounted by equity method or recognition and measurement standards of financial instruments before the Company obtains the control over investee, its accounting treatment shall be conducted on the same base as investee disposes of relevant assets and liabilities directly upon losing the control over investee, and other shareholder's equity in net assets of investee accounted for by equity method, excluding net profit or loss, other comprehensive income and profits distribution, shall be carried forward into current profit or loss in the event of losing the control over investee. Of which, if the residual equity investment after disposal is calculated by equity method, other comprehensive income and shareholder's equity shall be carried forward by proportion; where the residual equity investment after disposal changes to be conducted with accounting

treatment according to standard of recognition and measurement of financial instruments, other comprehensive income and shareholder's equity shall be carried forward.

Where the Company's common control or significant influence over the investee is lost due to the disposal of partial equity investment, the residual equity after disposal will change to be calculated by standard of recognition and measurement of financial instruments, the balance between the fair value and carrying amount thereof on the date the common control or significant influence is lost shall be included into current profit or loss. Other comprehensive income recognized by calculating original equity investment by equity method shall go through accounting treatment on the same basis on which the investee directly disposes the relevant assets or liabilities when ceasing to use equity method; for the shareholder's equity recognized by other changes on shareholder's equity rather than net profit or loss, other comprehensive income and profit distribution of the investee shall be transferred into current investment income when ceasing to use equity method.

If the Company's disposal of equity investments with step by step through several transactions in a subsidiaries leading to losing control, the foregoing transaction is a package deal, accounting treatment shall be conducted for each transaction as the transaction that the disposal of the subsidiary with loss of control right; before loss of control right, the difference between each price disposal and the carrying amount of long-term equity investment correspondingly in equity disposed shall be firstly recognized in the other comprehensive income and then wholly transferred into current profit or loss when losing control right.

15. Investment Property

(1) *If the cost measurement mode is adopted:*

Method of depreciation or amortization

Investment property is property held to earn rentals or for capital appreciation or both, including the land use rights which have been rented, land use right held for transfer after capital gain, and buildings which have been rented.

Investment property is measured initially at cost. Subsequent costs related to investment property are recognized in the cost of the investment property, if the economic benefits of the asset will probably flow in and the cost can be measured reliably. Other subsequent costs are recognized through profit or loss in the periods in which they are incurred.

After initial recognition, the Company uses the cost model to measure the investment property, and depreciates and amortizes the investment property according to provisions that buildings should be consistent with land use rights.

Please refer to Note V. 20 “Long-term Asset Impairment” for the methods of impairment test and preparing provisions for the impairment of investment property. When an owner-occupied property or an inventory are transferred into an investment property, or when an investment property is transferred into an owner-occupied property, the carrying amount prior to the transfer is recognized as the carrying amount after the transfer.

When an investment property is transferred into an owner-occupied property, the investment property is reclassified as fixed asset or intangible asset since the date of transfer. When the purpose of an owner-occupied property is transferred to generate rent or receive capital gain, the fixed asset or the intangible asset is transferred to investment property since the date of transfer. After the transfer, investment property measured at cost, recognizes the carrying amount prior to the transfer as the carrying amount after the transfer; for investment property transferred to be measured under fair value model, the fair value at the transfer date shall be recognized as the carrying amount after transfer.

An investment property shall be derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognized in profit or loss in the period of the retirement or disposal.

16. Fixed Assets

(1). *Recognition criteria*

Applicable Not applicable

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

(2). *Depreciation method*

Applicable Not applicable

From the next month of bringing the fixed asset to the expected conditions for use, the fixed assets are depreciated using the straight-line method over their estimated useful lives. Estimated useful life, net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation method	Useful lives of depreciation (years)	Estimated residual value (%)	Annual depreciation rate (%)
Housing and building	Straight line method	15-40	5	6.33-2.38
Machinery equipment	Straight line method	4-18	5	23.75-5.28
Electronic equipment	Straight line method	6-12	5	15.83-7.92
Transportation equipment	Straight line method	5-10	5	19-9.50
Other equipment	Straight line method	4-14	5	23.75-6.79

Estimated net residual value of a fixed asset is the estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(3) *Impairment testing and accounting treatment*

As for impairment testing method and accounting treatment, please refer to Note V. 20 “Long-term Asset Impairment”.

(4) *Others*

The subsequent expenses related to a fixed asset, if the economic benefits pertinent to the fixed asset are probably to flow into the enterprise and the cost of the fixed asset can be measured reliably, shall be included in the cost of the fixed asset and the book value of the replaced parts shall be derecognized. Any other subsequent expenses shall be recorded into current profit or loss.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying value and related taxes is recognized in current profit or loss.

The Company reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at the end of each year and treats the changes as changes of in accounting estimate.

(3). *Recognition basis, measurement and depreciation method of fixed assets under finance lease*

Applicable Not applicable

A finance lease is a lease that transfers in substance all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. Consistent depreciation policies are adopted to finance leased fixed assets. Leased fixed assets are

depreciated over the estimated useful lives when it is reasonably determined that the ownership of the asset will be obtained after the lease term is over. Otherwise, the leased assets are depreciated over the shorter period between the lease term and the estimated useful lives of the assets.

17. Construction in Progress

Applicable Not applicable

The cost of construction in progress is recognized based on actual project expenditure, including each project expenditure during the construction, capitalized borrowing costs before the construction get ready for its intended use and other relevant expenses. Construction in progress is transferred to a fixed asset when it is ready for intended use.

Please refer to Note V. 20 “Long-term Asset Impairment” for the impairment test method and impairment provision method of construction in progress.

18. Borrowing Costs

Applicable Not applicable

Borrowing costs include interest, amortization of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings. Where the borrowing costs incurred to an enterprise can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, they shall be capitalized: where the expenditures for the asset are being incurred; where the borrowing costs are being incurred; where the construction activities which are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs shall cease when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs shall be recognized as expenses in the period in which it is incurred.

The amount of interest of specific-purpose borrowings to be capitalized shall be the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. An enterprise shall determine the amount of interest to be capitalized on general-purpose borrowings by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalization rate shall be the weighted average of the interest rates applicable to the general-purpose borrowings.

During the period of capitalization, the exchange differences on foreign currency specific-purpose borrowings shall be all capitalized; the exchange differences on foreign currency general-purposes borrowings shall be recorded into current profit or loss.

Qualifying assets are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

Capitalization of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months until the acquisition, construction or production is resumed.

19. Intangible Assets

(1). Valuation method, useful life and impairment testing

Applicable Not applicable

An intangible asset is an identifiable non-monetary asset without physical substance owned or controlled by the Company.

The intangible assets shall be initially measured at cost. The expenses pertinent to an intangible asset shall form part of the cost of the intangible assets, if it is probable that the economic profit related to the asset will flow to the Company and the cost can be measured reliably. In addition, the expenditure of other items shall be recorded into current profit or loss in the period in which it is incurred.

The acquisition of land use right is usually recognized as intangible assets for accounting purposes. Building such as self-constructed plant, relevant expenditure incurred for obtaining land use right and construction cost of the building shall be recognized as intangible asset and fixed asset for accounting purposes. Cost incurred on purchased building shall be allocated between land use right and building. The cost shall be recognized as fixed asset if it cannot be reasonably allocated.

An intangible asset with a finite useful life shall be amortized using straight line method based on the original value, less estimated residual value and the accumulative amount of impairment provision within the estimated useful life. An intangible asset with an indefinite useful life shall not be amortized.

Estimated useful lives for the intangible assets with finite useful life:

Category	Useful lives	Amortization method	Residual rate (%)
Land use rights	Validity period of land use certificate	Straight line method	0
Highway franchise	Terms stipulated in the contract	Traffic flow method	0
Others	5-10 years	Straight line method	0

At the end of the period, the Company reviewed the useful life and amortization method of the intangible asset with limited useful life. In case of any change, it shall be treated as changes in accounting estimation. In addition, the Company also reviewed the useful lives of the intangible assets with uncertain useful lives. If there is evidence that the term of economic benefits brought by the intangible asset to the enterprise is predictable, its useful life is estimated and amortized in accordance with the amortization policy for intangible assets with limited useful lives.

(2). *Accounting policies for internal research and development expenses*

Applicable Not applicable

The expenses for internal research and development projects of the Company are divided into expenses in the research phase and expenses in the development phase.

Research expenditures shall be recorded into profit or loss for the periods in which the expenditures are incurred.

Expenses arising from development phase and fulfil all following criteria shall be recognized as intangible assets, otherwise, they shall be included in the current profit and loss as incurred:

- ① It is technically feasible to complete the intangible assets so that they can be used or sold;
- ② The Company has the intention to complete the intangible assets and use or sell them;
- ③ The ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the products produced by the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- ④ The Company has sufficient technical, financial and other resources support to complete the development of the intangible assets, thereafter, has the ability to use it or sell it;
- ⑤ The expenditure attributable to the development stage of the intangible assets can be reliably measured.

If the expenditures cannot be distinguished between research phase and development phase, the Company recognizes all expenditures into current profit or loss.

(3) *Impairment test method and impairment provision assessing method of intangible asset*

Please refer to Note V. 20 “Long-term Asset Impairment” for the impairment test method and impairment provision method of intangible asset.

20. Impairment of Long-term Assets

Applicable Not applicable

The Company assesses impairment indicators for fixed asset, construction in progress, the intangible asset with limited useful life, the investment properties measured at cost pattern, the long-term equity investment in subsidiaries, associates and joint ventures and the non-current and non-financial asset, such as goodwill at the balance sheet date. If the Company finds evidence on asset impairment, the recoverable amount of the asset shall be measured, and impairment test shall be conducted. Impairment test shall be conducted annually for goodwill, the intangible asset with uncertain service life and the intangible asset not reaching available condition, no matter there is impairment indication.

Where the measurement result of the impairment test indicates that an asset’s recoverable amount is lower than its book value, impairment reserve shall be withdrawn based on its differences and recorded into the impairment loss. The recoverable amount shall be determined on the basis of the higher one of the net amounts of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flows of the asset. The fair value of asset is recognized based on the price as stipulated in the sales agreement in the fair transaction; where there is no sales agreement but there is an active market of assets, the fair value is recognized based on the price bidden by the buyer of the asset; where there is no sales agreement and no active market of assets, the fair value of an asset shall be estimated in light of the best information available of asset. The disposal expenses shall include the relevant legal expenses, relevant taxes, truckage as well as the direct expenses for bringing the assets into a marketable state. The present value of the expected future cash flows of an asset shall be determined by the discounted cash with an appropriate discount rate, on the basis of the expected future cash flows generated during the continuous use or final disposal of an asset. Asset impairment provision is calculated and recognized based on single asset. In case of the difficulty to estimate the recoverable amount of single asset, the recoverable amount of asset group is recognized in accordance with the asset group that such asset belongs to. The asset group refers to the minimum asset portfolio that can independently generate cash inflow.

When conducting impairment test for goodwill separately listed in financial statements, the carrying amount of the goodwill shall be apportioned to asset groups or asset group portfolios which are expected to benefit from the synergistic effect of business combination. When the test result indicates that the recoverable amount of asset groups or asset group portfolios containing goodwill apportioned is less than its carrying amount, relevant impairment loss of goodwill shall be recognized. The impairment loss of goodwill shall offset the carrying amount of the portion of goodwill apportioned to the asset groups or asset group portfolios, and then offset the carrying amount of other assets according to the proportion of the carrying amount of other asset in asset groups or asset group portfolios after deducting the goodwill.

Once the above asset impairment loss is confirmed, the part that the value is restored in the future period is not allowed to be transferred back.

21. Long-term Deferred Expenses

Applicable Not applicable

Long-term deferred expenses are expenses which have occurred but will benefit over 1 year and shall be amortized over the reporting period and subsequent periods. The Company's long-term deferred expenses mainly include leasehold improvement, rental fees, insurance premiums, etc. Long-term deferred expenses will be amortized during expected beneficial period.

22. Contract Liabilities

(1). *Recognition of contract liabilities*

Applicable Not applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The consideration (except for receivables) that the Company has the right to receive for goods transferred or services provided to customers is listed as contract assets; the Company's obligation to transfer goods or provide services to customers for the consideration received or receivable from customers is listed as contract liabilities.

For contract assets, whether they contain significant financing components, the Company always measures the loss provision at the lifetime expected credit loss, and the increase or reversal of the loss provision resulting therefrom is included in the current profit and loss as an impairment loss or gain.

23. Employee Remuneration

(1). *Method of accounting treatment for short-term remuneration*

Applicable Not applicable

Short-term benefits mainly include employee salaries, bonus, allowances and subsidies, staff welfare, social insurance contributions such as premiums or contributions on medical insurance, maternity insurance premiums, work injury insurance, housing funds, labor union running cost, employee education costs, non-monetary benefits, etc. The Company shall recognize, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to profit or loss for the current year or in the cost of relevant asset. Among which, the non-monetary benefits shall be measured at its fair value.

(2). *Method of accounting treatment for retirement benefit plan*

Applicable Not applicable

Retirement benefits mainly include basic pension insurance, unemployment insurance and supplementary pension insurance, etc. The retirement benefit plan includes a defined contribution plan. If the defined contribution plan is adopted, the corresponding deposit amount shall be included in the relevant asset cost or current profit or loss when it occurs.

(3). *Method of accounting treatment for termination benefits*

Applicable Not applicable

When the Company terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy. The remuneration incurred by the termination benefits is recognized as liabilities and included in the profit or loss for the period when the Company cannot unilaterally withdraw the termination benefits arising from termination of employment relationship or layoff proposal, and when the Company recognizes costs for restructuring which involving the payment of termination benefits (whichever the earliest). However, if the termination benefits are not expected to be fully paid twelve months after the end of the annual reporting period, they shall be treated as other long-term employee compensation.

The internal retirement plan for employee shall be treated by the same principle as the above dismissal welfare. The Company will pay the salary and contribute social insurance for the internal retirement from the service stopped to be provided by such employee to normal retirement. Such fee is recorded in the current profit or loss (dismissal welfare) when conforming to the reorganization condition of estimated liability.

(4). *Method of accounting treatment for other long-term employee benefits*

Applicable Not applicable

Accounting treatment shall be conducted on other long-term employee payrolls provided to employees by the Company according to defined contribution plans if such plans are conformed, and besides, accounting treatment shall be conducted according to defined benefit plans.

24. Estimated Liabilities

Applicable Not applicable

An obligation related to a contingency shall be recognized as an estimated liability when all of the following conditions are satisfied: (1) the obligation is a present obligation of the Company; (2) it is probable that an outflow of economic benefits will be required to settle the obligation; and (3) the amount of the obligation can be measured reliably.

As at the balance sheet date, the estimated liabilities shall be measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation considering the risks, uncertainty, time value of money and other factors pertinent to the contingencies.

Where some or all of the expenditure required to settle an estimated liability is expected to be reimbursed by a third party, the reimbursement is separately recognised as an asset when it is virtually certain that the reimbursement will be received. The amount recognized for the reimbursement is limited to the carrying amount of the liability recognised.

25. Preference Shares, Perpetual Bonds and Other Financial Instruments

Applicable Not applicable

(1) *Difference of perpetual bonds and preference shares*

The Company classifies the financial instruments (such as perpetual bonds and preference shares) issued as equity instruments when all of the following conditions are satisfied:

- ① The financial instruments have no contractual obligation to pay in cash or other financial assets to other parties nor to exchange financial assets or financial liabilities under potential adverse condition with other parties;
- ② If the financial instrument will or may be settled in the Company's own equity instruments, it is a non-derivative instrument that includes no contractual obligations to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Company exchanging a fixed amount of cash or other financial asset for a fixed number of its own equity instruments.

Except for financial instruments that can be classified as equity instruments under the above conditions, other financial instruments issued by the Company are classified as financial liabilities.

The financial instruments issued by the Group which are compound financial instruments are recognized as a liability based on the fair value of the liability component, and the amount net of the fair value of the liability component from the actual amount received is recognised as "other equity instruments". Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of gross proceeds.

(2) *Accounting treatment method of perpetual bonds and preference shares*

For financial instruments classified as financial liabilities (such as perpetual bonds and preference shares), except borrowing costs qualifying for capitalisation (see Note V. 18 Borrowing Costs), its related interest, dividends, gains or losses, and gains or losses arising from redemption or refinancing are credited to profit or loss for the current period.

For financial instruments classified as equity instruments (such as perpetual bonds and preference shares), its issue (including refinancing), repurchase, sale or cancellation are treated by the Company as changes in equity, with related transaction costs deducted from equity. The Company's distribution to holders of equity instruments is treated as a distribution of profits.

Changes in the fair value of equity instruments are not recognised by the Company.

26. Revenue

(1) *Accounting policies adopted in recognition and measurement of revenue*

Applicable Not applicable

The Company shall recognise revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer obtains control of that asset. Whether performance obligations satisfied over time or at a point in time is based on the contracts and related law regulations. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; the entity's performance does not create an asset with an alternative use to the entity and the entity has the right to payment for performance completed to date.

If the performance obligations satisfied over time, the Company will recognise revenue based on contract performance schedule, otherwise the Company satisfies the performance obligation at a point in time when the customer obtains control of relevant goods or services. The performance progress is measured by the Company's expenditure or investment in fulfilling the performance obligations. The progress is determined based on the proportion of the cumulative cost incurred as of the balance sheet date of each contract to the estimated total cost.

When determining the contract transaction price, if there is a variable consideration, the Company shall determine the best estimate of the variable consideration according to its expected value or the amount most likely to be incurred and the transaction price included by the Company does not exceed the amount of revenue accumulatively recognized when the relevant uncertainties are eliminated and where it is highly unlikely that a major reversal on such revenue will occur. Where there are significant financing elements in the contract, the Company will adjust the transaction price according to the financing elements in the contract;

where the interval between the transfer of control right and the payment of the price by the customer does not exceed one year, the financing elements in the contract will not be considered by the Company.

(1) *Revenue from sales of goods*

Revenue from sale of goods is recognized when the Company has transferred the goods to customers and obtained the receipt certificate or acceptance form, i.e. when the performance obligation stipulated in the contract is performed.

(2) *Revenue from project construction*

For a performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the schedule of completion.

At the balance sheet date, when the schedule of completion could be measured reliably, the amount of total contract revenue times the schedule of completion and deducting the previous accumulated revenue is recognized as contract income in the current year. Meanwhile, the amount of estimated total contract costs multiplied by the completion progress deducted the previously recognized costs is recognized as contract costs in the current year.

If the performance progress cannot be reasonably measured and the costs incurred can be expected to be compensated, the revenue shall be recognized according to the costs incurred until such time that performance progress can be reasonably measured.

(3) *Revenue from sales of property*

For performance business of the property sales contract that is performed within a certain period of time, the Company recognizes the revenue according to the schedule of completion, otherwise the Company recognizes the revenue at a certain point in time when the customer obtains control of the relevant assets.

For property sales contracts that transfer control of assets within a certain period of time, at the balance sheet date, the amount of total contract revenue times the schedule of completion and deducting the previous accumulated revenue is recognized as contract income in the current year. Meanwhile, the amount of estimated total contract costs multiplied by the completion progress deducted the previously recognized costs is recognized as contract costs in the current year.

For a property sales contract that transfers control at a certain point in time, the Company will recognise the revenue when all of the following conditions are met: the housing is completed and qualified, the sales contract is signed, the buyer's payment certificate is obtained, and the transfer of the housing is completed. If the Company has notified the buyer to complete the transfer procedures of the housing within the

specified time, but the buyer fails to complete the transfer formalities within the specified time without proper reason, the Company shall, if other conditions are met, recognize revenue upon expiry of the time limit specified in the notification.

(4) *Recognition of revenue for Build-Operate-Transfer (“BOT”) business*

- ① The project company confirms related cost and income as offered construction service according to project construction income during project construction. After infrastructure is constructed, it confirms the income and costs related to operating services afterwards according to Accounting Standards for Business Enterprises No.14- Revenue.

Revenue of construction contract shall be measured at fair values of consideration received or receivable, and the financial assets or intangible assets shall be recognised at the same time as revenue, if:

- a. The project company recognizes financial assets while recognizing the revenue, and accounts for the financial asset in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments to the extent that it has an unconditional contractual right to receive specified or determinable amount of cash or another financial asset from the grantor within a certain period after the completion of construction of the infrastructure or the contract grantor is responsible for compensating the shortfall to the project company in accordance with the contract if the charge for operating services provided by the project company is less than a certain limited amount.
- b. The project company recognises intangible assets while recognizing the revenue to the extent that it has a right to receive unspecified or indeterminable amount of fees from the users of service within a certain operating period after the completion of the relevant infrastructure where such right does not constitute an unconditional right to receive cash.

Borrowing costs incurred during the construction process shall be measured based on the Accounting Standards for Business Enterprises No. 17-Borrowing Costs.

- ② The project company, instead of recognising the revenue for those infrastructure construction being subcontracted to other parties other than providing actual construction service, recognises financial assets or intangible assets based on the costs incurred and paid during the construction and the contract arrangement of the project.

- (2). *The adoption of different business models for the same type of business leading to different accounting policies for revenue recognition*

Applicable Not applicable

27. Government Grants

Applicable Not applicable

(1) *Types*

Government grants are transfers of monetary assets and non-monetary assets from the government to the Company, which do not include any capital contribution from the government as an investor. Government grants include government grants related to assets and government grants related to revenue.

The Company classified government grants obtained for acquisition or construction of long-term assets or other forms of long-term asset formation as government grants related to assets.

Government grants other than those related to assets are classified as government grants related to revenue.

If related government documents do not specify the objective of the grants, the grants are classified as related to assets or income as follows: (1) in case a project for which the grants are granted is specified in such documents, the grants are classified as related to assets and income based on the budgeted ratio of the expenditure on asset formation and the expenditure recorded as expenses, where such ratio should be reviewed and, if necessary, changed on each balance sheet date; and (2) in case of general description without specifying any project in such documents, the grants are classified as related to revenue.

(2) *Time for recognition*

Government grants which are monetary assets shall be measured at the amount received or receivable. Government grants which are non-monetary assets shall be measured at fair value, or at nominal amount if the fair value cannot be reliably measured. Government grants measured at notional amount are directly recorded in profit or loss.

The government grants that measured by the amount of money receivable are recognised when there is conclusive evidence at the end of the accounting period that the Company will meet related requirements of such grants and will be able to receive the grants.

Other government grants other than government grants that measured by the amount of money receivable are recognised when the amount actually received.

(3) *Accounting treatment*

Government grants related to assets should be presented as deferred income. Government grants are recognised in profit or loss on a systematic basis over the periods (recognised as other income when related to operating activities; and recognised as non-operating income when not related to operating activities);

A government grant related to income is used for compensation for related expenses or losses to be incurred by the Company in subsequent periods, the grant shall be recognised as deferred income, and recognised as other income for daily operating activities and non-operating income for non-operating activities over the periods in which the related costs are recognised; if the grant is a compensation for related expenses or losses already incurred by the Company, the grant shall be recognised immediately in profit or loss for the current period, and recognised as other income for daily operating activities and nonoperating income for non-operating activities.

The Company receives the loan interest subsidies with policy reference and treats in different ways in accordance with two situations below:

- ① If the interest grants paid to the bank and then the bank provides bank loans to the Company with interest rate in preferential policy, the Company will regard the borrowing amount received as the initial value and calculate the principle of borrowing and borrowing costs based on the interest rate in preferential policy.
- ② If the interest grants paid directly to the Company, the Company will deduct the interest grants from borrowing costs.

28. Deferred Income Tax Assets/Deferred Income Tax Liabilities

✓Applicable Not applicable

(1) *Current income taxes*

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws. The taxable income used for calculation of current income tax is calculated based on the current year adjusted taxable profit in compliance with the regulation of taxation law.

(2) *Deferred tax assets and deferred tax liabilities*

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

For taxable temporary difference which is related to the initial recognition of goodwill and the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profits or taxable income (or deductible losses), a deferred tax liability is not recognized. In addition, for deductible temporary difference arising from investments in subsidiaries, associates and joint ventures, the Group shall recognize a deferred tax liability for all taxable temporary difference except to the extent that the Company is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary difference which is related to the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit or taxable income (or deductible losses), a deferred tax asset is not recognized. In addition, for deductible temporary difference arising from investments in subsidiaries, associates and joint ventures, the Group shall recognize a deferred tax asset for other deductible temporary difference to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be deducted except to the extent that it is not probable that the temporary difference will reverse in the foreseeable future or taxable profit will not be available against which the temporary difference can be utilized.

For deductible losses and tax credits that can be reversed in the future period, deferred tax assets shall be recognised to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable income will be available in the future to allow the benefit of deferred tax assets to be deducted. Such reduction in amount is reversed when it is probable that sufficient taxable income is available.

(3) *Income tax expense*

Income tax expense comprises current and deferred tax.

Income tax and deferred tax expense or income is included in the profit or loss for the current period, except to the extent that the current income tax related to a transaction or events which is recognized under other comprehensive income or directly recorded in equity, deferred tax recorded under other comprehensive income or equity, and deferred tax arises from a business combination that have impact on the carrying value of goodwill.

(4) *Offsetting of income taxes*

After granted the legal rights of net settlement and with the intention to use net settlement or obtain assets, repay debt, the Company, at the same time, the net amount after offsetting its current income tax assets and current income tax liabilities shall be recorded.

The Group was granted the legal rights of net settlement of current income tax assets and current income tax liabilities. Deferred income tax assets and deferred income tax liabilities are related to income tax to be paid by the same entity liable to pay tax to the same tax collection and management authority or related to different entities liable to pay tax, but the relevant entity liable to pay tax is intended to apply net settlement of current income tax assets and liabilities or, at the same time, obtain assets, repay debt whenever every deferred income tax assets and liabilities with importance would be reversed in the future, the Company records the net amount after offsetting its current income tax assets and current income tax liabilities.

29. Leases

(1) *Determination method and accounting treatment method of lease under the New Leasing Standard*

Applicable Not applicable

A lease is a contract if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception of a contract, the Company assesses whether a contract is, or contains, a lease.

(1) *The Company as a lessee*

The Company's leased assets mainly include rented houses and buildings, machinery and equipment, electronic equipment and office equipment.

① Initial measurement

At the commencement date, the Company shall recognize its right to use the leased asset over the lease term as the right-of-use asset, and shall recognize the present value of the lease payments that have not been paid as lease liabilities, except for short-term leases and leases for which the underlying asset is of low value. The lease payments shall be discounted using the interest rate which is implicit in the lease. If that rate cannot be readily determined, the Company shall use the lessee's incremental borrowing rate as the discount rate.

② Subsequent measurement

The Company subsequently makes depreciation provisions for the right-of-use assets with reference to the depreciation requirements of the Accounting Standards for Business Enterprises No. 4 – Fixed Assets (see Note V. 16 “Fixed assets”). If the Company can reasonably determine that a lease will transfer ownership of the asset to the Company by the end of the lease term, related assets will be depreciated over their useful life. If there is no reasonable certainty that the Company can determine that a lease will transfer ownership of the asset to the Company by the end of the lease term, related assets are depreciated over the shorter of the lease term and useful life.

As for the lease liabilities, the Company calculates their interest expenses of each period during the lease term according to a fixed periodic interest rate and includes them in current profit or loss or relevant asset costs when incurred. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss or the cost of related asset as incurred.

After the commencement date of the lease term, when the actual fixed payment, the estimated amount due for the residual value of the guarantee, the index or ratio used to determine the lease payment, the assessment result or the actual exercise of call option, renewal option or termination option changes, the Company re-measures the lease liability based on the present value of the changed lease payment, and adjusts the carrying amount of the right-of-use assets accordingly. When the carrying amount of the right-of-use asset has been written down to zero, but further write-down is still required for the lease liability, the Company recognises the remaining amount in the current profit and loss.

③ Short-term leases and leases of low-value assets

For short-term leases (of which the lease term starting from the commencement date of lease is 12 months or less) and leases of low-value assets, the Company simplifies their treatment and does not recognize the right-of-use assets and lease liabilities, but includes the lease payments in asset cost or current profit and loss on straight-line basis or other systematic and reasonable basis during each period of the lease term.

(2) *The Company as a lessor*

The Company classifies leases into finance lease and operating lease based on the substance of transactions at the commencement date of lease. Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Operating leases are the leases other than finance leases.

① Operating leases

The Company recognizes lease income received under operating leases as rental income in each period during the lease term using the straight-line method. Variable lease income not included in lease income in relation to operating lease is included in the current profit or loss when incurred.

② Finance leases

At the commencement date of lease, the Company recognizes finance lease receivables and derecognizes the underlying assets. The finance lease receivables are initially measured at the amount of net investment under the lease (the sum of the unguaranteed residual value and the present value of the lease income (which has not been received as at the commencement date of lease) discounted at the interest rate which is implicit in the lease) and calculated the lease income during the lease term confirmed at the fixed periodic rate. The variable lease payments which are received by the Company but are not included in measurement on net investment under leases are recorded in the current profit or loss when actually incurred.

30. Discontinued Operations

Applicable Not applicable

A discontinued operation is a clearly distinguished component of an entity, that either has been disposed of, or is classified as held for sale, and meets any of the following criteria:

- (1) represents a separate major line of business or geographical area of operations;
- (2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- (3) is a subsidiary acquired exclusively with a view to resale.

31. Asset Securitization Business

Applicable Not applicable

The Company evaluates the extent to which it transfers the risks and rewards of ownership of the financial assets to the other party and determines whether it retains control while applying the accounting policy in respect of asset securitisation.

- (1) The financial asset is derecognised when the Company transfers substantially all the risks and rewards of ownership of the financial asset.
- (2) The financial asset continues to be recognised when the Company retains substantially all the risks and rewards of ownership of the financial asset.

- (3) When the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Company evaluates whether there is control over the financial asset, and if the Company does not retain control, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer, otherwise, the Company continues to recognise the financial asset to the extent of its continuing involvement in the financial asset and recognizes relevant liabilities.

32. Other Significant Accounting Policies and Accounting Estimates

Applicable Not applicable

The Company continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(1) *Revenue from construction business*

The Company recognises the project contracting service income based on the schedule of completion. The Company is required to reasonably estimate the estimated total revenue and estimated total cost of the construction contract to determine the schedule of completion, and further evaluate and revise during the execution of the contract, which involves significant accounting estimates. If the project contract is expected to incur losses, such losses should be recognized as current expenses. The Company estimated expected losses that may occur based on the estimated budgets of the contracting contract. Because of the nature of the construction contracting, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Company considers the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Company considers the effects of variable consideration, the existence of a significant financing component in the contract and other factors. The Company reviews the estimates of both contract revenue and contract costs during performance. When the initial estimate changes, such as contract changes, claims and awards, the estimated total contract revenue and estimated total contract cost are revised. When the estimated total cost of the contract exceeds the total revenue of the contract, the asset impairment loss and estimated liabilities are recognized in accordance with the loss-making contract to be executed. The Company also monitors the payment progress from property owners against the contract terms, and periodically evaluates the creditworthiness of the property owners. If circumstances arise that a property owner would default on all or part of its payments, the Company will reassess the impact of expected credit losses for the entire duration of the contract asset on the financial statements and may revise the amount of credit impairment. The revision will be reflected in the financial statements in the period in which the credit impairment loss that give rise to the revision become known by the Company.

(2) *Impairment of financial instruments*

The Company uses the expected credit loss model to assess the impairment of financial instruments. The application of the expected credit loss model requires significant judgements and estimations, and all reasonable and evidenced information, including forward-looking information, should be considered. In making such judgements and estimations, the Company infers the expected changes in the debtor's credit risk based on the historical repayment data in combination with economic policies, macroeconomic indicators, and industry risks and other factors.

(3) *Impairment of non-current assets other than financial assets (other than goodwill)*

The Company assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the balance sheet date. For an intangible asset that has indefinite useful life, impairment test is made in addition to the annual impairment test if there is any indication of impairment. For non-current assets other than financial assets, impairment test is made when there is any indication that their carrying amounts cannot be recovered. An asset or asset group is impaired when its carrying amount is higher than the recoverable amount (i.e., the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from it).

The fair value net of disposal cost is determined by reference of the price of similar assets under a sale agreement in an arm's length transaction or an observable market price less the incremental cost directly attributable to the disposal of the asset. When estimating the present value of future cash flows, the management must estimate the expected future cash flows of such asset (or asset groups), and determine the present value of the future cash flows with appropriate discount rate.

(4) *Impairment of goodwill*

The Company tests annually whether goodwill has suffered any impairment. The recoverable amount of group of assets and groups of asset combinations is the present value of the future cash flows expected to be derived from them. These calculations require use of estimates.

In estimating the impairment of goodwill, if the Company revises the gross margin or the pre-tax discount rate that is used in the calculation of the future cash flows of group of assets and groups of asset combinations or revises the pre-tax discount rate applied to the discounted cash flows, and the revised gross profit margin is lower than the one currently used or the revised pretax discount rate is higher than the one currently applied, the Company would need to consider the impact of these revises on the assessment results of goodwill impairment to determine the provision for impairment of goodwill. If the actual gross profit margin or pre-tax discount rate is higher or lower than management's estimates, the impairment loss of goodwill previously provided for is not allowed to be reversed by the Company.

(5) *Property development cost*

Critical estimates and judgments on budget cost and development progress are required in determining property development cost. Should the actual cost differs from the budget cost, such difference will impact the accuracy of cost of properties held for sale, development cost and cost of principal business.

(6) *Deferred income tax assets and deferred income tax liabilities*

Deferred income tax assets and deferred income tax liabilities are measured at the rate at the time of realisation of estimated deferred income tax assets or settlement of deferred income tax liabilities. Deferred income tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

The Company recognised the deferred income tax assets based on the tax laws that have been enacted or substantively enacted and the best estimate of the Company's realisable profitability in the future period of expected reversal of deferred income tax assets. It is estimated that the profit forecast or future taxable income require a lot of judgement and estimates, and are influenced by tax planning strategies. Different judgements and estimates will affect the amount of deferred tax assets recognised. The Company reassesses the estimates of profitability and other estimates at each balance sheet date.

(7) *Defined benefit plan*

The Company appointed independent actuary to make actuarial valuation on the liabilities and expenses arising from retirement benefit plan provided by the Company as follows:

- ① Eligible supplementary pension benefit for retired and resigned personnel and families of the deceased;
- ② Eligible reimbursement for medical treatment or payment to commercial medical insurance for retired personnel after retirement;
- ③ Eligible continuous benefits off-post payroll for early retired personnel during the early retirement period.

The discount rate was determined by the Company with reference to government bonds of China, the normal retirement age was determined based on Chinese statutory retirement age and the mortality rate published by China Life Annuitant Mortality Table 2010-2013 was adopted.

(8) *Determination of fair value of financial instruments*

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, etc., and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial instruments in which there is no active market is recognized by valuation methods. The Company chooses various methods based on its judgments, and makes assumptions mainly based on the current market conditions at each balance sheet date.

The judgments based on the market condition on the date of balance sheets and valuation method adopted may subject to the changes in the market, which will lead to the different actual results in the next period.

33. **Change in Significant Accounting Policies and Accounting Estimates**

(1). *Change in significant accounting policies*

Applicable Not applicable

In 2018, the Ministry of Finance revised the "Accounting Standards for Business Enterprises No. 21 – Leases", (referred to as the New Leasing Standard), requiring companies simultaneously listed at both home and abroad to implement from 1 January 2019. China Energy Engineering Corporation Limited, an indirect controlling shareholder of the Company, was listed abroad, the Company therefore implemented the New Leasing Standard from 1 January 2019.

On 30 April 2019, the Ministry of Finance issued the Notice on Amending the Format of 2019 Financial Statements of General Enterprises (Cai Kuai [2019] No. 6), which revised the financial statement format of general enterprises. The financial statements of the Company were prepared in accordance with the provisions of the New Report Format Notice, and items in the comparative statements were reclassified and presented.

On 30 April 2019, the Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 7 – Exchange of Non-Monetary Assets" (hereinafter referred to as the "Standards for Exchange of Non-monetary Assets") and "Accounting Standards for Business Enterprises No. 12 – Debt Restructuring" (hereinafter referred to as the "Standards for Debt Restructuring"). The revised Standards for Exchange of Non-monetary Assets and Standards for Debt Restructuring have no significant impact on the Company.

The impacts of the above accounting policy are as follows:

- ① According to the New Leasing Standards, the Company applies the simplified approach during the transition period, under which, the lease liabilities equal to the present value of the balance lease payment and the right-of-use assets equals to the amount of lease liabilities, and will be adjusted based on rental prepayment

when necessary. The Company recognized the right-of-use assets and lease liabilities for all leases (except for short-term leases and low-value asset leases for which the simplified approach is elected), and depreciation and interest expenses are recognized respectively on 1 January 2019.

Items in consolidated statements	Amount on 31 December 2018 before change in accounting policy	Re-measurement according to the New Leasing Standard	Amount on 1 January 2019 after change in accounting policy
Right-of-use asset		800,730,656.98	800,730,656.98
Prepayments	7,869,566,730.21	-3,465,224.81	7,866,101,505.40
Long-term prepaid expenses	599,559,732.77	-64,660,865.23	534,898,867.54
Lease liabilities		732,604,566.94	732,604,566.94

Item in statements of the parent	Amount on 31 December 2018 before change in accounting policy	Re-measurement according to the New Leasing Standard	Amount on 1 January 2019 after change in accounting policy
Right-of-use asset		8,724,026.68	8,724,026.68
Lease liabilities		8,724,026.68	8,724,026.68

- ② According to the New Report Format Notice, the Company adopts the financial statement format that has implemented the New Financial Standards, New Income Standard and New Leasing Standard.

Affected items in consolidated balance sheet and amount on 31 December 2018:

Originally reported items and amount		Newly reported items and amount	
Bills receivables and Trade receivables	18,745,847,940.80	Bills receivables	3,475,032,065.02
		Trade receivables	15,270,815,875.78
Bills payables and Trade payables	38,636,853,026.46	Bills payables	2,717,201,183.75
		Trade payables	35,919,651,842.71

Affected items in balance sheet of the Parent and amount on 31 December 2018:

Originally reported items and amount		Newly reported items and amount	
Bills receivables and Trade receivables	7,211,280,408.27	Bills receivables	230,279,649.00
		Trade receivables	6,981,000,759.27
Bills payables and Trade payables	11,166,753,887.74	Bills payables	6,981,000,759.27
		Trade payables	9,490,544,290.74

(2). *Change in critical accounting policies*

Applicable Not applicable

(3). *Adjusting to the relevant items of the financial statements at the beginning of the adoption year due to the adoption of the New Financial Standards, New Income Standard or New Leasing Standard since 2019*

Applicable Not applicable

CONSOLIDATED BALANCE SHEET

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash at bank and on hand	19,547,502,663.21	19,547,502,663.21	
Settlement reserves for balance			
Loans to banks and other financial institutions			
Financial assets held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Bills receivables	3,475,032,065.02	3,475,032,065.02	
Trade receivables	15,270,815,875.78	15,270,815,875.78	
Receivables financing			
Prepayments	7,869,566,730.21	7,866,101,505.40	-3,465,224.81
Premium receivables			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	10,702,509,036.51	10,702,509,036.51	
Including: Interest receivable	251,300.00	251,300.00	
Dividends receivable			
Financial assets purchased with agreement to re-sale			
Inventories	52,197,618,110.17	52,197,618,110.17	
Contract assets	17,063,346,979.33	17,063,346,979.33	
Assets held for sale			-
Non-current assets due within one year	1,071,855,569.69	1,071,855,569.69	
Other current assets	2,579,085,047.67	2,579,085,047.67	
Total current assets	129,777,332,077.59	129,773,866,852.78	-3,465,224.81

Items	31 December 2018	1 January 2019	Adjustment
Non-current assets:			
Loans and advances to customers			
Debt investments			
Available-for-sale financial assets			
Other debt investment			
Held-to-maturity investments			
Long-term receivables	15,274,561,016.63	15,274,561,016.63	
Long-term equity investments	14,159,585,398.17	14,159,585,398.17	
Other investment in equity instruments	699,777,632.80	699,777,632.80	
Other non-current financial assets	5,213,561,990.40	5,213,561,990.40	
Investment properties	38,252,959.50	38,252,959.50	
Fixed assets	17,107,206,656.89	17,107,206,656.89	
Construction in progress	16,089,509,517.57	16,089,509,517.57	
Bearer biological assets			
Oil and gas assets			
Use-of-right assets		800,730,656.98	800,730,656.98
Intangible assets	16,682,985,922.94	16,682,985,922.94	
Research and development expenses	202,447,664.50	202,447,664.50	
Goodwill	1,539,598,450.11	1,539,598,450.11	
Long-term prepaid expenses	599,559,732.77	534,898,867.54	-64,660,865.23
Deferred income tax assets	732,356,187.10	732,356,187.10	
Other non-current assets	92,530,714.76	92,530,714.76	
Total non-current assets	88,431,933,844.14	89,168,003,635.89	736,069,791.75
Total assets	218,209,265,921.73	218,941,870,488.67	732,604,566.94

Items	31 December 2018	1 January 2019	Adjustment
Current liabilities:			
Short-term borrowings	29,614,035,130.24	29,614,035,130.24	
Borrowings from central bank			
Funds for lending			
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Bills payables	2,717,201,183.75	2,717,201,183.75	
Trade payables	35,919,651,842.71	35,919,651,842.71	
Receipts in advance		-	
Contract liabilities	14,556,285,412.84	14,556,285,412.84	
Proceeds from disposal of repurchased financial assets			
Deposits from customers and inter-bank deposits			
Amount paid for agency securities trading			
Amount paid for agency securities underwriting			
Employee benefits payable	258,349,996.38	258,349,996.38	
Taxes payable	2,530,455,699.97	2,530,455,699.97	
Other payables	20,153,423,281.23	20,153,423,281.23	
Including: Interest payable	1,304,487,613.85	1,304,487,613.85	
Dividends payable	354,597,848.64	354,597,848.64	
Fee and commission payable			
Reinsurance accounts payables			
Liabilities held for sale			
Non-current liabilities due within one year	12,195,692,656.14	12,195,692,656.14	
Other current liabilities	18,743,979.57	18,743,979.57	
Total current liabilities	117,963,839,182.83	117,963,839,182.83	

Items	31 December 2018	1 January 2019	Adjustment
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	31,782,735,313.26	31,782,735,313.26	
Bonds payable	9,150,000,000.00	9,150,000,000.00	
Including: Preference shares			
Perpetual bonds			
Lease liabilities		732,604,566.94	732,604,566.94
Long-term payables	665,207,834.57	665,207,834.57	
Long-term employee benefits payable	2,162,107,000.00	2,162,107,000.00	
Estimated liabilities			
Deferred income	253,966,732.97	253,966,732.97	
Deferred income tax liabilities	1,061,867,980.96	1,061,867,980.96	
Other non-current liabilities	84,914,215.68	84,914,215.68	
Total non-current liabilities	45,160,799,077.44	45,893,403,644.38	732,604,566.94
Total liabilities	163,124,638,260.27	163,857,242,827.21	732,604,566.94
Owners' equity (or Shareholders' equity):			
Paid-in capital (or share capital)	4,604,777,412.00	4,604,777,412.00	
Other equity instruments	16,000,000,000.00	16,000,000,000.00	
Including: Preference shares			
Perpetual bonds	16,000,000,000.00	16,000,000,000.00	
Capital reserve	7,511,468,750.95	7,511,468,750.95	
Less: Treasury shares			
Other comprehensive income	-372,768,899.26	-372,768,899.26	
Special reserve	86,232,567.27	86,232,567.27	
Surplus reserve	1,582,944,663.22	1,582,944,663.22	
General risk reserve			
Undistributed profits	13,391,336,189.86	13,391,336,189.86	
Total equity attributable to owners of the parent company (or Shareholders' equity)	42,803,990,684.04	42,803,990,684.04	
Minority interests	12,280,636,977.42	12,280,636,977.42	
Total owners' equity (or Shareholders' equity)	55,084,627,661.46	55,084,627,661.46	
Total liabilities and owners' equity (or Shareholders' equity)	218,209,265,921.73	218,941,870,488.67	732,604,566.94

Description of adjustment of each item:

Applicable Not applicable

Balance Sheet of the Parent

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash at bank and on hand	8,237,724,678.67	8,237,724,678.67	
Financial assets held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Bills receivables	230,279,649.00	230,279,649.00	
Trade receivables	6,981,000,759.27	6,981,000,759.27	
Receivables financing			
Prepayments	2,029,909,088.31	2,029,909,088.31	
Other receivables	40,488,889,903.83	40,488,889,903.83	
Including: Interest receivable			
Dividends receivable			
Inventories	160,943,425.36	160,943,425.36	
Contract assets	1,656,181,673.54	1,656,181,673.54	
Assets held for sale			
Non-current assets due within one year			
Other current assets	63,839,155.60	63,839,155.60	
Total current assets	59,848,768,333.58	59,848,768,333.58	
Non-current assets:			
Debt investments	270,000,000.00	270,000,000.00	
Available-for-sale financial assets			
Other debt investment			
Held-to-maturity investments			
Long-term receivables	1,295,630,133.93	1,295,630,133.93	
Long-term equity investments	38,784,187,846.08	38,784,187,846.08	
Other investment in equity instruments	699,777,632.80	699,777,632.80	
Other non-current financial assets	3,963,098,215.73	3,963,098,215.73	
Investment properties			
Fixed assets	301,160,464.04	301,160,464.04	
Construction in progress			
Bearer biological assets			
Oil and gas assets			
Use-of-right assets		8,724,026.68	8,724,026.68
Intangible assets	221,801,896.28	221,801,896.28	
Research and development expenses	35,605,146.89	35,605,146.89	
Goodwill			
Long-term prepaid expenses	8,876,706.38	8,876,706.38	
Deferred income tax assets	5,951,798.25	5,951,798.25	
Other non-current assets			
Total non-current assets	45,586,089,840.38	45,594,813,867.06	8,724,026.68
Total assets	105,434,858,173.96	105,443,582,200.64	8,724,026.68

Items	31 December 2018	1 January 2019	Adjustment
Current liabilities:			
Short-term borrowings	19,981,749,600.00	19,981,749,600.00	
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Bills payables	1,676,209,597.00	1,676,209,597.00	
Trade payables	9,490,544,290.74	9,490,544,290.74	
Receipts in advance			
Contract liabilities	1,345,031,058.91	1,345,031,058.91	
Employee benefits payable	77,671,110.70	77,671,110.70	
Taxes payable	388,167,615.09	388,167,615.09	
Other payables	20,416,850,371.15	20,416,850,371.15	
Including: Interest payable	257,870,666.67	257,870,666.67	
Dividends payable	234,725,833.33	234,725,833.33	
Liabilities held for sale			
Non-current liabilities due within one year	5,253,840,000.00	5,253,840,000.00	
Other current liabilities			
Total current liabilities	58,630,063,643.59	58,630,063,643.59	
Non-current liabilities:			
Long-term borrowings	5,353,000,000.00	5,353,000,000.00	
Bonds payable	7,600,000,000.00	7,600,000,000.00	
Including: Preference shares			
Perpetual bonds			
Lease liabilities		8,724,026.68	8,724,026.68
Long-term payables			
Long-term employee benefits payable	43,850,000.00	43,850,000.00	
Estimated liabilities			
Deferred income			
Deferred income tax liabilities	152,958,348.48	152,958,348.48	
Other non-current liabilities			
Total non-current liabilities	13,149,808,348.48	13,158,532,375.16	8,724,026.68
Total liabilities	71,779,871,992.07	71,788,596,018.75	8,724,026.68

Items	31 December 2018	1 January 2019	Adjustment
Owners' equity (or Shareholders' equity):			
Paid-in capital (or Share capital)	4,604,777,412.00	4,604,777,412.00	
Other equity instruments	16,000,000,000.00	16,000,000,000.00	
Including: Preference shares			
Perpetual bonds	16,000,000,000.00	16,000,000,000.00	
Capital reserve	6,278,950,936.71	6,278,950,936.71	
Less: Treasury shares			
Other comprehensive income	396,103,403.96	396,103,403.96	
Special reserve	1,688,326.84	1,688,326.84	
Surplus reserve	1,582,944,663.22	1,582,944,663.22	
Undistributed profits	4,790,521,439.16	4,790,521,439.16	
Total owners' equity (or Shareholders' equity)	33,654,986,181.89	33,654,986,181.89	
Total liabilities and owners' equity (or Shareholders' equity)	105,434,858,173.96	105,443,582,200.64	8,724,026.68

Description of adjustment of each item:

Applicable Not applicable

- (4). *Retrospective adjustment of comparative information of the previous period by the implementation of the New Financial Instrument Standards or the New Lease Standard since 2019*

Applicable Not applicable

34. Others

Applicable Not applicable

VI. TAXATION

1. Main Types of Taxes and Corresponding Tax Rates

Main types of taxes and corresponding tax rates

Applicable Not applicable

Tax type	Particulars of tax rates
Value-added tax (“VAT”)	Profit is taxable to output VAT at tax rates of 16%, 13%, 10%, 9%, 5% and 3%, respectively and the differences are taxable to output VAT which was levied after deducting deductible input VAT for the current period.
City maintenance and construction tax	It is levied at 7%, 5% and 1% on the turnover taxes paid.
Corporate income tax (“CIT”)	It is levied at 25% and 15% on the taxable profit.
Land VAT	It is levied based on the added value obtained from transfer of real estates and the stipulated tax rates, at the rate of 30%, 40%, 50% and 60%, respectively.

For the Company’s VAT taxable sales or import of goods, the applicable VAT rate was 16% and 10% respectively for the period from January to March 2019. According to the Notice of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Deepening the VAT Reform Policy (MOF STA GAC Notice [2019] No. 39) (《財政部國家稅務總局海關總署關於深化增值稅改革有關政策的公告》(財政部、國家稅務總局、海關總署公告[2019]39號)), from 1 April 2019, the applicable VAT rate was adjusted to 13% and 9% respectively.

2. Tax Preference

Applicable Not applicable

The details of the Company and its subsidiaries that are recognized as key high-tech enterprises in need of national support in accordance with the Enterprise Income Tax Law and other relevant regulations are as follows:

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
China Gezhouba Group Stock Company Limited	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15

APPENDIX II**FINANCIAL INFORMATION OF THE TARGET GROUP**

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	Chongqing Association for Science and Technology, Chongqing Municipal Finance Bureau and Chongqing Municipal Tax Service, State Administration of Taxation	21 November 2019	15
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
China Gezhouba Group No.1 Engineering Co., Ltd. (中國葛洲壩集團第一工程有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
China Gezhouba Group Electric Power Co., Ltd. (中國葛洲壩集團電力有限責任公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15
China Gezhouba Group No. 2 Engineering Co., Ltd. (中國葛洲壩集團第二工程有限公司)	Science and Technology Department of Sichuan Province, Sichuan Provincial Finance Service and Sichuan Taxation Bureau, State Administration of Taxation	14 September 2018	15

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
China Gezhouba Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司)	Science and Technology Department of Sichuan Province, Sichuan Provincial Finance Service and Sichuan Taxation Bureau, State Administration of Taxation	14 September 2018	15
China Gezhouba Group International Engineering Co., Ltd* (中國葛洲壩集團國際工程有限公司)	Beijing Municipal Science & Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Office of the State Administration of Taxation and Beijing Local Taxation Bureau	25 October 2017	15
China Gezhouba Group Municipal Engineering Co., Ltd.* (中國葛洲壩集團市政工程有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15
China Gezhouba Group Construction Engineering Co., Ltd.* (中國葛洲壩集團建設工程有限公司)	Science and Technology Department of Yunnan Province, Yunnan Provincial Department of Finance and Yunnan Provincial Tax Service, State Taxation Administration	12 November 2019	15
Gezhouba Group Testing and Inspection Co., Ltd. (葛洲壩集團試驗檢測有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15
Gezhouba Surveying and Mapping Geographic Information Technology Co., Ltd. (葛洲壩測繪地理信息技術有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau	28 November 2017	15

APPENDIX II**FINANCIAL INFORMATION OF THE TARGET GROUP**

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
Gezhouba Energy and Engineering Co., Ltd. (葛洲壩能源重工有限公司)	Beijing Municipal Science & Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Office of the State Administration of Taxation and Beijing Local Taxation Bureau	30 November 2018	15
Gezhouba Xinjiang Engineering Bureau (Co., Ltd.) (葛洲壩新疆工程局(有限公司))	Science & Technology Department of Xinjiang Autonomous Region, Finance Department of Xinjiang Autonomous Region, Xinjiang Autonomous Region Tax Service, State Taxation Administration	2 August 2018	15
Gezhouba Dangyang Cement Co., Ltd. (葛洲壩當陽水泥有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau	28 November 2017	15
Gezhouba Jingmen Cement Co., Ltd. (葛洲壩荊門水泥有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
Gezhouba Wuhan Road Materials Co., Ltd. (葛洲壩武漢道路材料有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
Gezhouba Songzi Cement Co., Ltd. (葛洲壩松滋水泥有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau	28 November 2017	15

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
Gezhouba Shimen Special Cement Co., Ltd. (葛洲壩石門特種水泥有限公司)	Hunan Provincial Science & Technology Department, the Hunan Provincial Finance Department, the State Tax Bureau of Hunan Province and the Hunan Local Taxation Bureau	5 September 2019	15
Gezhouba Zhonggu Technology Corporation Limited (葛洲壩中固科技股份有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15
China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限公司)	Shaanxi Provincial Department of Science and Technology, the Shaanxi Provincial Department of Finance, and the Shaanxi Provincial Tax Service, State Taxation Administration and Shaanxi Local Taxation Bureau	18 October 2017	15
Tianjin Binhai New Area Tanggu Huanke Xinhe Wastewater Treatment Co., Ltd. (天津濱海新區塘沽環科新河污水處理有限公司)	Tianjin Science and Technology Commission, Tianjin Finance Bureau, Tianjin Municipal Tax Service, State Taxation Administration and Tianjin Local Taxation Bureau	4 December 2017	15
Gezhouba Explosive Chongqing Lineng Civil Explosive Stock Co., Ltd. (葛洲壩易普力重慶力能民爆股份有限公司)	Chongqing Science and Technology Bureau, Chongqing Municipal Finance Bureau and Chongqing Municipal Tax Service, State Administration of Taxation	12 November 2018	15
Gezhouba Explosive Hubei Changtai Civil Explosive Co., Ltd. (葛洲壩易普力湖北昌泰民爆有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
Gezhouba Explosive Xinjiang Explosive Engineering Co., Ltd. (葛洲壩易普力新疆爆 破工程有限公司)	Science & Technology Department of Xinjiang Uygur Autonomous Region, Finance Department of Xinjiang Uygur Autonomous Region, Xinjiang Uygur Autonomous Region Tax Service, State Taxation Administration and Xinjiang Uygur Autonomous Region Local Tax Bureau,	7 November 2017	15
Gezhouba Explosive Hunan Erhua Civil Explosive Co., Ltd. (葛洲壩易普力湖南二 化民爆有限公司)	Hunan Provincial Science & Technology Department, the Hunan Provincial Finance Department and Hunan Provincial Tax Service, State Taxation Administration	5 September 2019	15
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工 程有限公司)	Department of Science and Technology of Zhejiang Province, Department of Finance of Zhejiang Province, State Taxation Bureau of Zhejiang Province, Zhejiang Local Taxation Bureau	13 November 2017	15
China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲 壩集團機械船舶有限 公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15
Gezhouba Zhongcaijiexin (Wuhan) Technology Co., Ltd. (葛洲壩中 材潔新(武漢)科技有 限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province and Hubei Provincial Tax Service, State Taxation Administration	28 November 2019	15

According to the Notice on Directory of VAT Concessions on Comprehensive Utilization of Goods and Services (Cai Shui [2015] No. 78) (《關於印發〈資源綜合利用產品和勞務增值稅優惠目錄〉的通知》(財稅[2015]78號文件)), the Company's subsidiary China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司) and its affiliated subsidiaries meet the requirement of Comprehensive Utilization of Resources, enjoying refund of 70% of VAT upon collection for revenue from cement of PC42.5 and above grades produced by comprehensive utilization of waste

slag resources, with over 20% of raw materials and over 40% of other cement and cement clinker from waste slag resources; subsidiaries engaging in sewage treatment business of China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司), a subsidiary of the Company, meet the requirement of Comprehensive Utilization of Resources, enjoying refund of 70% of VAT upon collection; and scrap steel and waste plastic products operated by Gezhouba Xingye Renewable Resources Co., Ltd. and Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司), subsidiaries of China Gezhouba Group Lvyuan Technology Co. Ltd. (中國葛洲壩集團綠園科技有限公司), a subsidiary of the Company, meet the requirement of Comprehensive Utilization of Resources, enjoying refund of 30% and 50% of VAT upon collection, respectively.

From 1 January 2011 to 31 December 2020, enterprise income tax may be levied at a reduced tax rate of 15% on Gezhouba Chongqing Daxihe Hydropower Development Co., Ltd. (葛洲壩重慶大溪河水電開發有限公司), a subsidiary of China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司), in encouraged industries that are established in the western region according to Cai Shui [2011] No. 58.

3. Others

Applicable Not applicable

VII. NOTES TO ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at Bank and on Hand

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	25,802,249.23	24,110,713.00
Deposits with banks	21,513,702,256.53	19,024,035,842.49
Other monetary funds	543,211,954.80	499,356,107.72
Total	22,082,716,460.56	19,547,502,663.21
Including: Total overseas deposits	3,028,153,314.83	3,310,202,302.21

Other explanation

The breakdown of the cash at bank and on hand is as following:

Item	Closing balance	Opening balance
Other deposits	521,653.37	520,069.69
Bank acceptance deposit	131,388,152.44	73,768,361.79
L/C deposit	12,230,203.03	14,649,127.54
Guarantee deposit	81,262,363.50	87,508,244.75
Others	236,616,894.61	246,244,735.60
Total	462,019,266.95	422,690,539.37

2. Bills Receivables*(1). Classification of bills receivables*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	2,453,563,786.40	2,758,990,004.82
Commercial acceptance bills	214,623,658.80	716,042,060.20
Total	2,668,187,445.20	3,475,032,065.02

(2). Bills receivables which was pledged at the end of the period

Applicable Not applicable

(3). Bills receivables that have been endorsed or discounted and is undue at the balance sheet date at the end of the period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at the end of the period	Amount continued to be recognised at the end of the period
Bank acceptance bills	1,309,888,263.61	
Commercial acceptance bills	69,130,638.07	
Total	1,379,018,901.68	

- (4). *Bills receivables reclassified into trade receivables due to issuer's default at the end of the period*

Applicable Not applicable

- (5). *Disclosed by classification by means of bad debt provision*

Applicable Not applicable

Bad debt provision on an individual basis:

Applicable Not applicable

Bad debt provision on a portfolio basis:

Applicable Not applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

- (6). *Provision for bad debt*

Applicable Not applicable

- (7). *The situation of the actual write-off of bills receivables for the period*

Applicable Not applicable

Other explanation:

Applicable Not applicable

3. Trade Receivables

- (1). *By aging*

Applicable Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing book balance
Within 1 year	
Including: subitems within 1 year	
Within 6 month	11,120,842,776.78
7 to 12 months	1,757,867,317.59
Sub-total of within 1 year	12,878,710,094.37
1 to 2 years	1,057,092,626.64
2 to 3 years	408,108,970.18
3 to 4 years	353,799,457.53
4 to 5 years	241,298,353.06
Over 5 years	211,234,199.64
Sub-total	15,150,243,701.42
Less: provision for bad debts	-338,416,062.73
Total	14,811,827,638.69

(2). Trade receivables disclosed by classification by means of bad debt provision

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Closing balance				Opening balance					
	Carrying amount		Bad debt Provision		Carrying amount		Bad debt provision		Carrying value	
	Value	Percentage	Value	Provision	Value	Percentage	Value	Provision		
(%)		percentage		(%)		percentage				
Trade receivables accruing bad debt provision on an individual basis	3,643,925,199.43	24.05	43,503,708.63	1.19	3,600,421,490.80	3,653,669,652.76	23.57	27,738,490.51	0.76	3,625,931,162.25
Trade receivables accruing bad debt provision on a portfolio basis	11,506,318,501.99	75.95	294,912,354.10	2.56	11,211,406,147.89	11,847,098,673.16	76.43	202,213,959.63	1.71	11,644,884,713.53
Among which:										
Group 1	11,183,998,279.16	73.82	294,912,354.10	2.64	10,889,085,925.06	11,767,552,326.30	75.92	202,213,959.63	1.72	11,565,338,366.67
Group 2	322,320,222.83	2.13			322,320,222.83	79,546,346.86	0.51			79,546,346.86
Total	15,150,243,701.42	/	338,416,062.73	/	14,811,827,638.69	15,500,768,325.92	/	229,952,450.14	/	15,270,815,875.78

Trade receivables accruing bad debt provision on an individual basis:

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Carrying amount	Closing balance		Reasons for provision
		Bad debt provision	Provision percentage (%)	
Construction quality assurance fee	3,611,261,045.11	10,839,554.31	0.30	Provision for impairment is provided upon individual impairment test
Xiangyang Xingyuan Hongda Concrete Co., Ltd. (襄陽興遠宏達混凝土有限公司)	1,705,007.00	1,705,007.00	100.00	It is difficult to recover due to long aging
Xiangyang Changfengyuan Import and Export Trade Co., Ltd. (襄陽市長豐源進出口貿易有限公司)	4,923,761.47	4,923,761.47	100.00	It is difficult to recover due to long aging
Jingmen Zhonghe Concrete Co., Ltd. (荊門中和混凝土有限責任公司)	4,661,302.62	4,661,302.62	100.00	It is difficult to recover due to long aging
Hubei Yuhu Industrial Co., Ltd. (湖北譽虎實業有限公司)	1,613,185.00	1,613,185.00	100.00	It is difficult to recover due to long aging
Xiangyang Hongcai New Construction Material Technology Co., Ltd. (襄陽虹彩新型建材科技有限公司)	16,189,176.55	16,189,176.55	100.00	It is difficult to recover due to long aging
Others	3,571,721.68	3,571,721.68	100.00	It is difficult to recover due to long aging
Total	3,643,925,199.43	43,503,708.63	1.19	/

Description of single item of bad debt provision:

Applicable Not applicable

Provision by portfolio:

Applicable Not applicable

Provision by portfolio: Group 1

Unit: Yuan Currency: RMB

Name	Closing balance		Provision percentage (%)
	Trade receivables	Bad debt provision	
Within 1 year			
Including: within 6 months	9,367,158,155.18		
7 to 12 months	498,434,407.40	24,921,720.37	5.00
Sub-total of within 1 year	9,865,592,562.58	24,921,720.37	0.25
1 to 2 years	637,706,676.75	51,016,534.14	8.00
2 to 3 years	202,627,928.90	20,262,792.89	10.00
3 to 4 years	225,619,875.10	45,123,975.02	20.00
4 to 5 years	96,747,313.97	29,024,194.19	30.00
Over 5 years	155,703,921.86	124,563,137.49	80.00
Total	11,183,998,279.16	294,912,354.10	

Recognition criteria and description of provision for bad debts made on a collective basis:

Applicable Not applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

(3). *Provision for bad debt*

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Provision	Change amount for current period			Closing balance
			Recover or reversal	Transfer or write-off	Other changes	
Bad debt provision	229,952,450.14	123,236,539.41		16,403,904.09	1,630,977.27	338,416,062.73
Total	229,952,450.14	123,236,539.41		16,403,904.09	1,630,977.27	338,416,062.73

The significant amount of provision recovery or reversal of bad debts provision in the period:

Applicable Not applicable

(4). *Trade receivables written off in the period*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Written off
Trade receivables written off	16,403,904.09

Of which, significant trade receivables written off

Applicable Not applicable

Description of trade receivables written off:

Applicable Not applicable

(5). *Status of top five trade receivables according to the closing balance collected by the debtor*

Applicable Not applicable

Name	Trade receivables	Closing balance Percentage of total trade receivables (%)	Provision for bad debts
The largest	1,079,657,816.43	7.13	
The second largest	755,714,496.90	4.99	
The third largest	602,407,258.69	3.98	
The fourth largest	346,215,736.10	2.29	
The fifth largest	319,490,230.64	2.11	
Total	3,103,485,538.76	20.48	

(6). *Derecognised trade receivables due to the transfer of financial assets*

Applicable Not applicable

(7). *Amount of assets and liabilities from transferred trade receivables and continuing to be involved in*

Applicable Not applicable

Other explanation:

Applicable Not applicable

4. Prepayments

(1). *By aging*

Applicable Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	7,572,256,758.48	89.36	7,351,945,960.34	88.35
1 to 2 years	266,518,633.79	3.15	416,022,245.63	5.00
2 to 3 years	123,476,350.97	1.46	248,370,475.21	2.98
Over 3 years	511,623,156.11	6.03	304,850,325.93	3.67
Sub-total	8,473,874,899.35		8,321,189,007.11	
Less: provision for impairment of prepayments			451,622,276.90	
Total	8,473,874,899.35	100.00	7,869,566,730.21	100.00

Significant prepayments with an age of over one year are mainly prepayments for project construction, which has not been settled due to long construction period of partial project construction.

(2). *Top five largest prepayments at the end of the period by the balance collected regarding receivers of advances*

Applicable Not applicable

Name of debtor	Carrying balance	Percentage in total prepayments (%)	Provision for bad debts
The largest	218,988,452.50	2.58	
The second largest	210,347,289.10	2.48	
The third largest	180,221,573.97	2.13	
The fourth largest	136,655,447.45	1.61	
The fifth largest	134,400,625.77	1.59	
Total	880,613,388.79	10.39	

Other explanation

Applicable Not applicable

5. Other Receivables

Presentation

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		251,300.00
Dividends receivable	11,863,946.55	
Other receivables	9,584,182,784.34	10,702,257,736.51
Total	9,596,046,730.89	10,702,509,036.51

Other explanation:

Applicable Not applicable

Interest receivable

(1). *Classification of interest receivable*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Borrowings interest		251,300.00
Sub-total		251,300.00
Less: provision for bad debts		
Total		251,300.00
 (2). <i>Significant overdue interest</i>		
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable		
 (3). <i>Provision for bad debts</i>		
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable		
Other explanation:		
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable		

Dividends receivable

- (1). *Dividends receivable*
- Applicable Not applicable

Unit: Yuan Currency: RMB

Project (or investee)	Closing balance	Opening balance
China Energy Engineering Group Finance Co., Ltd. (中國能源建設 集團財務有限公司)	11,863,946.55	
Total	11,863,946.55	
 (2). <i>Significant dividends receivable with an age over 1 year</i>		
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable		
 (3). <i>Provision for bad debts</i>		
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable		

Other explanation:

Applicable Not applicable

Other receivables

(1). *By aging*

Applicable Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing book balance
Within 1 year	
Including: subitems within 1 year	
Including: within 6 months	9,328,073,087.12
7 to 12 months	653,838,207.09
Sub-total of within 1 year	9,981,911,294.21
1 to 2 years	379,059,528.91
2 to 3 years	66,923,692.51
3 to 4 years	104,511,782.99
4 to 5 years	9,157,967.60
Over 5 years	136,064,801.83
Total	10,677,629,068.05

(2). *Classification by nature*

Applicable Not applicable

Unit: Yuan Currency: RMB

Nature of accounts	Closing book balance	Opening book balance
Retention money	2,555,193,921.47	4,061,607,054.73
Interest-bearing placements	2,910,644,832.42	2,755,261,531.36
Non-interest-bearing placements	1,861,894,401.16	1,943,097,057.26
Deposits	88,973,620.01	93,636,823.56
Other prepayments receivable	461,750,665.72	698,883,444.75
Others	2,799,171,627.27	1,344,375,094.81
Sub-total	10,677,629,068.05	10,896,861,006.47
Less: provision for bad debts	-1,093,446,283.71	-194,603,269.96
Total	9,584,182,784.34	10,702,257,736.51

(3). *Provision for bad debts*

Applicable Not applicable

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2019	194,603,269.96			194,603,269.96
Balance for the period as at 1 January 2019				
- Transferred to stage 2				
- Transferred to stage 3				
- Reversed to stage 2				
- Reversed to stage 1				
Provision for the period	43,070,125.33		448,935,361.29	492,005,486.62
Reversal for the period				
Write-off for the period				
Cancellation for the period	44,765,931.72			44,765,931.72
Other changes	-18,818.05		451,622,276.90	451,603,458.85
Balance as at 31 December 2019	192,888,645.52		900,557,638.19	1,093,446,283.71

Note: In 2018, Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司, “**Gezhouba Huanjia**”), the controlling subsidiary of the Company’s wholly-owned subsidiary China Gezhouba Group Lvyuan Technology Co., Ltd., made prepayments to certain suppliers. In 2019, two directors and one management personnel of Gezhouba Huanjia were kept in detention and investigated by the Committee of Supervisory of Wuhan City (武漢市監察委員會). These suppliers were found to be connected to the investigatees of Gezhouba Huanjia. As at 31 December 2019, the book value of the above prepayment balance was RMB1,474,776,500, the book value of prepayments after deducting bad debt provision of RMB1,053,785,300 were reclassified to other receivables. The Company has actively taken measures to collect. After making assessment on its recoverable amount, bad debt provision was made for the period of RMB448,935,400 based on principles of prudence.

Description about significant changes in gross carrying amount of other receivables for which loss provision has changed in the period:

Applicable Not applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

Applicable Not applicable

(4). *Provision for bad debt*

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Provision	Change amount for current period		Other changes	Closing balance
			Recover or reversal	Transfer or write-off		
Provision for bad debts	194,603,269.96	492,005,486.62		44,765,931.72	451,603,458.85	1,093,446,283.71
Total	194,603,269.96	492,005,486.62		44,765,931.72	451,603,458.85	1,093,446,283.71

Significant amounts of provision for bad debts recovered or reversed in the period:

Applicable Not applicable

(5). *Other receivables written off in the period*

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Write-off
Other receivables written off	44,765,931.72

Of which, significant other receivables written off:

Applicable Not applicable

Explanation of other receivables written off:

Applicable Not applicable

(6). *Five largest other receivables by debtor at the end of the period*

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Nature	Closing balance	Aging	Proportion of the closing balance of other receivables (%)	Provision for bad debt closing balance
The largest	Interest-bearing placements	2,109,040,761.37	0 to 6 month(s)	19.75	
The second largest	Retention money	726,644,000.00	0 to 6 month(s)	6.81	
The third largest	Others	612,961,601.79	1 to 2 years	5.74	367,683,961.08
The fourth largest	Retention money	514,487,500.00	2 to 3 years	4.82	
The fifth largest	Interest-bearing placements	474,945,627.93	0 to 6 month(s)	4.45	
Total	/	4,438,079,491.09	/	41.57	367,683,961.08

(7). Receivables involving government subsidies

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Projects related to government subsidies	Closing balance	Aging	Expected receiving time, balance and reason
Finance Bureau of Qi County	Tax refunds	11,661,400.00	Within 6 months	2020
Finance Bureau of Shangcheng County	Tax refunds	10,170,376.24	Within 6 months	2020
Jiuyuan District Taxation Bureau	Tax refunds	11,485,530.11	Within 6 months	2020
Tianjin Port Bonded Area Management Committee	Tax refunds	68,987,525.71	Within 6 months	2020
Inner Mongolia Baotou Aluminum Industry Park Management Committee (內蒙古包頭鋁業產業園區管理委員會)	Tax refunds	19,589,357.46	Within 6 months	2020
Finance Bureau of Louxing District, Loudi City (婁底市婁星區財政局)	Tax refunds	9,846,617.00	Within 6 months	2020

Name	Projects related to government subsidies	Closing balance	Aging	Expected receiving time, balance and reason
Xuyi County Guanzhen Town Finance Office (盱眙縣管鎮財政所)	Tax refunds	9,818,569.05	Within 6 months	2020
Xuyi County Finance Bureau	Tax refunds	22,936,997.48	Within 6 months	2020
State Administration of Taxation of Macheng	Tax refunds	9,302,243.92	Within 6 months	2020
Finance Bureau of Jiayu County	Tax refunds	16,684,972.41	Within 6 months	2020
Zhoukou Logistics Industrial Cluster	Tax refunds	31,246,106.94	Within 6 months to 2 years	2020
Taxation Bureau of Jiuyuan District, Baotou	Tax refunds	6,702,746.59	Within 6 months	2020
Others	Tax refunds	21,345,301.22	Within 6 months	2020
Total	/	249,777,744.13	/	/

Other explanation

(8). *Other receivables derecognised due to the transfer of financial assets*

Applicable Not applicable

(9). *Amount of assets or liabilities resulting from transfer of other receivables and continuing involvement*

Applicable Not applicable

Other explanation:

Applicable Not applicable

6. Inventories

(1). *Classification*

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Item	Book balance	Closing balance		Opening balance		Carrying value
		performance cost	Carrying value	performance cost	Carrying value	
Raw materials	2,279,916,598.52	4,556,380.24	2,275,360,218.28	2,241,125,082.23		2,241,125,082.23
Turnover materials	153,181,211.90	4,383,299.18	148,797,912.72	152,475,961.08	4,383,299.18	148,092,661.90
Product in progress	578,166,619.20		578,166,619.20	609,373,856.40		609,373,856.40
Development costs	46,928,700,355.64		46,928,700,355.64	45,681,423,730.57		45,681,423,730.57
Finished goods	1,207,500,605.34	118,996,955.06	1,088,503,650.28	1,175,847,666.60		1,175,847,666.60
Development of products	2,231,891,017.03		2,231,891,017.03	2,239,218,134.08		2,239,218,134.08
Contract performance costs	207,501,234.36		207,501,234.36	102,536,978.39		102,536,978.39
Total	53,586,857,641.99	127,936,634.48	53,458,921,007.51	52,202,001,409.35	4,383,299.18	52,197,618,110.17

① *Development costs*

Name of project	Estimated total investment	Closing balance for the year	Opening balance for the year
Jinxiuhuafu (錦繡華俯)	377,580,000.00	59,858,403.36	59,858,403.36
Guangzhou Zijun Residence (廣州紫郡府)	5,200,000,000.00	3,418,479,948.67	3,392,780,925.14
Shanghai Yulan Garden project (上海玉蘭花園項目)	11,112,000,000.00	3,467,193,183.78	3,981,573,167.24
Shanghai Zijun Mansion (上海紫郡公館)	1,970,000,000.00	87,086,530.64	1,653,235,188.87
Beijing China Residence (北京中國府)	10,812,644,856.00	6,818,419,355.12	6,281,832,521.98
Hainan Fuwan (海南福灣)	9,127,506,100.00	2,163,084,837.33	2,516,173,442.61
Chengdu Zijun Orchid Court (成都紫郡蘭園)	1,875,492,100.00		1,086,545,465.62
Nanjing China Residence project (南京中國府項目)	5,500,000,000.00	4,253,325,646.97	4,007,880,728.13
Hefei China Residence project (合肥中國府項目)	7,166,870,000.00	4,659,273,259.85	4,663,800,865.80
Gezhouba Jingkai Zijun Orchid Garden (葛洲壩經開紫郡蘭園)	2,183,810,000.00	646,278,340.54	348,926,701.21
Nanjing Zijun Orchid Court (南京紫郡蘭園)	9,400,000,000.00	2,147,944,510.03	2,693,088,221.59
Nanjing Zijun Residence project (南京紫郡府項目)	3,500,000,000.00	1,937,130,337.86	2,312,440,217.85

Name of project	Estimated total investment	Closing balance for the year	Opening balance for the year
Shanghai Rose Mansion (上海玫瑰公館)	1,495,848,828.00	1,295,511,955.73	1,178,314,451.89
Hangzhou China Residence (杭州中國府)	9,543,230,000.00	5,047,153,280.57	4,697,319,838.42
Suzhou Zijun Residence (蘇州紫郡府)	1,568,650,000.00	943,911,606.15	808,873,015.38
Beijing Zijun Orchid Court (北京紫郡蘭園)	7,803,625,627.00	6,376,973,543.60	5,998,780,575.48
Chongqing Royal Lake Orchid Court (重慶御湖蘭園)	2,276,567,924.69	375,102,306.35	
Nanjing G49 Project (南京G49項目)	4,851,330,000.00	3,231,973,309.09	
Total		46,928,700,355.64	45,681,423,730.57

② *Development of products*

Name of project	Date of completion	Closing balance for the year	Opening balance for the year
Economically affordable housing of Jinxiuhuafu (錦繡華俯)	2013-05-31	4,181,389.23	4,181,389.23
Economically affordable housing of Jinxiuhuating (錦繡華庭)	2013-05-31	2,293,140.14	2,293,140.14
Phase I of Jinxiutianxia (錦繡天下一期)	2006-06-28	23,948,997.23	36,390,816.22
Jiuxiujiyuan (錦繡嘉苑)	2008-05-16	12,256,067.72	13,135,564.75
Jiahong No. 5 building (佳鴻5#樓)	2013-12-31	4,208,863.99	4,208,863.99
Mingzhushanzhuang (明珠山莊)	2007-12-31		676,990.98
Jinxiuhuafu (錦繡華俯)	2013-12-27	905,539.69	9,343,364.88
Jinxiuhuating (錦繡華庭)	2014-09-30	24,319,675.90	27,548,669.91
Jiuxiuxingcheng (錦繡星城)	2014-06-05	46,876,932.11	49,741,400.75
North area of CGGC International Plaza (葛洲壩國際廣場北區)	2011-12-20	87,490,167.18	92,325,776.36
Zone B1 of Gezhouba Century Garden (葛洲壩世紀花園B1區)	2010-12-20	23,584,175.94	30,030,155.69
Zone B2 South Grouping of Gezhouba Century Garden (葛洲壩世紀花園B2區北組團)	2013-10-15	148,480.43	24,633,372.78
Gezhouba City Garden (葛洲壩城市花園)	2016-12-28	532,569,262.96	602,728,500.36
Zone B2 North Grouping of Gezhouba Century Garden (葛洲壩世紀花園B2區南組團)	2016-12-28	7,635,185.02	16,527,789.86
Gezhouba Beijing Zi Jun Mansion (葛洲壩北京紫郡府)	2015-01-04	51,690,242.25	53,272,236.26
Shanghai Zhen Garden project (上海臻園項目)	2014-12-02	22,328,925.73	24,871,256.55
Chengdu Zijun Orchid Court (成都紫郡蘭園)	2019-09-30	248,761,881.29	
Gezhouba Sun City project (葛洲壩太陽城項目)	2013-06-30		141,872,070.62
Gezhouba Weike Mansion (葛洲壩微客公館)	2016-09-30	7,462,704.59	27,840,443.29
Beijing Jade Mansion (北京西宸原著)	2016-12-30	486,076,667.61	627,688,765.81
Xinjiang CEEC Building (新疆能建大廈)	2015-12-30	36,314,988.12	49,239,079.58
Gezhouba Runjing International (葛洲壩潤景國際)	2016-07-17	96,850,877.91	92,499,553.56
Gezhouba•Long Mansion (葛洲壩•玫瑰府)	2018-12-31	113,456,758.28	160,559,680.51
Nanjing Zijun Orchid Court (南京紫郡蘭園)	2019-09-20	138,396,427.27	147,609,252.00
Nanjing Zijun Residence project (南京紫郡府項目)	2019-09-17	260,133,666.44	
Total		2,231,891,017.03	2,239,218,134.08

(2). *Provision for inventory impairment/impairment provision for contract performance cost*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials		4,556,380.24				4,556,380.24
Turnover materials	4,383,299.18					4,383,299.18
Finished goods		118,996,955.06				118,996,955.06
Total	4,383,299.18	123,553,335.30				127,936,634.48

(3). *Amount of capitalised borrowing costs included in closing balance of inventories*✓Applicable Not applicable

The balance of capitalised interests of inventories as at the end of the period was RMB4,063,181,988.04, of which the capitalised amount for the period was RMB916,279,636.95.

(4). *Amortisation amount of contract performance cost for the current period*Applicable ✓Not applicable

Other explanation

✓Applicable Not applicable

① The secured amount of inventories as at the end of the period was RMB18,690,337,065.99. For details please refer to Note VII. 65. "Assets with restrictive ownership title or right of use".

② Certain inventories owned by Gezhouba Huanjia were stored in sites, which were leased from Huanjia Group Co., Ltd. (環嘉集團有限公司). In 2019, as Huanjia Group Co., Ltd. (環嘉集團有限公司) involved in litigation, the above-mentioned sites and supplies stored thereon (including inventories legally owned and stored in these sites by Gezhouba Huanjia with a book value of RMB708,193,800) were seized by court orders for enforcement. On 31 December 2019, upon assessment and calculation, no provision for impairment was required to made for these inventories.

7. Contract Assets**(1). Contract assets**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Book balance	Closing balance		Book balance	Opening balance	
		Provision for impairment	Carrying value		Provision for impairment	Carrying value
Contract assets	18,354,911,152.97	119,451,704.73	18,235,459,448.24	17,106,647,132.23	43,300,152.90	17,063,346,979.33
Total	18,354,911,152.97	119,451,704.73	18,235,459,448.24	17,106,647,132.23	43,300,152.90	17,063,346,979.33

(2). The amount and reason for the significant change in the carrying amount during the reporting period

Applicable Not applicable

(3). Provision for impairment of contract assets in the current period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Provision for the period	Reversal for the period	Reversal/write-off for the period	Reason
Contract assets	86,230,041.96	10,078,490.13		Settled
Total	86,230,041.96	10,078,490.13		/

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

Other explanation:

Applicable Not applicable

8. Non-current Assets Due within One Year

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term receivables due within one year	955,575,777.23	1,071,855,569.69
Other non-current assets due within one year	1,226,308.96	
Total	956,802,086.19	1,071,855,569.69

Significant debt investments and other debt investments as at the end of the period:

Applicable Not applicable

Other explanation

Long-term receivables due within 1 year:

Item	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Receivables from BT projects	155,733,935.35		248,601,506.38	
Receivables from BOT projects	791,146,600.87		789,591,756.94	
Long-term receivables for construction works	8,695,241.01		33,662,306.37	
Total	955,575,777.23		1,071,855,569.69	

9. Other Current Assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Prepaid taxes	3,750,526,688.08	2,578,523,974.20
Others	4,844,202.26	561,073.47
Total	3,755,370,890.34	2,579,085,047.67

Note: The increase in prepaid taxes was mainly due to the increase in the VAT deductible amount, the prepaid land VAT for real estate business and CIT.

10. Long-term Receivables

(1). Long-term receivables

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance			Range of discount rate
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount	
BT projects	1,823,738,554.03		1,823,738,554.03	1,666,744,287.10		1,666,744,287.10	
BOT projects	10,688,754,046.36		10,688,754,046.36	9,886,846,983.92		9,886,846,983.92	
Long-term receivables for construction works	3,021,779,923.61	48,024,961.34	2,973,754,962.27	3,624,532,927.31	38,563,181.70	3,585,969,745.61	
Relocation compensation	150,000,000.00	30,000,000.00	120,000,000.00	150,000,000.00	15,000,000.00	135,000,000.00	
Total	15,684,272,524.00	78,024,961.34	15,606,247,562.66	15,328,124,198.33	53,563,181.70	15,274,561,016.63	/

(2). Provision for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit-impaired)	
Balance as at 1 January 2019	53,563,181.70			53,563,181.70
Balance for the period as at 1 January 2019				
– Transferred to stage 2				
– Transferred to stage 3				
– Reversed to stage 2				
– Reversed to stage 1				
Provision for the period	24,461,779.64			24,461,779.64
Reversal for the period				
Write-off for the period				
Cancellation for the period				
Other changes				
Balance as at 31 December 2019	78,024,961.34			78,024,961.34

Description about significant changes in carrying amount of long-term receivables for which loss provision has changed in the period:

Applicable Not applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly

Applicable Not applicable

(3). *Long-term receivables derecognised due to transfer of financial assets*

Applicable Not applicable

(4). *Amount of assets or liabilities resulting from long-term receivable transfer and continuing involvement*

Applicable Not applicable

Other explanation

Applicable Not applicable

11. Long-term Equity Investments

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period		Other equity changes	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
				Investment gains/ losses recognized under equity method	Adjustment of other comprehensive income						
I. Joint ventures											
Gezhouba Jianxin (Wuhan) Investment Fund Management Co., Ltd. (葛洲壩建信(武漢)投資基金管理有限公司)	5,010,967.40									5,010,967.40	
Jingzhou Chengbei Expressway Investment and Construction Co., Ltd. (荊州城北快速路投資建設有限公司)	732,010,000.00	583,990,000.00								1,316,000,000.00	
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	70,000,000.00	416,960,000.00								486,960,000.00	
Yichang Miaoziu Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	93,300,000.00									93,300,000.00	
Beijing Zongheng Wuzhou Management Consulting Co., Ltd. (北京縱橫五洲管理諮詢有限公司)	4,492,151.09			9,285.16						4,501,436.25	
Guangzhou Ramao Real Estate Development Co., Ltd.* (廣州市如茂房地產開發有限公司)	1,048,488,582.43			-1,076,658.38						1,047,411,924.05	
Guangzhou Zhengjin Real Estate Development Co., Ltd. (廣州市正林房地產開發有限公司)	1,393,341,968.31			73,111,764.73						1,466,453,733.04	
Sub-total	3,346,643,669.23	1,000,950,000.00		72,044,391.51						4,419,638,060.74	
II. Associates											
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	986,213,487.07			66,651,385.09	-18,298.35	126,063,568.18	-71,470,535.65			1,107,439,606.34	
Chongqing Jiangqi Highway Co., Ltd. (重慶江蔞高速公路有限公司)	486,720,120.20			-62,370,902.72						424,349,217.48	
Zhangjiapie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限公司)	282,954.80			-64,866.49						218,088.31	
Yiyang Yilian Civil Explosive Equipment Co., Ltd. (益陽益聯民用爆破器材有限公司)	579,266.75			74,194.97						653,461.72	
Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd. (重慶葛洲壩融創金裕置業有限公司)	385,851,451.27			126,399,890.89						512,251,342.16	
Chongqing Gezhouba Sunac Shenda Properties Co., Ltd. (重慶葛洲壩融創深達置業有限公司)	307,197,071.25			283,991,363.92						591,188,435.17	
Beijing Frانشion Gezhouba Real Estate Development Co., Ltd. (北京方興葛洲壩房地產開發有限公司)	466,955,864.66			138,629,874.41						605,585,739.07	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period		Other equity changes	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
				Investment gains/ losses recognized under equity method	Adjustment of other comprehensive income						
Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	2,524,883.56			-1,097,245.80						1,427,637.76	
Yichang High-tech Landscaping Co., Ltd. (宜昌尚新園林綠化有限公司)	6,812,181.14			1,302,405.27						8,114,586.41	
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	946,196,076.89			233,223,764.12						1,179,419,841.01	
Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司)	77,285,700.00									77,285,700.00	
Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	50,000,000.00									50,000,000.00	
Panzhou County Hongcai Gezhouba Project Management Co., Ltd. (鹽州縣宏財葛洲壩項目管理有限公司)	900,000.00									900,000.00	
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	222,500,000.00									222,500,000.00	
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	25,000,000.00									25,000,000.00	
Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd. (葛洲壩(西安)秦漢大道投資建設有限公司)	100,000,000.00		100,000,000.00								
Gezhouba Group (Ninyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	1,500,000.00									1,500,000.00	
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	6,000,000.00								-6,000,000.00		
China Overseas Infrastructure Development Co., Ltd. (中國海外基礎設施開發有限公司)	327,023,143.33			3,927,954.91						330,951,098.24	
Yueyang Three Gorges Water Environment Treatment Co., Ltd. (岳陽市三峽水環境治理有限責任公司)		24,000,000.00								24,000,000.00	
Jiaozuo Gezhouba China Railway 19th Bureau Ecological Treatment and Construction Co., Ltd. (焦作市葛洲壩中鐵十九局生態治理建設公司)		69,794,793.00								69,794,793.00	
Three Gorges Riqing Maoping River Ecological Treatment (Zigui) Co., Ltd. (三峽日清茅坪河生態治理(枳歸)有限公司)		10,000,000.00								10,000,000.00	
Xinjiang Gezhouba Dashixia Water Conservancy Development Co., Ltd. (新疆葛洲壩大石峽水利無錫開發有限公司)		189,950,000.00								189,950,000.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period		Other equity changes	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
				Investment gains/ losses recognized under equity method	Adjustment of other comprehensive income						
Chongqing Dianjiang County Eastern Area Construction and Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司)		4,405,950.00								4,405,950.00	
Jiaozuo Gezhouba China Railway 19th Bureau Ecological Treatment and Construction and Operation Co., Ltd. (焦作市葛洲壩中鐵十九局生態治理建設運營有限公司)		6,417,912.00								6,417,912.00	
Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)		30,000,000.00		-2,182,697.07						27,817,302.93	
Gecheng (Nanjing) Property Development Co. Ltd. (葛城(南京)房地產開發有限公司)		71,400,000.00		-8,324,699.70						63,075,300.30	
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	180,000.00	779,792,050.89								779,792,050.89	
Shandong Gezhouba Zaobe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	300,000.00	1,223,859,183.00								1,224,159,183.00	
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	5,180,000.00	790,601,580.23								795,781,580.23	
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國崗水環境治理投資建設有限公司)	161,500,000.00									161,500,000.00	
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武漢)投資建設有限公司)	19,640,000.00									19,640,000.00	
Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	36,739,812.57			-2,296,391.64						34,443,420.93	
Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	356,810,933.21			-2,145,317.02						354,665,616.19	
Gekuangli Nanjing Property Development Co. Ltd. (葛礦利南京房地產開發有限公司)	31,999,982.81			-1,595,307.65						30,404,675.16	
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃寧石高速公路有限公司)	1,950,000,000.00									1,950,000,000.00	
Gezhouba (Huizhou) Jiangan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	5,000,000.00									5,000,000.00	
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	355,000,000.00									355,000,000.00	
Pinggan Gezhouba (Shenzhen) Expressway Investment Partnership Company* (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	257,487,703.00	1,468,336,955.99								1,725,824,658.99	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period		Other equity changes	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
				Investment gains/ losses recognized under equity method	Adjustment of other comprehensive income						
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	120,000,000.00									120,000,000.00	
Hubei Huangshi Wayang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)	20,000,000.00	225,000,000.00								245,000,000.00	
Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd. (南京江北新區地下空間研究院有限公司)	5,250,000.00									5,250,000.00	
Gezhouba Wah Nobel Blasting (PVT) Ltd. (葛洲壩瓦赫諾貝爾爆破有限公司)	4,866,319.35			-219,243.77					-4,647,075.58	0.00	
Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	578,000,000.00			-22,026,565.09						555,973,434.91	
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	21,753,233.04			-2,595,447.64						19,157,785.40	
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	2,480,772,852.36			-14,664,328.31						2,466,108,524.05	
Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)	2,400,000.00	5,600,000.00								8,000,000.00	
Huadian Huoyuan Artificial Environment Engineering Co., Ltd. (華電華源人工環境工程有限公司)	518,691.68									518,691.68	
Sub-total	10,812,941,728.94	4,899,158,425.11	100,000,000.00	734,617,820.68	-18,298.35	126,063,568.18	-71,470,535.65		-10,647,075.58	16,390,645,633.33	
Total	14,159,585,398.17	5,900,108,425.11	100,000,000.00	806,662,212.19	-18,298.35	126,063,568.18	-71,470,535.65		-10,647,075.58	20,810,283,694.07	

12. Other Equity Instrument Investments

(1). Other equity instrument investments

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Investment in equity of listed companies	970,177,145.28	699,777,632.80
Total	970,177,145.28	699,777,632.80

(2). Information of non-trading equity instrument investment

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Dividend income recognized in the period	Accumulated gains	Accumulated losses	Amounts transferred to retained earnings from other comprehensive income	Reasons designated to be measured at fair value through other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
Changjiang Securities	2,717,583.04	766,232,848.78			Non-trading equity instrument investment	
Total	2,717,583.04	766,232,848.78				

Other explanation:

Applicable Not applicable

13. Other Non-current Financial Assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Classified as financial assets at fair value through profit or loss	5,375,588,446.33	5,213,561,990.40
Including: Investments in equity instruments	4,826,441,863.75	4,726,599,296.17
Investments in trust products	549,146,582.58	486,962,694.23
Total	5,375,588,446.33	5,213,561,990.40

Other explanation:

Applicable Not applicable

Except for investment in equity of listed companies, the investment in equity instruments of the Company includes other non-current financial assets and its change in fair value was included in gains or losses from change in fair value. As the end of 2019, the fair value of other non-current financial assets at the end of the period was assessed and the change in fair value of RMB44,373,957.58 for the period was included in gains or losses from change in fair value. Please refer to Note VII “ (56) Gains or losses from change in fair value”.

14. Investment Properties*Measurement of investment properties**(1). Investment properties measured at cost**Unit: Yuan Currency: RMB*

Item	Buildings and structures	Total
I. Original carrying amount		
1. Opening balance	53,983,198.65	53,983,198.65
2. Increase for the period	160,973,577.95	160,973,577.95
(1) Transfer from fixed assets	15,972,217.17	15,972,217.17
(2) Transfer from inventories	145,001,360.78	145,001,360.78
3. Decrease for the period		
4. Closing balance	214,956,776.60	214,956,776.60
II. Accumulated depreciation and accumulated amortisation		
1. Opening balance	15,730,239.15	15,730,239.15
2. Increase for the period	5,098,599.79	5,098,599.79
(1) Provision or amortisation	5,098,599.79	5,098,599.79
3. Decrease for the period		
4. Closing balance	20,828,838.94	20,828,838.94
III. Provision for impairment		
IV. Carrying amount		
1. Closing carrying amount	194,127,937.66	194,127,937.66
2. Opening carrying amount	38,252,959.50	38,252,959.50

(2). Information of investment properties for which title certificates have not been obtained

Applicable Not applicable

Other explanation

Applicable Not applicable

15. Fixed Assets

Presentation✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	17,035,725,119.67	17,093,518,447.75
Disposal of fixed assets	18,044,825.86	13,688,209.14
Total	17,053,769,945.53	17,107,206,656.89

Other explanation:

Applicable ✓Not applicable*Fixed assets*

(1). Fixed assets

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Buildings and structure	Machinery and equipment	Transportation tools	Electronic equipment	Others	Total
I. Original carrying amount:						
1. Opening balance	12,448,139,086.15	10,006,544,785.99	1,862,392,373.10	733,628,830.41	596,176,951.41	25,646,882,027.06
2. Increase for the period	255,942,543.56	820,821,490.06	216,610,132.62	51,916,796.98	243,213,873.09	1,588,504,836.31
(1) Purchase	47,572,689.32	603,425,646.54	207,247,662.50	29,956,154.52	54,560,936.20	942,763,089.08
(2) Transferred from construction in progress	207,191,202.95	214,475,914.59	543,397.93	24,067,917.05	190,978,779.06	637,257,211.58
(3) Effect of change in exchange rates		2,919,928.93	8,268,868.43	-2,107,274.59	-2,408,347.19	6,673,175.58
(4) Others	1,178,651.29		550,203.76		82,505.02	1,811,360.07
3. Decrease for the period	-38,091,638.92	838,976,481.57	171,427,650.35	29,249,010.72	40,772,838.37	1,042,334,342.09
(1) Disposal or retirement	129,974,373.53	628,733,168.69	159,796,395.56	26,688,555.72	31,550,252.27	976,742,745.77
(2) Decrease due to disposal of subsidiaries		393,844.00	905,622.00	1,450,331.48	15,000.00	2,764,797.48
(3) Effect of change in exchange rates	7,955,392.45	26,151,427.76	11,501,156.72	437,538.16	809,066.58	46,854,581.67
(4) Others	-176,021,404.90	183,698,041.12	-775,523.93	672,585.36	8,398,519.52	15,972,217.17
4. Closing balance	12,742,173,268.63	9,988,389,794.48	1,907,574,855.37	756,296,616.67	798,617,986.13	26,193,052,521.28

Item	Buildings and structure	Machinery and equipment	Transportation tools	Electronic equipment	Others	Total
II. Accumulated depreciation						
1. Opening balance	2,222,330,603.65	4,774,306,188.51	989,495,223.72	332,320,824.10	222,557,086.29	8,541,009,926.27
2. Increase for the period	382,404,671.14	735,809,212.44	194,021,602.80	71,932,916.10	77,283,553.61	1,461,451,956.09
(1) Provision	381,193,458.64	734,903,788.97	192,229,283.88	74,019,868.69	79,367,120.45	1,461,713,520.63
(2) Effect of change in exchange rates		905,423.47	1,271,746.98	-2,086,952.59	-2,163,142.47	-2,072,924.61
(3) Others	1,211,212.50		520,571.94		79,575.63	1,811,360.07
3. Decrease for the period	98,937,834.08	575,125,347.05	129,215,117.48	24,269,178.55	26,743,420.15	854,290,897.31
(1) Disposal or retirement	104,354,629.39	564,228,762.51	127,607,041.07	23,112,906.23	27,003,762.56	846,307,101.76
(2) Decrease due to disposal of subsidiaries		207,618.92	765,200.18	725,796.80	8,312.50	1,706,928.40
(3) Effect of change in exchange rates		4,726,942.32	1,144,381.04	238,027.23	167,516.56	6,276,867.15
(4) Others	-5,416,795.31	5,962,023.30	-301,504.81	192,448.29	-436,171.47	
4. Closing balance	2,505,797,440.71	4,934,990,053.90	1,054,301,709.04	379,984,561.65	273,097,219.75	9,148,170,985.05
III. Provision for impairment						
1. Opening balance	2,303,655.99	10,034,955.29	4,678.00	10,363.76		12,353,653.04
2. Increase for the period						
(1) Provision						
3. Decrease for the period		3,197,236.48				3,197,236.48
(1) Disposal or retirement		3,197,236.48				3,197,236.48
4. Closing balance	2,303,655.99	6,837,718.81	4,678.00	10,363.76		9,156,416.56
IV. Carrying amount						
1. Closing carrying amount	10,234,072,171.93	5,046,562,021.77	853,268,468.33	376,301,691.26	525,520,766.38	17,035,725,119.67
2. Opening carrying amount	10,223,504,826.51	5,222,203,642.19	872,892,471.38	401,297,642.55	373,619,865.12	17,093,518,447.75

(2) *Temporarily-idle fixed assets*Applicable Not applicable(3) *Fixed assets leased in through financial leases*Applicable Not applicable(4) *Fixed assets leased out through operating leases*Applicable Not applicable

(5). *Fixed assets for which title certificates have not been obtained*

Applicable Not applicable

Other explanation:

Applicable Not applicable

For details of pledges of fixed assets, please refer to Note VII. 65. “Assets with restrictive ownership title or right of use”.

Disposal of fixed assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets to be disposed upon approval	18,044,825.86	13,688,209.14
Total	18,044,825.86	13,688,209.14

16. Construction in Progress

Presentation

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	24,249,852,146.02	16,089,509,517.57
Construction materials		
Total	24,249,852,146.02	16,089,509,517.57

Other explanation:

Applicable Not applicable

Construction in progress(1). *Construction in progress*

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Bazhong-Wanyuan expressway project	12,368,393,929.71		12,368,393,929.71	7,392,335,257.35		7,392,335,257.35
SK hydropower station project	4,868,081,021.32		4,868,081,021.32	3,010,426,754.97		3,010,426,754.97
Water diversion construction project of Nandu River in Haikou City	1,470,787,375.01		1,470,787,375.01	1,207,982,317.13		1,207,982,317.13
Comprehensive treatment project of water environment of Zhupi river in Jingmen City (荊門市竹皮河水環境綜合治理項目)	1,421,106,107.80		1,421,106,107.80	1,322,357,547.38		1,322,357,547.38
Comprehensive Pipe Gallery of Hefei High-tech Zone (合肥高新區綜合管廊)	1,179,241,905.47		1,179,241,905.47	1,076,440,853.96		1,076,440,853.96
Expansion and technological transformation project of Cement Company (水泥公司擴建、技改項目)	312,462,510.33		312,462,510.33	159,189,096.55		159,189,096.55
Production line of Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司)	765,682,007.43		765,682,007.43	606,568,130.14		606,568,130.14
Yili Hydropower Station Project (伊犁水電站工程)	269,351,369.61		269,351,369.61	231,198,600.75		231,198,600.75
Hami Coal Mine Project (哈密煤礦項目)	115,382,682.72		115,382,682.72	113,247,641.95		113,247,641.95
Environmental protection business base project (環保業務基地項目)	211,590,319.92		211,590,319.92	293,947,528.13		293,947,528.13
Expansion Project of Explosive Company (易普力公司擴建工程)	19,593,098.31		19,593,098.31	14,030,678.00		14,030,678.00
Manas river hydropower station (瑪納斯河水電站)	86,285,972.17		86,285,972.17	85,466,932.14		85,466,932.14
Office building	58,836,020.31		58,836,020.31	60,693,267.75		60,693,267.75

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Closing balance		Opening balance		Carrying amount
	Book balance	Provision for impairment	Book balance	Provision for impairment	
Xinjiang gas & oil station project (新疆加油加氣站項目)	46,956,325.35		39,026,456.58		39,026,456.58
Black and odorous water treatment project in Yuyong area, Tongzhou District, Beijing (北京市通州區於永片 區黑臭水體治理工程)	276,839,366.50		211,365,848.92		211,365,848.92
Pakistan Azad Patan hydropower project (巴基斯坦阿扎德帕坦 水電項目)	53,183,620.28		54,631,734.81		54,631,734.81
High-end equipment industrial park project (高端裝備產業園 項目)	230,301,831.54		176,959,537.28		176,959,537.28
Yichang Xiling District Livelihood Improvement PPP Project (宜昌市西陵區民生改 善PPP項目)	118,248,684.42				118,248,684.42
Xiaogan Wet Station Square of Wuhan-Shiyan High-speed Railway/Greening and Lighting Project (漢十高鐵孝感西站站 前廣場/綠化亮化工程)	303,853,902.85				303,853,902.85
Others	73,674,094.97		33,641,333.78		33,641,333.78
Total	24,249,852,146.02		16,089,509,517.57		16,089,509,517.57

(2). Changes in important projects under construction for the current period

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Project name	Opening balance	Increase during the period	Transferred into fixed assets during the period	Decrease during the period	Closing balance	Proportion of total project investment in the budget (%)	Progress of project	Accumulated capitalised interest	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of fund
SK hydropower station project	3,010,426,754.97	2,128,807,926.61		271,153,660.26	4,868,081,021.32	34.29	34.29%	227,826,547.07	133,283,753.51	5.16	Loans from financial institutions
Production line of Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司)	606,568,130.14	159,113,877.29			765,682,007.43	69.7	69.7%	48,064,180.57	33,408,727.53	4.42	Self-owned funds and loans from financial institutions
Water diversion construction project of Nandu river in Haikou City	1,207,982,317.13	262,805,057.88			1,470,787,375.01	75.67	75.67%	33,700,975.00	23,288,475.00	2.95	Capital fund and project loans
Black and odorous water treatment project in Yuyong area, Tongzhou District, Beijing	211,365,848.92	65,473,517.58			276,839,366.50	21.16	21.16%	5,168,283.12	4,635,312.29	5	Self-owned funds and loans from financial institutions
Bazhong-Wanyuan expressway project	7,392,335,257.35	4,976,058,672.36			12,368,393,929.71	65.79	65.79%	496,445,274.52	348,397,977.13	4.63	Capital fund and project loans
Comprehensive treatment project of water environment of Zhupi river in Jingmen City (荊門市竹皮河水環境綜合治理項目)	1,322,357,547.38	98,748,560.42			1,421,106,107.80	85.25	85.25%	66,546,900.00	36,502,856.25	4.2	Self-owned funds and loans from financial institutions
Comprehensive Pipe Gallery of Hefei High-tech Zone (合肥高新區綜合管廊)	1,076,440,853.96	102,801,051.51			1,179,241,905.47	92.33	92.33%	29,030,804.44	21,201,430.83	4.5	Loans from financial institutions
Yili Hydropower Station Project (伊犁水電站工程)	231,198,600.75	38,152,768.86			269,351,369.61	89.98	89.98%				Self-owned funds
Environmental protection business base project (環保業務基地項目)	293,947,528.13	70,856,416.82	148,347,863.77	4,865,761.26	211,590,319.92	6.67	6.67%	21,949,103.55	7,625,201.42	6.39	Self-owned funds and loans from financial institutions
High-end equipment industrial park project (高端裝備產業園項目)	176,959,537.28	53,342,294.26			230,301,831.54	72.58	72.58%				Self-owned funds

Project name	Opening balance	Increase during the period	Transferred into fixed assets during the period	Decrease during the period	Closing balance	Proportion of total project investment in the budget (%)	Progress of project	Accumulated capitalised interest	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of fund
Greening and Lighting Project of Xiaogan Wet Station Square of Wuhan-Shiyan High-speed Railway (漢十高鐵孝感西站站前廣場綠化亮化工程)		303,853,902.85			303,853,902.85	49.25	49.25%	7,000,000.00	7,000,000.00	3.5	Self-owned funds and loans from financial institutions
Expansion and technological transformation project of Cement Company (水泥公司擴建、技改項目)	159,189,096.55	356,966,143.97	170,085,083.73	33,607,646.46	312,462,510.33	37.64	37.64%				Self-owned funds
Total	15,688,771,472.56	8,616,980,190.41	318,432,947.50	309,627,067.98	23,677,691,647.49			935,732,068.27	615,343,733.96	/	

(3). Provision for impairment of construction in progress made during the period

Applicable Not applicable

Other explanation

Applicable Not applicable

17. Right-of-use Assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Others	Total
I. Original carrying amount						
1. Opening balance		800,380,356.81	350,300.17			800,730,656.98
2. Increase for the period	17,276,499.22	66,098,007.85	16,121,632.86	2,045,020.64	90,000.00	101,631,160.57
(1) Purchase	17,276,499.22	285,935,313.47	16,121,632.86	1,197,356.91	90,000.00	320,620,802.46
(2) Change in and adjustment of leases		-219,837,305.62		847,663.73		-218,989,641.89
3. Closing balance	17,276,499.22	866,478,364.66	16,471,933.03	2,045,020.64	90,000.00	902,361,817.55
II. Accumulated depreciation						
1. Opening balance						
2. Increase for the period	521,848.72	240,841,352.48	8,543,993.06	1,075,812.29	15,000.00	250,998,006.55
(1) Provision	521,848.72	240,841,352.48	8,543,993.06	1,075,812.29	15,000.00	250,998,006.55
3. Closing balance	521,848.72	240,841,352.48	8,543,993.06	1,075,812.29	15,000.00	250,998,006.55

APPENDIX II**FINANCIAL INFORMATION OF THE TARGET GROUP**

Item	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Others	Total
III. Provision for impairment						
IV. Carrying amount						
1. Closing carrying amount	16,754,650.50	625,637,012.18	7,927,939.97	969,208.35	75,000.00	651,363,811.00
2. Opening carrying amount		800,380,356.81	350,300.17			800,730,656.98

18. Intangible Assets

(1). Intangible assets

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Patent rights	Non-patented technology	Software	Mining rights	Franchise right	Others	Total
I. Original carrying amount								
1. Opening balance	3,516,006,688.46	154,207,925.95	186,897,367.32	73,244,896.45	343,723,815.75	10,447,634,489.20	186,803,127.27	14,908,518,310.40
2. Increase for the period	56,631,273.58	53,095,770.70	34,561,389.06	11,154,775.67	112,706,110.55	201,091,033.35	44,936,470.88	514,176,823.79
(1) Purchase	51,882,017.18	71,039.34	200,000.00	8,887,924.92	64,481,521.58	700,906.98	494,146.58	126,717,556.58
(2) Transferred from construction in progress	4,749,256.40			791,176.06		4,409,302.91		9,949,735.37
(3) Transferred from development expenditure		53,024,731.36	34,361,389.06	1,464,174.76			44,442,324.30	133,292,619.48
(4) Effect of change in exchange rates				11,499.93	379,227.57			390,727.50
(5) Others					47,845,361.40	195,980,823.46		243,826,184.86
3. Decrease for the period	631,153.22	15,200.00		206,900.00		5,404,342,325.97	1,339,280.89	5,406,534,860.08
(1) Disposal of subsidiaries						5,400,504,580.97		5,400,504,580.97
(2) Disposal and retirement	631,153.22					3,837,745.00	1,332,780.89	5,801,679.11
(3) Others		15,200.00		206,900.00			6,500.00	228,600.00
4. Closing balance	3,516,006,688.46	154,207,925.95	186,897,367.32	73,244,896.45	343,723,815.75	10,447,634,489.20	186,803,127.27	14,908,518,310.40
II. Accumulated amortisation								
1. Opening balance	385,105,035.52	18,304,398.37	74,468,884.92	34,645,916.45	57,977,921.20	2,491,297,719.05	56,090,548.24	3,117,890,423.75
2. Increase for the period	89,117,788.70	15,481,824.97	5,895,431.75	20,806,488.62	25,213,486.78	430,349,218.05	15,079,705.96	601,943,944.83
(1) Provision	89,117,788.70	15,481,824.97	5,895,431.75	20,800,280.54	25,191,316.83	430,349,218.05	15,079,705.96	601,915,566.80
(2) Others				6,208.08	22,169.95			28,378.03
3. Decrease for the period	278,857.13	15,200.00		206,900.00		1,065,015,959.23	691,048.29	1,066,207,964.65
(1) Disposal of subsidiaries						1,063,810,276.83		1,063,810,276.83
(2) Disposal and retirement	278,857.13					1,205,682.40	684,548.29	2,169,087.82
(3) Others		15,200.00		206,900.00			6,500.00	228,600.00
4. Closing balance	473,943,967.09	33,771,023.34	80,364,316.67	55,245,505.07	83,191,407.98	1,856,630,977.87	70,479,205.91	2,653,626,403.93
III. Provision for impairment								
1. Opening balance								
2. Increase for the period								
3. Decrease for the period								
4. Closing balance								
IV. Carrying amount								
1. Closing carrying amount	3,042,062,721.37	120,436,902.61	106,533,050.65	17,999,391.38	260,532,407.77	8,591,003,511.33	116,323,921.36	12,254,891,906.47
2. Opening carrying amount	3,074,901,532.58	82,822,956.88	77,867,093.34	27,651,104.33	173,039,784.00	13,159,588,062.77	87,115,389.04	16,682,985,922.94

(2). *Information about land use rights for which no certificate of title has been obtained*

Applicable Not applicable

Other explanation: For details of intangible assets with restrictive ownership title or right of use, please refer to Note VII. 65. "Assets with restrictive ownership title or right of use".

19. Development Expenditure

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period		Recognized as intangible assets	Decrease for the period	Others	Closing balance
		Internal development expenditure	Others		Transferred to profit or loss for the period		
Informatisation construction	35,605,146.89	16,861,474.20		1,464,174.76			51,002,446.33
Civil explosives and blasting service technology development	153,344,663.93	120,747,605.00		115,852,496.07	19,275,510.10		138,964,262.76
Melting technology research of environmental protection business	1,485.00				1,485.00		
Heat storage project	1,192,109.47	357,766.62		1,549,876.09			
Energy internet project	1,178,209.61	154,820.18		1,333,029.79			
CSP system application technology research and development project	1,223,873.76	268,445.97		1,492,319.73			
Low-voltage power distribution module intelligent technology research project	2,550,502.92	389,976.75		2,940,479.67			
Multi-condition application diesel generating set technology research and development project	5,427,321.68	209,349.32		5,636,671.00			
Research project on operation mode of gas distributed generator set	1,136,744.15	414,869.29		1,551,613.44			
Research and development project of combined cooling and power technology using natural gas pressure difference	787,607.09	684,351.84		1,471,958.93			
Ice storage project		13,569,925.61			13,569,925.61		
Highway Intelligent Maintenance Management Platform		2,268,260.78					2,268,260.78
Others		16,748,272.68			16,748,272.68		
Total	202,447,664.50	172,675,118.24		133,292,619.48	49,595,193.39		192,234,969.87

20. Goodwill

(1). Original carrying amount of goodwill

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Opening balance	Increase for the period		Decrease for the period	
		Arising from business combination	Others	Disposal	Closing balance
Guazhou Liyang New Energy Co., Ltd. (瓜州聯洋新能源有限責任公司)	1,524,474.09				1,524,474.09
Weifang Lixin Energy Co., Ltd. (濰坊利鑫 能源有限公司)	18,033,713.44				18,033,713.44
Gezhouba Oil & Natural Gas Engineering Co., Ltd. (葛洲壩石油天然氣工程有限 公司)	6,686,266.30				6,686,266.30
China Gezhouba Group Xinjiang Oil & Gas Co., Ltd.	305,965.88				305,965.88
Suki Hydro (Private) Limited	59,669,547.61				59,669,547.61
Dubai Global Power Investment Co., Ltd.	9,604,335.04				9,604,335.04
Laiwu Zhonghe Water Purification Co., Ltd. (萊蕪中和水質淨化有限責任公司)	150,536,452.24				150,536,452.24
Dazhou Tianhe Water Supply and Drainage Co., Ltd. (達州市天和給排水有限公司)	12,207,136.09				12,207,136.09
Tianjin Binhai New Area Tanggu Huanke Xinhe Wastewater Treatment Co., Ltd. (天津濱海新區塘沽環科新河污水處理 有限公司)	11,500,688.19				11,500,688.19
Tianjin Binhai New Area Dagang Huanke Lantian Wastewater Treatment Co., Ltd. (天津濱海新區大港環科藍天污水處理 有限公司)	9,396,895.78				9,396,895.78
Gezhouba Water Affairs (Huantai) Co., Ltd. (葛洲壩水務(桓台)有限公司)	9,359,248.50				9,359,248.50
Jinshi Haichuanda Water Affairs Co., Ltd. (津市市海川達水務有限公司)	618,232.91				618,232.91
Anxiang Haichuanda Water Affairs Co., Ltd. (安鄉縣海川達水務有限公司)	1,398,388.90				1,398,388.90
Yueyang Haichuanda Water Affairs Co., Ltd. (岳陽縣海川達水務有限公司)	11,691,653.46				11,691,653.46
Xiangyin Haichuanda Water Affairs Co., Ltd. (湘陰縣海川達水務有限公司)	11,094,363.20				11,094,363.20

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Name of investee or matters resulting in goodwill	Opening balance	Increase for the period		Decrease for the period	
		Arising from business combination	Others	Disposal	Closing balance
Anhua Haichuanda Water Affairs Co., Ltd. (安化縣海川達水務有限公司)	10,126,025.67				10,126,025.67
Lianyuan Haichuanda Water Affairs Co., Ltd. (漣源市海川達水務有限公司)	6,604,661.02				6,604,661.02
Qiyang Haichuanda Water Affairs Co., Ltd. (祁陽縣海川達水務有限公司)	1,649,563.60				1,649,563.60
Danjiangkou Zhonghe Water Purification Co., Ltd. (丹江口市中和水質淨化有限 公司)	81,081,980.93				81,081,980.93
Gezhouba Water Affairs (Lingbao) Co., Ltd. (葛洲壩水務(靈寶)有限公司)	54,124,412.31				54,124,412.31
Gezhouba Water Affairs (Qinyang) Co., Ltd. (葛洲壩水務(沁陽)有限公司)	60,559,325.54				60,559,325.54
Gezhouba Water Affairs (Binzhou) Co., Ltd. (葛洲壩水務(濱州)有限公司)	78,027,130.55				78,027,130.55
Huanggang Zhonghe Water Purification Co., Ltd. (黃岡市中和水質淨化有限公 司)	40,447,274.76				40,447,274.76
Zibo Boshan Huanke Sewage Treatment Co., Ltd. (淄博市博山區環科污水處理 有限公司)	2,856,456.63				2,856,456.63
Tianjin Jinnan District Huanke Sewage Treatment Co., Ltd. (天津市津南區環科 污水處理有限公司)	1,007,114.12				1,007,114.12
Gezhouba Water Affairs Zibo Zichuan Co., Ltd. (葛洲壩水務淄博淄川有限 公司)	1,627,026.71				1,627,026.71
Gezhouba Water Affairs (Baoding) Co., Ltd. (葛洲壩水務(保定)有限公司)	62,084,823.92				62,084,823.92
Gezhouba Water Affairs (Zhangjiakou) Co., Ltd. (葛洲壩水務(張家口)有限 公司)	7,044,547.00				7,044,547.00
Gezhouba Water Affairs (Dingzhou) Co., Ltd. (葛洲壩水務(定州)有限公司)	1,584,023.68				1,584,023.68
Gezhouba Zhongxiang Cement Company Limited (葛洲壩鍾祥水泥有限公司)	653,761,832.15				653,761,832.15
Urumqi Civil Blasting Equipment Monopoly Co., Ltd. (烏魯木齊市民用 爆破器材專賣有限公司)	1,041,503.84				1,041,503.84

Name of investee or matters resulting in goodwill	Opening balance	Increase for the period		Decrease for the period	
		Arising from business combination	Others	Disposal	Closing balance
Pengzhou Branch of Sichuan Tongda Chemical Co., Ltd. (四川通達化工有限 責任公司彭州分公司)	97,988,616.23				97,988,616.23
Shandong Taishan Civil Explosive Co., Ltd. (山東泰山民爆有限公司)	2,130,607.73				2,130,607.73
Hunan Erhua Civil Explosive Co., Ltd. (湖南二化民爆有限公司)	6,398,960.31				6,398,960.31
Ningxia Tianchang Civil Explosive Co., Ltd. (寧夏天長民爆有限公司)	5,989,364.06				5,989,364.06
Chongqing Lineng Civil Explosive Equipment Co., Ltd. (重慶力能民爆 器材有限公司)	329,986.22				329,986.22
Liaoyuan Zhuoli Petrochemical Co., Ltd. (遼源卓力化工有限公司)	7,459,989.24				7,459,989.24
Lixian Erhua Civil Explosive Equipment Co., Ltd. (禮縣二化民爆器材有限責任 公司)	791,139.94				791,139.94
Gezhouba Explosive Stock Co., Ltd.	1,000,000.00				1,000,000.00
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環 境工程有限公司)	40,254,722.32				40,254,722.32
Total	1,539,598,450.11				1,539,598,450.11

(2). *Provision for impairment of goodwill*

Applicable Not applicable

(3). *Information about the asset group or combination of asset groups to which the goodwill belongs*

Applicable Not applicable

(4). *Explain the process of goodwill impairment test, key parameters (e.g. forecast period growth rate, stable period growth rate, profit rate, discount rate, forecast period, etc. in case of estimation of the present value of expected future cash flows, if applicable) and the recognition method of goodwill impairment loss*

Applicable Not applicable

The goodwill acquired from business combination has been allocated to the asset group of relevant subsidiary for impairment testing of goodwill. The recoverable amount of the asset group which adopt the present value of the estimated future cash flows was determined based on cash flow projection in accordance to the 5-year financial budget approved by the management. After testing, the Company considered that goodwill has not been impaired and no provision impairment is required.

Key information on goodwill impairment test of Gezhouba Zhongxiang Cement Company Limited (葛洲壩鍾祥水泥有限公司):

- ① Discount rate used in cash flow forecasting is 10.50% (2018: 9.50%).
- ② Revenue growth rate used for cash flow forecasting is the growth rate of Gezhouba Zhongxiang Cement Company Limited (葛洲壩鍾祥水泥有限公司) for years 2020 to 2024 of -8.13%, -0.99%, -0.92%, -0.93% and -0.94%, respectively, and there will be no growth after 2024.
- ③ Gross profit margin is determined based on average gross profit margin of historical operating results and expectations for market development.

(5). *Impact of goodwill impairment test*

Applicable Not applicable

Other explanation

Applicable Not applicable

21. Long-term Deferred Expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Amortization amount for the period	Other decrease	Closing balance
Costs of improvements to fixed assets under operating leases	17,235,488.38	13,064,339.98	10,951,718.93	1,783,333.41	17,564,776.02
Insurance premiums	109,343,494.65	62,842,090.86	24,488,513.38		147,697,072.13
Rental fees	33,612,217.56	2,367,781.00	14,267,373.24		21,712,625.32
Others	374,707,666.95	80,186,884.82	138,284,872.17	78,872,994.46	237,736,685.14
Total	534,898,867.54	158,461,096.66	187,992,477.72	80,656,327.87	424,711,158.61

22. Deferred Tax Assets/Deferred Tax Liabilities

(1). *Deferred tax assets not offset*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for assets impairment	685,272,600.92	133,970,063.61	940,054,784.32	203,418,166.64
Unrealized profit in intra-group transactions	2,719,470,201.24	679,867,550.32	2,060,871,095.83	515,217,773.96
Change in fair value of other non-current financial assets	11,886,833.20	2,971,708.30	11,886,833.20	2,971,708.30
Others	90,798,919.80	22,145,321.90	71,656,921.32	10,748,538.20
Total	3,507,428,555.16	838,954,644.13	3,084,469,634.67	732,356,187.10

(2). *Deferred tax liabilities not offset*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Appraised asset appreciation of business combination not under common control	132,575,809.04	27,181,501.12	135,579,174.51	27,970,661.05
Difference of depreciation and taxation	3,380,539,324.09	822,757,963.79	3,594,735,399.36	878,498,505.91
Change in fair value of other equity instrument investments	766,232,848.70	114,934,927.31	495,833,336.30	74,375,000.45
Change in fair value of other non-current financial assets	584,473,724.84	87,671,058.73	540,158,756.97	81,023,813.55
Others	8,537,514.48	2,114,936.14		
Total	4,872,359,221.15	1,054,660,387.09	4,766,306,667.14	1,061,867,980.96

(3). *Deferred tax assets or liabilities stated on a net basis after offset*

Applicable Not applicable

(4). Breakdown of unrecognised deferred tax assets

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	1,081,159,462.63	49,723,499.50
Deductible losses	6,006,608,252.17	5,010,223,231.77
Total	7,087,767,714.80	5,059,946,731.27

(5). Deductible loss for which no deferred tax assets are recognised will become due in the following years

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Remarks
2019		299,086,800.22	
2020	657,247,365.64	805,254,021.06	
2021	1,021,601,726.33	1,110,596,161.16	
2022	666,743,756.43	745,291,909.06	
2023	1,875,392,255.91	2,049,994,340.27	
2024	1,785,623,147.86		
Total	6,006,608,252.17	5,010,223,231.77	/

23. Other Non-current Assets

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Temporary facilities	20,331,442.46		20,331,442.46	29,857,778.73		29,857,778.73
Prepaid taxes	120,027,854.76		120,027,854.76	33,998,848.57		33,998,848.57
Prepayments for equipment	9,511,993.45		9,511,993.45	14,543,730.00		14,543,730.00
Contract acquisition cost whose amortization period is over one year	40,460,309.43		40,460,309.43	14,130,357.46		14,130,357.46
VAT debit balance (over one year)	16,309,798.84		16,309,798.84			
Prepaid land premiums	18,340,000.00		18,340,000.00			

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Prepayments for investment	13,836,539.10		13,836,539.10			
Others	23,546,270.99		23,546,270.99			
Total	262,364,209.03		262,364,209.03	92,530,714.76		92,530,714.76

24. Short-term Borrowings

(1). Classification of short-term borrowings

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Secured borrowings		
Mortgaged loans	12,000,000.00	20,000,000.00
Guaranteed borrowings		2,594,640,000.00
Credit loans	17,181,582,132.84	26,999,395,130.24
Total	17,193,582,132.84	29,614,035,130.24

Explanation of classification of short-term borrowings:

The balance of mortgaged loans amounted to RMB12 million as at the end of the period, of which RMB6 million and RMB6 million were obtained by Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司), a holding subsidiary of the Company, with its building and structures as collaterals, from Shanghai Pudong Development Bank Hangzhou Wenhui Subbranch and Everbright Bank Hangzhou Yuhang Sub-branch, respectively.

(2). Information about overdue but unpaid short-term borrowings

Applicable Not applicable

Information about significant overdue but unpaid short-term borrowings is as following:

Applicable Not applicable

Other explanation

Applicable Not applicable

25. Bills Payables**(1). Breakdown of bills payables**✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Type	Closing balance	Opening balance
Commercial acceptances	2,090,946,946.37	664,176,628.94
Bank acceptances	4,805,913,272.62	2,053,024,554.81
Total	6,896,860,218.99	2,717,201,183.75

The overdue but unpaid bills payables as at 31 December 2019 amounted to RMB0 (31 December 2018: RMB0).

26. Trade Payables**(1). Breakdown of trade payables**✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Item	Closing balance	Opening balance
Progress payments for constructions	20,628,597,745.41	21,902,313,198.62
Retention payable	3,480,309,757.01	2,727,250,424.51
Materials payable	8,869,160,841.45	7,552,839,388.05
Equipment payables	294,118,705.83	240,737,325.67
Service fees	1,504,388,250.49	1,808,449,077.47
Others	2,603,144,543.79	1,688,062,428.39
Total	37,379,719,843.98	35,919,651,842.71

(2). Major trade payables aged over one year✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Item	Closing balance	Reason for unsettlement or carrying forward
Constructions payables	1,527,881,800.49	The project was not completed and settled, and the payment has not yet been settled
Total	1,527,881,800.49	/

Other explanation

Applicable Not applicable

27. Contract Liabilities

(1). Contract liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Advanced sales receipt from real estate business	13,029,718,387.56	8,723,620,962.68
Settled but uncompleted payments	3,188,632,403.57	2,285,960,173.97
Advanced receipts of construction raw materials	114,160,919.68	40,970,092.02
Advanced receipts of construction works	3,155,488,700.42	2,180,914,454.37
Advanced sales receipt from manufacturing of products	1,238,538,500.56	884,023,990.96
Others	267,850,073.86	440,795,738.84
Total	20,994,388,985.65	14,556,285,412.84

Other explanation:

Applicable Not applicable

Breakdown of advanced sales receipt from real estate business was as follows:

Name of project	Closing balance	Expected date of completion	Percentage of presale
Hefei Gezhouba Long Mansion (合肥葛洲壩•玖龍府)	6,769,273.00	31 March 2018	88.00%
CGGC International Plaza (葛洲壩國際廣場)	21,448,001.77	20 December 2011	96.64%
Xinjiang Headquarter Building and supporting residential project (新疆總部大廈及配套住宅項目)	15,373,804.07	18 January 2017	81.00%
Yili Gezhouba Runjing International (伊犁葛洲壩潤景國際)	5,300,211.55	8 December 2015	84.00%
Wuhan Gezhouba Sun City (武漢葛洲壩太陽城)	2,315,950.57	30 June 2015	70.00%

Name of project	Closing balance	Expected date of completion	Percentage of presale
Shanghai Yulan Garden (上海玉蘭花園)	139,116,717.35	30 December 2022	62.00%
Yichang Jiuxiuxingcheng (宜昌錦繡星城)	437,895.05	27 December 2012	94.77%
Yichang Jinxiuhuafu (宜昌錦繡華府)	3,601,387.74	10 June 2014	92.73%
Hainan Fuwan project (海南福灣項目)	145,171,234.10	20 August 2021	67.45%
Beijing Jade Mansion (北京西宸原著)	324,951,091.29	15 August 15 2016	93.59%
Nanjing Zijun Orchid Court (南京紫郡蘭園)	3,659,355,342.84	31 December 2021	60.93%
Chengdu Zijun Orchid Court (成都紫郡蘭園)	126,526,026.80	12 September 2019	86.00%
Guangzhou Zijun Residence (廣州紫郡府)	2,102,661,987.00	31 May 2020	55.60%
Zijun Orchid Court at Wuhan Economic & Technology Zone (武漢經開紫郡蘭園)	833,424,106.00	30 June 2021	87.30%
Hefei Binhu project (合肥濱湖項目)	1,221,011,001.92	30 June 2022	33.95%
Shanghai Zijun Mansion (上海紫郡公館)	38,535,668.38	21 March 2019	94.83%
Beijing China Residence (北京中國府)	83,474,774.00	31 December 2021	1.03%
Nanjing China Residence (南京中國府)	470,034,816.76	31 December 2021	14.00%
Nanjing Zijun Residence (南京紫郡府)	95,668,740.37	20 July 2020	24.29%
Shanghai Rose Mansion (上海玫瑰公館)	974,097,723.00	31 July 2020	93.50%
Beijing Zijun Orchid Court (北京紫郡蘭園)	2,760,442,634.00	10 May 2021	58.40%
Total	13,029,718,387.56		

(2). *Major advance receipts aged over one year*

Item	Closing balance	Reason for unsettlement or carrying forward
Advanced sales receipt from real estate business	2,145,100,994.88	The property has not been delivered
Advanced receipts of construction works	254,895,359.55	Advanced receipts of construction works
Total	2,399,996,354.43	

28. **Employee Benefits Payable**(1). *Breakdown of employee benefits payable*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term benefits	231,975,903.69	6,901,106,846.65	6,870,574,585.46	262,508,164.88
II. Post-employment benefits – defined contribution plans	26,283,285.69	917,345,947.79	926,136,847.10	17,492,386.38
III. Termination benefits	90,807.00	4,655,486.26	4,488,340.73	257,952.53
IV. Other benefits due within one year				
Total	258,349,996.38	7,823,108,280.70	7,801,199,773.29	280,258,503.79

(2). *Breakdown of short-term benefits*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Wages, bonuses, allowances and subsidies	79,078,151.69	4,785,074,748.19	4,768,625,434.98	95,527,464.90
II. Employee welfare benefits		406,451,042.79	406,451,042.79	
III. Social insurance	11,122,762.28	445,933,061.30	448,947,117.63	8,108,705.95
Including: medical insurance	8,036,490.25	313,617,951.76	315,533,855.40	6,120,586.61
Work-related injury insurance	1,118,832.70	39,780,805.20	40,038,909.05	860,728.85
Maternity insurance	536,215.77	25,204,044.21	25,430,255.63	310,004.35
Supplementary medical insurance	1,431,223.56	67,330,260.13	67,944,097.55	817,386.14

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
IV. Housing provident fund	7,856,180.10	522,612,390.28	522,225,203.97	8,243,366.41
V. Union and education funds	113,410,494.58	195,757,342.24	179,243,507.55	129,924,329.27
VI. Short-term paid absence				
VII. Short-term profit sharing plan				
VIII. Others	20,508,315.04	545,278,261.85	545,082,278.54	20,704,298.35
Total	231,975,903.69	6,901,106,846.65	6,870,574,585.46	262,508,164.88

(3). Breakdown of defined contribution plan

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	15,817,526.46	683,890,171.27	690,406,514.51	9,301,183.22
2. Unemployment insurance	5,254,707.18	24,605,181.67	24,745,009.76	5,114,879.09
3. Enterprise annuity payment	5,211,052.05	208,850,594.85	210,985,322.83	3,076,324.07
Total	26,283,285.69	917,345,947.79	926,136,847.10	17,492,386.38

Other explanation:

Applicable Not applicable

29. Taxes Payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax (VAT)	842,755,036.48	1,162,187,536.53
Business tax	8,398,519.38	11,250,327.61
Corporate income tax ("CIT")	1,254,850,474.99	913,428,721.13
Individual income tax	119,312,122.05	105,527,532.27
City maintenance and construction tax	23,829,102.77	31,669,531.32
Property tax	23,921,149.10	21,619,404.40
LAT	454,144,256.62	121,402,730.11
Education surcharges	23,328,354.02	30,457,659.36
Resources tax	6,629,793.18	3,653,662.61
Land use tax	11,301,772.52	10,007,586.40
Others	134,687,096.66	119,251,008.23
Total	2,903,157,677.77	2,530,455,699.97

30. Other Payables*Presentation*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	1,394,019,080.65	1,304,487,613.85
Dividends payable	481,314,603.58	354,597,848.64
Other payables	19,873,444,916.94	18,494,337,818.74
Total	21,748,778,601.17	20,153,423,281.23

Other explanation:

Applicable Not applicable

Interests payable

(1). *By classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest from long-term borrowings with installments payments and principal due upon maturity		
Interest from corporate bonds	358,207,455.62	276,675,973.08
Interest from bank borrowings	1,035,811,625.03	1,026,314,913.34
Others		1,496,727.43
Total	1,394,019,080.65	1,304,487,613.85

Major overdue but unpaid interest:

Applicable Not applicable

Dividends payable

(1). *By classification*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividend of ordinary shares	141,763,770.25	119,872,015.31
Dividend of preference shares/ perpetual shares classified as equity instruments	339,550,833.33	234,725,833.33
Dividend of preference shares/ perpetual shares – renewable corporate bonds and perpetual medium-term notes	339,550,833.33	234,725,833.33
Total	481,314,603.58	354,597,848.64

Other payables(1). *Other payables by nature*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Retention money payable	5,401,910,818.68	5,493,505,267.69
Long-term assets purchase payable	58,085,161.94	249,477,632.47
Payment and collection clearance payables	255,811,412.03	120,906,579.33
Payables for advances	1,340,112,189.09	1,042,928,393.02
Earnest money from property sales	68,779,522.39	25,070,204.89
Current amount due to associates and joint ventures	9,632,636,166.40	7,322,183,566.52
Collection of asset securitisation funds	80,889,673.10	1,263,726,504.29
Others	3,035,219,973.31	2,976,539,670.53
Total	19,873,444,916.94	18,494,337,818.74

(2). *Other major trade payables aged over one year*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for unsettlement or carrying forward
Non-interest-bearing placements	587,845,288.29	Payables not due
Retention money payable	636,700,109.00	The project has not been completed, so the payment has not yet been settled
Others	343,049,992.08	
Total	1,567,595,389.37	/

Other explanation:

Applicable Not applicable**31. Non-current Liabilities Due within One Year**Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	3,981,514,550.13	8,019,169,890.96
Bonds payable due within one year	770,600,000.00	3,700,000,000.00
Long-term payables due within one year		280,130,575.89
Accrued liabilities due within one year	1,700,000.00	
Lease liabilities due within one year	110,159,114.07	
Long-term employee benefits payable due within one year	201,500,000.00	196,330,000.00
Deferred income due within one year	122,400.00	62,189.29
Total	5,065,596,064.20	12,195,692,656.14

Other explanation:

(1) Long-term borrowings due within one year

Item	Closing balance	Opening balance
Secured borrowings	500,000,000.00	602,000,000.00
Mortgaged loans	1,318,040,000.00	3,954,000,000.00
Guaranteed borrowings	523,274,550.13	1,205,969,890.96
Credit loans	1,640,200,000.00	2,257,200,000.00
Total	3,981,514,550.13	8,019,169,890.96

- ① The balance of secured borrowings amounted to RMB500,000,000, in particular, Gezhouba Hubei Xiangjing Expressway Co., Ltd.* (葛洲壩湖北襄荊高速公路有限公司), a holding subsidiary of China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司), a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB300,000,000 from China Development Bank; Gezhouba Group Sichuan Neisui Expressway Co., Ltd. (葛洲壩集團四川內遂高速公路有限公司), a subsidiary of China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司), a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB140,000,000 from Agricultural Bank of China Macheng Sub-branch and Industrial and Commercial Bank of China Suining Branch; Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司), a holding subsidiary, pledged its rights of accounts receivable to secure the borrowings of RMB40,000,000 from China Development Bank Hainan Branch; and Gezhouba Water Affairs (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司), a holding subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB20,000,000 from China Development Bank Corporation.
- ② The balance of mortgaged loans amounted to RMB1,318,040,000, in particular, Hainan Gezhouba Industrial Co., Ltd. (海南葛洲壩實業有限公司), a subsidiary of China Gezhouba Group Real Estate Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged the land and buildings thereon of Gezhouba Fuwan North District Project to secure the borrowings of RMB118,000,000 from China Construction Bank Corporation Sanya Branch, for which China Gezhouba Group Co., Ltd. provided security; Hefei Gezhouba Real Estate Development Co., Ltd. (合肥葛洲壩房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged No. 09 Plot located at Phase I of Zhongshang Mansion to secure the borrowings of RMB10,000,000 from Agricultural Bank of China Hefei Luyang Sub-branch; Hefei Gezhouba Real Estate Development Co., Ltd. (合肥葛洲壩房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged No. 23 Plot located at Phase II of Zhongshang Mansion to secure the borrowings of RMB440,040,000 from Everbright Bank Hefei Wanda Sub-branch; and Gezhouba Rongchuang Nanjing Property Development Co., Ltd. (葛洲壩融創南京房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged NO.2016053 Plot to secure the borrowings of RMB750,000,000 from Zhongrong International Trust Co., Ltd.

- ③ Guaranteed borrowings amounted to RMB523,274,600, in particular, the Company guaranteed the loans of RMB466,248,600 for subsidiaries under combination, and China Gezhouba Group Co., Ltd. guaranteed the loans of RMB57,026,000 for a subsidiary of the Company.
- (2) For details of bonds payable due within one year, please refer to Note VII. (34) “Bonds payable”.
- (3) For details of long-term payables due within one year, please refer to Note VII. (36) “Long-term payables”.
- (4) For details of accrued liabilities due within one year, please refer to Note VII. (38) “Accrued liabilities”.
- (5) For details of lease liabilities due within one year, please refer to Note VII. (35) “Lease liabilities”.
- (6) For details of long-term employee benefits payable due within one year, please refer to Note VII. (37) “Long-term employee benefits payable”.
- (7) For details of deferred income due within one year, please refer to Note VII. (39) “Deferred income”.

32. Other Current Liabilities

Other current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pending output VAT	7,071,158.02	18,743,979.57
Total	7,071,158.02	18,743,979.57

Changes in short-term bonds payable:

Applicable Not applicable

Other explanation:

Applicable Not applicable

33. Long-term Borrowings*(1). Classification of long-term borrowings*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Secured borrowings	16,117,000,000.00	8,975,700,000.00
Mortgaged loans	8,667,439,365.95	7,201,159,151.51
Guaranteed borrowings	8,471,034,056.79	8,949,576,161.75
Credit loans	6,028,838,666.70	6,656,300,000.00
Total	39,284,312,089.44	31,782,735,313.26

Explanation on classification of long-term borrowings:

- (1) The balance of secured borrowings amounted to RMB16,117,000,000, in particular Gezhouba Hubei Xiangjing Expressway Co., Ltd.* (葛洲壩湖北襄荊高速公路有限公司), a holding subsidiary of China Gezhouba Group Highway Operation Co., Ltd., a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB187,000,000 from China Development Bank; Gezhouba Group Sichuan Neisui Expressway Co., Ltd. (葛洲壩集團四川內遂高速公路有限公司), a wholly-owned subsidiary of China Gezhouba Group Highway Operation Co., Ltd., a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB3,655,000,000 from Industrial and Commercial Bank of China and Agricultural Bank of China; Gezhouba Water (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings of RMB854,500,000 from China Development Bank Corporation; Gezhouba (Haikou) Water Diversion Investment Co., Ltd. (葛洲壩(海口)引水工程投資有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings of RMB790,000,000 from China Development Bank Hainan Branch; Gezhouba Water Affairs (Taizhou) Co., Ltd. (葛洲壩水務(台州)有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings of RMB525,000,000 from Agricultural Bank of China Wenling Sub-branch; Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司), a holding subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB294,000,000 from China Development Bank Hainan Branch; Hefei Gezhouba High-tech Pipe Gallery Investment and Construction Co., Ltd. (合肥葛洲壩高新管廊投資建設有限公司), a holding subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB481,000,000 from China Development Bank Corporation; Gezhouba Xinfu (Nanning) Highway Construction Investment Co., Ltd. (葛洲壩新扶(南寧)公路建設投資有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings of RMB402,000,000 from China Development Bank Hainan Branch; Leqing Gezhouba Investment Co., Ltd. (樂清葛洲壩投資有限公司), a wholly-owned subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB1,500,000 from China Construction Bank Leqing Sub-branch Business Department; and Sichuan

Gezhouba Batongwan Expressway Limited (四川葛洲壩巴通萬高速公路有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings of RMB8,927,000,000 from China Development Bank Sichuan Provincial Branch.

- (2) The balance of mortgaged loans amounted to RMB8,667,439,400, in particular, Hainan Gezhouba Industrial Co., Ltd. (海南葛洲壩實業有限公司), a subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged the land of Hainan Fuwan project it developed and construction in progress to secure the borrowings of RMB1,007,000,000 from China Construction Bank Corporation Sanya Branch, for which China Gezhouba Group Company Limited provided guarantees; Hefei Gezhouba Property Development Co., Ltd. (合肥葛洲壩房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged Plot No.09 of Phase I of China Residence to secure the borrowings of RMB545,000,000 from Agricultural Bank of China Hefei Luyang Sub-branch; Beijing Weiyi Real Estate Development Co., Limited (北京唯逸房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its Redevelopment Lands Nos. 6, 12 and 2 of Fanjia Village to secure the borrowing of RMB1,105,000,000 from Bank of Beijing Co., Ltd. Hongxing Sub-branch; Gezhouba (Hangzhou) Property Development Co., Ltd. (葛洲壩(杭州)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its land use right of Hang Zheng Chu Chu (2017) No. 23 Plot to secure the borrowings of RMB779,516,600 from Agricultural Bank of China Hangzhou Chengxi Sub-branch and China Construction Bank Hangzhou High-tech Sub-branch, for which China Gezhouba Group Company Limited provided guarantee; SK Hydropower Private Limited (SK水電私營有限公司), a subsidiary of China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司), a subsidiary, pledged the assets of its project company to secure the syndicated loans of RMB2,760,922,800 from Industrial and Commercial Bank of China and The Export-Import Bank of China; Gezhouba (Shanghai) Real Estate Development Co., Ltd. (葛洲壩(上海)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its No. Qing 2014006310 Plot to secure the borrowings of RMB780,000,000 from China Construction Bank Corporation Shanghai Qingpu Sub-branch; and Gezhouba (Beijing) Development Co., Ltd. (葛洲壩(北京)發展有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its Cuihu High-tech Park No. HD00-0303-6033 Plot to secure the borrowings of RMB1,690,000,000 from CITIC Bank Beijing Guanhu International Sub-branch.

- (3) The balance of guaranteed borrowings amounted to RMB8,471,034,100, in particular, the Company guaranteed the loans of RMB1,353,522,400 for subsidiaries under combination, China Gezhouba Group Company Limited provided guarantees for the borrowings of RMB6,126,973,900 to the Company and subsidiaries of the Company; Hubei Siping Hydropower Development Co., Ltd. (湖北寺坪水電開發有限公司), a holding subsidiary of China Gezhouba Group Water Operation Co., Ltd., a wholly-owned subsidiary, obtained borrowings of RMB120,064,900 from Japan Bank for International Cooperation, for which the Finance Bureau of Baokang County provided the guarantee; China Gezhouba Group Water Operation Co., Ltd., a wholly-owned subsidiary, provided guarantees for the borrowings of RMB14,483,800 secured by its holding subsidiary Zibo Boshan Huanke Sewage Treatment Co., Ltd. (淄博市博山區環科污水處理有限公司) from Zibo Sub-branch of Postal Savings Bank of China; China Gezhouba Group Cement Co., Ltd., a wholly-owned subsidiary, provided guarantees for the borrowings of RMB755,989,100 secured by its subsidiary Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司) from Hubei Branch of the Export-Import Bank of China; and China Gezhouba Group Water Operation Co., Ltd., a wholly-owned subsidiary, provided guarantees for the borrowings of RMB100,000,000 secured by its subsidiary Huanggang Zhonghe Water Purification Co., Ltd. (黃岡市中和水質淨化有限公司) from Bank of China Limited Huanggang Branch.

Other explanations, including interest rate range:

Applicable Not applicable

As at 31 December 2019, the annual interest rates of borrowings ranged from 1.05% to 9.00%.

34. Bonds Payable

(1). Bonds payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Medium-term bonds	600,000,000.00	1,150,000,000.00
Corporate bonds	12,220,600,000.00	11,200,000,000.00
Asset-backed special project	350,000,000.00	500,000,000.00
Less: Medium-term bonds due within one year	-600,000,000.00	-550,000,000.00
Corporate bonds due within one year	-20,600,000.00	-3,000,000,000.00
Asset-backed special project due within one year	-150,000,000.00	-150,000,000.00
Total	12,400,000,000.00	9,150,000,000.00

(2). *Changes in bonds payable: (excluding preference shares, perpetual bonds and other financial instruments classified as financial liabilities)*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Name of bonds	Par value	Issue date	Maturity	Issue amount	Opening balance	Issued in the period	Accrued interest at par value	Amortization of premium and for discount	Repayments in the period	Reclassification of closing interest to interests payable	Reclassification of closing par value to non-current liabilities due within one year	Closing balance
Corporate bonds	100.00	2016-1-19	5	3,000,000,000.00	3,000,000,000.00		94,200,000.00			86,611,666.67		3,000,000,000.00
Corporate bonds	100.00	2016-5-5	5	3,000,000,000.00	3,000,000,000.00		35,970,000.00		2,979,400,000.00		20,600,000.00	0.00
Corporate bonds	100.00	2016-5-15	5	4,000,000,000.00	4,000,000,000.00		138,000,000.00			83,950,000.00		4,000,000,000.00
Green corporate bonds	100.00	2018-9-20	3	1,200,000,000.00	1,200,000,000.00		56,880,000.00			14,220,000.00		1,200,000,000.00
Residential lease bonds	100.00	2019-01-09	5	1,000,000,000.00		1,000,000,000.00	38,500,000.00			38,500,000.00		1,000,000,000.00
2019 tranche 1 corporate bonds	100.00	2019-03-13	5	1,500,000,000.00		1,500,000,000.00	61,500,000.00			61,500,000.00		1,500,000,000.00
2019 tranche 2 corporate bonds	100.00	2019-04-24	3	1,500,000,000.00		1,500,000,000.00	44,437,500.00			44,437,500.00		1,500,000,000.00
Medium-term bonds	100.00	2013-3-6	7	600,000,000.00	600,000,000.00		30,660,000.00			25,179,000.00	600,000,000.00	0.00
Medium-term bonds	100.00	2014-12-25	5	550,000,000.00	550,000,000.00		27,225,000.00		550,000,000.00			0.00
Asset-backed special project	100.00	2016-11-22	5	800,000,000.00	500,000,000.00		15,408,982.54		150,000,000.00	3,809,288.95	150,000,000.00	200,000,000.00
Total	/	/	/	17,150,000,000.00	12,850,000,000.00	4,000,000,000.00	542,781,482.54		3,679,400,000.00	358,207,455.62	770,600,000.00	12,400,000,000.00

(3). *Explanation about the conditions and timing of conversion of convertible corporate bonds*Applicable Not applicable

(4). Explanation about other financial instruments classified as financial liabilities

Basic information on preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

Applicable Not applicable

Statement on changes in preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

Applicable Not applicable

Explanation about basis for classifying other financial instruments as financial liabilities:

Applicable Not applicable

Other explanation:

Applicable Not applicable

35. Lease Liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	478,717,776.29	732,604,566.94
Less: Lease liabilities due within one year	-110,159,114.07	
Total	368,558,662.22	732,604,566.94

36. Long-term Payables***Presentation***

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables		655,237,329.16
Special payables	15,970,505.41	9,970,505.41
Total	15,970,505.41	665,207,834.57

Other explanation:

Applicable Not applicable

Long-term payables

(1). *Long-term payables by nature*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Sales and finance leaseback arrangement		927,731,540.59
Borrowings from Laiwu Finance Bureau		7,636,364.46
Less: Long-term payables due within one year		280,130,575.89
Total		655,237,329.16

Special payables

(1). *Special payables by nature*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason
Government special funds for dredging	9,970,505.41	6,000,000.00		15,970,505.41	
Total	9,970,505.41	6,000,000.00		15,970,505.41	/

37. Long-term Employee Benefits Payable

Applicable Not applicable

(1). *Statement of long-term employee benefits payable*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Post-employment benefits (net liabilities under defined benefit plans)	2,341,053,400.00	2,295,557,000.00
II. Termination benefits	92,610,000.00	62,880,000.00
III. Other long-term benefits		
Sub-total	2,433,663,400.00	2,358,437,000.00
Less: Long-term employee benefits payable due within one year	-201,500,000.00	-196,330,000.00
Total	2,232,163,400.00	2,162,107,000.00

(2). *Changes in defined benefit plans*

Present value of obligations under defined benefit plans:

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
I. Opening balance	2,358,437,000.00	2,032,051,000.00
II. Defined benefit cost included in profit and loss	129,390,000.00	85,790,000.00
1. Current service costs		
2. Past service costs	52,380,000.00	
3. Settlement gains (losses represented by "-")	-3,640,000.00	-7,810,000.00
4. Net interests	80,650,000.00	93,600,000.00
III. Defined benefit cost included in other comprehensive income	-37,640,000.00	262,880,000.00
1. Actuarial gains (gains represented by "-")	-37,640,000.00	262,880,000.00
IV. Other changes	-16,523,600.00	-22,284,000.00
1. Consideration paid at settlement	183,476,400.00	187,566,000.00
2. Benefits paid	-200,000,000.00	-209,850,000.00
V. Closing balance	2,433,663,400.00	2,358,437,000.00

Planned assets:

Applicable ✓Not applicable

Net liabilities (net assets) under defined benefit plans

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
I. Opening balance	2,358,437,000.00	2,032,051,000.00
II. Defined benefit cost included in current profit and loss	129,390,000.00	85,790,000.00
III. Defined benefit cost included in other comprehensive income	-37,640,000.00	262,880,000.00
IV. Other changes	-16,523,600.00	-22,284,000.00
V. Closing balance	2,433,663,400.00	2,358,437,000.00

Explanation about impacts of the details of the defined benefit plan and its associated risks on the Company' s future cash flows, timing and uncertainty:

Applicable Not applicable

The actuarial risks from the actuarial benefit plan of the Company mainly include interest rate risk, risks of growth in welfare and average medical premium.

Interest rate risk: The present value of defined benefit plan obligations is calculated with reference to the market yield of government bonds as the discount rate. Therefore, a decrease in the interest rate of government bonds will lead to an increase in the present value of defined benefit plan obligations.

Welfare growth risk: The present value of defined benefit plan liabilities is calculated with reference to the welfare of the three types of personnel. Therefore, the increase in the welfare growth rate of the three types of personnel due to rising prices and other factors will lead to an increase in the amount of liabilities.

Average medical premium growth risk: The present value of defined benefit plan liabilities is calculated with reference to the medical reimbursement benefit of the original retired personnel. Therefore, the increase in the average medical premium growth rate caused by factors such as the increase in medical reimbursement expenses will lead to an increase in the amount of liabilities.

Key actuarial assumptions and sensitivity analysis results of defined benefit plans

Applicable Not applicable

Key actuarial assumptions	For the current year	For last year
Discount rate	2.75%-3.25%	3%-3.5%
Annual growth rate of pre-retirement benefits for retired personnel and non-working injury personnel	4.50%	4.50%
Annual growth rate of pension benefits for retirees, decentralized personnel and survivors	2.00%	2.00%
Average annual growth rate of medical expenses	5.50%	5.50%

Other explanation:

Applicable Not applicable

38. Accrued Liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Reason
Disposal expenses	44,703,828.76		Mine rehabilitation obligations
Product quality assurance	1,700,000.00		
Less: Accrued liabilities due within one year	-1,700,000.00		
Total	44,703,828.76		/

39. Deferred Income

Deferred income

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason
Government grants	211,240,783.90	47,909,724.43	28,436,705.95	230,713,802.38	
Unrecognised profit or loss from sales and leaseback	42,725,949.07		6,026,274.70	36,699,674.37	
Total	253,966,732.97	47,909,724.43	34,462,980.65	267,413,476.75	/

Projects related to government grants:

Applicable Not applicable

Unit: Yuan Currency: RMB

Liability item	Opening balance	Additions of grants for the period	Included in profit or loss for the period	Reclassified to non-current liabilities due within one year	Closing balance	Related to assets/income
Return income from land premiums	129,687,952.81		4,248,756.60		125,439,196.21	Related to assets
Infrastructure investment subsidy		28,600,000.00	714,900.00		27,885,100.00	Related to assets
Scientific and research subsidy	4,000,000.00				4,000,000.00	Related to assets
Coal to gas technical reform subsidy	5,760,000.00		1,440,000.00		4,320,000.00	Related to assets
Special subsidies for the deep integration of informatisation and industrialization	6,723,984.91				6,723,984.91	Related to assets
Domestic waste demonstration line subsidy	14,128,282.65	543,000.00	891,917.94		13,779,364.71	Related to assets
Industry development fund	18,495,784.60		1,233,052.32		17,262,732.28	Related to assets
Special award fund	16,803,888.89		1,252,611.08		15,551,277.81	Related to assets
Subsidy for people waiting for employment	15,433,184.04	18,010,124.43	17,931,174.01	122,400.00	15,389,734.46	Related to income
Industrial support fund		556,600.00	556,600.00			
Others	207,706.00	200,000.00	45,294.00		362,412.00	Related to income
Total	211,240,783.90	47,909,724.43	28,314,305.95	122,400.00	230,713,802.38	Related to assets

Other explanation:

Applicable Not applicable

40. Other Non-current Liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term tax payable by foreign companies	91,826,938.89	84,914,215.68
Others	2,848,886.93	
Total	94,675,825.82	84,914,215.68

41. Share Capital✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Changes for the period (+, -)				Sub-total	Closing balance
		Issuance of new shares	Bonus shares	Capitalization of surplus reserve	Others		
Total number of shares	4,604,777,412.00					4,604,777,412.00	

42. Other Equity Instruments**(1). Basic information on preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period**✓Applicable Not applicable

In May 2016, the Company issued 2016 Tranche I Perpetual Medium-term Bonds of RMB3 billion in National Association of Financial Market Institutional Investors.

In July 2016, the Company issued 2016 Tranche I Renewable Corporate Bonds of RMB5 billion in the Shanghai Stock Exchange. In July 2019, the Company didn't choose to exercise the option of renewal and settled RMB2.5 billion. As at 31 December 2019, the balance of 2016 Tranche I Renewable Corporate Bonds was RMB2.5 billion.

In August 2016, the Company issued 2016 Tranche II Renewable Corporate Bonds of RMB5 billion in the Shanghai Stock Exchange. In July 2019, the Company didn't choose to exercise the option of renewal and settled RMB2 billion. As at 31 December 2019, the balance of 2016 Tranche II Renewable Corporate Bonds was RMB3 billion.

In September 2016, the Company issued 2016 Tranche II Perpetual Medium-term Bonds of RMB3 billion in National Association of Financial Market Institutional Investors.

In May 2019, the Company issued 2019 Tranche I Renewable Corporate Bonds of RMB5 billion in the Shanghai Stock Exchange.

In November 2019, the Company issued 2019 Tranche I Perpetual Medium-term Bonds of RMB5 billion in National Association of Financial Market Institutional Investors.

(2). *Statement on changes in preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period*

Applicable Not applicable

Outstanding financial instruments	Beginning of the period		Increase for the period		Decrease for the period		End of the period	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
2016 Renewable Corporate Bonds (Tranche I)		5,000,000,000.00				2,500,000,000.00		2,500,000,000.00
2016 Renewable Corporate Bonds (Tranche II)		5,000,000,000.00				2,000,000,000.00		3,000,000,000.00
2016 Perpetual Medium-term Bonds (Tranche I)		3,000,000,000.00						3,000,000,000.00
2016 Perpetual Medium-term Bonds (Tranche II)		3,000,000,000.00						3,000,000,000.00
2019 Renewable Corporate Bonds (Tranche I)				5,000,000,000.00				5,000,000,000.00
2019 Perpetual Medium-term Bonds (Tranche I)				5,000,000,000.00				5,000,000,000.00
Total		16,000,000,000.00		10,000,000,000.00		4,500,000,000.00		21,500,000,000.00

Other explanation:

Applicable Not applicable

43. **Capital Reserve**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share capital premium)	5,983,012,007.26		8,561,907.04	5,974,450,100.22
Other capital reserves	1,528,456,743.69	131,063,568.18	18,868,970.44	1,640,651,341.43
Total	7,511,468,750.95	131,063,568.18	27,430,877.48	7,615,101,441.65

Other explanation, including changes (increase or decrease) during the period and reasons for such changes:

- (1) The capital premiums represent the consideration paid for disposal of minority interests by the Company and net differences of assets attributable to.
- (2) The increase in other capital reserves in the current period mainly represents the other changes of shareholders' interests of investees excluding net profit or loss, other comprehensive income and profit distribution calculated under equity method; and the decrease in other capital reserves in the current period is mainly due to the excess of 920 funds paid to relevant subsidiary by the Company over the 920 funds allocated by China Gezhouba Group Company Limited, the parent.

44. Other Comprehensive Income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount for the current period			Amount attributable to the parent after tax	Amount attributable to the minority shareholders after tax	Closing balance
		Balance before income tax during the period	Less: Amount transferred to profit or loss from other comprehensive income (or retained earnings)	Less: Income tax expense			
I. Other comprehensive income not to be reclassified into profit or loss	104,778,506.25	308,021,214.14		40,559,926.87	267,455,975.27	5,312.00	372,234,481.52
Including: Changes of the re-measurement of defined benefit plans	-316,687,191.60	37,640,000.00			37,634,688.00	5,312.00	-279,052,503.60
Other comprehensive income not to be reclassified into profit or loss under equity method	7,362.00	-18,298.35			-18,298.35		-10,936.35
Change in fair value of other equity instrument investments	421,458,335.85	270,399,512.49		40,559,926.87	229,839,585.62		651,297,921.47
II. Other comprehensive income to be reclassified into profit or loss	-477,547,405.51	-88,526,723.78			-86,062,486.15	-2,464,237.63	-563,609,891.66
Including: Other comprehensive income to be reclassified into profit or loss under equity method							
Differences on translation of foreign currency statements	-477,547,405.51	-88,526,723.78			-86,062,486.15	-2,464,237.63	-563,609,891.66
Total other comprehensive income	-372,768,899.26	219,494,490.36		40,559,926.87	181,393,489.12	-2,458,925.63	-191,375,410.14

45. Special Reserve✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Production safety expenses	86,232,567.27	970,864,406.92	958,755,878.87	98,341,095.32
Total	86,232,567.27	970,864,406.92	958,755,878.87	98,341,095.32

46. Surplus Reserve✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	1,582,944,663.22	69,182,414.06		1,652,127,077.28
Total	1,582,944,663.22	69,182,414.06		1,652,127,077.28

47. Retained Earnings✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Item	Current period	Last period
Retained earnings at the end of last period before adjustment	13,391,336,189.86	10,759,826,667.48
Total amount of retained earnings at the beginning of the adjustment period (increase +, decrease -)		103,501,690.02
Retained earnings at the beginning of the period after adjustment	13,391,336,189.86	10,863,328,357.50
Add: Net profits attributable to owners of the parent during the current period	5,441,781,311.03	4,657,706,341.59
Less: Appropriation for statutory surplus reserve	69,182,414.06	93,676,683.62
Ordinary share dividends payable	828,859,934.16	1,234,080,352.70
Dividends for other equity instruments payable	679,925,000.00	575,100,000.00

Unit: Yuan Currency: RMB

Item	Current period	Last period
Decrease in others		226,841,472.91
Retained earnings at the end of the period	17,255,150,152.67	13,391,336,189.86

48. Operating Income and Operating Costs**(1). Operating income and operating costs**✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal business	109,244,531,388.14	91,421,028,527.27	100,128,014,993.62	83,833,834,259.68
Other businesses	701,165,479.22	520,696,989.28	497,654,778.03	358,389,156.62
Total	109,945,696,867.36	91,941,725,516.55	100,625,669,771.65	84,192,223,416.30

(2). Revenue from contracts✓Applicable Not applicable**1. Principal operations by industry**

Unit: Yuan Currency: RMB

Name of sector	Amount for the current period		Amount for last period	
	Revenue	Cost	Revenue	Cost
Construction and contracting	65,894,065,197.19	57,881,757,276.79	54,538,541,997.17	47,111,413,518.09
Industrial manufacturing	28,451,422,436.13	23,504,095,958.77	32,811,821,976.40	27,779,600,905.92
Investment and operation	13,127,714,993.47	8,732,416,488.82	10,870,093,532.05	7,310,558,958.12
Comprehensive services	1,771,328,761.35	1,302,758,802.89	1,907,557,488.00	1,632,260,877.55
Total	109,244,531,388.14	91,421,028,527.27	100,128,014,993.62	83,833,834,259.68

2. *Principal operations by geography*

Name of region	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Domestic	90,638,219,738.38	75,799,562,622.28	82,518,321,246.47	68,896,437,260.31
Overseas	18,606,311,649.76	15,621,465,904.99	17,609,693,747.15	14,937,396,999.37
Total	109,244,531,388.14	91,421,028,527.27	100,128,014,993.62	83,833,834,259.68

Note: Included in the income from overseas contracted engineering of the Company in 2019, the engineering technology outsource income amounted to US\$104,656,387.

3. *Operating income from top five customers*

Name of customer	Operating income	Percentage to total operating income of the Company (%)
The largest	4,285,515,008.58	3.90
The second largest	4,270,426,454.32	3.88
The third largest	2,600,625,489.46	2.37
The fourth largest	2,388,442,151.20	2.17
The fifth largest	2,176,501,621.54	1.98
Total	15,721,510,725.10	14.30

4. *Revenue from contracts*

Type of contract	Construction and contracting	Industrial manufacturing	Investment and operation	Comprehensive services	Elimination	Total
Operating income from principal activities	65,894,065,197.19	28,451,422,436.13	13,127,714,993.47	1,851,957,181.45	-80,628,420.10	109,244,531,388.14
Including: recognised at a point of time		28,451,422,436.13	13,127,714,993.47	1,851,957,181.45	-80,628,420.10	43,350,466,190.95
Including: recognised over time	65,894,065,197.19					65,894,065,197.19
Other operating income				715,654,472.93	-14,488,993.71	701,165,479.22
Total	65,894,065,197.19	28,451,422,436.13	13,127,714,993.47	2,567,611,654.38	-95,117,413.81	109,945,696,867.36

(3). *Details of performance obligation*

Applicable Not applicable

(4). *Explanation about allocation to the remaining performance obligations*

Applicable Not applicable

49. Taxes and Surcharges

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Business tax	17,083,118.90	2,833,726.01
City maintenance and construction tax	184,115,688.18	235,176,903.41
Education surcharges	133,843,770.45	182,880,800.59
Resources tax	32,244,309.03	43,689,086.59
LAT	534,536,832.58	358,250,207.62
Property tax	68,741,247.31	52,614,382.94
Land use tax	42,602,380.63	48,927,558.61
Vehicle and vessels use tax	1,426,957.49	1,420,580.25
Stamp duty	46,676,465.54	51,322,868.94
Others	87,891,788.52	139,472,103.21
Total	1,149,162,558.63	1,116,588,218.17

Note: For particulars of standards of levy of taxes and surcharges, please refer to Note VI. Taxation.

50. Selling and Distribution Expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Employee benefits expenses	255,789,400.40	223,140,318.34
Packaging expenses	103,731,991.20	101,374,427.69
Transportation and loading and unloading expenses	518,196,117.70	541,464,384.54
Selling expenses	226,061,003.40	152,542,093.78
Others	276,305,270.71	282,666,310.19
Total	1,380,083,783.41	1,301,187,534.54

51. Administrative Expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Employee benefits	2,834,169,421.52	2,430,281,892.77
Depreciation and amortization expenses	536,264,105.18	387,447,088.27
Office and travel expenses	329,448,607.06	324,295,144.64
Others	987,326,801.82	1,313,314,314.29
Total	4,687,208,935.58	4,455,338,439.97

52. Research and Development Expenses✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Materials expenses	1,814,153,570.90	1,165,851,873.15
Labor expenses	558,164,463.74	472,654,971.01
Depreciation expenses of fixed assets	71,717,344.90	42,856,705.60
Amortization expenses of intangible assets	429,565.25	2,328,219.78
Rental fee	148,380,783.88	77,548,090.92
Utilities	33,134,289.43	49,111,241.08
Others	163,177,706.21	170,201,946.81
Total	2,789,157,724.31	1,980,553,048.35

53. Finance Costs✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Interest expense	2,895,796,192.41	2,586,809,571.66
Less: interest income	-314,509,414.31	-375,932,327.28
Exchange gains and losses	-18,466,837.07	120,308,774.60
Commission expenses	202,417,310.98	156,967,239.65
Total	2,765,237,252.01	2,488,153,258.63

54. Other Income✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Item	Amount for the current period	Amount for the last period	Related to assets/ income
Gas boiler subsidy	1,440,000.00	1,440,000.00	Related to assets
Special award fund	1,252,611.08	611,111.11	Related to assets
Return of land premium	4,127,025.00	3,609,332.12	Related to assets
Domestic waste demonstration line subsidy	891,917.94	849,181.81	Related to assets
Industry Development Fund	1,233,052.32	1,233,052.32	Related to assets
Infrastructure investment subsidy	714,900.00		Related to assets
Other government grants related to assets	45,294.00	1,066,121.06	Related to assets
Tax rebate in respect of comprehensive utilization of resources	473,613,681.13	567,356,087.40	Related to income
Tax refunds	548,095,374.31	761,136,370.42	Related to income
Tax credits	16,946,798.16	44,547,409.29	Related to income
Enterprise support funds	48,882,560.24	61,762,877.19	Related to income
Natural gas subsidy		3,550,000.00	Related to income
Subsidy for people waiting for employment	17,931,174.01	26,355,229.07	Related to income
Relocation compensation subsidy		51,904,781.00	Related to income
Individual tax refunds	1,532,352.46	7,218,668.98	Related to income
Others	10,292,033.23	33,098,941.38	Related to income
Total	1,126,998,773.88	1,565,739,163.15	

55. Investment Income✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Income from long-term equity investment under equity method	806,662,212.19	979,440,321.23
Investment income generated from disposal of long-term equity investments	2,247,842,727.14	9,842,678.85
Income earned during the holding period of other equity instrument investments	2,717,583.04	20,381,872.80
Investment income earned during the holding period of other non-current financial assets	44,863,396.70	68,394,309.55
Investment income from disposal of other non-current financial assets	100,255.41	54,079,231.29
Others	135,649,977.17	8,683,740.04
Total	3,237,836,151.65	1,140,822,153.76

Other explanation:

Investment income from disposal of long-term equity investments mainly represents the Company's disposal of 100% equity interests in Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司) during the year, for details, please refer to Note VIII. 4 "Disposal of Subsidiaries".

56. Gains on Changes in Fair Value✓Applicable Not applicable

Unit: Yuan Currency: RMB

Source of gains on change in fair value	Amount for the current period	Amount for the last period
Other non-current financial assets	44,373,957.58	418,392,062.83
Total	44,373,957.58	418,392,062.83

57. Credit Impairment Losses✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Losses from bad debts of trade receivables	-123,236,539.41	-5,437,048.44
Losses from bad debts of other receivables	-492,005,486.62	-23,254,296.27
Losses from bad debts of long-term receivables	-24,461,779.64	-30,530,938.37
Impairment losses of contract assets	-76,151,551.83	-43,300,152.90
Total	-715,855,357.50	-102,522,435.98

Other explanation:

The provision for bad debts of other receivables was RMB492,005,486.62 for the current period. For details, please refer to Note VII. 5 “Other Receivables”.

58. Asset Impairment Losses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Loss of inventory depreciation	-123,553,335.30	
Impairment loss on prepayments		-451,622,276.90
Impairment loss of fixed assets		-1,384,160.15
Total	-123,553,335.30	-453,006,437.05

59. Gains from Disposal of Assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring gains and losses of the period
Gains or losses from disposal of fixed assets	-24,908,607.64	-9,923,317.49	-24,908,607.64
Gains or losses from disposal of intangible assets (other than land)	-175,554.29		-175,554.29
Gains or losses from disposal of land		58,308,644.24	
Others		-129,182.64	
Total	-25,084,161.93	48,256,144.11	-25,084,161.93

60. Non-operating Income*Non-operating income*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss of the period
Government grants	2,700,063.57	3,452,464.90	2,700,063.57
Gain from compensation for breach of contract	18,790,878.29	7,365,072.72	18,790,878.29
Other penalty gains	3,843,893.88	3,801,987.47	3,843,893.88
Insurance compensation		39,734,536.97	
Gains from acquisition of subsidiaries		4,467,989.18	
Unpayable amount	14,257,154.77	8,617,398.73	14,257,154.77
Other gains	17,878,229.51	18,126,280.26	17,878,229.51
Total	57,470,220.02	85,565,730.23	57,470,220.02

Government grants included in profit and loss for the period✓Applicable Not applicable

Unit: Yuan Currency: RMB

Subsidy item	Amount for the current period	Amount for the last period	Related to assets/income
Enterprise support funds	380,000.00	1,787,816.39	Related to income
Other subsidy	2,320,063.57	1,664,648.51	Related to income
Total	2,700,063.57	3,452,464.90	

Other explanation:

Applicable ✓Not applicable**61. Non-operating Expenses**✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss of the period
External donations	2,560,995.48	2,678,500.00	2,560,995.48
Losses from default and late fees	7,573,026.87	10,921,045.25	7,573,026.87
Losses from compensation and default	21,269,549.23	17,176,865.78	21,269,549.23
Asset retirement losses	7,636,834.83	16,009,014.68	7,636,834.83
Others	8,376,689.02	3,647,449.35	8,376,689.02
Total	47,417,095.43	50,432,875.06	47,417,095.43

62. Income Tax Expenses*(1). Income tax expenses statement*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Current income tax expenses	2,187,234,553.13	1,801,924,671.76
Deferred income tax expenses	37,046,207.69	-17,378,879.10
Total	2,224,280,760.82	1,784,545,792.66

(2). *Reconciliation for accounting profit and income tax expenses*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period
Total profit	8,787,890,249.84
Income tax expenses at the statutory income tax rate	2,196,972,562.46
Effect of different tax rates for subsidiaries	-129,082,333.59
Effect of non-taxable income	-393,866,548.02
Effect of non-deductible cost, expenses and losses	11,024,963.22
Effect of utilization of deductible temporary differences or deductible losses in deferred income tax assets not recognized in previous period	-82,898,317.05
Effect of deductible temporary differences or deductible losses in deferred income tax assets not recognized in current period	704,539,269.59
Qualified R&D expenditure and tax effect of additional deductions	-209,407,332.33
Others	126,998,496.54
Income tax expense	2,224,280,760.82

Other explanation:

Applicable ✓Not applicable63. **Items in Statement of Cash Flows**(1). *Other cash received related to operating activities*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Government grants received	30,876,128.19	87,326,783.77
Interest income	314,509,414.31	375,932,327.28
Deposits, current accounts and others	18,627,882,161.88	16,692,355,805.44
Total	18,973,267,704.38	17,155,614,916.49

(2). *Other cash paid related to operating activities*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Expenses in current period	4,582,477,147.02	3,216,073,007.72
Deposits, current accounts and others	17,436,789,509.41	18,876,300,845.14
Total	22,019,266,656.43	22,092,373,852.86

(3). *Other cash received related to investment activities*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Investment returns from BT projects		123,950,989.87
Recovery of time deposits	288,791,724.17	228,375,545.48
Net cash received from acquisition of subsidiaries and other business units		3,057,130.51
Central fund investment budget	119,930,000.00	106,360,505.41
Total	408,721,724.17	461,744,171.27

(4). *Other cash paid related to investment activities*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Time deposits		514,475,545.48
Net cash paid for disposal of subsidiaries and other business units		17,829,050.64
Total		532,304,596.12

(5). *Other cash received related to financing activities*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Collection and payment of financial assets transfer	3,188,062,483.13	3,541,622,310.32
920 funds	164,607,429.56	167,779,135.13
Notes deposits received	185,913,515.23	30,684,268.35
Funds from joint ventures	2,863,956,080.65	
Others	976,664,985.51	
Total	7,379,204,494.08	3,740,085,713.80

(6). *Other cash related to financing activities*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Collection and payment of financial assets transfer	759,858,234.51	3,602,456,620.74
Repayment of perpetual bonds	5,500,000,000.00	
Payment for finance leases and sales and leaseback	476,574,949.88	862,000,000.00
Payment of surety for bills	229,769,362.31	73,768,361.79
Others	9,800,000.00	
Total	6,976,002,546.70	4,538,224,982.53

64. Supplementary Information to the Statement of Cash Flows

(1). Supplementary information to the statement of cash flows

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Adjustment of net profit to cash flows of operating activities:		
Net profits	6,563,609,489.02	5,959,893,569.02
Add: Provision for asset impairment	839,408,692.80	555,528,873.03
Depreciation of fixed assets, oil and gas assets, productive biological assets	1,466,812,120.42	1,377,065,347.45
Amortization of right-of-use assets		
Amortisation of intangible assets	596,109,546.03	516,504,412.58
Amortization of long-term prepaid expenses	187,992,477.72	211,301,054.59
Loss from disposal of fixed assets, intangible assets and other long-term assets (income represented by “-”)	25,084,161.93	-48,256,144.11
Losses from damage and scrap of fixed assets (income represented by “-”)		12,872,704.38
Losses due to changes in fair value (income represented by “-”)	-44,373,957.58	-418,392,062.83
Financial costs (income represented by “-”)	2,877,329,355.34	2,707,118,346.26
Investment loss (income represented by “-”)	-3,237,836,151.65	-1,140,822,153.76
Decrease in deferred income tax assets (increase represented by “-”)	-106,598,457.03	-180,246,465.73
Increase in deferred income tax liabilities (decrease represented by “-”)	143,644,664.72	162,867,586.63
Decrease in inventories (increase represented by “-”)	-1,384,856,232.64	-5,194,765,274.58
Decrease in operating receivables (increase represented by “-”)	18,224,381,093.04	18,977,110,010.11
Increase in operating payables (decrease represented by “-”)	-20,080,273,483.37	-22,219,976,194.27
Others		
Net cash flows from operating activities	6,070,433,318.75	1,277,803,608.77

Supplementary information	Amount for the current period	Amount for the previous period
2. Major investment and financing activities not involving cash receipts and payments:		
Debt transferred to capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under financing leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	21,620,697,193.61	18,838,712,123.84
Less: Opening balance of cash	18,838,712,123.84	18,622,157,083.52
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	2,781,985,069.77	216,555,040.32

(2). *Net cash paid to acquire subsidiaries during the period*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Item	Amount
Cash or cash equivalents paid during the period from business combination during the period	18,200,000.00
Including: Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	18,200,000.00
Less: cash and cash equivalents held by subsidiaries on the acquisition date	75,300,806.70
Including: Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	75,300,806.70
Add: Cash or cash equivalents paid during the period from business combination in previous periods	192,191,299.16
Including: Pengzhou Branch of China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	85,441,700.00
San Noronso Water Supply System Co., Ltd. (聖諾倫索供水系統有限公司)	101,749,599.16
Beijing Zhongkai Xingye Investment Management Company Limited (北京中凱興業投資管理有限公司)	5,000,000.00
Net cash paid for acquisition of subsidiaries	135,090,492.46

(3). *Net cash received from disposal of subsidiaries during the period*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Item	Amount
Cash and cash equivalent received during the period from disposal of subsidiaries during the period	3,458,304,653.49
Including: Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司)	3,457,000,000.00
Kashilian Blasting Engineering Co., Ltd. (喀什利安爆破工程有限公司)	1,304,653.49
Less: Cash and cash equivalents held by subsidiaries at the date of lost control	39,009,602.81
Including: Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司)	36,790,063.84
Kashilian Blasting Engineering Co., Ltd. (喀什利安爆破工程有限公司)	2,219,538.97
Add: Cash or cash equivalent received during the period from disposal of subsidiaries in previous periods	46,178,714.44
Including: Beijing Dongbu Greentown Real Estate Co., Ltd. (北京東部綠城置業有限公司)	46,178,714.44
Net cash received from disposal of subsidiaries	3,465,473,765.12

(4). *Composition of cash and cash equivalents*✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Item	Closing balance	Opening balance
I. Cash	21,620,697,193.61	18,838,712,123.84
Including: Cash on hand	25,802,249.23	24,110,713.00
Bank deposits available for payment	21,468,635,206.09	18,721,505,673.79
Other monetary funds available for payment	126,259,738.29	93,095,737.05
II. Cash equivalents		
III. Closing balance of cash and cash equivalents	21,620,697,193.61	18,838,712,123.84

65. **Assets with Restricted Ownership or Right-of-use**✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing carrying amount	Reasons of restriction
Monetary funds	462,019,266.95	Bank acceptances, guarantee letter deposits, etc.
Long-term receivables	2,613,838,103.13	Secured loans
Inventories	19,398,530,825.97	Loan mortgage and seizure, please refer to Note VII. 6 “Inventories” for details
Fixed assets	12,000,000.00	Loans mortgage
Construction in progress	18,470,999,274.29	Loan mortgage and pledge
Intangible assets	7,993,899,652.91	Loans mortgage
Total	48,951,287,123.25	/

66. Foreign Currency Monetary Items**(1). Foreign currency monetary items**

✓Applicable □Not applicable

Unit: Yuan

Item	Closing balance of foreign currency	Exchange rate	Closing balance in RMB equivalent
Monetary funds			4,703,755,579.58
Including: US Dollar	445,703,294.96	6.98	3,109,315,326.33
Others			1,594,440,253.25
Trade receivables			983,481,187.89
Including: US Dollar	79,915,387.07	6.98	557,505,723.28
Others			425,975,464.61
Other receivables			653,902,569.09
Including: US Dollar	3,865,471.92	6.98	26,966,305.23
Others			626,936,263.86
Non-current assets due within one year			325,981,491.25
Including: US Dollar			
Others			325,981,491.25
Long-term receivables			6,011,930,239.82
Including: US Dollar			
Others			6,011,930,239.82
Short-term borrowings			3,457,582,132.84
Including: US Dollar	362,224,993.55	6.98	2,526,954,000.00
Others			930,628,132.84

Item	Closing balance of foreign currency	Exchange rate	Closing balance in RMB equivalent
Non-current liabilities due			
within one year			207,748,547.98
Including: US Dollar			
Others			207,748,547.98
Long-term borrowings			8,715,272,193.57
Including: US Dollar	666,263,134.79	6.98	4,647,984,880.95
Others			4,067,287,312.62
Accounts payable			7,836,509,911.75
Including: US Dollar	213,865,639.08	6.98	1,491,969,471.36
Others			6,344,540,440.39
Other payables			1,102,028,446.03
Including: US Dollar	42,721,754.50	6.98	298,035,503.71
Others			803,992,942.32
Interest payables			1,000,249,789.93
Including: US Dollar	2,208,479.17	6.98	15,406,792.38
Others			984,842,997.55
Other non-current liabilities			96,659,935.67
Including: US Dollar			
Others			96,659,935.67

- (2). *Notes on the overseas operating entities, including, for significant overseas operating entities, the necessary disclosure of main overseas operating places, functional currency and selection basis, as well as reasons for changes of the functional currency*

Applicable Not applicable

67. Government Grants

- (1). *Basic information of government grants*

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Amount	Items reported	Amount included in profit or loss
Government grants related to assets			
Infrastructure investment	28,600,000.00	Deferred revenue	714,900.00
Domestic waste demonstration line subsidy	543,000.00	Deferred revenue	891,917.94
Others	756,600.00	Deferred revenue	601,894.00
Government grants related to income			
Subsidy for people waiting for employment	18,010,124.43	Deferred revenue	17,931,174.01
Tax rebate in respect of comprehensive utilization of resources	473,613,681.13	Other gains	473,613,681.13
Tax refunds	548,095,374.31	Other gains	548,095,374.31
Tax incentives	16,946,798.16	Other gains	16,946,798.16
Enterprise support funds	48,882,560.24	Other gains	48,882,560.24
Personal income tax refund	1,532,352.46	Other gains	1,532,352.46
Others	4,596,478.44	Other gains	9,613,701.63
Enterprise support funds	380,000.00	Non-operating income	380,000.00
Other subsidy	2,148,331.97	Non-operating income	2,198,331.97
Total	1,144,105,301.14		1,121,402,685.85

(2). *Return of government grants*Applicable Not applicable68. **Others**Applicable Not applicable

VIII. CHANGES ON SCOPE OF COMBINATION

1. Business Combination not under Common Control

Applicable Not applicable

(1). Business combination of entities under common control during the period

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of acquiree	Date of equity acquisition	Acquisition cost	Acquisition ratio (%)	Acquisition method	Acquisition date	Basis for determining the acquisition date	Revenue of the acquiree from acquisition date to the end of the reporting period	Net profit of the acquiree from acquisition date to the end of the reporting period
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	2019-4-1	24,200,000.00	100.00	Equity transfer	2019-4-1	Date of actual control	0	0
Gezhouba Wah Nobel Blasting (PVT) Ltd. (葛洲壩瓦赫諾貝爾爆破有限公司)	2019-11-1	4,504,777.80	43.35	Equity transfer	2019-11-1	Date of actual control	3,781,262.11	1,293,207.88

Other explanation:

China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司), a subsidiary of the Company and China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司) acquired a 43.35% equity interest in Gezhouba Wah Nobel Blasting (PVT) Ltd. (葛洲壩瓦赫諾貝爾爆破有限公司) in November 2019. According to the irrevocable concerted action agreement entered into between China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司), China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司) and HK Consortium Limited (HK財團有限公司), HK Consortium Limited (HK財團有限公司) unconditionally delegated its 7.65% voting rights to China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司). Therefore, China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司) holds 51% of the voting rights of Gezhouba Wah Nobel Blasting (PVT) Ltd. (葛洲壩瓦赫諾貝爾爆破有限公司).

(2). Cost of combination and goodwill

Applicable Not applicable

Unit: Yuan Currency: RMB

	Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州 惠陽)投資建設有 限公司)	Gezhouba Wah Nobel Blasting (PVT) Ltd. (葛洲 壩瓦赫諾貝爾爆破 有限公司)
Cost of combination		
– Cash	18,200,000.00	
– Fair value of equity interests held prior to purchase date at the purchase date	6,000,000.00	4,504,777.80
Total cost of combination	24,200,000.00	4,504,777.80
Less: Share of fair value of the identifiable net assets	24,200,000.00	4,504,777.80
The amount which goodwill/cost of combination is less than the share of the fair value of identifiable net assets		
(3). Identifiable assets and liabilities of the acquiree at the acquisition date		
✓Applicable <input type="checkbox"/> Not applicable		

Unit: Yuan Currency: RMB

Item	Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設 有限公司)				Gezhouba Wah Nobel Blasting (PVT) Ltd. (葛洲壩瓦赫諾貝爾爆 破有限公司)	
	Carrying		Carrying			
	Fair value at acquisition date	amount at acquisition date	Fair value at acquisition date	amount at acquisition date	Fair value at acquisition date	amount at acquisition date
Assets:	262,752,869.61	262,752,869.61	13,050,588.79	13,050,588.79		
Monetary assets	75,300,806.70	75,300,806.70	4,214,709.24	4,214,709.24		
Trade receivables			3,874,552.46	3,874,552.46		
Prepayments	11,407.37	11,407.37				
Other receivables	22,576.64	22,576.64	646,006.49	646,006.49		
Inventories			186,815.02	186,815.02		
Other current assets			209,266.93	209,266.93		
Long-term receivables	173,052,345.08	173,052,345.08				
Fixed assets	405,476.22	405,476.22	3,919,238.65	3,919,238.65		
Long-term prepaid expenses	752,967.77	752,967.77				

Unit: Yuan Currency: RMB

Item	Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設 有限公司)		Gezhouba Wah Nobel Blasting (PVT) Ltd. (葛洲壩瓦赫諾貝爾爆 破有限公司)	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Other non-current assets	13,207,289.83	13,207,289.83		
Liabilities:	238,552,869.61	238,552,869.61	2,658,944.50	2,658,944.50
Accounts payables	10,168,341.49	10,168,341.49	2,557,473.12	2,557,473.12
Contract liability			21,648.00	21,648.00
Employee benefit payable	593,116.10	593,116.10		
Other payables	227,791,412.02	227,791,412.02	79,823.38	79,823.38
Net assets	24,200,000.00	24,200,000.00	10,391,644.29	10,391,644.29
Less: Minority interests				
Net assets acquired	24,200,000.00	24,200,000.00	10,391,644.29	10,391,644.29

(4). Profit and loss generated from re-measuring the equity interests held prior to the acquisition date at fair value

Whether there are multiple transactions by steps to realize business combination and obtain the control within the reporting period.

Applicable Not applicable

(5). Description of consideration for merger or identifiable assets and liabilities of the acquired party whose fair value cannot be appropriately determined as at the date of acquisition or the end of the period of merger

Applicable Not applicable

(6). Other explanation

Applicable Not applicable

2. Business Combination under Common Control

Applicable Not applicable

3. Reverse Purchase

Applicable Not applicable

4. Disposal of Subsidiaries

Whether there is any single disposal of investment in subsidiaries that results in loss of control

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Equity disposal price	Percentage of equity disposal (%)	Equity disposal method	Time point of losing control	Basis for determining the time point of losing control	Difference between the disposal price and the share of the subsidiary's net assets at the level of the consolidated financial statement corresponding to the disposal of the investment
Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司)	3,457,000,000.00	100.00	Equity transfer	At 31 December 2019	Date of actual loss of control	2,249,806,321.17

Other explanation:

Applicable Not applicable

On 27 December 2019, China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司) (“**Highway Company**”), a wholly-owned subsidiary of the Company listed and transferred its 100% equity in Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司) (“**Daguangbei**”) on the Beijing Stock Exchange, and entered into a property rights transaction contract on the same day. Highway Company received the property rights transaction certificate issued by China Beijing Equity Exchange on 30 December 2019, and received the entire equity transfer payment of RMB3.457 billion on 31 December 2019. On 30 December 2019, the executive director of Daguangbei Company signed and executed the director’s resolution to remove the deputy manager, financial officer and other senior management personnel of Daguangbei Company, and the executive directors (or the board of directors) appointed by the transferee will take up these positions. At the same time, Highway Company has made a shareholder decision to exempt the appointment of legal representatives (executive directors, managers) and supervisors to Daguangbei Company, who would be appointed by the transferee itself. Since 31 December 2019, the Company has lost control of Daguangbei Company.

Whether there are multiple transactions by steps to dispose the investment in subsidiaries and loss the control in the current period

Applicable Not applicable

5. Change in Scope of Combination for Other Reasons

Explain change in scope of combination for other reasons (e.g. new establishment or liquidation of subsidiaries) and relevant details:

Applicable Not applicable

The Company has no significant changes in the scope of combination for other reasons this year.

6. Others

Applicable Not applicable

IX. EQUITY IN OTHER ENTITIES

1. Equity in Subsidiaries

(1). Constitution of enterprise group

Applicable Not applicable

Name of subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Gezhouba Group No.1 Engineering Co., Ltd. (中國葛洲壩集團第一工程有限公司)	Yichang	Yichang	Project construction	99.16	0.84	Business combination under common control
China Gezhouba Group No.2 Engineering Co., Ltd. (中國葛洲壩集團第二工程有限公司)	Chengdu	Chengdu	Project construction	98.99	1.01	Business combination under common control
China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限公司)	Xi'an	Xi'an	Project construction	68.43	31.57	Investment or establishment
China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	Yichang	Yichang	Project construction	67.92	0.62	Business combination under common control
China Gezhouba Group Construction Engineering Co., Ltd. (中國葛洲壩集團建設工程有限公司)	Kunming	Kunming	Project construction	99.03	0.97	Business combination under common control
China Gezhouba Group Mechanical and Power Construction Co., Ltd.* (中國葛洲壩集團機電建設有限公司)	Chengdu	Chengdu	Project construction	99.00	1.00	Business combination under common control

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Gezhouba Group Municipal Engineering Co., Ltd.* (中國葛洲壩集團市政工程有限公司)	Yichang	Yichang	Project construction	99.00	1.00	Business combination under common control
China Gezhouba Group Electric Power Co., Ltd. (中國葛洲壩集團電力有限責任公司)	Yichang	Yichang	Project construction	99.00	1.00	Business combination under common control
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	Yichang	Yichang	Project construction	55.77	0.56	Business combination under common control
China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	Chongqing	Chongqing	Civil blasting	68.36		Investment or establishment
China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司)	Jingmen	Jingmen	Cement production and sales	100.00		Investment or establishment
China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司)	Beijing	Beijing	Real estate development	100.00		Business combination under common control
China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司)	Yichang	Yichang	Equipment manufacturing	99.00	1.00	Business combination under common control
China Gezhouba Group International Engineering Co., Ltd. (中國葛洲壩集團國際工程有限公司)	Beijing	Beijing	Project construction	100.00		Business combination under common control
China Gezhouba Group Lvyuan Technology Co., Ltd. (中國葛洲壩集團綠園科技有限公司)	Shenzhen	Shenzhen	Environmental protection	100.00		Investment or establishment
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	Shanghai	Shanghai	Finance leases	60.00	25.00	Investment or establishment
China Gezhouba Group Survey and Design Co., Ltd. (中國葛洲壩集團勘測設計有限公司)	Wuhan	Wuhan	Survey and design	100.00		Investment or establishment
China Gezhouba Group Investment Holding Co., Ltd. (中國葛洲壩集團投資控股有限公司)	Wuhan	Wuhan	Investment	100.00		Investment or establishment
Fuzhou Jiangyin Industrial Zone Gezhouba Reclamation Investment Co., Ltd. (福州市江陰工業區葛洲壩填海投資有限公司)	Fuqing	Fuqing	Infrastructure investment and operations	72.00		Investment or establishment

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Gezhouba (Haikou) Water Diversion Investment Co., Ltd. (葛洲壩(海口)引水工程投資有限公司)	Haikou	Haikou	Infrastructure investment and operations	80.00		Investment or establishment
China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司)	Beijing	Beijing	Investment	89.01	10.99	Investment or establishment
Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司)	Haikou	Haikou	Infrastructure investment and operations	80.00		Investment or establishment
Gezhouba Water Affairs (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司)	Jingmen	Jingmen	Infrastructure investment and operations	90.00		Investment or establishment
Sichuan Gezhouba Batongwan Expressway Limited (四川葛洲壩巴通萬高速公路有限公司)	Bazhong	Bazhong	Expressway investment and operation	99.00		Investment or establishment
China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司)	Wuhan	Wuhan	Infrastructure investment and operations	100.00		Investment or establishment
China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司)	Wuhan	Wuhan	Infrastructure investment and operations	100.00		Investment or establishment
China Gezhouba Group Equipment Industry Co., Ltd. (中國葛洲壩集團裝備工業有限公司)	Wuhan	Wuhan	Equipment manufacturing	100.00		Investment or establishment
Beijing Gezhouba Zhenghe Yuyong Water Environmental Treatment Co., Ltd. (北京葛洲壩正和於永水環境治理有限公司)	Beijing	Beijing	Infrastructure investment and operations	95.00		Investment or establishment
Gezhouba Water Affairs (Taizhou) Co., Ltd. (葛洲壩水務(台州)有限公司)	Taizhou	Taizhou	Infrastructure investment and operations	67.11		Investment or establishment
Hefei Gezhouba High-tech Pipe Gallery Investment and Construction Co., Ltd. (合肥葛洲壩高新管廊投資建設有限公司)	Hefei	Hefei	Infrastructure investment and operations	60.00		Investment or establishment
Gezhouba Xinfu (Nanning) Highway Construction Investment Co., Ltd. (葛洲壩新扶(南寧)公路建設投資有限公司)	Nanning	Nanning	Infrastructure investment and operations	95.00		Investment or establishment

Name of subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)	Hangzhou	Hangzhou	Environmental protection engineering construction	40.00		Business combination not under common control
China Gezhouba Group Ecological Environment Engineering Co., Ltd. (中國葛洲壩集團生態環境工程有限公司)	Beijing	Beijing	Environmental protection	100.00		Investment or establishment
Leqing Gezhouba Investment Co., Ltd. (樂清葛洲壩投資有限公司)	Wenzhou	Wenzhou	Infrastructure investment and operations	100.00		Investment or establishment
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	Huizhou	Huizhou	Infrastructure investment and operations	99.9		Business combination not under common control
Gezhouba (Hainan) Construction Investment Co., Ltd. (葛洲壩(海南)建設投資有限公司)	Haikou	Haikou	Investment	100.00		Investment or establishment
Gezhouba (Yichang) Minsheng Engineering Investment and Construction Co., Ltd. (葛洲壩(宜昌)民生工程投資建設有限公司)	Yichang	Yichang	Infrastructure investment and operations	90		Investment or establishment
Gezhouba Yunmeng Urban Infrastructure Investment, Construction and Operation Project Co., Ltd. (葛洲壩雲夢城市基礎設施投資建設運營項目有限公司)	Yunmeng County	Yunmeng County	Infrastructure investment and operations	99.00		Investment or establishment
Gezhouba Group Foreign Trade Co., Ltd. (葛洲壩集團對外貿易有限公司)	Wuhan	Wuhan	Trade	100.00		Investment or establishment

Other explanation:

In 2019, Gezhouba (Hainan) Construction Investment Co., Ltd. (葛洲壩(海南)建設投資有限公司), held by China Gezhouba Group No.1 Engineering Co., Ltd. (中國葛洲壩集團第一工程有限公司) has been transferred to the Company, and Gezhouba Group Foreign Trade Co., Ltd. (葛洲壩集團對外貿易有限公司) held by China Gezhouba Group International Engineering Co., Ltd. (中國葛洲壩集團國際工程有限公司) has been transferred to the Company. After the completion of the transfer, Gezhouba (Hainan) Construction Investment Co., Ltd. (葛洲壩(海南)建設投資有限公司) and Gezhouba Group Foreign Trade Co., Ltd. (葛洲壩集團對外貿易有限公司) became the second-tier subsidiaries of the Company.

(2). *Material non-wholly owned subsidiaries*

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding of minority shareholders	Profit or loss attributable to minority shareholders in current period	Dividend declared to minority shareholders in the current period	Closing balance of equity of minority shareholders
China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	31.64%	108,297,837.67	40,055,810.71	583,175,847.73
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	15.00%	2,607,504.20	4,366,991.55	52,971,629.91

Explanations for the inconsistency of shareholding percentage of non-controlling shareholders of subsidiaries with proportion of their voting rights:

Applicable Not applicable

Other explanation:

Applicable Not applicable

(3). *Major financial information of significant non-wholly owned subsidiaries*

Applicable Not applicable

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Name of subsidiary	Closing balance						Opening balance					
	Non-current		Current liabilities	Non-current		Current liabilities	Non-current		Current liabilities	Non-current		
	assets	Total assets		assets	Total assets		assets	Total assets				
China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	1,925,039,539.32	1,583,909,546.97	3,508,949,086.29	1,375,124,681.80	206,701,398.18	1,581,826,079.98	1,854,689,484.28	1,595,261,013.56	3,449,950,497.84	1,665,565,596.04	83,693,987.43	1,749,259,583.47
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	312,084,669.08	766,503,349.25	1,078,588,018.33	71,551,745.04	653,814,519.10	725,366,264.14	722,327,542.14	1,377,881,887.30	2,100,209,429.44	1,027,121,810.43	708,213,504.00	1,735,335,314.43

Name of subsidiary	Amount for the current period				Amount for the last period			
	Revenue		Net profit		Revenue		Net profit	
	Total comprehensive income		Cash flows generated from operating activities		Total comprehensive income		Cash flows generated from operating activities	
China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	4,033,957,541.80	362,319,869.46	362,221,144.21	401,967,779.76	3,318,297,380.50	265,030,529.02	264,990,529.02	290,786,364.21
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	95,117,413.81	17,383,361.34	17,383,361.34	89,077,021.95	125,717,025.02	27,274,561.06	27,274,561.06	129,337,945.74

(4). Major restrictions on use of assets and repayment of debts of the enterprise group

Applicable Not applicable

(5). Financial or other support provided to the structured entity included in the consolidated financial statements

Applicable Not applicable

Other explanation:

Applicable Not applicable

2. Transaction in which the share of owner's interests in the subsidiary changes while control over the subsidiary remaining unchanged

Applicable Not applicable

3. Interests in the joint venture or associate

✓Applicable Not applicable

(1). Important joint ventures or associates

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Names of joint ventures or associates	Operating location	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	Jingzhou	Jingzhou	Infrastructure investment and operations	70.00		Equity method
Gezhouba Jianxin (Wuhan) Investment Fund Management Co., Ltd. (葛洲壩建信(武漢)投資基金管理有限公司)	Wuhan	Wuhan	Investment management	50.00		Equity method
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	Nanjing	Nanjing	Infrastructure investment and operations	70.00		Equity method
Yichang Miaozui Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	Yichang	Yichang	Road and bridge operations	50.00		Equity method
Beijing Zongheng Wuzhou Management Consulting Co., Ltd. (北京縱橫五洲管理諮詢有限公司)	Beijing	Beijing	Management Consulting	49.00		Equity method
Guangzhou Zhenglin Real Estate Development Co., Ltd. (廣州市正林房地產開發有限公司)	Guangzhou	Guangzhou	Real estate development	49.00		Equity method
Guangzhou Rumao Real Estate Development Co., Ltd. (廣州市如茂房地產開發有限公司)	Guangzhou	Guangzhou	Real estate development	49.00		Equity method

Unit: Yuan Currency: RMB

Names of joint ventures or associates	Operating location	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	Wuhan	Wuhan	Finance	23.31		Equity method
Pingan Gezhouba (Shenzhen) Expressway Investment Partnership Company (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	Shenzhen	Shenzhen	Investment management	47.00		Equity method
Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	Weinan	Weinan	Infrastructure investment and operations	33.00		Equity method
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	Luzhou	Luzhou	Infrastructure investment and operations	10.00		Equity method
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	Tangshan	Tangshan	Infrastructure investment and operations	7.50		Equity method
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	Guiyang	Guiyang	Infrastructure investment and operations	5.00		Equity method
Pan County Hongcai Gezhouba Project Management Co., Ltd. (盤縣宏財葛洲壩項目管理有限公司)	Pan County	Pan County	Infrastructure investment and operations	30.00		Equity method
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	Heze	Heze	Expressway investment and operation	35.00		Equity method
Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗灣高速公路有限公司)	Jining	Jining	Expressway investment and operation	35.00		Equity method

Unit: Yuan Currency: RMB

Names of joint ventures or associates	Operating location	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	Tai'an	Tai'an	Expressway investment and operation	35.00		Equity method
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)	Fuyang	Fuyang	Infrastructure investment and operations	35.00		Equity method
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	Wu'an	Wu'an	Infrastructure investment and operations	19.64		Equity method
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	Baise	Baise	Expressway investment and operation	40.00		Equity method
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	Huizhou	Huizhou	Expressway investment and operation	5.00		Equity method
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd (陝西葛洲壩延黃寧石高速公路有限公司)	Xi'an	Xi'an	Expressway investment and operation	40.00		Equity method
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	Xuanwei	Xuanwei	Expressway investment and operation	50.00		Equity method
Hubei Huangshi Wuyang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)	Huangshi	Huangshi	Expressway investment and operation	49.00		Equity method
Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd. (南京江北新區地下空間研究院有限公司)	Nanjing	Nanjing	Scientific research and technical services	35.00		Equity method

Unit: Yuan Currency: RMB

Names of joint ventures or associates	Operating location	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Chongqing Jiangqi Highway Co., Ltd. (重慶江綦高速公路有限公司)	Chongqing	Chongqing	Expressway investment and operation	40.00		Equity method
Yichang High-tech Landscaping Co., Ltd. (宜昌高新園林綠化有限公司)	Yichang	Yichang	Landscaping	49.00		Equity method
Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	Chongqing	Chongqing	Infrastructure investment and operations	51.00		Equity method
China Overseas Infrastructure Development and Investment Corporation Limited (中國海外基礎設施開發投資有限公司香)	Hong Kong	Hong Kong	Investment management	21.74		Equity method
Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	Hangzhou	Hangzhou	Investment management	34.00		Equity method
Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	Beijing	Beijing	Real estate development	49.00		Equity method
Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	Hangzhou	Hangzhou	Real estate development	25.00		Equity method
Gekuangli Nanjing Property Development Co. Ltd. (葛礦利南京房地產開發有限公司)	Nanjing	Nanjing	Real estate development	33.90		Equity method
Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	Shenzhen	Shenzhen	Real estate development	40.00		Equity method
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	Suzhou	Suzhou	Real estate development	22.00		Equity method

Unit: Yuan Currency: RMB

Names of joint ventures or associates	Operating location	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	Wuhan	Wuhan	Real estate development	40.00		Equity method
Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	Chongqing	Chongqing	Real estate development	49.00		Equity method
Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	Chongqing	Chongqing	Real estate development	49.00		Equity method
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	Wuhan	Wuhan	Real estate development	50.00		Equity method
Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限責任公司)	Zhangjiajie	Zhangjiajie	Civil blasting	30.15		Equity method
Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民用爆破器材有限公司)	Yiyang	Yiyang	Civil blasting	36.43		Equity method
Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司)	Beijing	Beijing	Energy storage technology development	51.00		Equity method
Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)	Wuhan	Wuhan	Technology research and technical services	40.00		Equity method
Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	Nanjing	Nanjing	Real estate development	35.70		Equity method
Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	Wuhan	Wuhan	Real estate development	30.00		Equity method

Unit: Yuan Currency: RMB

Names of joint ventures or associates	Operating location	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Jiaozuo City Gezhouba China Railway 19th Bureau Ecological Governance Construction Company(焦作市葛洲壩中鐵十九局生態治理建設公司)	Jiaozuo	Jiaozuo	Infrastructure investment and operations	47.50		Equity method
Three Gorges Riqing Maoping River Ecological Treatment (Zigui) Co., Ltd. (三峽日清茅坪河生態治理(稀歸)有限公司)	Zigui County	Zigui County	Infrastructure investment and operations	20.00		Equity method
Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	Wushi County, Xinjiang	Wushi County, Xinjiang	Hydropower station construction and operation	49.00		Equity method
Yueyang Three Gorges Water Environment Management Co., Ltd. (岳陽市三峽水環境治理有限責任公司)	Yueyang	Yueyang	Infrastructure investment and operations	8.00		Equity method
Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司)	Dianjiang County	Dianjiang County	Infrastructure investment and operations	1.00		Equity method
Huadian Huayuan Artificial Environment Engineering Co., Ltd. (華電華源人工環境工程有限公司)	Beijing	Beijing	Environmental protection engineering construction	22.00		Equity method

Notes:

1. According the articles of association and capital contribution agreement, the Company's appointment of 1 to 2 directors of Jingzhou Chengbei Expressway Investment and Construction Co., Ltd. (荊州城北快速路投資建設有限公司) and Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司) may exercise significant control over Jingzhou Chengbei Expressway Investment and Construction Co., Ltd. (荊州城北快速路投資建設有限公司) and Nanjing

Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司), but cannot control the general meeting and board meeting, hence, the Company accounted them as joint ventures using equity method.

2. According the articles of association and capital contribution agreement, the Company's appointment of 1 to 2 directors of Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司), Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司), Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司), Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司), Yueyang Three Gorges Water Environment Management Co., Ltd. (岳陽市三峽水環境治理有限責任公司) and Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司) may exercise significant influence on Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司), Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司), Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司), Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司), Yueyang Three Gorges Water Environment Management Co., Ltd. (岳陽市三峽水環境治理有限責任公司) and Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司). Therefore, the Company accounted them as associates using equity method.
3. China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司), a subsidiary of the Company, held 51% equity interest of Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司). Pursuant to the articles of association, China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司) may exercise significant influence on Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司), hence, the Company accounted it as associate using equity method.
4. China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司), a subsidiary of the Company, held 51% equity interest of Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司). Pursuant to the articles of association, China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司) may exercise significant influence on Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司). Therefore, the Company accounted it as associate using equity method.

(2). *Major financial information of important joint ventures*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance/amount incurred in the current period			Opening balance/amount incurred in the period		
	Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城 北快速路投資建設 有限公司)		Guangzhou Zhenglin Real Estate Development Co., Ltd. (廣州市正林房 地產開發有限公司)	Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城 北快速路投資建設 有限公司)		Guangzhou Zhenglin Real Estate Development Co., Ltd. (廣州市正林房 地產開發有限公司)
Current assets	962,236,000.16	2,521,227,891.38	3,701,317,985.25	1,132,532,192.10	3,343,388,805.23	4,626,331,284.68
Non-current assets	5,736,789,024.23	1,112,813.30	443,143.81	2,616,097,285.02	438,354.64	2,032,329.92
Total assets	6,699,025,024.39	2,522,340,704.68	3,701,761,129.06	3,748,629,477.12	3,343,827,159.87	4,628,363,614.60
Current liabilities	780,825,024.39	384,765,349.48	708,998,408.58	1,772,889,477.12	1,204,054,542.66	1,784,808,577.23
Non-current liabilities	4,038,200,000.00			930,000,000.00	-	-
Total liabilities	4,819,025,024.39	384,765,349.48	708,998,408.58	2,702,889,477.12	1,204,054,542.66	1,784,808,577.23
Minority interests						
Equity attributable to shareholders of the parent	1,880,000,000.00	2,137,575,355.20	2,992,762,720.48	1,045,740,000.00	2,139,772,617.21	2,843,555,037.37
Share in net assets calculated by shareholding ratio	1,316,000,000.00	1,047,411,924.05	1,466,453,733.04	732,018,000.00	1,048,488,582.43	1,393,341,968.31
Adjustment				-8,000.00		
- Unrealized profits from internal transactions						
- Others				-8,000.00		
Book value of equity investment in joint ventures	1,316,000,000.00	1,047,411,924.05	1,466,453,733.04	732,010,000.00	1,048,488,582.43	1,393,341,968.31
Revenue		196,527,071.84	515,166,847.92		339,749,335.61	2,705,626,098.25
Finance costs		5,288,006.02	12,512,911.59		34,483,665.17	14,109,796.87
Income tax expense		-732,420.67	49,534,826.08		8,515,792.78	197,520,026.14
Net profit		-2,197,262.01	148,604,478.25		37,645,344.69	592,560,078.43
Other comprehensive income						
Total comprehensive income		-2,197,262.01	148,604,478.25		37,645,344.69	592,560,078.43
Dividends received from joint ventures during the year						

(3). Major financial information of important associates

✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance/amount incurred in the current period					
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	Beijing Franshion Gezhouba Real Estate Development Co., Ltd. (北京方興葛洲壩房地產開發有限公司)	Chongqing Gezhouba Sunac Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)
Current assets	31,568,582,568.52	1,218,241,160.78	6,420,266,307.94	4,707,059,590.58	6,831,388,397.03	5,325,401,798.98
Non-current assets	32,578,867,967.02	931,804,497.91	83,826.00	321,064.89	2,589,749.33	142,199.29
Total assets	64,147,450,535.54	2,150,045,658.69	6,420,350,133.94	4,707,380,655.47	6,833,978,146.36	5,325,543,998.27
Current liabilities	59,815,678,382.84	914,156,395.29	4,457,480,858.18	2,600,873,644.92	3,285,478,543.84	393,907,138.84
Non-current liabilities	17,292,019.87		1,399,678,673.38	900,000,000.00	599,950,000.00	
Total liabilities	59,832,970,402.71	914,156,395.29	5,857,159,531.56	3,500,873,644.92	3,885,428,543.84	393,907,138.84
Minority interest						
Equity attributable to shareholders of the parent	4,314,480,132.83	1,235,889,263.40	563,190,602.38	1,206,507,010.55	2,948,549,602.52	4,931,636,859.43
Share in net assets calculated by shareholding ratio	1,005,705,318.96	605,585,739.07	275,963,395.17	591,188,435.17	1,179,419,841.01	2,465,818,429.72
Adjustment	101,734,287.38		236,287,946.99			290,094.33
- Unrealized profits from internal transactions						
- Others	101,734,287.38		236,287,946.99			290,094.33
Book value of equity investment in associates	1,107,439,606.34	605,585,739.07	512,251,342.16	591,188,435.17	1,179,419,841.01	2,466,108,524.05
Revenue	296,341.72	637,184,838.18	1,475,586,012.38	2,325,516,098.67	2,801,736,394.18	
Net profit	285,934,727.95	277,412,717.44	203,669,029.27	456,520,115.07	583,059,410.29	-29,328,656.61
Other comprehensive income	-78,500.00					
Total comprehensive income	285,856,227.95	277,412,717.44	203,669,029.27	456,520,115.07	583,059,410.29	-29,328,656.61
Dividends received from associates during the year	71,470,535.65					

Item	Closing balance/amount incurred in the last period					
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	Beijing Franshion Gezhoubu Real Estate Development Co., Ltd. (北京方興葛洲壩房地產開發有限公司)	Chongqing Gezhoubu Sunac Co., Ltd. (重慶葛洲壩融創金裕置業有限公司)	Chongqing Gezhoubu Sunac Shenda Properties Co., Ltd. (重慶葛洲壩融創深達置業有限公司)	Wuhan China Resources Land Gezhoubu Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	Wuhan Gezhoubu Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)
Current assets	26,217,325,685.49	1,430,517,163.07	6,510,949,727.05	5,962,181,779.92	6,075,842,468.11	2,497,930,256.94
Non-current assets	21,677,013,091.12	790,749,710.00	185,934.00	221,646.57	9,516,756.09	443,344.65
Total assets	47,894,338,776.61	2,221,266,873.07	6,511,135,661.05	5,962,403,426.49	6,085,359,224.20	2,498,373,601.59
Current liabilities	45,357,402,066.08	1,268,295,720.71	2,852,614,087.94	3,439,670,628.02	3,292,869,032.00	1,071,129,868.73
Non-current liabilities	540,000.00		3,548,003,755.35	1,895,800,000.00	427,000,000.00	
Total liabilities	45,357,942,066.08	1,268,295,720.71	6,400,617,843.29	5,335,470,628.02	3,719,869,032.00	1,071,129,868.73
Minority interests						
Equity attributable to shareholders of the parent	2,536,396,710.53	952,971,152.36	110,517,817.76	626,932,798.47	2,365,490,192.20	1,427,243,732.86
Share in net assets calculated by shareholding ratio	591,234,073.22	466,955,864.66	54,153,730.70	307,197,071.25	946,196,076.88	713,621,866.43
Adjustment	52,565,857.92		331,697,720.57		0.01	-0.01
- Unrealized profits from internal transactions						
- Others	52,565,857.92		331,697,720.57		0.01	-0.01
Book value of equity investment in associates	643,799,931.14	466,955,864.66	385,851,451.27	307,197,071.25	946,196,076.89	713,621,866.42
Revenue	1,358,707.11	4,134,790,806.89	1,660,025,035.69	2,220,722,238.15	1,223,905.70	4,682,767,637.27
Net profit	181,944,296.70	716,391,463.95	64,821,369.98	82,324,557.55	-10,028,563.84	480,176,658.68
Other comprehensive income	-40,000.00					
Total comprehensive income	181,904,296.70	716,391,463.95	64,821,369.98	82,324,557.55	-10,028,563.84	480,176,658.68
Dividends received from associates during the year	30,894,091.20	39,200,000.00				

(4). *Consolidated financial information of unimportant joint ventures and associates*✓Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance/ Amount incurred in the current period	Opening balance/ Amount incurred in the last period
Joint ventures:		
Total book value of investments	589,772,403.65	172,803,118.49
The total of the following items calculated based on the shareholding ratio		
– Net profit	9,285.16	-407,848.91
– Other comprehensive income		
– Total comprehensive income	9,285.16	-407,848.91
Associates:		
Total book value of investments	9,928,652,145.53	7,349,319,467.31
The total of the following items calculated based on the shareholding ratio		
– Net profit	-99,614,129.44	4,136,933.87
– Other comprehensive income		
– Total comprehensive income	-99,614,129.44	4,136,933.87

(5). *Explanation of material restrictions on ability of joint ventures or associates to transfer funds to the Company*Applicable ✓Not applicable(6). *Excessive losses incurred by joint ventures or associates*Applicable ✓Not applicable(7). *Unconfirmed commitments relating to the investments of joint venture*Applicable ✓Not applicable(8). *Contingent liabilities relating to investments by joint ventures or associates*Applicable ✓Not applicable

4. Important Joint Operations

Applicable Not applicable

5. Interests in Structured Entities not Included in the Scope of consolidated financial statements

Explanation about structured entities not included in the scope of consolidated financial statements:

Applicable Not applicable

6. Others

Applicable Not applicable

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

Applicable Not applicable

The Company faces various financial risks in the course of its business: credit risk, market risk and liquidity risk. The Board of Directors is responsible for the determination of overall risk management objectives and policies and assumes ultimate responsibility for risk management objectives and policies. However, the Board of Directors has authorized the Company's risk control department to design and implement procedures that can ensure the effective implementation of risk management objectives and policies. The Board of Directors reviews the effectiveness of the implemented procedures and the rationality of risk management objectives and policies through the monthly report submitted by the risk control department. The internal auditors also audit the risk management objectives and policies and record the results to the audit committee.

The overall objective of the Company's risk management is to formulate risk management policies which can minimize risks without excessively affecting the Company's competitiveness and adaptability.

1. Credit Risks

Credit risk refers to the risk that the party of a financial instrument does not fulfil its obligations and creates financial losses on the other party. The Company is mainly faced with credit risk caused by credit sales. Prior to signing the new contract, the Company will evaluate the credit risk of the new customer, including the external credit rating and, in some cases, the bank credit certificate (when this information is available). The Company sets a credit limit for each customer, which is the maximum amount that does not require additional approval.

The Company ensures that the Company's overall credit risk is within control of the Company through quarterly monitoring of existing customer credit ratings and monthly review of accounts receivable aging analysis. When monitoring the customer's credit risk, they are grouped according to

their credit characteristics. Customers rated as “high-risk” will be placed on the list of restricted customers, and the Company can only sell them on the premise of additional approval, otherwise they must be required to pay in advance.

2. Market Risks

The market risk of financial instruments refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market prices, including foreign exchange risk, interest rate risk and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market interest rates. The interest rate risk faced by the Company mainly comes from long-term borrowings and bonds payable.⁶ The Company’s current policy is that fixed-rate borrowings account for 10%-40% of external borrowings. In order to maintain this ratio, the Company may use interest rate swaps to achieve the expected interest rate structure. Although this policy does not enable the Company to completely avoid the risk of paying interest rates exceeding prevailing market rates, nor can it completely eliminate the cash flow risks associated with fluctuations in interest payments, the management believes that the policy achieves a reasonable balance between these risks.

As at 31 December 2019, if other variables remain unchanged and the borrowing rate calculated at floating interest rates rises or falls by 25 basis points, the Company’s net profit will decrease or increase by RMB143,017,600. The management believes that 25 basis points reasonably reflect the reasonable range of possible changes in interest rates in the next year.

(2) Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in foreign exchange rates. The Company tries to match the revenue and cost in foreign currencies in order to reduce the exchange rate risk. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to achieve the purpose of avoiding exchange rate risk.

The main foreign exchange risk is the financial assets and financial liabilities denominated in USD. The amount of the financial assets and liabilities in foreign currencies converted into RMB is as follows:

Item	Closing balance			Opening balance		
	USD	Other foreign	Total	USD	Other foreign	Total
		currencies			currencies	
Monetary capital	3,109,315,326.33	1,594,440,253.25	4,703,755,579.58	3,080,321,602.76	1,360,360,827.42	4,440,682,430.18
Trade receivables	557,505,723.28	425,975,464.61	983,481,187.89	189,383,197.76	390,231,586.68	579,614,784.44
Other receivables	26,966,305.23	626,936,263.86	653,902,569.09	153,893,035.07	700,493,832.20	854,386,867.27
Non-current assets due within						
one year		325,981,491.25	325,981,491.25			
Long-term receivables			6,011,930,239.82	6,011,930,239.82	6,111,104,342.46	6,111,104,342.46
Total	3,693,787,354.84	8,985,263,712.79	12,679,051,067.63	3,423,597,835.59	8,562,190,588.76	11,985,788,424.35
Short-term borrowings	2,526,954,000.00	930,628,132.84	3,457,582,132.84	3,721,913,360.00	1,953,874,070.24	5,675,787,430.24
Trade payable	1,491,969,471.36	6,344,540,440.39	7,836,509,911.75	1,790,887,487.97	2,771,646,330.08	4,562,533,818.05
Other payables	298,035,503.71	803,992,942.32	1,102,028,446.03	493,526,803.99	1,739,755,384.49	2,233,282,188.48
Non-current liabilities due within						
one year		207,748,547.98	207,748,547.98		205,769,890.96	205,769,890.96
Interest payables	15,406,792.38	984,842,997.55	1,000,249,789.93		996,028,688.46	996,028,688.46
Long-term borrowings	4,647,984,880.95	4,067,287,312.62	8,715,272,193.57	2,010,668,166.51	4,031,535,335.75	6,042,203,502.26
Other non-current liabilities		96,659,935.67	96,659,935.67		84,914,215.68	84,914,215.68
Total	8,980,350,648.40	13,435,700,309.37	22,416,050,957.77	8,016,995,818.47	11,783,523,915.66	19,800,519,734.13

As at 31 December 2019, if other variables remain unchanged and RMB appreciates or depreciates against the U.S. dollar by 5%, the Company's net profit will increase or decrease by RM69,787,300 (31 December 2018: RMB56,932,100). The management believes that 5% reasonably reflect the reasonable range of possible changes in the exchange rate of RMB against U.S. dollar in the next year.

(3) *Other price risks*

For equity investments held by the Company, the management believes that the market price risks faced by these investment activities are acceptable. The equity investments held by the Company are listed below:

Item	Closing balance	Opening balance
Other non-current financial assets	5,375,588,446.33	5,213,561,990.40
Other equity instrument investment	970,177,145.28	699,777,632.80
Total	6,345,765,591.61	5,913,339,623.20

As at 31 December 2019, if other variables remain unchanged and the value of equity instrument investment rises or falls by 5%, the Company's net profit will increase or decrease by RMB228,462,500 (31 December 2018: RMB221,576,400), other comprehensive income RMB41,232,500 (31 December 2018: RMB29,740,500). The management believes that 5% reasonably reflect the reasonable range of possible changes in the value of equity instrument investment in the next year.

3. Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter capital shortage when performing obligations that are settled by delivering cash or another financial asset. The Company's policy is to ensure it has sufficient cash to settle the debts when they fall due. The Company's finance department control the liquidity risk. Through monitoring cash balance, readily realizable marketable securities and the rolling forecasts of cash flows for the next 12 months, the finance department will ensure the Company has sufficient fund to settle its debts under all reasonable foreseeable circumstances.

The maturity profile of the Company's financial liabilities at each balance sheet date based on contractual undiscounted payments is analyzed below:

Item	Closing balance					Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Over 5 years	
Short-term borrowings	17,193,582,132.84					17,193,582,132.84
Bills payable	6,896,860,218.99					6,896,860,218.99
Trade payable	37,379,719,843.98					37,379,719,843.98
Other payables	21,748,778,601.17					21,748,778,601.17
Other current liabilities	7,071,158.02					7,071,158.02
Long-term borrowings	3,981,514,550.13	10,233,799,960.13	2,978,864,547.98	2,018,303,680.96	24,053,343,900.37	43,265,826,639.57
Bond payables	770,600,000.00	8,400,000,000.00	1,500,000,000.00	2,500,000,000.00		13,170,600,000.00
Other non-current liabilities		94,675,825.82				94,675,825.82
Total	87,978,126,505.13	18,728,475,785.95	4,478,864,547.98	4,518,303,680.96	24,053,343,900.37	139,757,114,420.39

XI. FAIR VALUE DISCLOSURE

1. Closing Fair Value of the Assets and Liabilities Measured by Fair Value

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing fair value			Total
	Level 1 Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	
I. Continuous fair value measurement				
(I) Other equity instruments investment	970,177,145.28			970,177,145.28
(II) Other non-current financial assets			5,375,588,446.33	5,375,588,446.33
Total assets continuously measured at fair value	970,177,145.28		5,375,588,446.33	6,345,765,591.61

2. Continuous and Non-Continuous Level 1 Fair Value Measurement Item Basis for Determination of Market Value Measurement Item

Applicable Not applicable

The market price of fair value measurement items of the Company comes from the closing price quoted on the stock exchange at the end of 2019.

3. Continuing and Discontinuing Level 2 Fair Value Measurement Item, Valuation Techniques and Qualitative and Quantitative Information Adopted

Applicable Not applicable

4. Continuing and Discontinuing Level 3 Fair Value Measurement Item, Valuation Techniques and Qualitative and Quantitative Information Adopted

Applicable Not applicable

5. Continuous Level 3 Fair Value Measurement Item, Information on Reconciliation Between Opening and Closing Book Value and Sensitivity Analysis of Unobservable Parameter

Applicable Not applicable

6. Continuous Fair Value Measurement Item: If Any Conversion Occurs between Levels during This Period, Reason for the Conversion and Policy to Determine the Time Point of the Conversion

Applicable Not applicable

7. Changes of Valuation Techniques During This Period and Reasons for Such Change

Applicable Not applicable

8. Fair Value of Financial Assets and Financial Liabilities Which Are Not Measured by Fair Value

Applicable Not applicable

Financial assets and financial liabilities measured at amortized costs of the Company mainly include receivables, short-term borrowings, payables, long-term borrowings, bonds payable and long-term payables.

Except for the financial assets and financial liabilities below, the carrying amount of other financial assets and financial liabilities not measured at fair value are approximate to their fair value.

Item	At the end of the period			At beginning of the year		
	Carrying amount	Fair value	Level	Carrying amount	Fair value	Level
Bond payables	13,170,600,000.00	13,270,580,000.00	Level 1	12,850,000,000.00	12,759,400,000.00	Level 1

For bonds payable in an active market, the fair value is determined by the quoted price in the active market, which belongs to level 1. The fair value of bonds payable without an active market is determined by the present value of the future cash flow stipulated in the contract, which is discounted at an interest rate that has a comparable credit rating in the market and provides almost the same cash flow under the same conditions, and belongs to level 3.

9. Others

Applicable Not applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Parent of the Company

Applicable Not applicable

Unit: 0,000 yuan Currency: RMB

Name of subsidiary	Place of registration	Business nature	Registered capital	Shareholding percentage of the parent to the Company (%)	Percentage of voting right of the parent to the Company (%)
China Gezhouba Group Company Limited (中國葛洲壩集團有限公司)	Wuhan, Hubei	Project construction	331,530.87	42.34	42.34

Explanation about the parent of the Company

The Company's indirect controlling shareholder is China Energy Engineering Group Co., Ltd. and China Energy Engineering Corporation Limited. The Company's ultimate controller is the State-owned Assets Supervision and Administration Commission of the State Council.

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, refer to the Note

Applicable Not applicable

For details of the subsidiaries of the Company, refer to the Note IX. 1. Equity in subsidiaries.

3. Details of the Joint Ventures and Associates of the Company

For details of significant joint ventures or associates of the Company, see the Note

Applicable Not applicable

Information of significant joint ventures or associates of the Company, refer to the Note IX. 2. Interests in joint ventures or associates.

Information of other joint ventures and associates which form balance through related party transaction during the current or previous periods

Applicable Not applicable

Names of joint ventures or associates	Relationship with the Company
Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	Associate
Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	Associate
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	Associate
Guangzhou Rumao Real Estate Development Co., Ltd (廣州市如茂房地產開發有限公司)	Joint Venture
Guangzhou Zhenglin Real Estate Development Co., Ltd. (廣州市正林房地產開發有限公司)	Joint Venture
Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	Associate
Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	Associate
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	Associate
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	Associate
Beijing Franshion Gezhouba Real Estate Development Co., Ltd. (北京方興葛洲壩房地產開發有限公司)	Associate
Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	Associate
Gekuangli Nanjing Property Development Co. Ltd. (葛礦利南京房地產開發有限公司)	Associate
Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	Associate

Names of joint ventures or associates	Relationship with the Company
Shanghai Xiyue Real Estate Development Co., Ltd. (上海璽越房地產開發有限公司)	Associate
Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	Associate
Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民用爆破器材有限公司)	Associate
Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限責任公司)	Associate
Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有 限公司)	Associate
Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中 科儲能技術有限公司)	Associate
Huadian Huayuan Artificial Environment Engineering Co., Ltd. (華 電華源人工環境工程有限公司)	Associate
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高 速公路有限公司)	Associate
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	Associate
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投 資建設有限公司)	Associate
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	Associate
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	Associate
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩 (武安)投資建設有限公司)	Associate
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建 設有限公司)	Associate
Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)	Associate
Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公 司)	Associate
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	Joint Venture
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜 合建設開發有限公司)	Joint Venture
Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd. (南京江北新區地下空間研究院有限公司)	Associate
Pan County Hongcai Gezhouba Project Management Co., Ltd. (盤縣 宏財葛洲壩項目管理有限公司)	Associate

Names of joint ventures or associates	Relationship with the Company
Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	Associate
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	Associate
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	Associate
Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗菏高速公路有限公司)	Associate
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃寧石高速公路有限公司)	Associate
Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	Associate
Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	Associate
Yichang Miaozui Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	Joint Venture
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	Associate
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	Associate

Other explanation

Applicable Not applicable

4. Other Related Parties

Applicable Not applicable

Name of other related parties	Relationship between other related parties and the Company
China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	Brother company of the Group
China Energy Engineering Group Beijing Electric Power Construction Company (中國能源建設集團北京電力建設公司)	Brother company of the Group
Beijing Luostar Digital Remote Sensing Technology Co., Ltd. (北京洛斯達數字遙感技術有限公司)	Brother company of the Group
Gezhouba (Beijing) Investments Co., Ltd. (葛洲壩(北京)投資有限公司)	Brother company of the Group

Name of other related parties	Relationship between other related parties and the Company
China Energy Engineering Group Anhui No. 2 Electric Power Construction Engineering Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)	Brother company of the Group
China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	Brother company of the Group
China Energy Engineering Group Anshan Iron Tower Manufacturing Co., Ltd. (中國能源建設集團鞍山鐵塔有限公司)	Brother company of the Group
China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	Brother company of the Group
China Energy Engineering Group Northeast No.2 Electric Power Engineering Co., Ltd. (中國能源建設集團東北電業管理局第二工程公司)	Brother company of the Group
China Energy Engineering Group Gansu Thermal Power Engineering Co., Ltd. (中國能源建設集團甘肅火電工程有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Electric Power Engineering Co., Ltd. (中國能源建設集團廣東電力工程局有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Power Line Equipment Factory (中國能源建設集團廣東省電力線路器材廠)	Brother company of the Group
China Energy Engineering Group Guangxi Power Design Institute Co., Ltd.* (中國能源建設集團廣西電力設計研究院有限公司)	Brother company of the Group
China Energy Engineering Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	Brother company of the Group
China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源建設集團湖南火電建設有限公司)	Brother company of the Group
China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中國能源建設集團湖南省電力設計院有限公司)	Brother company of the Group
China Energy Engineering Group Jiangsu Electric Power Design Institute Co., Ltd. (中國能源建設集團江蘇省電力設計院有限公司)	Brother company of the Group
China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建設集團科技發展有限公司)	Brother company of the Group

Name of other related parties	Relationship between other related parties and the Company
China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	Brother company of the Group
China Energy Engineering Group Nanjing Power Line Products Co., Ltd (中國能源建設集團南京線路器材廠)	Brother company of the Group
China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電力建設一公司)	Brother company of the Group
China Energy Engineering Group Shanxi Electric Power Design Institute Co., Ltd. (中國能源建設集團山西省電力勘測設計院有限公司)	Brother company of the Group
China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	Brother company of the Group
China Energy Engineering Group Equipment Co., Ltd. (中國能建集團裝備有限公司)	Brother company of the Group
Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group* (中國電力工程顧問集團中南電力設計院有限公司)	Brother company of the Group
China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	Brother company of the Group
Anhui Huadian Engineering Consulting & Design Co., Ltd. (安徽華電工程諮詢設計有限公司)	Brother company of the Group
Beijing General Power Equipment Plant Co., Ltd. (北京電力設備總廠有限公司)	Brother company of the Group
Hunan Electric Power Line Equipment Co., Ltd. (湖南省電力線路器材有限公司)	Brother company of the Group
Jiangsu Power Equipment Co., Ltd. (江蘇電力裝備有限公司)	Brother company of the Group
Jiangsu Keneng Power Engineering Consulting Co., Ltd. (江蘇科能電力工程諮詢有限公司)	Brother company of the Group
Tongcheng Environmental Engineering Company (同誠環保工程公司)	Brother company of the Group
South Wuhan Geotechnical Engineering Technique Co., Ltd (武漢南方巖土工程技術有限責任公司)	Brother company of the Group
Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司)	Brother company of the Group
China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	A wholly-owned subsidiary of the parent company

Name of other related parties	Relationship between other related parties and the Company
Yichang City Gezhouba Hotel Co., Ltd. (宜昌市葛洲壩賓館有限公司)	A wholly-owned subsidiary of the parent company
Huanjia Group Co., Ltd. (環嘉集團有限公司)	Other related party

5. Related Party Transactions

(1). Related party transactions of purchasing or selling goods and rendering or receiving Services

Statement on procurement of goods/receipt of labor services

Applicable Not Applicable

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Beijing Electric Power Construction Company(北京電力建設有限公司)	Engineering construction	121,457,407.96	135,296,938.54
Beijing Electric Power Construction Company(北京電力建設有限公司)	Purchasing of materials	14,827,106.19	
Beijing Luostar Digital Remote Sensing Technology Co., Ltd. (北京洛斯達數字遙感技術有限公司)	Purchasing of materials		322,152.35
Beijing Luostar Digital Remote Sensing Technology Co., Ltd. (北京洛斯達數字遙感技術有限公司)	Provision of lease		979,606.88
China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	Engineering construction		21,972,588.00
China Energy Engineering Group Guangxi Power Design Institute Co., Ltd.* (中國能源建設集團廣西電力設計研究院有限公司)	Engineering construction	20,233,246.26	2,659,779.00

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源 建設集團安徽電力建設第一工程 有限公司)	Engineering construction	42,274,042.42	473,938,602.30
China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集 團廣西水電工程局有限公司)	Engineering construction	1,811,849.90	8,546,389.59
China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源 建設集團天津電力建設有限公司)	Engineering construction	263,570,974.90	248,057,865.28
China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建 設集團南方建設投資有限公司)	Engineering construction	157,243,854.60	199,583,216.37
Jiangsu Power Equipment Co., Ltd. (江蘇電力裝備有限公司)	Engineering construction	24,257,561.50	10,075,770.63
South Wuhan Geotechnical Engineering Technique Co., Ltd (武漢南方巖土工程技術有限責任 公司)	Engineering construction		1,482,979.81
China Energy Engineering Group Anhui No. 2 Electric Power Construction Engineering Co., Ltd. (中國能源建設集團安徽電力建設 第二工程有限公司)	Engineering construction	87,062,943.80	6,349,627.46
Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group* (中國電力工程 顧問集團中南電力設計院有限公 司)	Engineering construction		770,000.00
China Energy Engineering Group Northwest Electric Power Construction Engineering Co., Ltd. (中國能源建設集團西北電力建設 工程有限公司)	Engineering construction		173,435.57

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源 建設集團科技發展有限公司)	Purchasing of materials	17,133,659.82	1,000.01
China Energy Engineering Group Nanjing Power Line Products Co., Ltd (中國能源建設集團南京線路 器材廠)	Purchasing of materials		9,856.00
China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源 建設集團湖南火電建設有限公司)	Engineering construction	3,325,846.30	547,828.82
China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公 司)	Engineering construction		454,440.50
Hunan Electric Power Line Equipment Co., Ltd. (湖南省電力 線路器材有限公司)	Engineering construction		243,110.90
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.(中國能源建 設集團廣東火電工程有限公司)	Engineering construction	53,971,799.71	1,079,989.09
Beijing General Power Equipment Plant Co., Ltd.(北京電力設備總廠 有限公司)	Purchasing of materials	605,059.23	494,108.80
China Energy Construction Group E- Commerce Co., Ltd. (中國能源建 設集團電子商務有限公司)	Purchasing of materials	11,994,911.41	1,303,178.41
China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公 司)	Other services	3,770,840.21	18,714,878.62
Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限責 任公司)	Purchasing of materials	7,861,940.92	6,328,851.84
Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民 用爆破器材有限公司)	Purchasing of materials	7,463,364.62	9,312,296.16

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Huanjia Group Co., Ltd.(環嘉集團有限公司)	Purchasing of materials		987,402,627.17
Total		838,866,409.75	2,136,101,118.10

Statement on sales of goods/provision of labor services

 Applicable Not Applicable

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	Engineering construction	89,413.36	9,843,533.27
Beijing Electric Power Construction Company (北京電力建設有限公司)	Engineering construction	7,664,853.38	
Gezhouba (Beijing) Investments Co., Limited(葛洲壩(北京)投資有限公司)	Engineering construction		249,915.21
China Energy Engineering Corporation Limited (中國能源建設股份有限公司)	Engineering construction	1,621,538.32	
China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	Engineering construction	310,190,356.50	286,472,928.19
Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司)	Engineering construction	37,522,050.94	
Jiangsu Keneng Power Engineering Consulting Co., Ltd. (江蘇科能電力工程諮詢有限公司)	Engineering construction		3,645,897.44
China Energy Engineering Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	Engineering construction	6,114,844.17	

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源 建設集團科技發展有限公司)	Engineering construction	117,924.53	
China Energy Engineering Group Guangdong Electric Power Engineering Co., Ltd. (中國能源 建設集團廣東電力工程局有限公 司)	Engineering construction		618,146.60
China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設 集團廣東省電力設計研究院有限 公司)	Engineering construction		294,700.00
China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源 建設集團安徽電力建設第一工程 有限公司)	Sales of goods	174,966.42	
China Energy Engineering Group Shanxi Electric Power Design Institute Co., Ltd. (中國能源建設 集團山西省電力勘測設計院有限 公司)	Sales of goods	51,157,932.69	
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建 設集團廣東火電工程有限公司)	Engineering construction	3,903,274.34	
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設 有限公司)	Engineering construction	1,551,891,184.05	847,822,060.82
Panzhou County Hongcai Gezhouba Project Management Co., Ltd. (盤 州縣宏財葛洲壩項目管理有限公 司)	Engineering construction		300,066,008.00
Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	Engineering construction	72,830,286.79	240,071,307.31

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	Engineering construction	112,699,904.55	517,076,712.97
Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	Engineering construction	99,344,036.70	
Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	Engineering construction	2,388,442,151.20	2,052,000,860.98
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	Engineering construction	1,652,569,681.59	667,762,246.86
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	Engineering construction	1,421,417,184.30	1,247,870,381.79
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	Engineering construction	1,200,001,403.91	
Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限公司)	Engineering construction	510,764,079.17	692,879,211.51
Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	Engineering construction	-27,917,745.10	168,026,068.56
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	Engineering construction	129,208,519.26	500,111,161.38
Yichang Miaozui Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	Engineering construction		1,549,959.48
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd (陝西葛洲壩延黃寧石高速公路有限公司)	Engineering construction	4,270,426,454.32	757,181,890.73

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)	Engineering construction	184,132,453.24	277,479,919.58
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	Engineering construction	2,176,501,621.54	1,788,870,241.20
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	Engineering construction	2,251,493.13	643,728,776.69
Gezhouba Chongqing Nanchuan District Infrastructure Construction Co., Ltd. (葛洲壩重慶市南川區基礎設施建設有限公司)	Engineering construction	128,250,163.85	
Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	Engineering construction	85,649,717.84	
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	Engineering construction	2,600,625,489.46	1,040,760,593.19
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣揚高速公路開發有限公司)	Engineering construction	548,101,949.89	231,892,865.45
Total		19,525,747,184.34	12,276,275,387.21

Explanation about connected transactions of purchasing or selling goods and rendering or receiving services

Applicable Not applicable

(2). *Connected entrusted management/contracting and entrusted management/outsourcing*

Description of entrusted management/contracting of the Company:

Applicable Not applicable

Statement on connected entrusted management/contracting

Applicable Not applicable

Description of entrusted management/outsourcing of the Company

Applicable Not applicable

Description of connected management/outsourcing

Applicable Not applicable(3). *Leases with related parties*

The Company as lessor:

Applicable Not applicable

The Company as lessee:

Applicable Not applicable*Unit: Yuan Currency: RMB*

Name of lessor	Type of leased assets	Rental fee recognized in current period	Rental fee recognized in last period
Huanjia Group Co., Ltd. (環嘉集團有限公司)	Land, building and machinery equipment		10,239,739.25
Total			10,239,739.25

Explanation of leases with related parties

Applicable Not applicable

(4). *Related guarantee*

The Company as the guarantor

Applicable Not applicable

Unit: Yuan Currency: RMB

Secured party	Guarantee amount	Commencement date of Guarantee	Expiry date	Whether the guarantee has been fulfilled
Fuzhou Jiangyin Industrial Zone Gezhouba Reclamation Investment Co., Ltd. (福州市江陰工業區葛洲壩填海投資有限公司)	700,000,000.00	2017-01-03	2028-12-01	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	16,000,000.00	2017-07-21	2020-07-21	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	24,000,000.00	2018-12-11	2021-09-17	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	21,934,910.30	2019-01-28	2021-12-27	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	93,400,000.00	2019-02-15	2021-02-09	No
San Noronso Water Supply System Co., Ltd. (聖諾倫索供水系統有限公司)	4,195,388,443.13	2018-05-23	2038-12-31	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	103,000,000.00	2018-06-01	2021-06-01	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	140,000,000.00	2018-06-01	2021-05-22	No

Unit: Yuan Currency: RMB

Secured party	Guarantee amount	Commencement date of Guarantee	Expiry date	Whether the guarantee has been fulfilled
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融 資租賃有限公司)	243,000,000.00	2018-09-21	2021-09-13	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融 資租賃有限公司)	38,200,000.00	2018-09-13	2021-09-13	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融 資租賃有限公司)	20,220,000.00	2018-09-17	2021-09-17	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融 資租賃有限公司)	10,793,504.00	2018-11-22	2021-09-17	No
China Gezhouba Group Lv Yuan Technology Co., Ltd. (中國葛洲壩集團綠 園科技有限公司)	1,200,000,000.00	2018-09-23	2023-09-23	No
Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有 限責任公司)	380,202,900.00	2018-12-06	2027-06-21	No
Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有 限責任公司)	375,786,200.00	2018-11-01	2023-12-21	No
Huanggang Zhonghe Water Purification Co., Ltd. (黃 岡市中和水質淨化有限公 司)	100,000,000.00	2019-10-31	2034-10-30	No
Zibo Boshan Huanke Sewage Treatment Co., Ltd. (淄博市博山區環科 污水處理有限公司)	14,483,780.00	2017-08-01	2028-08-01	No
Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速 公路有限公司)	320,000,000.00	2013-06-07	2043-06-08	No

Unit: Yuan Currency: RMB

Secured party	Guarantee amount	Commencement date of Guarantee	Expiry date	Whether the guarantee has been fulfilled
Chongqing Jiangqi Highway Co., Ltd. (重慶江綦高速公路有限公司)	6,000,000.00	2019-03-21	2024-03-20	No
Chongqing Jiangqi Highway Co., Ltd. (重慶江綦高速公路有限公司)	38,336,000.00	2018-06-27	2023-06-26	No
Total	8,040,745,737.43			No

The Company as the Guaranteed party

Applicable Not applicable

Unit: Yuan Currency: RMB

Guarantor	Guarantee amount	Commencement date of Guarantee	Expiry date	Whether the guarantee has been fulfilled
China Gezhouba Group Company Limited	429,000,000.00	2007-10-29	2027-10-29	No
China Gezhouba Group Company Limited	461,561,414.58	2015-12-15	2023-12-22	No
China Gezhouba Group Company Limited	379,516,585.00	2018-12-11	2023-12-10	No
China Gezhouba Group Company Limited	400,000,000.00	2019-05-23	2024-05-22	No
China Gezhouba Group Company Limited	1,125,000,000.00	2014-09-30	2025-09-30	No
China Gezhouba Group Company Limited	1,200,000,000.00	2016-05-11	2021-05-11	No
China Gezhouba Group Company Limited	600,000,000.00	2016-06-16	2021-06-16	No
China Gezhouba Group Company Limited	92,000,000.00	2016-03-03	2021-03-02	No
China Gezhouba Group Company Limited	74,500,000.00	2016-03-03	2021-03-02	No
China Gezhouba Group Company Limited	107,000,000.00	2016-04-19	2021-04-18	No
China Gezhouba Group Company Limited	124,500,000.00	2016-05-16	2021-05-15	No
China Gezhouba Group Company Limited	9,500,000.00	2015-12-29	2020-12-28	No
China Gezhouba Group Company Limited	9,500,000.00	2016-01-18	2021-01-17	No
Total	5,012,077,999.58			

Description of related guarantee

Applicable Not applicable

(5). *Capital lending to/borrowing from related parties*

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Related parties	Placements	Commencement	Expiry date	Description
		date		
Due to banks and other financial institutions				
Beijing Franshion Gezhouba Real Estate Development Co., Ltd. (北京方興葛洲壩房地產開發有限公司)	68,822,462.06	2019-6-29	No fixed date of expiration	
Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	1,625,000.00	2019-1-1	No fixed date of expiration	
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	619,499,575.13	2019-1-1	No fixed date of expiration	
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	813,089,902.13	2019-10-14	No fixed date of expiration	
Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	394,496,407.12	2019-1-9	No fixed date of expiration	
Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	259,607,911.32	2019-1-1	No fixed date of expiration	
Shanghai Xiyue Real Estate Development Co., Ltd. (上海蟹越房地產開發有限公司)	-10,864,000.00	2019-1-1	No fixed date of expiration	
Guangzhou Rumao Real Estate Development Co., Ltd. (廣州市如茂房地產開發有限公司)	-171,500,000.00	2019-1-1	No fixed date of expiration	
Funds deposited by related party companies in the fund settlement center	889,178,822.89	2019-1-1	No fixed date of expiration	Deposits placed in the Company's fund settlement center
Loans to banks and other institution				
Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	150,763,510.94	2019-3-1	No fixed date of expiration	
Gezhouba Running (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	93,864,592.90	2019-1-17	No fixed date of expiration	

(6). *Asset transfer and debt restructuring of related parties*

Applicable Not applicable

(7). *Emolument of key management*

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Emolument of key management	1,739.81	2,002.83

(8). *Other connected transactions*

Applicable Not applicable

In 2019, the Company and its subsidiaries paid interest expenses for bank borrowings of RMB365,857,938.58 to China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司), and received interest income of bank deposits of RMB40,184,333.61 from China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司).

6. **Amounts Due From/to Related Parties**(1). *Amounts due from related parties*

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Monetary funds					
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	9,214,151,729.77		4,898,079,472.02	
	Total	9,214,151,729.77		4,898,079,472.02	
Bills receivable					
	Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	5,873,728.57			
	Total	5,873,728.57			

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Trade receivables					
	China Energy Engineering Group Co., Ltd. (中國能源建設集團有限公司)			102,517.25	
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	2,121,412.32		8,416,226.00	
	Gezhouba (Beijing) Investments Co., Limited (葛洲壩(北京)投資有限公司)	12,495.76		12,495.76	
	Beijing Electric Power Construction Company (北京電力建設有限公司)	835,469.02			
	China Energy Engineering Corporation Limited (中國能源建設股份有限公司)	37,836.79			
	China Energy Engineering Group Northeast No.2 Electric Power Engineering Co., Ltd. (中國能源建設集團東北電業管理局第二工程公司)	9,596,585.47		9,596,585.47	
	Guangxi Hydro-electric Construction Bureau (廣西水電工程局)	300,000.00		300,000.00	
	Jiangsu Keneng Power Engineering Consulting Co., Ltd. (江蘇科能電力工程諮詢有限公司)	1,066,425.00		1,279,710.00	
	Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group* (中國電力工程顧問集團中南電力設計院有限公司)			1,155,307.13	
	China Energy Engineering Group Equipment Co., Ltd. (中國能建集團裝備有限公司)	20,997.44		70,997.44	
	China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源建設集團湖南省火電建設公司)			3,840.00	
	China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	335,600.00		416,000.00	
	China Energy Engineering Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	2,466,883.35			
	China Energy Engineering Group Gansu Thermal Power Engineering Co., Ltd. (中國能源建設集團甘肅火電工程有限公司)	253,228.20		253,228.20	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	China Energy Engineering Group Guangdong Electric Power Engineering Co., Ltd. (中國能源建設集團廣東電力工程局有限公司)	1,591,022.90		1,691,022.90	
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.* (中國能源建設集團廣東火電工程局有限公司)	9,444,415.00		10,412,275.00	
	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)	294,700.00		294,700.00	
	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中國能源建設集團湖南省電力設計院有限公司)	582,000.00		1,164,000.00	
	China Energy Engineering Group Jiangsu Electric Power Design Institute Co., Ltd. (中國能源建設集團江蘇省電力設計院有限公司)			598,010.00	
	China Energy Engineering Group Shanxi Electric Power Design Institute Co., Ltd. (中國能源建設集團山西省電力勘测設計院有限公司)	20,279,777.16			
	Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司)	65,311,903.43			
	China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建設集團科技發展有限公司)	125,000.00			
	China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	207,595,733.99		43,701,332.71	
	China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	48,737.00		78,099.00	
	Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	60,288,154.73		5,788,729.11	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)			395,834,177.20	
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)			148,486,265.02	
	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	50,305,055.87		540,701,174.91	
	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	80,983,523.98		228,812,655.56	
	Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)			621,717,774.62	
	Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	263,921,455.66			
	Pan County Hongcai Gezhouba Project Management Co., Ltd. (盤縣宏財葛洲壩項目管理有限公司)	346,215,736.10		396,020,713.92	
	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	109,180,192.59		20,502,433.00	
	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)			48,220,072.94	
	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	6,693,500.72			
	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃寧石高速公路有限公司)			346,406,791.18	
	Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	159,606,113.76		59,116,569.58	
	Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣揚高速公路開發有限公司)	25,479,287.00		255,082,152.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	5,431,676.12		9,412,903.83	
	Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	17,647,562.63			
	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	149,612,227.14		68,467,139.96	
	Total	1,597,684,709.13		3,224,115,899.69	
Prepayments					
	Beijing Electric Power Construction Company (北京電力建設有限公司)	210,347,289.10		115,000,000.00	
	Beijing Power Equipment Factory Co., Ltd. (北京電力設備總廠有限公司)	7,792.00			
	China Energy Engineering Group Anhui No. 2 Electric Power Construction Engineering Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)	14,985,000.00			
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	180,221,573.97			
	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	1,909,748.21		3,278,814.25	
	Hunan Electric Lines and Wares Co., Ltd. (湖南省電力線路器材有限公司)	15,500,000.00		15,500,000.00	
	Jiangsu Power Equipment Co., Ltd. (江蘇電力裝備有限公司)			2,523,785.84	
	China Energy Engineering Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	33,274.00		12,015.60	
	China Energy Engineering Group Guangxi Power Design Institute Co., Ltd. (中國能源建設集團廣西電力設計研究院有限公司)	696,735.86		1,151,478.39	
	China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	120,375.00			

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	Huanjia Group Co., Ltd. (環嘉集團有限公司)			98,646,807.68	
	Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限責任公司)	333,852.77			
	Total	424,155,640.91		236,112,901.76	
Dividend receivables					
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	11,863,946.55			
	Total	11,863,946.55			
Other receivables					
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛 洲壩資產管理有限公司)	710,621.27		1,244,152.07	
	Beijing Electric Power Construction Company (北京電力建設有限公司)	514,507,500.00		514,487,500.00	
	China Energy Engineering Corporation Limited (中國能源建設股份有限公司)	-		114,072.00	
	Northeast Electric Power Second Engineering Company (東北電力第二工程公司)	6,585.27		2,006,585.27	
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	1,450,000.00		1,454,018.14	
	China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國 能源建設集團安徽電力建設第一工程有限公 司)	5,980,664.83			
	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有 限公司)	30,281.00			
	China Energy Engineering Group Equipment Co., Ltd. (中國能建集團裝備有限公司)	14,500,000.00			
	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中國能源建設集團湖南省電力設計院有限公 司)	700.00		500.00	
	China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國 能源建設集團南方建設投資有限公司)	13,764,936.43		19,958,321.63	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	8,200.00			
	China Energy Engineering Group Nanjing Power Line Products Co., Ltd (中國能源建設集團南京線路器材廠)	10,000,000.00			
	China Gezhouba Group Company Limited (中國葛洲壩集團有限公司)	296,012,000.00		296,012,000.00	
	Yichang City Gezhouba Hotel Co., Ltd. (宜昌市葛洲壩賓館有限公司)			804,093.19	
	China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)			858,368.03	
	Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)			2,755,252.08	
	Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)			100,000.00	
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	74,017,150.00		166,803,106.80	
	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	200,000,000.00		180,000,000.00	
	Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd. (葛洲壩(西安)秦漢大道投資建設有限公司)			290,000.00	
	Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	353,912.04		131,510,332.56	
	Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd. (南京江北新區地下空間研究院有限公司)			7,608.00	
	Pan County Hongcai Gezhouba Project Management Co., Ltd. (盤縣宏財葛洲壩項目管理有限公司)	364,626,878.33		714,626,878.33	
	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	44,554,367.00		14,392,324.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	43,240,255.50		28,599,003.00	
	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	18,697,543.63		619,500.00	
	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	107,053,858.93		650,289.50	
	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃甯石高速公路有限公司)			3,146,291.00	
	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)			177,247,510.33	
	Yichang Miaozi Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	1,941,160.43		11,941,160.43	
	Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	61,473,880.85		80,433,880.85	
	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	2,685,616.72		427,296,129.51	
	Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	167,344,952.53			
	Gekuangli Nanjing Property Development Co., Ltd. (葛礦利南京房地產開發有限公司)	2,109,040,761.37		2,393,800,761.37	
	Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	474,945,627.93		580,853,259.66	
	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd. (重慶葛洲壩融創深達置業有限公司)	500,935.68		700,673.90	
	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd. (重慶葛洲壩融創深達置業有限公司)	1,722,058.65		1,371,359.91	
	Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	460,739,275.47		682,266,193.50	
	Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	95,454,215.12			

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司)	32,774,718.54		19,892,118.90	
	Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)	2,317,210.29		992,175.07	
	Huadian Huayuan Artificial Environment Engineering Co., Ltd. (華電華源人工環境工程有限公司)			4,291,561.90	
	Huanjia Group Co., Ltd. (環嘉集團有限公司)	95,362,281.79	44,595,947.87		
	Total	5,215,818,149.60	44,595,947.87	6,461,526,980.93	
Long-term receivables					
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	21,041,131.57		64,123,764.36	
	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	196,660,025.13		116,202,707.99	
	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	38,009,648.68		25,800,309.65	
	Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	612,200,977.39		174,525,198.57	
	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	19,863,494.00		19,863,494.00	
	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗菏高速公路有限公司)			410,357,576.34	
	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃寧石高速公路有限公司)	15,731,457.00		15,731,457.00	
	Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)			40,440,855.24	
	Chongqing Jiangqi Highway Co., Ltd. (重慶江綦高速公路有限公司)	66,315,697.00		46,818,996.00	
	Total	969,822,430.77		913,864,359.15	

(2). Amounts due to related parties

✓Applicable □Not Applicable

Unit: Yuan Currency: RMB

Items	Related parties	Closing book balance	Opening book balance
Bills payable			
	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	81,332,417.44	16,888,891.59
	Anhui Huadian Engineering Consulting & Design Co., Ltd. (安徽華電工程諮詢設計有限公司)	2,335,000.00	
	Total	83,667,417.44	16,888,891.59
Trade payable			
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	387,525.97	73,270.72
	Beijing Electric Power Construction Company (北京電力建設有限公司)	21,094,545.39	2,355,287.36
	Beijing Luostar Digital Remote Sensing Technology Co., Ltd. (北京洛斯達數字遙感技術有限公司)	199,500.00	452,557.84
	Gansu Thermal Power Construction Company (甘肅火電工程公司)	2,845,225.06	2,845,225.06
	China Energy Engineering Group Guangdong Power Line Equipment Factory (中國能源建設集團廣東省電力線路器材廠)	708,269.64	708,269.64
	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	7,970,768.54	12,189,525.20
	Hunan Electric Power Line Equipment Co., Ltd. (湖南省電力線路器材有限公司)	-	262,299.00
	Jiangsu Power Equipment Co., Ltd. (江蘇電力裝備有限公司)	8,885,907.92	
	Beijing General Power Equipment Plant Co., Ltd. (北京電力設備總廠有限公司)	578,448.27	350,908.00
	Tongcheng Environmental Engineering Company (同誠環保工程公司)	-	530,097.38
	South Wuhan Geotechnical Engineering Technique Co., Ltd (武漢南方巖土工程技術有限責任公司)	1,124,229.81	1,482,979.81

Unit: Yuan Currency: RMB

Items	Related parties	Closing book balance	Opening book balance
	Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group* (中國電力工程顧問集團中南電力設計院有限公司)	580,000.00	770,000.00
	China Energy Engineering Group Anhui No. 2 Electric Power Construction Engineering Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)	15,677,386.56	7,364,827.46
	China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	143,066,724.77	265,950,484.54
	Anhui Huadian Engineering Consulting & Design Co., Ltd. (安徽華電工程諮詢設計有限公司)		7,005,000.00
	China Energy Engineering Group Anshan Iron Tower Manufacturing Co., Ltd. (中國能源建設集團鞍山鐵塔有限公司)	518,500.17	518,500.17
	China Energy Engineering Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	5,231,124.19	763,817.02
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	1,079,989.09	1,079,989.09
	China Energy Engineering Group Guangxi Power Design Institute Co., Ltd. (中國能源建設集團廣西電力設計研究院有限公司)	28,444,190.35	4,610,222.01
	China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源建設集團湖南火電建設有限公司)		547,828.82
	China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建設集團科技發展有限公司)	5,824,512.26	
	China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	92,903,451.87	33,369,878.69
	China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電力建設一公司)	119,319.21	178,919.21

Unit: Yuan Currency: RMB

Items	Related parties	Closing book balance	Opening book balance
	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	76,686,566.06	94,281,442.30
	Hunan Thermal Power Construction Company (湖南省火電建設公司)	3,625,172.47	
	China Energy Engineering Group Nanjing Power Line Products Co., Ltd (中國能源建設集團南京線路器材廠)	715,864.80	
	China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	276,110.75	454,440.50
	Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民用爆破器材有限公司)	67,392.00	485,722.27
	Total	418,610,725.15	438,631,492.09
Receipts in advance			
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	106,975.08	
	Guangdong Thermal Power Engineering Co., Ltd. (廣東火電工程有限公司)		1,811,120.00
	China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)		1,712.06
	Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)		210,000,000.00
	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	1,253,795,784.84	130,134,007.15
	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)		23,039,958.88
	Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	39,538,980.09	
	Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	127,155,963.30	
	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)	54,388,545.17	

Unit: Yuan Currency: RMB

Items	Related parties	Closing book balance	Opening book balance
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	123,941,800.08	
	Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣揚高速公路開發有限公司)	103,504,135.65	113,466,358.00
	Total	1,702,432,184.21	478,453,156.09
Other payables			
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	44,099,710.11	163,653,064.89
	China Energy Engineering Group Beijing Electric Power Construction Company (中國能源建設集團北京電力建設公司)	21,817,080.34	13,935,584.66
	Beijing Luostar Digital Remote Sensing Technology Co., Ltd. (北京洛斯達數字遙感技術有限公司)	1,124,218.36	1,124,218.36
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	13,722,677.72	
	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	8,290,968.93	8,126,097.63
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	308,886.36	308,886.36
	China Energy Engineering Group Anhui No. 2 Electric Power Construction Engineering Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)	100,000.00	100,000.00
	China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	143,943.40	2,641,123.53
	China Energy Engineering Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	5,860.40	4,533.00
	China Energy Engineering Group Guangxi Power Design Institute Co., Ltd. (中國能源建設集團廣西電力設計研究院有限公司)	2,431,031.30	2,280,469.78

Unit: Yuan Currency: RMB

Items	Related parties	Closing book balance	Opening book balance
	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中國能源建設集團湖南省電力設計院有限公司)	50,000.00	
	China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建設集團科技發展有限公司)	386,139.74	
	China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電力建設一公司)	35,400.00	35,400.00
	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	520,000.00	480,000.00
	China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	30,158,603.32	24,928,313.36
	China Gezhouba Group Company Limited (中國葛洲壩集團有限公司)	52,076,548.60	52,076,548.60
	China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	119,028,296.53	102,878,836.93
	Yichang City Gezhouba Hotel Co., Ltd. (宜昌市葛洲壩賓館有限公司)		1,802,931.63
	Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	93,599,505.23	71,610,655.72
	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃寧石高速公路有限公司)	785,373,499.94	397,553,209.93
	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	1,359,840,293.53	
	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)	38,176.40	29,220.69
	Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	83,501,407.81	467,326,012.32
	Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	235,583,518.41	6,056,335.98

Unit: Yuan Currency: RMB

Items	Related parties	Closing book balance	Opening book balance
	Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)		45,045,199.66
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	186,384,693.51	471,477,863.84
	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)		11,770,053.27
	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	92,304,359.65	574,181,770.31
	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	190,015,166.67	
	Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd. (葛洲壩(西安)秦漢大道投資建設有限公司)		97,078,465.61
	Beijing Franshion Gezhouba Real Estate Development Co., Ltd. (北京方興葛洲壩房地產開發有限公司)	854,853,860.57	786,031,398.51
	Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	24,000,000.00	24,000,000.00
	Guangzhou Rumao Real Estate Development Co., Ltd. (廣州市如茂房地產開發有限公司)	1,111,148,917.05	1,282,648,917.05
	Guangzhou Zhenglin Real Estate Development Co., Ltd. (廣州市正林房地產開發有限公司)	1,294,860,956.30	1,294,860,956.30
	Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	388,567,500.00	386,942,500.00
	Shanghai Xiyue Real Estate Development Co., Ltd. (上海璽越房地產開發有限公司)	54,936,000.00	65,800,000.00
	Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	1,119,499,575.13	500,000,000.00
	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	813,089,902.13	
	Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd. (重慶葛洲壩融創金裕置業有限公司)	460,507,911.32	698,114,570.21
	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd. (重慶葛洲壩融創深達置業有限公司)	484,656,407.12	141,656,407.12
	Total	9,927,061,015.88	7,696,559,545.25

Unit: Yuan Currency: RMB

Items	Related parties	Closing book balance	Opening book balance
Short-term borrowings	China Gezhouba Group Company Limited		385,247,700.00
	China Energy Engineering Corporation Limited		500,000,000.00
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	9,620,000,000.00	5,433,000,000.00
	Total	9,620,000,000.00	6,318,247,700.00
	Non-current liabilities due within one year		
	China Energy Engineering Corporation Limited	200,000,000.00	
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)		595,000,000.00
	Total	200,000,000.00	595,000,000.00
Long-term borrowings	China Energy Engineering Corporation Limited		200,000,000.00
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)		75,000,000.00
	Total		275,000,000.00

7. Commitment of Related PartiesApplicable Not applicable**8. Others**Applicable Not applicable**XIII. SHARE-BASED PAYMENT****1. Overview of Share-based Payment**Applicable Not applicable**2. Information about Equity-settled Share-based Payment**Applicable Not applicable

3. Information about Cash-settled Share-based Payment

Applicable Not applicable

4. Information about Modification and Termination of Share-based Payment

Applicable Not applicable

5. Others

Applicable Not applicable

XIV. COMMITMENTS AND CONTINGENCIES**1. Significant Commitments**

Applicable Not applicable

Significant external commitments, nature and amount existing as at the balance sheet date

Unit: 0,000 yuan Currency: RMB

Item	Closing balance	Balance at the end of previous Year
Signed but not yet confirmed in the financial statements		
– Purchase and construction of long-term asset commitments	621,756.00	485,400.00
– Financing construction projects	6,068,324.00	5,331,900.00
– Investment commitments:	612,570.00	672,600.00
Total	7,302,650.00	6,489,900.00

2. Contingencies**(1). Material contingencies existing as at the balance sheet date**

Applicable Not Applicable

1. Contingent liabilities and their financial impacts arising from significant pending litigation or arbitration

In 2019, Gezhouba Huanjia Company (葛洲壩環嘉公司) and related suppliers acted as defendants and were involved in multiple lawsuits with several financial institutions. The aforementioned financial institutions appealed to Gezhouba Huanjia

Company (葛洲壩環嘉公司) and other defendants to repay RMB1.362 billion in loans. Most of the above-mentioned lawsuits have been rejected by the court on the grounds that the above-mentioned lawsuits may be suspected of economic crimes and should be investigated and handled by the Supervisory Committee (please refer to Note VII. 5. (3)). After the investigation by the Supervisory Committee, Gezhouba Huanjia Company (葛洲壩環嘉公司) may be sued by the above-mentioned financial institutions and will be involved in further related investigations. As of 31 December 2019, as the investigation by the Supervisory Committee has not yet ended, the Company cannot reliably predict the amount of repayment that Gezhouba Huanjia Company (葛洲壩環嘉公司) may undertake.

Except for the above matters, as of 31 December 2019, the Company had no pending litigation or arbitration that had a significant impact on the financial statements.

2. *Commitments*

As of 31 December 2019, the guaranteed loan balance of the Company was RMB8,994,308,600, of which, the balance of loans obtained through guarantees provided by the Company and its subsidiaries is RMB6,228,243,700. For details, please refer to VII. 31 “Non-current liabilities due within one year” and VII. 33 “Long-term loans”.

Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司), an associate of the Company’s related parties, borrowed RMB3,640 million from China Development Bank Co., Ltd. and China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司), a controlling subsidiary of the Company, is willing to provide guarantees to lenders for the borrower to repay the principal of RMB364,336,600 under the main contract and derived interest, penalty interest, compound interest, compensation, damages and the cost of realizing the debt.

The Argentine Ministry of Finance has borrowed from a foreign exchange syndicate such as the China Development Bank and the Industrial and Commercial Bank of China for the construction of the Santa Cruz CC/LB hydropower station. The Company provided a guarantee of RMB1.483 billion.

Hubei Xuan’en Dongping Hydropower Co., Ltd. (湖北宣恩洞坪水電有限責任公司), in which the Company holds 5% equity, received a shareholder loan of RMB130 million from its controlling shareholder Hubei Energy Group Co., Ltd. (湖北能源集團股份有限公司) for a period of one year. The Company provides joint liability guarantee for RMB6.5 million of the shareholder loans and corresponding interest expenses based on 5% shareholding ratio.

China Gezhouba Group Lvyuan Technology Co., Ltd., a wholly-owned subsidiary of the Company, applied for the issuance of RMB1.2 billion green corporate bonds on the Shanghai Stock Exchange, and the Company provided guarantee.

As of 31 December 2019, the Company provided mortgage guarantees for house purchasers in our real estate business, and the balance of the guarantees provided by the Company for house purchasers' mortgages was RMB1.578 billion (the guarantee provided by the Company for commercial housing purchasers to bank mortgage loans. The purchasers used the commodity house they purchased as collateral. During the reporting period, no purchaser breaches the contract, and the provision of such guarantees brought relatively little risk to the Company).

3. *Mortgages*

As of 31 December 2019, the balance of pledged loans of the Company was RMB16.617.0 million. For details, please refer to VII. 31 "Non-current liabilities due within one year" and VII. 33 "Long-term loans".

4. *Security*

As of 31 December 2019, the balance of the mortgage loans of the Company was RMB9,997,479,400. For details, please refer to VII. 24 "Short-term loans", VII. 31 "Non-current liabilities due within one year" and VII. 33 "Long-term loans".

(2). *To state that the Company has no material contingency that needs to be disclosed:*

Applicable Not applicable

3. **Others**

Applicable Not applicable

XV. EVENTS AFTER THE BALANCE SHEET DATE

1. Important Non-adjusting Matters

Applicable Not Applicable

In January 2020, the COVID-19 broke out across the country. Due to the serious epidemic situation in Hubei Province, stricter prevention and control measures have been adopted in various parts of Hubei Province, will have a certain impact on the Company's subsidiaries with Hubei Province as the main place of business, and the extent of the impact will depend on the situation and duration of epidemic prevention and control, and the implementation of various regulatory policies. The Company will continue to pay close attention to the development of the the COVID-19, evaluate and actively respond to its impact on the Company's financial status and operating results.

2. Information about Profit Distribution

Applicable Not Applicable

Unit: Yuan Currency: RMB

Profit or dividend proposed to be distributed 718,345,276.27

Explanation: The profit distribution plan of the Company in 2019 is distributing to all shareholders of a cash dividend of RMB1.56 (tax inclusive) for every 10 shares held, and a total of RMB718,345,276.27 in cash, based on the total share capital of the Company of 4,604,777,412 shares, without any capitalisation of reserve, and the remaining profits would be carried forward to next year.

3. Sales Return

Applicable Not applicable

4. Explanation of Other Events After the Balance Sheet Date

Applicable Not applicable

XVI. OTHER IMPORTANT EVENTS**1. Early Correction of Accounting Error****(1). Retrospective restatement**

Applicable Not applicable

(2). Prospective application

Applicable Not applicable

2. Debt Restructuring

Applicable Not applicable

3. Asset Replacement**(1). Exchange of non-monetary assets**

Applicable Not applicable

(2). *Other asset replacement*

Applicable Not applicable

4. **Annuity Plan**

Applicable Not applicable

In accordance with relevant national regulations, the Company and its subsidiaries implemented enterprise annuity plan after being reviewed and approved by the Board of Directors and reported to the labor and social security department for review and filing. The Company accounted enterprise annuity expenses that should be borne as employee remuneration into the current profit and loss, and transferred the annuity payments payable to the employee's bank account opened by the account manager on time. As of the end of 2019, no major changes have taken place in the annuity plan.

5. **Discontinuing Operations**

Applicable Not applicable

6. **Segment Information**

(1). *The basis of determination and accounting policy for segment information*

Applicable Not Applicable

The Company established 4 parts of segment reports on the basis of the internal organizational structure, management requirement and internal report system. They are Project construction, industrial manufacturing, investment operations and general services. Each segment provides different products and service. Due to the different demands of each segment applying for different technology and marketing strategy, the Company's management control over the different segments of business activities separately, and evaluate the operating results on a regular basis in order to allocate resources and evaluate its performance.

The transfer price between different segments is based on the actual transaction price, and cost indirectly assumed by each segment is allocated in accordance with the corresponding proportion. Assets are allocated in accordance of business performance and location. Segment liabilities include the liabilities produced by business activities which belong to its own segment. If the costs related to a joint liability, the liability would be allocated to different segments at the proportion.

(2). *Financial information of the segment*

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Project construction	Industrial manufacturing	Investment operation	General service	Elimination among segments	Total
I. Revenue from external transactions	65,894,065,197.19	28,451,422,436.13	13,127,714,993.47	2,472,494,240.57		109,945,696,867.36
II. Revenue from inter-segment transactions				95,117,413.81	95,117,413.81	
III. Investment income from joint ventures and associates	-63,468,148.52	-160,208.15	802,113,740.72	68,176,828.14		806,662,212.19
IV. Losses from impairment of assets	-148,992,834.34	-656,445,735.00	-35,839,829.38	1,869,705.92		-839,408,692.80
V. Depreciation and amortization expenses	740,103,274.34	783,751,365.31	720,723,773.00	6,335,731.52		2,250,914,144.17
VI. Total profit	3,073,446,115.14	2,093,726,659.88	4,595,435,367.11	-403,766,746.71	570,951,145.58	8,787,890,249.84
VII. Income tax expenses	532,282,976.92	972,102,915.83	947,967,455.85	-164,917,003.42	63,155,584.36	2,224,280,760.82
VIII. Net profit	2,541,163,138.22	1,121,623,744.05	3,647,467,911.26	-238,849,743.29	507,795,561.22	6,563,609,489.02
IX. Total assets	110,720,512,327.35	33,117,488,913.34	126,924,699,588.94	11,159,086,123.23	47,458,414,319.12	234,463,372,633.74
X. Total liabilities	85,623,479,259.53	17,845,487,507.82	96,213,776,736.98	10,074,905,306.24	41,525,777,448.67	168,231,871,361.90

(3). *If the Company has no reporting segment or cannot disclose the total assets and total liabilities of each reporting segment, the reasons shall be stated*

Applicable Not applicable

(4). *Other explanation*

Applicable Not applicable

7. **Other Important Transactions and Events That Have Impact on Investors' Decision-making**

Applicable Not applicable

8. **Others**

Applicable Not applicable

XVII. NOTES TO MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE PARENT

1. Trade Receivables

(1). Disclosure by aging

Applicable Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	
Including: Within 1 year	
Including: Within 6 months	4,686,223,531.51
7 to 12 months	1,077,083,084.34
Within 1 year	5,763,306,615.85
1 to 2 years	87,471,184.80
2 to 3 years	18,867,938.40
3 to 4 years	58,138,731.83
4 to 5 years	6,020,430.24
Over 5 years	23,443,897.95
Subtotal	5,957,248,799.07
Less: Provision for bad debts	-11,717,066.25
Total	5,945,531,732.82

(2). Disclosure by classification with the method of provision for bad debt

Applicable Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debt			Book balance		Provision for bad debt		
	Amount	Proportion	Amount	Proportion	Carrying amount	Amount	Proportion	Amount	Proportion	Carrying amount
		(%)		(%)			(%)		(%)	
Single provision for bad debt	1,097,883,848.71	18.43	10,373,284.09	0.94	1,087,510,564.62	850,165,617.92	12.15	10,373,284.09	1.22	839,792,333.83
Provision withdrawn for bad debt on a combination basis	4,859,364,950.36	81.57	1,343,782.16	0.03	4,858,021,168.20	6,145,975,835.08	87.85	4,767,409.64	0.08	6,141,208,425.44
Including:										
Group 1	1,855,035,359.67	31.14	1,343,782.16	0.07	1,853,691,577.51	3,473,324,548.59	49.65	4,767,409.64	0.14	3,468,557,138.95
Group 2	3,004,329,590.69	50.43			3,004,329,590.69	2,672,651,286.49	38.20			2,672,651,286.49
Total	5,957,248,799.07	/	11,717,066.25	/	5,945,531,732.82	6,996,141,453.00	/	15,140,693.73	/	6,981,000,759.27

Single provision for bad debt:

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance		Reason for provision
		Provision for bad debt	Provision Proportion (%)	
Construction quality assurance fee	1,097,883,848.71	10,373,284.09	0.94	Provision for impairment was made after individual impairment test
Total	1,097,883,848.71	10,373,284.09	0.94	/

Descriptions of single provision for bad debt:

Applicable Not applicable

Provision withdrawn for bad debt on a combination basis:

Applicable Not Applicable

Items under combination-based withdrawal: Trade receivable with provision for bad debts based on Group 1

Unit: Yuan Currency: RMB

Name	Closing balance		Provision Proportion (%)
	Trade receivables	Provision for bad debt	
Within 1 year			
Including: 0 to 6 months	1,841,282,694.35		
6 months to 1 year	3,814,447.40	190,722.37	5.00
Sub-total within 1 year	1,845,097,141.75	190,722.37	
1 to 2 years	4,996,632.75	399,730.62	8.00
2 to 3 years	3,767,445.04	376,744.50	10.00
3 to 4 years	781,692.00	156,338.40	20.00
4 to 5 years	187,424.47	56,227.34	30.00
Over 5 years	205,023.66	164,018.93	80.00
Total	1,855,035,359.67	1,343,782.16	

Recognition standards and descriptions of provision withdrawn for bad debt on a combination basis:

Applicable Not applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

(3). *Provision for bad debts*

Applicable Not Applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Provisions	Change during the period		Other changes	Closing balance
			Recovered or reversed	Write-off or cancellation		
Provision for bad debt	15,140,693.73	3,423,627.48				11,717,066.25
Total	15,140,693.73	3,423,627.48				11,717,066.25

Significant amounts recovered or reversed to bad debts in the period:

Applicable Not applicable

(4). *The actual of the write-off of trade receivable for the period*

Applicable Not applicable

Information on write-off of significant accounts receivable

Applicable Not applicable

(5). *Top five accounts receivable by closing balance collection of the borrowers*

Applicable Not Applicable

Name of entity	Closing balance		Provision for bad debt
	Trade receivables	Percentage of total accounts receivable (%)	
The largest	1,212,341,864.80	20.35	
The second largest	490,719,463.90	8.24	
The third largest	385,273,230.10	6.47	
The fourth largest	346,215,736.10	5.81	
The fifth largest	326,180,443.20	5.48	
Total	2,760,730,738.10	46.34	

(6). *Accounts receivable derecognized due to the transfer of financial assets*

Applicable Not applicable

(7). *Amount of assets or liabilities resulting from accounts receivable transfer and continuing involvement*

Applicable Not applicable

Other explanation:

Applicable Not applicable

2. Other Receivables

Item list

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends receivable	11,863,946.55	
Other receivables	38,235,968,933.86	40,488,889,903.83
Total	38,247,832,880.41	40,488,889,903.83

Other explanation:

Applicable Not applicable

Interest receivables

(1). *Classification of interest receivable*

Applicable Not applicable

(2). *Significant overdue interest*

Applicable Not applicable

(3). *Provision for bad debts*

Applicable Not applicable

Other explanation:

Applicable Not applicable

Dividends receivable(1). *Dividends receivable*

Applicable Not Applicable

Unit: Yuan Currency: RMB

Project (or invested unit)	Closing balance	Opening balance
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	11,863,946.55	
Less: Provision for bad debt		
Total	11,863,946.55	

(2). *Significant dividends receivable with aging over 1 year*

Applicable Not applicable

(3). *Provision for bad debts*

Applicable Not applicable

Other explanation:

Applicable Not applicable

Other receivables(1). *Disclosure by aging*✓Applicable Not Applicable*Unit: Yuan Currency: RMB*

Aging	Closing book balance
Within 1 year	
Including: Within 1 year	
Including: Within 6 months	36,628,640,838.59
7 to 12 months	1,519,298,800.09
Sub-total within 1 year	38,147,939,638.68
1 to 2 years	17,973,257.12
2 to 3 years	311,380.36
3 to 4 years	26,854,838.25
4 to 5 years	2,834,432.01
Over 5 years	87,940,427.92
Total	38,283,853,974.34

(2). *Classification by nature of accounts*✓Applicable Not Applicable*Unit: Yuan Currency: RMB*

Nature of accounts	Closing book balance	Opening book balance
Retention money	1,250,806,575.40	2,976,244,876.40
Prepayments receivable	35,258,843,546.65	36,660,993,904.10
Reserve fund	9,690,628.84	14,296,285.04
Others	1,764,513,223.45	879,728,962.54
Less: Provision for bad debt	-47,885,040.48	-42,374,124.25
Total	38,235,968,933.86	40,488,889,903.83

(3). *Provision for bad debts*

Applicable Not Applicable

Unit: Yuan Currency: RMB

Provision for bad debt	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Amounts as at				
1 January 2019	42,374,124.25			42,374,124.25
Amounts as at 1 January 2019				
In the current period				
- Transferred to stage 2				
- Transferred to stage 3				
- Reversed to stage 2				
- Reversed to stage 1				
Provision for the period	5,510,916.23			5,510,916.23
Reversal for the period				
Write-off for the period				
Cancellation for the period				
Other changes				
Balances as at				
31 December 2019	47,885,040.48			47,885,040.48

Description about significant changes in gross carrying amount of other receivables for which loss provision has changed in the period:

Applicable Not applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

Applicable Not applicable

(4). *Provision for bad debts*

Applicable Not Applicable

Unit: Yuan Currency: RMB

Type	Opening balance	Provisions	Change during the period		Other changes	Closing balance
			Recovered or reversed	Write-off or cancellation		
Provision for bad debt	42,374,124.25	5,510,916.23				47,885,040.48
Total	42,374,124.25	5,510,916.23				47,885,040.48

Significant amounts reversed or recovered to bad debts in the period:

Applicable Not applicable

(5). *The actual write-off of other receivables for the period*

Applicable Not applicable

(6). *Top five other receivables by closing balance collection of the borrowers*

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name of entity	Nature of Accounts	Closing balance	Aging	Proportion of the closing balance of other receivables	Closing balance of provision for bad debt
The largest	Prepayments receivable	26,488,745,639.02	0 to 6 months	69.28	
The second largest	Prepayments receivable	3,569,627,246.65	0 to 6 months	9.34	
The third largest	Prepayments receivable	2,817,103,187.63	0 to 6 months	7.37	
The fourth largest	Prepayments receivable	959,136,801.89	0 to 6 months	2.51	
The fifth largest	Prepayments receivable	840,040,000.00	0 to 6 months	2.20	
Total	/	34,674,652,875.19	/	90.70	

(7). *Receivables involving government subsidies*

Applicable Not applicable

(8). *Other receivables derecognized due to the transfer of financial assets*

Applicable Not applicable

(9). *Amount of assets or liabilities resulting from transfer of other receivables and continuing involvement*

Applicable Not applicable

Other explanation:

Applicable Not applicable

3. Long-term Equity Investments

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	37,333,494,388.18		37,333,494,388.18	33,743,331,546.53		33,743,331,546.53
Investments in associates and joint ventures	10,784,198,552.48		10,784,198,552.48	5,040,856,299.55		5,040,856,299.55
Total	48,117,692,940.66		48,117,692,940.66	38,784,187,846.08		38,784,187,846.08

(1). *Investment in subsidiaries*

Applicable Not Applicable

Unit: Yuan Currency: RMB

Investees	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for	Closing balance of
					impairment during the period	provision for impairment
China Gezhouba Group No.1 Engineering Co., Ltd. (中國葛洲壩集團第一工程有限公司)	1,066,196,508.05			1,066,196,508.05		

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Investees	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
China Gezhouba Group No.2 Engineering Co., Ltd. (中國葛洲壩集團第二工程有限公司)	1,020,042,472.77			1,020,042,472.77		
China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	1,105,369,709.86			1,105,369,709.86		
China Gezhouba Group Construction Engineering Co., Ltd. (中國葛洲壩集團建設工程有限公司)	700,410,816.99			700,410,816.99		
China Gezhouba Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司)	493,424,461.86			493,424,461.86		
China Gezhouba Group Municipal Engineering Co., Ltd. (中國葛洲壩集團市政工程有限公司)	425,103,178.09			425,103,178.09		
China Gezhouba Group Electric Power Co., Ltd. (中國葛洲壩集團電力有限責任公司)	501,303,531.96			501,303,531.96		
China Gezhouba Group International Engineering Co., Ltd. (中國葛洲壩集團國際工程有限公司)	1,383,008,223.47			1,383,008,223.47		
China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司)	642,451,517.39			642,451,517.39		
China Gezhouba Group Explosive Co., Ltd. (中國葛洲壩集團易普力股份有限公司)	153,816,321.67			153,816,321.67		
China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司)	6,035,977,655.83			6,035,977,655.83		
China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司)	3,128,840,200.00			3,128,840,200.00		
China Gezhouba Group Investment Holding Co., Ltd. (中國葛洲壩集團投資控股有限公司)	660,853,476.82			660,853,476.82		
China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限公司)	463,008,134.36			463,008,134.36		
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	602,658,676.30			602,658,676.30		

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Investees	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
China Gezhouba Group Survey and Design Co., Ltd. (中國葛洲壩集團測勘設計有限公司)	229,494,636.80			229,494,636.80		
China Gezhouba Group Lvyuan Technology Co., Ltd. (中國葛洲壩集團綠園科技有限公司)	2,000,000,000.00			2,000,000,000.00		
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	180,000,000.00			180,000,000.00		
Zhongge Wuhan Rail Transit Construction Co., Ltd. (中葛武漢軌道交通建設有限公司)	63,300,000.00			63,300,000.00		
China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司)	2,239,814,691.56	1,538,979,600.00		3,778,794,291.56		
China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司)	1,426,695,472.15			1,426,695,472.15		
China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司)	4,429,209,507.92			4,429,209,507.92		
China Gezhouba Group Equipment Industry Co. (中國葛洲壩集團裝備工業有限公司)	940,000,000.00	60,000,000.00		1,000,000,000.00		
China Gezhouba Group Ecological Environment Engineering Co., Ltd. (中國葛洲壩集團生態環境工程有限公司)	10,200,000.00	116,000,000.00		126,200,000.00		
Gezhouba Weiyi (Beijing) Property Management Co., Ltd. (葛洲壩唯逸(北京)物業管理有限公司)	30,000,000.00			30,000,000.00		
Gezhouba Group Foreign Trade Co., Ltd. (葛洲壩集團對外貿易有限公司)		20,127,459.56		20,127,459.56		
Gezhouba Chongqing Investment Co., Ltd. (葛洲壩重慶投資有限公司)	15,000,000.00			15,000,000.00		
Hefei Gezhouba High-tech Pipe Gallery Investment and Construction Co., Ltd. (合肥葛洲壩高新管廊投資建設有限公司)	252,000,000.00			252,000,000.00		
Leqing Gezhouba Investment Co., Ltd. (樂清葛洲壩投資有限公司)	20,000,000.00	10,000,000.00		30,000,000.00		

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Investees	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
Fuzhou Jiangyin Industrial Zone Gezhouba Reclamation Investment Co., Ltd. (福州市江陰工業區葛洲壩填海投資有限公司)	432,000,000.00			432,000,000.00		
Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司)	131,200,000.00			131,200,000.00		
Sichuan Gezhouba Batongwan Expressway Limited (四川葛洲壩巴通萬高速公路有限公司)	1,470,000,000.00	1,510,000,000.00		2,980,000,000.00		
Gezhouba Water (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司)	296,210,000.00	84,490,000.00		380,700,000.00		
Gezhouba (Haikou) Water Diversion Investment Co., Ltd. (葛洲壩(海口)引水工程投資有限公司)	560,000,000.00			560,000,000.00		
Beijing Gezhouba Zhenghe Yuyong Water Environmental Treatment Co., Ltd. (北京葛洲壩正和於永水環境治理有限公司)	25,650,000.00	8,880,000.00		34,530,000.00		
Gezhouba Water Affairs (Taizhou) Co., Ltd. (葛洲壩水務(台州)有限公司)	53,040,000.00			53,040,000.00		
Gezhouba (Yichang) Minsheng Engineering Investment and Construction Co., Ltd. (葛洲壩(宜昌)民生工程投資建設有限公司)		32,400,000.00		32,400,000.00		
Gezhouba Yunmeng Urban Infrastructure Investment, Construction and Operation Project Co., Ltd. (葛洲壩雲夢城市基礎設施投資建設運營項目有限公司)		122,042,600.00		122,042,600.00		
Gezhouba (Hainan) Construction Investment Co., Ltd. (葛洲壩(海南)建設投資有限公司)		63,067,382.09		63,067,382.09		
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)	161,142,352.68			161,142,352.68		
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)		24,175,800.00		24,175,800.00		
Gezhouba Xinfu (Nanning) Highway Construction Investment Co., Ltd. (葛洲壩新扶(南寧)公路建設投資有限公司)	395,910,000.00			395,910,000.00		
Total	33,743,331,546.53	3,590,162,841.65		37,333,494,388.18		

(2) Investments in associates and joint ventures

✓Applicable □Not Applicable

Unit: Yuan Currency: RMB

Investor	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period			Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
				Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Change in other equity				
I. Joint ventures										
Gezhouba Jianxin (Wuhan) Investment Fund Management Co., Ltd. (葛洲壩建信(武漢)投資基金管理有限公司)	5,010,967.40									5,010,967.40
Jingzhou Chengbei Expressway Investment and Construction Co., Ltd. (荊州城北快速路投資建設有限公司)	732,010,000.00	583,990,000.00								1,316,000,000.00
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)		346,960,000.00								346,960,000.00
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	70,000,000.00	70,000,000.00								140,000,000.00
Subtotal	807,020,967.40	1,000,950,000.00								1,807,970,967.40
II. Associates										
Yueyang Three Gorges Water Environment Management Co., Ltd. (岳陽市三峽水環境治理有限責任公司)		24,000,000.00								24,000,000.00
Jiaozuo City Gezhouba China Railway 19th Bureau Ecological Management Construction Company (焦作市葛洲壩中鐵十九局生態治理建設公司)		69,794,793.00								69,794,793.00

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Investor	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period			Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
				Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Change in other equity				
Three Gorges Riqing Maoping River Ecological Treatment (Zigu) Co., Ltd. (三峽日清茅坪河生態治理(秭歸)有限公司)		10,000,000.00								10,000,000.00
Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)		184,950,000.00								184,950,000.00
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	933,647,629.15			66,651,385.09	-18,298.35	76,895,138.73	71,470,535.65			1,008,705,318.97
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	120,000,000.00									120,000,000.00
Hubei Huangshi Wuyang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)	20,000,000.00	225,000,000.00								245,000,000.00
Gezhouba (Xi'an) Qinhan Avenue Investment and Construction Co., Ltd. (葛洲壩(西安)秦漢大道投資建設有限公司)	100,000,000.00		100,000,000.00							
Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	50,000,000.00									50,000,000.00
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	25,000,000.00									25,000,000.00
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	222,500,000.00									222,500,000.00

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Unit: Yuan Currency: RMB

Investor	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period			Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
				Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Change in other equity				
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	6,000,000.00								-6,000,000.00	
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	1,500,000.00									1,500,000.00
Pan County Hongcai Gezhouba Project Management Co., Ltd. (盤縣宏財葛洲壩項目管理有限公司)	900,000.00									900,000.00
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	180,000.00	779,792,050.89								779,972,050.89
Shandong Gezhouba Zaiche Expressway Co., Ltd. (山東葛洲壩棗嶗高速公路有限公司)	300,000.00	1,223,859,183.00								1,224,159,183.00
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	5,180,000.00	790,601,580.23								795,781,580.23
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國嶺水環境治理投資建設有限公司)	161,500,000.00									161,500,000.00
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	19,640,000.00									19,640,000.00
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃寧石高速公路有限公司)	1,950,000,000.00									1,950,000,000.00

Unit: Yuan Currency: RMB

Investor	Opening balance	Increase in investment	Decrease in investment	Increase or decrease in the period			Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
				Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Change in other equity				
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	5,000,000.00									5,000,000.00
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣揚高速公路開發有限公司)	355,000,000.00									355,000,000.00
Ping'an Gezhouba (Shenzhen) Expressway Investment Partnership Company (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	257,487,703.00	1,468,336,955.99								1,725,824,658.99
Subtotal	4,233,835,332.15	4,776,334,563.11	100,000,000.00	66,651,385.09	- 18,298.35	76,895,138.73	71,470,535.65	- 6,000,000.00	8,976,227,585.08	
Total	5,040,856,299.55	5,777,284,563.11	100,000,000.00	66,651,385.09	- 18,298.35	76,895,138.73	71,470,535.65	- 6,000,000.00	10,784,198,552.48	

4. Revenue and Costs of Sales

(1). Revenue and costs of sales

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal activities	22,632,201,286.96	20,681,579,726.56	17,275,846,863.37	15,568,378,923.60
Other business	3,865,836.38	16,161,376.56	33,987,841.71	27,427,459.29
Total	22,636,067,123.34	20,697,741,103.12	17,309,834,705.08	15,595,806,382.89

(2). Revenue from contracts

Applicable Not Applicable

Principal operations by industry

Unit: Yuan Currency: RMB

Name of sector	Amount for the current period		Amount for the last period	
	Revenue from principal operations	Cost of principal operations	Revenue from principal operations	Cost of principal operations
Project construction	22,554,320,438.37	20,619,794,971.34	17,069,809,272.65	15,502,062,512.38
Industrial manufacturing	37,669,265.35	37,629,681.40	163,300,202.61	35,141,981.06
General Service	40,211,583.24	24,155,073.82	42,737,388.11	31,174,430.16
Total	22,632,201,286.96	20,681,579,726.56	17,275,846,863.37	15,568,378,923.60

Principal operations by region

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Domestic	22,429,208,435.94	20,484,032,420.44	16,952,460,743.94	15,299,499,170.79
Overseas	202,992,851.02	197,547,306.12	323,386,119.43	268,879,752.81
Total	22,632,201,286.96	20,681,579,726.56	17,275,846,863.37	15,568,378,923.60

Explanation of revenue from contracts:

Applicable Not applicable(3). *Details of performance obligation*Applicable Not applicable(4). *Explanation about allocation to the remaining performance obligations*Applicable Not applicable

5. Investment Income

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Income from long-term equity investment under cost method	108,532,676.50	68,965,011.72
Income from long-term equity investment under equity method	66,651,385.09	70,982,751.17
Investment income generated from disposal of longterm equity investments		8,169,750.00
Dividend income earned during the holding period of other equity instrument investments	2,717,583.04	20,381,872.80
Investment income earned during the holding period of other non-current financial assets	39,267,788.73	61,123,715.24
Investment income from disposal of other non-current financial assets	250,960.04	47,289,026.17
Others	25,198,083.14	6,329,166.66
Total	242,618,476.54	283,241,293.76

6. Others

Applicable Not applicable

XVIII SUPPLEMENTARY INFORMATION**1. Breakdown of Current Non-recurring Profit or Loss**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount	Description
Gains or loss from disposal of non-current assets	2,331,246,865.21	
Tax refund or relief for which approval is not authorized or no formal approval is issued		
Government grants recognized through profit or loss (other than government grants which are closely related to corporate business and granted based on a fixed amount or a fixed quantity unified by the state)	191,043,286.89	
Capital occupation fee charged to non financial enterprises included in current profits and losses		
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the subsidiaries, associates and joint ventures		
Profit or loss from exchange of non-monetary assets		
Gain or loss on entrusted investments or asset under management		
Provision for impairment on assets due to force majeure events, such as natural disasters		
Gain or loss on debt restructuring		

Unit: Yuan Currency: RMB

Item	Amount	Description
Corporate restructuring costs, such as employee relocation expenses and integration costs		
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on other contingencies which are not related to the Company's normal operations		
Gain or loss on changes in fair value from held-for-trading financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment income from disposal of financial assets for trading, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investment, except for effective hedging transactions that are related to the Company's normal operation	71,635,890.16	
Reversal of the impairment provision for receivables and contract assets which are tested individually for impairment		
Gain or loss on external entrusted loans		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Effect of one-off adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations on current profit or loss		
Entrusted fee income from entrusted operations		
Other off-business income and expense besides items above	7,353,061.02	
Other gain or loss items falling within the definition of extraordinary items		
Effect of income tax	-463,561,945.02	
Effect of minority interests	-24,805,548.76	
Total	2,112,911,609.50	

2020 Financial Report

I. AUDIT REPORT

To all shareholders of China Gezhouba Group Stock Company Limited:

I. Audit Opinion

We have audited the financial statements of China Gezhouba Group Stock Company Limited ("CGGC"), including the consolidated statement of financial position and company statement of financial position as at 31 December 2020, consolidated income statement and income statement of company, consolidated statement of cash flows and company statement of cash flows, consolidated statement of changes in equity and company statement of changes in equity for the year 2020 and relevant notes to the financial statements

In our opinion, the accompanying financial statements have been prepared in accordance with accounting standards for business enterprises, which fairly reflect the financial status of CGGC and the parent as at 31 December 2020 as well as the operating results and cash flow of CGGC and the parent for the year 2020.

II. Basis for Audit Opinion

We conducted our audit in accordance with Chinese Certified Public Accountants Auditing Standards. Our responsibilities under those standards are further described in the “Certified Public Accountant’s Responsibilities for the Audit of Financial Statements” section of our report. We are independent of CGGC in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and we do not provide a separate opinion on these matters. We have determined that the following matters are key audit matters that need to be communicated in the audit report.

(I) Revenue Recognition

1. The matters

As stated in Notes IV. 24 and Note VI. 49 to the financial statements, in 2020, the revenue from engineering construction business was RMB71.357 billion, accounting for 63.91% of CGGC’s main business revenue. For the engineering contracting services provided by CGGC, the revenue is recognized within a period of time based on the performance progress. The performance progress is determined according to the proportion of the actual cost incurred to the estimated total cost. As CGGC’s management (the “Management”) needs to make reasonable estimates on the estimated total revenue and estimated total cost of construction contract to determine performance progress, and shall continue to evaluate and revise during the execution of contract, which involves significant accounting estimates, we identified this as a key audit matter.

2. How the matter was addressed in our audit

The audit procedures we performed for the recognition of revenue from engineering construction business mainly include:

- (1) Understood, evaluated and tested the internal control related to the recognition of construction contract revenue, such as the estimated total revenue, estimated total cost, performance progress calculation and contract cost collection;

- (2) Selected samples of construction contract, checked the construction contract and cost budget data on which the estimated total revenue and estimated total cost are based, and evaluated whether the Management's estimate on estimated total revenue and estimated total cost is based on sufficient basis;
- (3) Implemented inquiry, analytical review and other related procedures for large projects with abnormal fluctuations in estimated total cost, estimated total revenue or gross profit margins, checked whether the projects are abnormal, and performed further inspection procedures for abnormalities;
- (4) Obtained the construction contract account, executed recalculation procedure, and reviewed the accuracy of the performance progress of construction contract;
- (5) Selected samples of construction contract to test the contract performance cost incurred during the year;
- (6) Selected samples of construction contract, checked the project image progress on-site, discussed with the project management department to confirm the rationality of completion progress of project, and compared it with book records;

(II) *Provision for Bad Debts of Accounts Receivable*

1. Description

As stated in Notes IV. 9 and Note VI. 3 to the financial statements, as of 31 December 2020, the carrying amount of accounts receivable was RMB16.052 billion, accounting for 6.19% of total assets.

The expected credit loss of accounts receivable of CGGC is calculated based on default risk exposure of accounts receivable and expected credit loss rate, and the expected loss rate is determined based on the default probability and default loss rate. Since the determination of expected credit losses involves use of significant accounting estimates by the Management and the amount affected is significant, we have identified the provision for bad debts of accounts receivable as a key audit matter.

2. How the matter was addressed in our audit

The audit procedures we performed for the provision for bad debts of accounts receivable are as follows:

- (1) Understood, evaluated and tested the internal control related to the provision for bad debts of accounts receivable;

- (2) selected samples of accounts receivable for which bad debts was separately provided, and reviewed the basis and reasonableness of the management's estimation on the expected lifetime loss;
- (3) as for accounts receivable with provision made for bad debts based on credit risk characteristic groups, reviewed the reasonableness of classification of group and the expected credit loss rate, and tested the accuracy of classification of group and age of accounts receivable on a sample basis, and re-calculated the reasonableness of the amount provided for expected credit losses of accounts receivable;
- (4) We sent confirmations and reconciled the confirmed amounts with those recorded by the management;
- (5) Taking into account the checks on the subsequent recovery of amounts, evaluated the appropriateness of the provision for bad debts determined by the management.

IV. Other information

Management of CGGC (hereinafter referred to as the Management) is responsible for other information. The other information consists of the information included in the annual report of 2020, other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of the Management and directors for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Accounting Standards for Business Enterprises, and designing, implementing and maintaining necessary internal control so that there are no major misstatements due to fraud or error in the financial statements.

In preparing the financial statements, the Management is responsible for assessing CGGC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate CGGC or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing CGGC's financial reporting process.

VI. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CGGC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CGGC to cease to continue as a going concern.
- (5) evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CGGC to express an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Zhongxinghua Certified Public Accountants LLP

Certified Public Accountant of China:
(Project Partner)

Beijing, the PRC

Certified Public Accountant of China:

19 March 2021

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

31 December 2020

Prepared by: China Gezhouba Group Stock Company Limited

Unit: Yuan Currency: RMB

Items	Note VII	31 December 2020	31 December 2019
Current assets:			
Cash at bank and on hand	1	25,863,099,019.68	22,082,716,460.56
Settlement reserves for balance			
Loans to banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Bills receivables	2	5,488,912,271.67	2,668,187,445.20
Trade receivables	3	16,052,251,718.79	14,811,827,638.69
Receivables financing	4	2,034,069,338.48	
Prepayments	5	6,713,962,171.03	8,473,874,899.35
Premium receivables			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	6	10,422,990,875.84	9,596,046,730.89
Including: Interest receivable			
Dividends receivable		14,307,138.51	11,863,946.55
Financial assets purchased with agreement to re-sale			
Inventories	7	53,314,518,441.30	53,458,921,007.51
Contract assets	8	19,608,098,966.27	18,235,459,448.24
Assets held for sale			
Non-current assets due within one year	9	862,767,637.31	956,802,086.19
Other current assets	10	4,139,614,733.27	3,755,370,890.34
Total current assets		144,500,285,173.64	134,039,206,606.97
Non-current assets:			
Loans and advances to customers			
Debt investments			
Other debt investment			
Long-term receivables	11	14,134,150,374.50	15,606,247,562.66
Long-term equity investments	12	26,394,017,495.55	20,810,283,694.07
Other investment in equity instruments	13	1,141,384,876.80	970,177,145.28
Other non-current financial assets	14	6,488,116,910.82	5,375,588,446.33
Investment properties	15	170,734,626.29	194,127,937.66
Fixed assets	16	18,159,788,969.75	17,053,769,945.53

Items	Note VII	31 December 2020	31 December 2019
Construction in progress	17	1,464,000,681.46	24,249,852,146.02
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	18	476,587,280.39	651,363,811.00
Intangible assets	19	40,701,732,176.82	12,254,891,906.47
Research and development expenses	20	119,364,992.44	192,234,969.87
Goodwill	21	1,895,833,717.83	1,539,598,450.11
Long-term prepaid expenses	22	504,014,593.66	424,711,158.61
Deferred income tax assets	23	1,051,749,683.61	838,954,644.13
Other non-current assets	24	2,202,942,553.93	262,364,209.03
Total non-current assets		114,904,418,933.85	100,424,166,026.77
Total assets		259,404,704,107.49	234,463,372,633.74
Current liabilities:			
Short-term borrowings	25	18,318,168,325.82	17,193,582,132.84
Borrowings from central bank			
Loans from other banks			
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payables	26	5,479,136,739.76	6,896,860,218.99
Trade payables	27	41,340,088,463.94	37,379,719,843.98
Receipts in advance			
Contract liabilities	28	22,347,812,988.68	20,994,388,985.65
Funds from selling out and repurchasing financial assets			
Receipts of deposits and deposits from other banks			
Brokerage for trading securities			
Brokerage for consigning securities			
Employee benefits payable	29	271,419,690.12	280,258,503.79
Taxes payable	30	4,035,358,521.61	2,903,157,677.77
Other payables	31	20,751,542,144.14	21,748,778,601.17
Including: Interest payable		715,545,603.78	1,394,019,080.65
Dividends payable		560,959,457.84	481,314,603.58
Fee and commission payable			
Reinsurance accounts payables			
Liabilities held for sale			
Non-current liabilities due within one year	32	14,332,901,451.75	5,065,596,064.20
Other current liabilities	33	4,449,829,775.74	7,071,158.02
Total current liabilities		131,326,258,101.56	112,469,413,186.41
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	34	40,702,492,257.92	39,284,312,089.44

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Items	<i>Note VII</i>	31 December 2020	31 December 2019
Bonds payable	35	4,000,000,000.00	12,400,000,000.00
Including: Preference shares			
Perpetual bond			
Lease liabilities	36	214,775,737.26	368,558,662.22
Long-term payables	37	48,374,909.08	15,970,505.41
Long-term employee benefits payable	38	2,081,520,000.00	2,232,163,400.00
Estimated liabilities	39	40,973,326.02	44,703,828.76
Deferred income	40	266,571,770.63	267,413,476.75
Deferred income tax liabilities	23	1,257,421,650.48	1,054,660,387.09
Other non-current liabilities	41	124,582,014.15	94,675,825.82
Total non-current liabilities		48,736,711,665.54	55,762,458,175.49
Total liabilities		180,062,969,767.10	168,231,871,361.90
Owners' equity (or Shareholders' equity):			
Paid-in capital (or share capital)	42	4,604,777,412.00	4,604,777,412.00
Other equity instruments	43	28,500,000,000.00	21,500,000,000.00
Including: Preference shares			
Perpetual bond		28,500,000,000.00	21,500,000,000.00
Capital reserve	44	7,730,330,997.55	7,615,101,441.65
Less: Treasury shares			
Other comprehensive income	45	-326,590,826.08	-191,375,410.14
Special reserve	46	169,262,578.95	98,341,095.32
Surplus reserve	47	2,403,221,827.56	1,652,127,077.28
General risk reserve			
Undistributed profits	48	19,129,433,160.37	17,255,150,152.67
Total equity attributable to owners of the parent company		62,210,435,150.35	52,534,121,768.78
Minority interests		17,131,299,190.04	13,697,379,503.06
Total owners' equity (or Shareholders' equity)		79,341,734,340.39	66,231,501,271.84
Total liabilities and owners' equity (or Shareholders' equity)		259,404,704,107.49	234,463,372,633.74

Legal representative: Chen Xiaohua Principal in charge of accounting: Fu Junxiong

Chief accountant: Wang Yihuai Head of accounting department: Chen Xubao

BALANCE SHEET OF THE PARENT
31 December 2020

Prepared by: China Gezhouba Group Stock Company Limited

Unit: Yuan Currency: RMB

Items	Note XVII	31 December 2020	31 December 2019
Current assets:			
Cash at bank and on hand		14,655,498,930.60	12,333,175,968.01
Financial assets held for trading			
Derivative financial assets			
Bills receivables		2,419,101,285.00	1,000,000.00
Trade receivables	1	4,991,095,092.57	5,945,531,732.82
Receivables financing			
Prepayments		2,765,898,873.63	4,079,332,678.91
Other receivables	2	42,548,373,146.04	38,247,832,880.41
Including: Interest receivable			
Dividends receivable		14,307,138.51	11,863,946.55
Inventories		220,858,455.52	277,768,662.01
Contract assets		1,915,318,739.57	1,114,639,134.57
Assets held for sale			
Non-current assets due within one year			
Other current assets		303,909,260.14	314,266,162.78
Total current assets		69,820,053,783.07	62,313,547,219.51
Non-current assets:			
Debt investments		4,331,303,654.41	
Other debt investment			
Long-term receivables		198,560,398.00	681,744,675.11
Long-term equity investments	3	59,542,048,002.14	48,117,692,940.66
Other investment in equity instruments		1,141,384,876.80	970,177,145.28
Other non-current financial assets		4,894,522,235.18	4,167,932,513.72
Investment properties			
Fixed assets		248,550,079.37	307,781,061.51
Construction in progress			
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		10,852,150.05	1,491,362.14
Intangible assets		238,068,557.10	211,638,078.20
Research and development expenses		43,816,317.01	51,002,446.33
Goodwill			
Long-term prepaid expenses		2,145,652.23	2,432,911.31
Deferred income tax assets		11,728,730.98	6,268,179.92
Other non-current assets		654,271,773.26	
Total non-current assets		71,317,252,426.53	54,518,161,314.18
Total assets		141,137,306,209.60	116,831,708,533.69

Items	Note XVII	31 December 2020	31 December 2019
Current liabilities:			
Short-term borrowings		13,955,224,285.00	15,866,954,000.00
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payables		334,294,657.85	1,896,079,186.83
Trade payables		12,787,601,236.26	9,568,546,924.61
Receipts in advance			
Contract liabilities		2,009,163,252.14	3,096,966,660.24
Employee benefits payable		85,770,715.44	77,661,482.44
Taxes payable		740,801,195.66	264,819,445.79
Other payables		33,792,325,084.15	30,627,899,865.12
Including: Interest payable			340,178,166.67
Dividends payable		421,025,833.33	339,550,833.33
Liabilities held for sale			
Non-current liabilities due within one year		9,203,654,694.80	1,487,890,000.00
Other current liabilities		3,040,500,000.00	
Total current liabilities		75,949,335,121.30	62,886,817,565.03
Non-current liabilities:			
Long-term borrowings		9,309,000,000.00	4,211,000,000.00
Bonds payable		4,000,000,000.00	11,000,000,000.00
Including: Preference shares			
Perpetual bond			
Lease liabilities		9,314,402.71	984,296.28
Long-term payables			
Long-term employee benefits payable		41,980,000.00	44,770,000.00
Estimated liabilities			
Deferred income			
Deferred income tax liabilities		306,578,481.74	203,047,522.28
Other non-current liabilities			
Total non-current liabilities		13,666,872,884.45	15,459,801,818.56
Total liabilities		89,616,208,005.75	78,346,619,383.59

Items	Note XVII	31 December 2020	31 December 2019
Owners' equity (or Shareholders' equity):			
Paid-in capital (or share capital)		4,604,777,412.00	4,604,777,412.00
Other equity instruments		28,500,000,000.00	21,500,000,000.00
Including: Preference shares			
Perpetual bond		28,500,000,000.00	21,500,000,000.00
Capital reserve		6,141,352,947.10	6,180,357,380.40
Less: Treasury shares			
Other comprehensive income		780,835,353.83	626,791,969.63
Special reserve		83,599,955.57	16,657,079.28
Surplus reserve		2,403,221,827.56	1,652,127,077.28
Undistributed profits		9,007,310,707.79	3,904,378,231.51
Total owners' equity (or Shareholders' equity)		51,521,098,203.85	38,485,089,150.10
Total liabilities and owners' equity (or Shareholders' equity)		141,137,306,209.60	116,831,708,533.69

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Chen Xubao

CONSOLIDATED INCOME STATEMENT
January to December 2020

Unit: Yuan Currency: RMB

Items	Note VII	2020	2019
I. Total operating income		112,611,172,877.22	109,945,696,867.36
Including: Operating income	49	112,611,172,877.22	109,945,696,867.36
Interest income			
Premium earned			
Fee and commission income			
II. Total operating cost		105,150,788,996.43	104,712,575,770.49
Including: Operating cost	49	92,621,788,062.68	91,941,725,516.55
Interest expenses			
Fee and commission expenses			
Surrender payment			
Net expenditure for compensation			
Net provision for insurance liabilities			
Insurance policy dividend expenses			
Reinsurance costs			
Taxes and surcharges	50	1,155,226,685.25	1,149,162,558.63
Selling and distribution expenses	51	1,045,226,481.80	1,380,083,783.41
Administrative expenses	52	4,689,662,276.64	4,687,208,935.58
Research and development expenses	53	3,353,680,482.41	2,789,157,724.31
Financial expenses	54	2,285,205,007.65	2,765,237,252.01
Including: Interest expenses		2,188,098,981.60	2,895,796,192.41
Interest income		195,786,915.35	314,509,414.31
Add: Other gains	55	597,951,694.86	1,126,998,773.88
Investment income (loss represented by “-”)	56	248,387,030.00	3,237,836,151.65
Including: Investment income of associates and joint ventures		227,691,738.77	806,662,212.19
Derecognition income of financial assets measured at amortised cost		-58,889,969.82	
Exchange gain (loss represented by “-”)			

Items	Note VII	2020	2019
Net exposure hedging income (loss represented by “-”)			
Gains on changes in fair value (loss represented by “-”)	57	546,042,965.77	44,373,957.58
Credit impairment loss (loss represented by “-”)	58	-870,601,093.95	-715,855,357.50
Asset impairment loss (loss represented by “-”)	59	-143,599,472.17	-123,553,335.30
Gains on disposals of assets (loss represented by “-”)	60	86,755,391.61	-25,084,161.93
III. Operating profit (loss represented by “-”)		7,925,320,396.91	8,777,837,125.25
Add: Non-operating income	61	69,732,976.24	57,470,220.02
Less: Non-operating expenses	62	302,838,640.48	47,417,095.43
IV. Total profit (total loss represented by “-”)		7,692,214,732.67	8,787,890,249.84
Less: Income tax expenses	63	2,398,768,416.62	2,224,280,760.82
V. Net profit (net loss represented by “-”)		5,293,446,316.05	6,563,609,489.02
(I) Classified by continuity of operations			
1. Net profit from continuing operations (net loss represented by “-”)		5,293,446,316.05	6,563,609,489.02
2. Net profit from discontinued operations (net loss represented by “-”)			
(II) Classified by ownership of the equity			
1. Net profit attributable to shareholders of the parent (net loss represented by “-”)		4,282,298,034.25	5,441,781,311.03
2. Minority interests (net loss represented by “-”)		1,011,148,281.80	1,121,828,177.99
VI. Other comprehensive income, net of tax		-144,374,975.56	178,934,563.49
(I) Other comprehensive income attributable to owners of the parent, net of tax		-135,215,415.94	181,393,489.12

Items	<i>Note VII</i>	2020	2019
1. Other comprehensive income that cannot be reclassified to profit or loss		253,186,403.79	267,455,975.27
(1) Changes arising from the re-measurement of defined benefit plan		107,687,804.00	37,634,688.00
(2) Other comprehensive income that cannot be reclassified to profit or loss under equity method		-27,972.00	-18,298.35
(3) Change in fair value of other investment in equity instrument		145,526,571.79	229,839,585.62
(4) Change in fair value of credit risk of corporate			
2. Other comprehensive income that will be reclassified to profit or loss		-388,401,819.73	-86,062,486.15
(1) Other comprehensive income that may be reclassified to profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) Financial assets reclassified into other comprehensive income			
(4) Credit impairment provisions for other debt investment			
(5) Hedging reserves from cash flows			
(6) Translation differences on translation of foreign currency financial statements		-388,401,819.73	-86,062,486.15
(7) Others			
(II) Other comprehensive income attributable to minority interests, net of tax		-9,159,559.62	-2,458,925.63
VII. Total comprehensive income		5,149,071,340.49	6,742,544,052.51
(I) Total comprehensive income attributable to owners of the parent		4,147,082,618.31	5,623,174,800.15

Items	Note VII	2020	2019
(II) Total comprehensive income attributable to minority interests		1,001,988,722.18	1,119,369,252.36
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.726	1.034
(II) Diluted earnings per share (RMB/share)		0.726	1.034

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Chen Xubao

INCOME STATEMENT OF THE PARENT
January to December 2020

Unit: Yuan Currency: RMB

Items	Note XVII	2020	2019
I. Total operating income	4	28,988,730,395.50	22,636,067,123.34
Less: Operating cost	4	25,453,900,029.99	20,697,741,103.12
Taxes and surcharges		38,932,248.87	23,133,663.22
Selling and distribution expenses			
Administrative expenses		528,935,428.77	586,253,304.07
Research and development expenses		1,036,255,450.19	659,274,734.72
Financial expenses		1,210,255,666.82	266,012,498.25
Including: Interest expenses		1,541,494,213.52	1,940,405,741.86
Interest income		351,523,195.62	1,673,020,128.38
Add: Other gains		781,730.07	56,227.80
Investment income (loss represented by "-")	5	6,746,942,994.94	242,618,476.54
Including: Investment income of associates and joint ventures		-131,559,399.93	66,651,385.09
Derecognition income of financial assets measured at amortised cost		-58,889,969.82	
Net exposure hedging income (loss represented by "-")			
Gains on changes in fair value (loss represented by "-")		512,238,999.54	62,623,784.87
Credit impairment loss (loss represented by "-")		-17,909,167.63	-2,087,288.75
Asset impairment loss (loss represented by "-")		-18,516,428.46	
Gains on disposals of assets (loss represented by "-")		28,052,628.49	104,970.71
II. Operating profit (loss represented by "-")		7,972,042,327.81	706,967,991.13
Add: Non-operating income		10,120,584.29	5,290,021.10
Less: Non-operating expenses		3,373,235.37	8,835,047.63
III. Total profit (total loss represented by "-")		7,978,789,676.73	703,422,964.60
Less: Income tax expenses		467,842,173.90	11,598,824.03
IV. Net profit (net loss represented by "-")		7,510,947,502.83	691,824,140.57
(I) Net profit from continuing operations (net loss represented by "-")		7,510,947,502.83	691,824,140.57
(II) Net profit from discontinued operations (net loss represented by "-")			

Items	Note XVII	2020	2019
V. Other comprehensive income, net of tax		154,043,384.20	230,688,565.67
(I) Other comprehensive income that cannot be reclassified to profit or loss		143,568,599.79	232,651,287.27
1. Changes arising from the re-measurement of defined benefit plan		-1,930,000.00	2,830,000.00
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		-27,972.00	-18,298.35
3. Change in fair value of other investment in equity instrument		145,526,571.79	229,839,585.62
4. Change in fair value of credit risk of corporate			
(II) Other comprehensive income that will be reclassified to profit or loss		10,474,784.41	-1,962,721.60
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Financial assets reclassified into other comprehensive income			
4. Credit impairment provisions for other debt investment			
5. Hedging reserves from cash flows			
6. Translation differences on translation of foreign currency financial statements		10,474,784.41	-1,962,721.60
7. Others			
VI. Total comprehensive income		7,664,990,887.03	922,512,706.24
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Chen Xubao

CONSOLIDATED CASH FLOW STATEMENT
January to December 2020

Unit: Yuan Currency: RMB

Items	Note VII	2020	2019
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		110,004,998,482.17	112,876,894,008.20
Net increase in deposits from customer and interbank			
Net increase in borrowings from central bank			
Net increase in placements from other financial institutions			
Cash received from premiums under original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Cash received from interest, fee and commission			
Net increase in loans from other banks			
Net increase in capital from repurchase business			
Net cash from brokerage for trading securities			
Refund of taxes and surcharges		697,321,868.25	1,389,589,449.99
Cash received relating to other operating activities	64	17,984,706,500.61	18,973,267,704.38
Sub-total of cash inflows from operating activities		128,687,026,851.03	133,239,751,162.57
Cash paid for goods and services		85,624,287,413.49	90,602,007,660.34
Net increase in loans and advances to customers			
Net increase in deposits with central bank and other banks			
Cash paid for compensation payments under original insurance contracts			
Net increase in placements with banks and other financial institutions			
Cash paid for interest, fee and commission			

Items	Note VII	2020	2019
Cash paid for insurance policy dividends			
Cash paid to and on behalf of employees		7,264,226,522.97	7,650,084,499.49
Payments of taxes and surcharges		6,549,909,243.67	6,897,959,027.56
Cash paid relating to other operating activities	64	22,884,442,639.12	22,019,266,656.43
Sub-total of cash outflows from operating activities		122,322,865,819.25	127,169,317,843.82
Net cash flows from operating activities		6,364,161,031.78	6,070,433,318.75
II. Cash flows from investing activities:			
Cash received from disposal of investments		466,420,776.31	678,156,442.20
Cash received from returns on investments		1,179,851,984.12	105,375,305.36
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		61,784,106.25	13,089,783.71
Net cash received from disposal of subsidiaries and other business units			3,465,473,765.12
Cash received relating to other investing activities	64	624,089,362.17	408,721,724.17
Sub-total of cash inflows from investing activities		2,332,146,228.85	4,670,817,020.56
Cash paid to acquire fixed assets, intangible assets and other long-term assets		8,221,922,673.15	6,285,522,683.43
Cash paid on investments		6,902,494,395.72	3,531,092,579.07
Net increase in pledged loans			-
Net cash paid to acquire subsidiaries and other business units		33,247,080.72	135,090,492.46
Cash paid relating to other investing activities		344,084,730.92	-
Sub-total of cash outflows from investing activities		15,501,748,880.51	9,951,705,754.96
Net cash flows from investing activities		-13,169,602,651.66	-5,280,888,734.40
III. Cash flows from financing activities:			
Cash received from capital contributions		11,418,174,599.67	12,014,087,321.62
Including: Cash received from capital contributions by minority shareholders of subsidiaries		4,418,174,599.67	2,014,087,321.62
Cash received from borrowings		54,330,214,549.96	49,107,188,108.83

Items	<i>Note VII</i>	2020	2019
Cash received relating to other financing activities	64	2,296,692,592.18	7,379,204,494.08
Sub-total of cash inflows from financing activities		68,045,081,741.81	68,500,479,924.53
Cash repayments of borrowings		47,206,659,970.48	52,511,154,277.61
Cash payments for distribution of dividends or profits or interest expenses		7,148,503,599.98	6,977,104,997.03
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		1,304,534,861.93	813,579,939.37
Cash paid relating to other financing activities	64	3,182,679,186.57	6,976,002,546.70
Sub-total of cash outflows from financing activities		57,537,842,757.03	66,464,261,821.34
Net cash flows from financing activities		10,507,238,984.78	2,036,218,103.19
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-229,282,428.50	-43,777,617.77
V. Net increase in cash and cash equivalents		3,472,514,936.40	2,781,985,069.77
Add: Balance of cash and cash equivalents at the beginning of the period		21,620,697,193.61	18,838,712,123.84
VI. Balance of cash and cash equivalents at the end of the period		25,093,212,130.01	21,620,697,193.61

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Chen Xubao

CASH FLOW STATEMENT OF THE PARENT
January to December 2020

Unit: Yuan Currency: RMB

Items	Note	2020	2019
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		25,696,907,441.48	25,884,211,281.68
Refund of taxes and surcharges		23,961,873.86	99,136,661.71
Cash received relating to other operating activities		8,585,549,015.11	11,517,921,130.31
Sub-total of cash inflows from operating activities		34,306,418,330.45	37,501,269,073.70
Cash paid for goods and services		20,980,192,071.20	22,242,967,166.33
Cash paid to and on behalf of employees		499,117,519.40	750,662,293.28
Payments of taxes and surcharges		270,358,435.18	293,067,818.00
Cash paid relating to other operating activities		11,537,466,151.23	9,144,130,589.24
Sub-total of cash outflows from operating activities		33,287,134,177.01	32,430,827,866.85
Net cash flows from operating activities		1,019,284,153.44	5,070,441,206.85
II. Cash flows from investing activities:			
Cash received from disposal of investments		100,000,000.00	429,462,429.64
Cash received from returns on investments		1,624,390,313.82	208,747,919.22
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,881,565.86	1,278,240.00
Net cash received from disposal of subsidiaries and other business units			-
Cash received relating to other investing activities			-
Sub-total of cash inflows from investing activities		1,728,271,879.68	639,488,588.86
Cash paid to acquire fixed assets, intangible assets and other long-term assets		10,151,747.36	35,654,502.51
Cash paid on investments		14,957,529,757.31	6,770,004,143.72
Net cash paid to acquire subsidiaries and other business units			-
Cash paid relating to other investing activities		4,551,655.27	-

Items	Note	2020	2019
Sub-total of cash outflows from investing activities		14,972,233,159.94	6,805,658,646.23
Net cash flows from investing activities		-13,243,961,280.26	-6,166,170,057.37
III. Cash flows from financing activities:			
Cash received from capital contributions		7,000,000,000.00	10,000,000,000.00
Cash received from borrowings		41,637,236,285.00	29,640,295,000.00
Cash received relating to other financing activities		9,883,673,907.77	14,714,319,802.01
Sub-total of cash inflows from financing activities		58,520,910,192.77	54,354,614,802.01
Cash repayments of borrowings		35,064,966,000.00	35,263,490,600.00
Cash payments for distribution of dividends or profits or interest expenses		3,147,794,599.25	3,262,058,176.02
Cash paid relating to other financing activities		5,732,959,925.54	10,646,512,969.60
Sub-total of cash outflows from financing activities		43,945,720,524.79	49,172,061,745.62
Net cash flows from financing activities		14,575,189,667.98	5,182,553,056.39
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-28,002,582.42	8,627,083.47
V. Net increase in cash and cash equivalents		2,322,509,958.74	4,095,451,289.34
Add: Balance of cash and cash equivalents at the beginning of the period		12,332,988,971.86	8,237,537,682.52
VI. Balance of cash and cash equivalents at the end of the period		14,655,498,930.60	12,332,988,971.86

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
Chief accountant: Wang Yihuai Head of accounting department: Chen Xubao

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
January to December 2020

Unit: Yuan Currency: RMB

Items	Other equity instruments		Equity attributable to owners of the parent				General risk reserve	Undistributed profits	Others	Sub-total	Minority interests	Total owners' Share capital equity
	Paid-up capital (or share capital)	Preference shares	Perpetual bond	Other comprehensive income	Special reserve	Surplus reserve						
I. Balance at the end of previous year	4,604,777,412.00	-	21,500,000,000.00	-	98,341,095.32	1,652,027,077.28	-	17,253,151,152.67	-	52,534,121,768.78	13,697,579,505.06	66,231,501,273.84
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Correction of previous accounting errors	-	-	-	-	-	-	-	-	-	-	-	-
Business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	4,604,777,412.00	-	21,500,000,000.00	-	98,341,095.32	1,652,027,077.28	-	17,253,151,152.67	-	52,534,121,768.78	13,697,579,505.06	66,231,501,273.84
III. Changes for the period (decrease represented by "-")	-	-	7,000,000,000.00	-	70,924,483.63	751,094,750.28	-	1,874,283,007.70	-	9,676,313,381.57	3,433,919,686.98	13,110,233,068.55
(I) Total comprehensive income	-	-	-	-135,715,415.94	-	-	-	4,282,298,034.25	-	4,447,082,618.31	1,001,988,722.18	5,149,071,340.49
(II) Contribution from owners and reduction of capital	-	-	7,000,000,000.00	-	-	-	-	-	-	7,115,229,555.90	3,731,063,430.58	10,846,292,986.48
1. Injection of ordinary shares from owners	-	-	-	-	-	-	-	-	-	593,075.88	3,730,984,763.35	3,731,577,839.23
2. Capital contribution by other equity instrument holders	-	-	7,000,000,000.00	-	-	-	-	-	-	7,000,000,000.00	-	7,000,000,000.00
3. Amount of share-based payments included in owner's equity	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	751,094,750.28	-	-2,408,015,016.55	-	114,656,480.02	78,667.23	114,715,147.25
I. Withdrawn from surplus reserve	-	-	-	-	-	751,094,750.28	-	-751,094,750.28	-	-1,656,920,126.27	-1,304,534,861.93	-2,961,455,188.20

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Items	2020										Total owners' Share capital equity				
	Paid-up capital (or share capital)					Equity attributable to owners of the parent									
	Preference shares	Perpetual bond	Other equity instruments	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Sub-total	Minority interests	
2. Withdrawn from general risk reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-1,656,921,276.27	-	-1,656,921,276.27	-1,394,534,861.93	
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(IV) Internal carry-forward of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1. Capital reserve converting to capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Surplus reserve converting to capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3. Surplus reserve to compensate deficit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4. Changes in defined benefit scheme carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1. Withdrawn during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Utilized during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IV. Balance at the end of the period	4,604,774,121.00	28,500,000,000.00	-	7,730,330,997.55	-	-	-36,390,826.08	169,262,578.95	2,403,221,827.56	-	19,129,433,603.37	-	62,104,435,150.35	17,131,299,190.04	79,341,734,340.39

Items	2019										Total owners' Share capital equity			
	Paid-up capital (or share capital)			Other equity instruments			Equity attributable to owners of the parent							
	Preference shares	Perpetual bond	Others	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Sub-total	Minority interests	
3. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-1,508,784,934.16	-	-1,508,784,934.16	-833,471,694.31	-2,342,256,628.47
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Internal carry-forward of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital reserve converting to capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserve converting to capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve to compensate deficit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes in defined benefit scheme carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawn during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilized during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the period	4,604,774,112.00	21,500,000,000.00	-	7,615,101,441.65	-	-19,375,401.4	98,341,095.32	1,652,107,077.28	-	17,253,150,152.67	-	52,534,121,768.78	13,697,379,508.06	66,231,501,271.84

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
 Chief accountant: Wang Yihuai Head of accounting department: Chen Xubao

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT
January to December 2020

Unit: Yuan Currency:
RMB

Items	2020										Total owners' equity
	Paid-up capital (or share capital)	Preference shares	Other equity instruments	Others	Capital reserve	Less: Treasury shares	Other Comprehensive income	Special reserve	Surplus reserve	Undistributed profits	
I. Balance at the end of previous year	4,604,777,412.00	-	21,500,000,000.00	-	6,180,357,380.40	-	626,791,969.63	16,657,079.28	1,652,127,077.28	3,904,378,231.51	38,485,089,150.10
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of previous accounting errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	4,604,777,412.00	-	21,500,000,000.00	-	6,180,357,380.40	-	626,791,969.63	16,657,079.28	1,652,127,077.28	3,904,378,231.51	38,485,089,150.10
III. Changes for the period (decrease represented by "-")	-	-	7,000,000,000.00	-	-39,004,433.30	-	154,043,384.20	66,942,876.29	751,094,750.28	5,102,932,476.28	13,036,009,033.75
(I) Total comprehensive income	-	-	-	-	-	-	154,043,384.20	-	-	7,510,947,502.83	7,664,990,887.03
(II) Contribution from owners and reduction of capital	-	-	7,000,000,000.00	-	-39,004,433.30	-	-	-	-	-	6,960,993,566.70
1. Injection of ordinary shares from owners	-	-	-	-	-	-	-	-	-	-	-
2. Capital contribution by other equity instrument holders	-	-	7,000,000,000.00	-	-	-	-	-	-	-	7,000,000,000.00
3. Amount of share-based payments included in owner's equity	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-39,004,433.30	-	-	-	751,094,750.28	-2,408,015,026.55	-39,004,433.30
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-1,656,920,276.27

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Items	2020										
	Paid-up capital (or share capital)	Preference shares	Other equity instruments	Others	Capital reserve	Less: Treasury shares	Other Comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
1. Withdrawn from surplus reserve								751,094,750.28	751,094,750.28	-751,094,750.28	-
2. Distribution to owners (or shareholders)										-1,656,920,276.27	-1,656,920,276.27
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Capital reserve converting to capital (or share capital)											
2. Surplus reserve converting to capital (or share capital)											
3. Surplus reserve to compensate deficit											
4. Changes in defined benefit scheme carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserve											
1. Withdrawn during the period								66,942,876.29			66,942,876.29
2. Utilized during the period								352,616,068.30			352,616,068.30
(VI) Others											
IV. Balance at the end of the period	4,604,777,412.00		28,500,000,000.00		6,141,352,947.10	-	780,853,353.83	83,599,953.57	2,403,221,827.56	9,007,310,707.79	51,521,098,203.85

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Items	2019										Total owners' equity	
	Paid-up capital (or share capital)	Preference shares	Other equity instruments	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits		
I. Balance at the end of previous year	4,604,777,412.00		16,000,000,000.00		6,278,950,936.71	-	396,103,403.96	1,688,326.84	1,582,944,663.22	4,790,521,439.16		33,654,986,181.89
Add: Changes in accounting policies												-
Correction of previous accounting errors												-
Others												-
II. Balance at the beginning of the year	4,604,777,412.00		16,000,000,000.00		6,278,950,936.71	-	396,103,403.96	1,688,326.84	1,582,944,663.22	4,790,521,439.16		33,654,986,181.89
III. Changes for the period (decrease represented by "-")	-	-	5,500,000,000.00	-	-98,593,556.31	-	230,688,565.67	14,988,752.44	69,182,414.06	-886,143,207.65		4,830,102,968.21
(I) Total comprehensive income							230,688,565.67			691,824,140.57		922,512,706.24
(II) Contribution from owners and reduction of capital			5,500,000,000.00		-98,593,556.31							5,401,406,443.69
1. Injection of ordinary shares from owners												-
2. Capital contribution by other equity instrument holders			5,500,000,000.00									5,500,000,000.00
3. Amount of share-based payments included in owner's equity												-
4. Others					-98,593,556.31							-98,593,556.31
(III) Profit distribution												
1. Withdrawn from surplus reserve									69,182,414.06	-1,577,967,348.22		-1,508,784,934.16
2. Distribution to owners (or shareholders)									69,182,414.06	-69,182,414.06		-
3. Others										-1,508,784,934.16		-1,508,784,934.16

Items	2019							Total owners' equity
	Paid-up capital (or share capital)	Preference shares	Other equity instruments	Less: Treasury shares	Other comprehensive income	Surplus reserve	Undistributed profits	
(IV) Internal carry-forward of owners' equity	-	-	-	-	-	-	-	-
1. Capital reserve converting to capital (or share capital)	-	-	-	-	-	-	-	-
2. Surplus reserve converting to capital (or share capital)	-	-	-	-	-	-	-	-
3. Surplus reserve to compensate deficit	-	-	-	-	-	-	-	-
4. Changes in defined benefit scheme carried forward to retained earnings	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-
1. Withdrawn during the period	-	-	-	-	-	-	-	-
2. Utilized during the period	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-
IV. Balance at the end of the period	4,604,777,412.00	-	21,500,000,000.00	-	626,791,969.63	1,632,127,077.28	3,904,378,231.51	38,485,089,130.10

Legal representative: Chen Xiaohua Principal in charge of accounting: Song Ling
 Chief accountant: Wang Yihuai Head of accounting department: Chen Xubao

China Gezhouba Group Stock Company Limited
Notes to Financial Statements in 2020
(Unless otherwise stated, all amounts are presented in RMB)

I. BASIC INFORMATION OF THE COMPANY

1. Registered address, organizational form and headquarter address

China Gezhouba Group Stock Company Limited (the “Company”) is a joint stock company with limited liability established by way of public subscription exclusively promoted by China Gezhouba Water Conservancy and Hydropower Engineering Group Co., Ltd. (中國葛洲壩水利水電工程集團有限公司) in accordance to the Ministry of Electric Power Industry of Politics and Law [1996] No. 907. The Company’s business license registration number: 914200006155710107. In May 1997, the Company was listed on The Shanghai Stock Exchange in the civil construction segment.

As at 31 December 2020, the Company had a total of 4,604,777,412 issued shares, and registered capital amounting to RMB4,604,777,412. The address of the registered office and the headquarter is No. 558 Jiefang Road, Wuhan, Hubei, PRC.

2. Business nature and main business activities

The industry in which the Company operates is civil engineering and construction. The Company is primarily engaged in the whole process or sub-contracting domestic and foreign engineering general contracting, project general contracting and project management services for projects bid at home and abroad, including water conservancy and hydropower, roads, railways, municipal public utilities, ports and waterways, housing construction, etc.; lifting equipment installation engineering, embankment, bridge, tunnel, airport, highway roadbed engineering, geological disaster control engineering, landscaping project, transmission line, electrical and mechanical equipment production and installation, and survey design, construction and installation of other construction engineering, ship manufacturing and repair, low-voltage switchgear manufacturing, power engineering construction; export of materials and equipment required for the above-mentioned projects; dispatching labor workers for projects and production in the industry; investment, construction and operation management of roads, railways, water affairs, hydropower, and urban public facilities; research and development, manufacturing, sales and service of distributed energy systems, energy storage, heat storage, refrigeration, generator sets, three-dimensional digital equipment, mechatronics equipment and related products; environmental protection business; production, sales and export of cement; purchase, sale and leasing of construction and installation equipment; property development, investment and development of construction projects and construction; house leasing; self-operation and agency of various commodities and technology import and export business, except for commodities and technologies that are restricted or prohibited by the state; operation of counter trade and entrepot trade, sales of agricultural, forestry, animal husbandry and fishery products, mineral products, building materials and chemical products, machinery and equipment, metal structures, hardware products and electronic products; wholesale operation, production and installation of metal structure pressure vessels, transportation and tourism services (limited to branch operation with license); general freight (limited to branch operation).

The main business segments of the Company are engineering construction, industrial manufacturing, investment operations and comprehensive services.

3. Approval of the financial report

This financial report was approved and authorized for issue by the Board of Directors of the Company on 19 March 2021.

4. Scope of Consolidated Statements

Details of the scope of the financial statements for the year 2020 and its changes are set out in “VII. Changes in the consolidated scope” and “VIII. Equity in other entities” of this note.

II. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

1. Basis of Preparation

The financial statements of the Company are prepared based on going-concern assumption and actual transactions and events according to the Accounting Standards for Business Enterprises – Basic Standard (the Ministry of Finance Order No. 33 Issue, the Ministry of Finance Order No. 76 Amendment) issued by the Ministry of Finance, and 42 specific accounting standards, application guidelines for Accounting Standards for Business Enterprises, explanation of Accounting Standards for Business Enterprises and other relevant regulations (hereinafter collectively referred to as “Accounting Standards For Business Enterprises”) issued and revised on 15 February 2006 or later, and the Information Disclosure Regulations for Companies Publicly Issuing Securities No. 15 – General Provisions for Financial Statements (Revised 2014) issued by China Securities Regulatory Commission.

According to the relevant provisions of Accounting Standards for Business Enterprises, the Company’s financial accounting is conducted on accrual basis. Except for certain financial instruments, the financial statements take the historical cost as the accounting basis. If an asset is impaired, the provision for impairment shall be accrued in accordance with the relevant provisions.

2. Going Concern

The financial statements are presented on a going concern basis. The Company has the ability to continue as a going concern for at least 12 months since the end of the reporting period.

III. STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements have been prepared by the Company in conformity with requirements of the Accounting Standards for Business Enterprises, and present truly and completely the consolidated and the parent’s financial position and as at 31 December 2020, consolidated and the parent’s operating results as well as consolidated and the parent’s cash flows for the year 2020 and other relevant information. In addition, the financial statements of the Company, in all material aspects, comply with the disclosure

requirements of the Information Disclosure Regulations for Companies Publicly Issuing Securities No. 15 – General Provisions for Financial Statements (Revised 2014) issued by China Securities Regulatory Commission on financial statements and notes thereof.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Company and its subsidiaries have prepared several specific accounting policies and accounting estimates for transactions and events such as bad debt provision for receivables, inventories, fix assets, intangible assets and revenue recognition in accordance with the actual production and operation characteristics and the provisions under the Accounting Standards for Business Enterprises. See Note IV. 9 “Financial instrument”, IV.10 “Inventories”, IV.15 “Fix assets”, IV.18 “Intangible assets”, IV.24 “Revenue” for descriptions. Please refer to Note IV. 30 “Significant accounting judgements and estimates” for explanations on the significant accounting judgements and estimates made by the management.

1. Accounting Period

The accounting period of the Company is classified into an accounting year and an interim accounting period. The interim accounting period is a reporting period shorter than a full accounting year. The accounting year of the Company is a calendar year, that is, from 1 January to 31 December in each year.

2. Operating Cycle

The Company takes the period from the acquisition of assets for processing to until the ultimate realisation of cash or cash equivalents as a normal operating cycle. The operating cycle of the Company is 12 months and the Company regards it as the mobility dividing standards of assets and liabilities.

3. Reporting Currency

The reporting currency of the Company is Renminbi. These financial statements prepared by the Company are presented in Renminbi.

4. Accounting Treatments for Business Combination under and Not under Common Control

Business combination refers to a transaction or event in which two or more separate enterprises are combined to form a reporting entity. Business combinations are divided into business combinations under common control and business combinations not under common control.

(1) Business combination under common control

The enterprises participating in the merger are ultimately controlled by the same party or the same multiple parties before and after the merger, and the control is not temporary. It is a business combination under common control. In a business combination under the common control, the party that obtains control of other participating companies on combining date is the

combining party, and the other participating companies are the combined party. The merger date refers to the date on which the combining party actually obtains control of the combined party.

The assets and liabilities acquired by the Company in business combination shall be measured at the carrying value of the assets and liabilities of the acquiree (including goodwill incurred in the acquisition of the acquiree by the ultimate controlling party) in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the carrying value of the net assets obtained and the carrying value of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to the share premiums in the capital reserves. Adjustments shall be made to retained earnings in the event that the share premiums in the capital reserves are not sufficient.

The direct costs incurred by the combining party for the business combination shall be included in the profit or loss for the current period when incurred.

(2) *Business combinations not under common control*

Enterprises that participate in the merger are not under the same party or the same multiple parties' ultimate control before and after the merger, which is a business combination not under the common control. For a business combination not under the common control, the party that obtains control of other participating companies on the purchase date is the purchaser, and the other companies participating in the combination are the purchased party. The purchase date refers to the date on which the purchaser actually obtains control of the purchased party.

For a business combination not under the same control, the cost of the combination includes the assets paid by the purchaser to obtain control of the purchased party, the liabilities incurred or assumed, and the fair value of the equity securities issued on the purchase date. Intermediary expenses such as audits, legal services, evaluation and consulting, and other management expenses are included in the profit or loss for the current period when incurred. The transaction cost of equity securities or debt securities issued by the purchaser as the merger consideration is included in the initial recognition amount of equity securities or debt securities. The contingent consideration involved is included in the merger cost based on its fair value at the date of purchase. If there is new or further evidence of the existing conditions on the purchase date within 12 months of the purchase date and the adjustment or consideration is required, adjust the merger accordingly reputation. The merger costs incurred by the purchaser and the identifiable net assets obtained in the merger are measured at the fair value at the date of purchase. The difference between the merger cost and the fair value share of the identifiable net assets of the acquired party acquired on the acquisition date is recognized as goodwill. If the merger cost is less than the fair value share of the identifiable net assets of the acquired party acquired in the merger, first of all, the measured fair value of the identifiable assets, liabilities and contingent liabilities of the acquired party and the measurement of the merger cost shall be reviewed. If the merger cost is still less than the fair value share of the acquiree's identifiable net assets obtained in the merger, the difference is included in the profit or loss for the current period.

If the purchaser obtains the deductible temporary difference of the purchased party and fails to confirm the deferred income tax asset recognition condition on the purchase date, within 12 months after the purchase date, if new or further information is obtained indicating the purchase, the relevant situation on the day already exists. If the economic benefit brought by the deductible temporary difference on the purchase date is expected to be realized, the relevant deferred income tax assets are recognized, and the goodwill is reduced, and the goodwill is not offset enough. The difference is recognized as the profit or loss for the current period; in addition to the above, if the deferred income tax assets related to the business combination are recognized, it is included in the profit or loss for the current period.

Business combination under different control realized step by step through multiple transactions, according to the “Notice of the Ministry of Finance on Issuing the Interpretation of Accounting Standards for Enterprises No. 5” (Caihui [2012] No. 19) and “Accounting Standards for Business Enterprises No. 33-Mergers” “Financial Statement” Article 51 on the “package deal” judgment criteria (see Note IV. 5(2)), to determine whether the multiple transactions belong to “package deal”. If it belongs to a “package deal”, refer to the previous paragraphs of this part and the Notes IV. 13 “Long-term equity investment” for accounting treatment; if it does not belong to a “package deal”, distinguish between individual financial statements and consolidated financial statements for related accounting treatment:

In the individual financial statements, the sum of the book value of the equity investment held by the purchaser before the purchase date and the new investment cost of the purchase date is taken as the initial investment cost of the investment; the equity of the purchaser held before the purchase date If other comprehensive income is involved, the other comprehensive income related to the investment will be accounted for on the same basis as the purchaser’s direct disposal of related assets or liabilities (i.e., except for Except for the corresponding share in the changes caused by the net liabilities or net assets of the defined benefit plan, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the purchased party held before the purchase date is remeasured according to the fair value of the equity at the purchase date, and the difference between the fair value and its book value is included in the current investment income; held before the purchase date If the equity of the purchased party involves other comprehensive income, the other comprehensive income related to it should be accounted for on the same basis as the purchaser’s direct disposal of related assets or liabilities (i.e., except for Except for the corresponding share in the changes caused by the net liabilities or net assets of the defined benefit plan, the rest are converted into the current investment income of the purchase date).

5. Preparation of Consolidated Financial Statements

(1) Principles for determining the scope of consolidated financial statements

The consolidation scope in consolidated financial statements is determined on the basis of control. The control refers to the power to influence the investee and participate in its operating activities to obtain benefits, the amount at which shall be effected by the power. The scope of consolidation financial statements includes the Company and all subsidiaries. The subsidiaries refer to the entity controlled by the Company.

The Company will conduct a reassessment, once control related elements involved in the definition involved in the above cause the relevant facts and circumstances have changed.

(2) Method of preparing consolidated financial statements

From the date of obtaining the net assets of the subsidiary and the actual control of the production and operation decision, the Group began to include it in the scope of consolidation; the inclusion of the scope of consolidation is suspended from the date of loss of actual control. For the disposed subsidiaries, the operating results and cash flows before the disposal date have been properly included in the consolidated income statement and consolidated cash flow statement; Subsidiaries disposed of in the current period do not adjust the opening balance of the consolidated balance sheet. For subsidiaries that are not consolidated under the common control, the operating results and cash flows of the future purchases have been properly included in the consolidated income statement and consolidated cash flow statement, and the opening and closing figures of the consolidated financial statements are not adjusted. Subsidiaries that have increased business combinations under the common control, the operating results and cash flows from the beginning of the current period to the date of consolidation have been properly included in the consolidated income statement and consolidated cash flow statement, and adjust the comparison of consolidated financial statements at the same time.

In the preparation of the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiaries and the company are inconsistent, the necessary adjustments shall be made to the financial statements of the subsidiaries in accordance with the accounting policies and accounting periods of the company. For subsidiaries acquired from business combinations not under the same control, the financial statements are adjusted based on the fair value of identifiable net assets at the acquisition date.

All major current balances, transactions and unrealized profits in the company are offset when the consolidated financial statements are prepared.

The shareholder's equity of the subsidiary and the portion of the current net profit or loss that is not owned by the Company are separately presented as minority shareholders' equity and minority shareholders' gains and losses in the consolidated financial statements under shareholders' equity and net profit. The portion of the subsidiary's current net profit or loss that belongs to minority shareholders' equity is presented as "minority shareholder gains

and losses” under the net profit item in the consolidated income statement. The loss of a subsidiary shared by a minority shareholder exceeds the share of the minority shareholder’s equity at the beginning of the subsidiary, and it still reduces the minority shareholders’ equity.

When the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity is re-measured according to its fair value on the date of loss of control. The sum of the consideration for the disposal of the equity and the fair value of the remaining equity, less the difference between the share of the original shareholding and the share of the net assets that the original subsidiary has continued to calculate from the date of purchase, which is included in investment income of loss of control in the current period. Other comprehensive income related to the original subsidiary’s equity investment shall be treated on the same basis as the directly disposed of the relevant assets or liabilities of the purchased party when the control is lost, that is, in addition to the remeasurement of changes in the net liabilities or net assets of the defined benefit plan in the original subsidiary, the rest will be converted into current investment income. Thereafter, the remaining equity of the part is subsequently measured in accordance with the relevant provisions of the “Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment” or “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”. For details, refers to this Note IV. 13 “Long-term equity investment” or this Note IV. 9 “Financial instruments”.

If the Company disposes of the equity investment in the subsidiary through multiple transactions until it loses control, it shall distinguish whether the transactions dealing with the equity investment of the subsidiary until the loss of control are a package transaction. The terms, conditions, and economic impact of each transaction for the disposal of equity investments in subsidiaries are consistent with one or more of the following conditions, and generally indicate that multiple transactions should be accounted for as a package transaction: 1 these transactions are concluded at the same time or with consideration of each other’s influence; 2 these transactions as a whole can achieve a complete business result; 3 the occurrence of a transaction depends on the occurrence of at least one other transaction; 4 a transaction alone is not economical, but it is economical when considered together with other transactions. If it is not a package transaction, each of the transactions shall be partially disposed of in the long-term equity of the subsidiary in accordance with “without loss of control” (refers to Note IV.13 and (2) 4). The accounting principle is applied to the principle that “the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons” (mentioned in the previous paragraph). Disposal of the equity investment in a subsidiary until the loss of control is a package transaction, and the transactions are treated as a transaction that disposes of the subsidiary and loses control; However, the difference between the disposal price and the disposal investment before the loss of control and the share of the net assets of the subsidiary is recognized as other comprehensive income in the consolidated financial statements, and it is transferred to the profit or loss for the current period of loss of control when the control is lost.

6. Classification of Joint Arrangements and Accounting Treating Method for Joint Operations

The joint venture arrangement refers to the arrangement jointly controlled by two or more parties. According to the differences in the rights and responsibilities, the joint venture arrangement is classified as a joint operation and joint venture. A joint operation refers to a joint arrangement whereby the parties have the rights to the assets, and obligations for the liabilities, and Joint venture refers to the entity which is only entitled to the joint venture arrangement of the net assets.

The equity method is adopted for the investment of the joint venture, please refers to Note IV.13(2) 2 “Long-term equity investments accounted by equity method”.

As a joint venture, the Company recognizes the assets held by the Company separately, the liabilities assumed separately, and the co-held assets and co-owned liabilities recognized by the Company’s share; confirms its revenue from the sale of its share of the output arising from the joint operation; and recognizes the expenses incurred by the company separately and the expenses incurred arising from the joint operation according to the share of the company.

When the Company transacts with a joint operation in which the Company is a joint operator, such as a sale or contribution assets, (The assets do not constitute as business, similarly hereinafter).The profit or loss resulting from the transactions is recognized only to the extent of the other parties’ interests in the joint operation; When the Company transacts with a joint operation in which the Company is a joint operator, such as a purchase of assets, the Company does not recognize its share of the profit or loss until it resells those assets to a third party. A loss shall be recognized in the full amount of the sale or contribution of assets, and of the purchase of the assets from the joint operation in accordance with “ASBE-No.8-assets impairment” and other provisions.

7. Recognition Standard for Cash and Cash Equivalents

Cash and cash equivalents of the Company comprise cash on hand, deposits that can be readily drawn on demand, and highly liquid short-term (generally within 3 months from the purchase date) investments held by the Company that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

8. Translation of Foreign Currency Transactions and Foreign Currency Financial Statements

(1) Translation of foreign currency transactions

At the time of initial recognition of a foreign currency transaction, the foreign currency is translated to RMB at the spot exchange rate at the transaction date. Transaction in foreign currency exchange or transaction involving foreign currency exchange shall be translated into RMB at the actual exchange rate.

(2) *Translation of foreign monetary items and foreign non-monetary items*

At the balance sheet date, monetary items denominated in foreign currency are translated into RMB at the spot exchange rate at the balance sheet date and the arising difference shall be recorded into the profit or loss for the current period, except 1 the exchange differences related to a specific-purpose borrowing denominated in foreign currency for acquisitions and construction of the qualified assets, which should be capitalised as cost of the borrowings, and 2 the exchange difference arising from the change in the carrying amount other than amortized cost of an available-for-sale foreign monetary item which shall be recognized directly in other comprehensive income; otherwise, it shall be recorded into the profit or loss for the current period.

For the purpose of preparing consolidated financial statements involving foreign operations, the exchange differences arising from changes in exchange rates in relation to translation of foreign currency monetary items which effectively constitute a net investment in the foreign operation, are included in other comprehensive income, or upon disposal of the foreign operations, in the profit or loss for the period.

Foreign currency non-monetary items measured at the historical cost shall still be translated at the spot exchange rate at the transaction date, of which the amount of functional currency shall not be changed. The foreign currency non-monetary items measured at the fair value shall be translated at the spot exchange rate at the date of fair value evaluation, and the translation difference, treated as the variation of fair value (including the variation of exchange rate), shall be recorded into the profit or loss for the current period and recognized as other comprehensive income.

(3) *Translation of foreign currency financial statements*

Where the preparation of consolidated financial statements involves overseas operations, if there is a foreign currency monetary item substantially constituting net investment in overseas operations, the exchange difference resulting from the change of exchange rate shall be included in the “Translation differences on translation of foreign currency financial statements” item of other comprehensive income; when dealing with overseas operations, it shall be included in the profit or loss for the current period of disposal.

The financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders’ equity items except for “retained profits” are translated at the spot exchange rates at the dates on which such items arose; the income and expense items in the income statement are translated at the spot exchange rate prevailing on the transaction date or the rate approximate thereto. The opening balance of retained profits is the translated closing balance of the previous year’s retained profits; the closing balance of retained profits is calculated and presented on the basis of each translated profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders’ equity items is presented as the exchange differences arising on translation of financial statements denominated in foreign currencies under the other

comprehensive income. Such exchange difference in relation to the foreign operation as shown under shareholders' equity in the balance sheet will be reclassified to profit or loss for current period in full or on a pro rata basis when the foreign operation is disposed and leads to a loss of control. The cash flows in foreign currency and of overseas operations are translated at the spot exchange rates on the dates of the cash flows or the rates approximate thereto. The effect of exchange rate changes on cash is presented separately as an adjustment item in the cash flow statement.

The opening balances and the prior year's actual figures are presented as the balances after translation in the financial statements of last year.

All the translation difference in relation to the foreign operation as shown under shareholders' equity in balance sheet and attributable to owners of the parent are reclassified into the profit or loss for the current period, when the Company disposes all of offshore shareholders' equity, and ceases control over its overseas operations due to partial disposal of equity investment or other reasons.

The Company takes the exchange difference from its overseas operations related foreign currency reports into minority interests but not in the profit or loss for the current period, when its shareholding declines but still remains control over the relative operations when disposing part of the equity investment or due to other reasons. Such exchange differences are taken into the profit or loss for the current period on a pro rata basis when the share equity disposed are with the Company's associate or joint venture.

9. Financial Instruments

A financial asset or financial liability is recognised when the Company becomes a party to the relative financial instrument contract.

(1) *Classification of financial assets*

According to the business model of the Company's management of financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified at the initial recognition as: financial assets measured at amortised cost, financial assets at fair value through other comprehensive income ("FVOCI"), and financial assets at fair value through profit or loss ("FVPL").

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at FVPL as financial assets measured at amortised cost:

- 1 The Company's business model for managing the financial assets is to collect contractual cash flows;
- 2 The terms of the financial asset contract stipulate that the cash flows generated on a specific date are only the payment for principal and interest accrued on the outstanding principal.

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at FVPL as financial assets at FVOCI:

- 1 The Company's business model for managing the financial assets is both to collect contractual cash flows and to sell the financial assets;
- 2 The terms of the financial asset contract stipulate that the cash flows generated on a specific date are only the payment for principal and interest accrued on the outstanding principal.

Investments in equity instruments are classified as at FVPL in general, except those designated as at FVOCI. For investments in non-trading equity instruments, the Company may, at the time of initial recognition, irrevocably designate it as a financial asset at FVOCI.

In addition to the above financial assets which are measured at amortized cost or at FVOCI, the Company classifies all other financial assets as financial assets at FVPL. When initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should have been measured at amortized cost or at FVOCI as financial assets at FVPL.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flows. The business model decides whether the source of cash flows of financial assets managed by the Company is to collect contract cash flows, sell financial assets or both of them. Based on objective facts and the specific business objectives of financial assets management decided by key managers, the Company determines the business model of financial assets management.

The Company evaluates the characteristics of the contract cash flows of financial assets to determine whether the contract cash flows generated by the relevant financial assets on a specific date is only to pay principal and interest based on the amount of unpaid principal. Among them, the principal refers to the fair value of financial assets at the time of initial recognition; the interest includes the consideration of time value of money, credit risk related to the amount of unpaid principal in a specific period, and other basic borrowing risks, costs and profits. In addition, the Company evaluates the terms and conditions of the contracts that may lead to changes in the time distribution or amount of cash flows in financial asset contracts to determine whether they meet the requirements of the above contract cash flow's characteristics.

On initial recognition, financial liabilities are classified as financial liabilities at FVPL and financial liabilities at amortised cost.

(2) *Recognition basis and measurement method of financial instruments*

1 *Financial assets measured at amortized cost*

Financial assets measured at amortized cost, including bills receivables and trade receivables, other receivables, long-term receivables and debt investments, are initially measured at fair value plus relevant transaction costs.

Trade receivables that do not contain significant financing components and trade receivables that the Company has decided not to consider for a financing component of no more than one year are initially measured at the contractual transaction price.

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

When recovering or disposing, the difference between the price obtained and the carrying amount of the financial asset is included in current profit or loss.

2 *Financial assets (debt instruments) at FVOCI*

Financial assets (debt instruments) at FVOCI, including other debt investments, are initially measured at fair value plus relevant transaction costs. These financial assets are subsequently measured at FVOCI except for interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method.

On derecognition, the accumulated gain or loss previously recognized in other comprehensive income is transferred out from other comprehensive income and recognized in current profit or loss.

3 *Financial assets (equity instruments) at FVOCI*

Financial assets (equity instruments) at FVOCI, including other equity instrument investment, are initially measured at fair value plus relevant transaction costs, and subsequently measured at FVOCI. The dividends received are included in current profit or loss.

When derecognized, the accumulated gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

4 *Financial assets at FVPL*

Financial assets at FVPL, including held-for-trading financial assets, derivative financial assets and other non-current financial assets, are initially measured at fair value with relevant transaction costs included in current profit or loss, and subsequently measured at FVPL.

On derecognition, the difference between the fair value and initially recorded amount of such financial assets shall be recognized as investment income, and concurrently adjustment shall be made to gains or losses on changes in fair value.

5 *Financial liabilities at FVPL*

Financial liabilities at FVPL, including held-for-trading financial liabilities, derivative financial liabilities, etc., are initially measured at fair value with relevant transaction costs included in current profit or loss. Such financial liabilities are subsequently measured at FVPL.

On derecognition, the difference between the fair value and initially recorded amount of such financial assets shall be recognized as investment income, and concurrently adjustment shall be made to gains or losses on changes in fair value.

6 *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost, including short-term borrowings, bills payables, trade payables, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value with relevant transaction costs included in the amount of initial recognition.

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

On derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognized in current profit or loss.

(3) *Recognition and measurement of transfer of financial assets*

A financial asset shall be derecognized while the Company has transferred nearly all the risks and rewards related to the ownership of the financial asset to the transferee, and it shall not be derecognized if the Company has retained nearly all the risks and rewards related to the ownerships of the financial asset.

The substance-over-form principle shall be adopted while making a judgment on whether the transfer of financial assets satisfies the above conditions for termination of recognition. The transfer of financial assets by the Company could be classified into entire transfer and partial transfer. If the transfer of an entire financial asset satisfies the conditions for termination of recognition, the difference between the two amounts below shall be recorded into current profit or loss:

- 1 The carrying amount of the financial asset transferred;

- 2 The consideration received as a result of the transfer, plus the accumulative amount of the change in fair value previously recorded into the owners' equities (in cases where the transferred financial asset is available-for-sale financial asset).

If the partial transfer of financial assets satisfies the conditions for derecognition, the overall carrying amount of the transferred financial asset shall be apportioned according to their respective relative fair value between the portion of derecognized part and the remaining part, and the difference between the two amounts below shall be included into profit or loss for the current period:

- 1 The carrying amount of the derecognized part;
- 2 The sum of consideration of the derecognized portion and the corresponding portion of accumulated change in fair value previously recorded into owners' equity (in cases where the transferred financial assets are available-for-sale financial assets).

Financial assets will still be recognized if they fail to satisfy the conditions for termination of recognition, with the consideration received recognized as a financial liability.

(4) *Conditions for derecognition of financial liabilities*

When the current obligation under a financial liability is completely or partially discharged, the whole or relevant portion of the liability is derecognized; if an agreement is entered into between the Company and a creditor to replace the original financial liabilities with new financial liabilities with substantially different terms, the Company derecognize the original financial liabilities as well as recognize the new financial liabilities.

If all or part of the contract terms of the original financial liabilities are substantially amended, the original financial liabilities will be derecognized in full or in part, and the financial liabilities whose terms have been amended shall be recognized as a new financial liability.

When financial liabilities are derecognized in full or in part, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

Where the Company repurchases part of its financial liabilities, the carrying amount of such financial liabilities will be allocated according to the relative fair value between the continued recognized part and derecognized part on the repurchase date. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

(5) *Determination of the fair value of financial assets and financial liabilities*

If there is an active market for financial instruments, the quoted price in the active market is used to measure fair values of the financial instruments. If no active market exists for financial instruments, valuation techniques are used to measure fair values. In valuation, the Company adopts valuation techniques that are applicable in the current situation and have sufficient available data and other information to support it, and selects input values that are consistent with the asset or liability characteristics considered by market participants in the transaction of relevant assets or liabilities, and gives priority to relevant observable input values. Use of unobservable input values where relevant observable input values cannot be obtained or are not practicable.

(6) *Testing method and accounting treatment of financial assets*

Based on the expected credit losses, the Company conducts impairment accounting treatment and recognizes loss provisions for financial assets measured at amortized cost, debt instruments at FVOCI.

Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for the financial assets).

For receivables which do not contain significant financing components, the Group uses a simplified measurement method to provide loss provision based on the amount of expected credit losses equivalent to the entire duration of life.

In addition to the mentioned financial assets other than the simplified measurement method, the Company assesses whether the credit risk of financial assets has increased significantly since the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, as at stage 1, the loss allowance is measured at an amount equal to 12-month expected credit losses, and the interest income is measured by carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but not credit-impaired, as at stage 2, the loss allowance is measured at an amount equal to lifetime expected credit losses, and the interest income is measured by carrying amount and the effective interest rate; if the financial assets are credit-impaired after initial recognition, as at stage 3, the loss allowance is measured at an amount equal to lifetime expected credit losses, and the interest income is measured by amortised cost and the effective interest rate. The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the balance sheet date.

The Company assesses the expected credit losses of financial instruments based on an individual and a collective basis. For guarantee deposit receivables and receivables (other than guarantee deposits) whose credit risk has been significantly increased since initial recognition, the Group will estimate cash flows through considering all contract terms one by one of

relevant financial assets during the whole expected life based on the individual item of financial assets, determine expected credit loss and make impairment allowance based on the above circumstances.

In addition to such financial assets whose provisions are provided individually, the Company divides the receivables into two combinations based on the characteristics of credit risk, and calculate expected credit losses on a combined basis. The basis for determining the combination is as follows:

Group 1	Receivables except for Group 2
Group 2	Amount due from subsidiaries of Energy China Group within the scope of combination

For the receivables classified as a group, the Company refers to the historical credit loss experience, combined with the current condition and forecast of the future economic condition to calculate the expected credit loss according to the account receivable age and expected credit loss rate through full life time in reference.

For Group 1, based on all reasonable and well-founded information, including forwardlooking information, the expected loss rate of trade receivables is estimated as follows:

Aging	Expected loss rate (%)
Within 1 year (inclusive)	
Including: Within 6 months	0
Six months to 1 year	5
1 to 2 years	8
2 to 3 years	10
3 to 4 years	20
4 to 5 years	30
More than 5 years	80

For Group 2, if there is objective evidence that a receivable has not been credit impaired, no provision for bad debt is made. If there is objective evidence that a receivable has been credit impaired, the Company makes provision for bad debts and confirms the expected credit losses for the trade receivables.

The Company calculates the loss provision of notes receivable based on the amount equivalent to the lifetime expected credit losses. Based on the credit risk characteristics of notes receivable, the Company divides them into different groups:

Item Basis for determination of groups

Bank acceptance notes Acceptor being a bank with less credit risk Commercial acceptance notes Same as the group of “accounts receivable”.

When evaluating expected credit losses, the Company considers reasonable and evidence-based information in relation to past events, current conditions and forecasts of future economic conditions.

10. Inventories

(1) *Category of inventory*

Inventories include raw materials, circulating materials, finished products (development products), work in progress (development costs), etc.

(2) *Measurement of inventories received and issued*

The inventory is initially measured at the actual cost; Inventory costs comprise costs of purchase, costs of conversion and other costs. Cost of inventories is determined using “first-in and first-out” or the weighted average method.

(3) *Recognition of the net realizable value and measurement of provision for decline in value of inventories*

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The Company determines the net realizable value of inventories based on solid evidence obtained and after taking into consideration the purpose for which the inventory is held, and the effect of events occurring after the balance sheet date.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value of the inventory is lower than the cost, a provision for decline in value of inventories is recognized. The provision for inventory depreciation shall be made at the difference between the cost of a single inventory item and its net realizable value. The provision for inventory depreciation in large quantity and at low unit prices shall be made by category; for items of inventories relating to a product line that is produced and marketed in the same geographical area and with the same or similar end uses or purposes, which cannot be practicably evaluated separately from other items in that product line, provision for decline in value of inventories may be determined on an aggregate basis.

After the provision of decline in value of inventories is made, if the circumstances that caused the value of the inventory to be written down below cost no longer exist so that the net realizable value of the inventory is higher than its carrying amount, the original provision for decline in value is reversed and the reversed amount is recognized in profit or loss for the period.

- (4) *The stock count system for inventories is the perpetual inventory system*
- (5) *Amortisation of low-value consumables and packaging materials*

Low-value consumables are amortised using the immediate write-off method or multiple write-off method when issued for use; packaging materials are amortised using the immediate write-off method or multiple write-off method when issued for use.

11. Contract Assets and Contract Liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The right (other than receivables) to collect consideration on account of has transferred the goods or provided services to customers is listed as contract assets. The obligation of the Company to transfer goods or provide services to customers due to the consideration received or receivable from customers is listed as contract liabilities.

For contract assets, whether it contains significant financing components, the Company always measures its loss reserves in accordance with the amount of expected credit losses for the entire life period, and the increase or reversal of the loss provision resulting therefrom is included in the current profit or loss as an impairment loss or gain.

12. Assets Classified as Held-for-sale and Disposal Groups

A non-current asset or disposal group is classified as asset held for sale when the carrying amount of the asset is recovered principally through a sale transaction (including an exchange of nonmonetary assets with commercial substance, the same below) rather than through continuing use. The specific standard is to satisfy the following conditions at the same time: an immediate sale of a noncurrent asset or disposal group can be made under the current conditions according to the practice of selling such assets or disposal groups in similar transactions; the Company has made a resolution on a sale plan and obtained a definite purchase commitment, and the sale is expected to be completed within one year. Of which, a disposal group is a group of assets that are handled collectively through disposals or other approaches in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. If the asset group or asset group to which the disposal group belongs is allocated the goodwill acquired in the business combination in accordance with Accounting Standards for Business Enterprises No. 8 – Impairment of Assets, the disposal group shall include the goodwill allocated to the disposal group.

Upon initial measurement or re-measurement of non-current assets held for sale and disposal groups at the balance sheet date, if the carrying amount is higher than the net amount of fair value minus sales expense, the carrying amount shall be written down to the net amount of fair value minus sales expense; the amount written down is recognized as impairment losses for assets and included in current profit or loss. Meanwhile, impairment provision for assets held for sale is accrued. For the disposal group, firstly, the recognized impairment losses for assets deduct the carrying amount of the goodwill in the disposal group. Then the loss proportionally deducts the carrying amount of the various non-current assets in the disposal group under the measurement regulations based on

Accounting Standards for Business Enterprises No. 42 – Non-current Assets Held for Sale, Disposal Companies and Termination of Operations (hereinafter referred to as the “holding for sale standard”). If the fair value of the disposal group held for sale on the subsequent balance sheet date minus the sales proceeds increases, the amount previously written down shall be recovered. This part of amount should be reversed within the impairment losses of non-current assets which are applicable for held for sale standard after these assets are classified as assets held for sale. The reversal amount is recognized in current profit or loss. Meanwhile, the carrying amount of these non-current assets (except goodwill) in disposal group should be increased proportionally according to the carrying amount of each non-current asset which is applicable to held for sale standard. The carrying amount of goodwill that has been deducted and the impairment losses recognized before the non-current assets classified as held for sale category cannot be reversed.

Depreciation or amortization shall not be accrued for non-current assets held for sale or noncurrent assets in the disposal group held for sale. The interest of liabilities and other expenses in the disposal group held for sale shall be recognized.

When a non-current asset or disposal group no longer meets the conditions for the held for sale category, the Company no longer divides it into the held for sale category or removes the non-current assets from disposal groups held for sale., and the asset or asset group is measured by the following two items: (1) the amount of book value classified as held for trading after depreciation, amortization, impairment or other adjustments to be recognized based on the hypothesis that they are not classified as held for trading; (2) the recoverable amount, whichever is lower.

13. Long-term Equity Investments

Long-term equity investments in this part refers to the long-term equity investments that the Company can exercise control, joint control or significant influence over the investee. When the Company can no longer exercise control, joint control or significant influence over the investee, the long-term equity investment shall be treated as financial asset at FVPL, and for non-transactional long-term equity investment among which, the Company can designate it to be financial asset at FVOCI upon initial recognition. Please refer to Note IV. 9 “Financial instrument”.

Joint control refers to joint control owned by the Company over an arrangement as per relevant agreements and relevant activities of this arrangement must be determined upon consent of participants sharing the right of control. Significant influence refers to the power to participate in making determinations on the financial and operating policies of an investment entity, but not to control or do joint control together with other parties over the formulation of these policies.

(1) Recognition of investment cost

If the long-term equity investment is obtained from the business combination involving enterprises under the common control, the share of carrying amount of shareholder’s equity of the acquiree in consolidated financial statements of the ultimate controlling party under the combination date shall be deemed as the initial investment cost of the long-term equity investment. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted to capital reserve. If

the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings. If the Company issues equity securities as the consideration for combination, the carrying amount of the shareholder's equity of the combined party on the combination date in consolidated financial statements of the ultimate controlling party shall be the initial investment cost of long-term equity investments. With the total carrying amount of the shares issued as equity, the difference between the initial investment cost of long-term equity investment and the total carrying amount of the shares issued shall be adjusted as capital reserve. If the capital reserve is insufficient to set it off, the retained earnings shall be adjusted.

If equity interests of the acquiree under the common control are obtained step by step through several transactions, which results in the combination of enterprises under the common control, it shall be treated respectively as per whether it belongs to "a package deal": where it belongs to "a package deal", the accounting treatment for each transaction shall be conducted as a transaction obtaining the right of control.

Where it does not belong to "a package deal", the carrying amount of the shareholder's equity of the acquiree on the combination date in consolidated financial statements of the ultimate controlling party shall be the initial investment cost of long-term equity investments. The difference among the initial investment cost of long-term equity investments, the carrying amount of long-term equity investment which has reached the amount before the combination and total carrying amount of new payment consideration obtained under the acquisition date shall be adjusted as capital reserve.

If the capital reserve is insufficient to set it off, the retained earnings shall be adjusted. As the other comprehensive income is measured under equity method or recognized as financial assets at FVOCI, the accounting treatment on the equity investments held before the combination date shall not be conducted.

For long-term equity investment obtained through business combination not involving enterprises under the common control, the cost of combination shall be deemed as the initial investment cost of long-term equity investments on the acquisition date, and the cost of combination is the aggregate of the fair values, include the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer. If equity interests of the acquiree are obtained step by step through several transactions, which results in the combination of enterprises under the different control, it shall be treated respectively as per whether it belongs to "a package deal": where it belongs to "a package deal", the accounting treatment for each transaction shall be conducted as a transaction obtaining the right of control. Where it does not belong to "a package deal", the sum of the carrying amount of equity investment of the acquiree held originally and additional investment costs shall be initial investment costs of long-term equity investment if the accounting method is changed as cost approach. If equity held originally is accounted for using equity method, the accounting treatment shall not be conducted on the other comprehensive income related to it.

The intermediary costs for the business combination including the expenses for audit, legal services and consultancy services and other relevant management costs by the merging party and the acquirer shall be recorded into current profit or loss.

Equity investments other than long-term equity investment from business combination are initially measured at cost. Such cost is respectively recognized at the purchase price in cash actually paid by the Company, fair value of equity securities issued by the Company, specified value in investment contracts or agreements, fair value or original carrying amount of transferred assets in non-monetary asset exchange and transactions and fair value of the long-term equity investment itself based on different means of acquiring that long-term equity investment. Expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investment are also included into investment cost. In case of being able to implement significant influence or common control to the invested entity due to additional investment but which does not constitute control, cost of long-term equity investment shall be the sum of fair value of original held equity investment recognized according to the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments and newly increased investment cost.

(2) *Subsequent measurement and method of recognition of profit or loss*

Where an investing enterprise can exercise joint control (except those that constitutes the joint operators) or significant influence over the investee, a long-term equity investment shall be accounted for using the equity method. In addition, the Company uses the cost model in the financial statements to calculate long-term equity investment that can control the investee.

1 *Long-term equity investment income accounted by cost method*

The long-term equity investment accounted by the cost model shall be measured at the initial investment cost. And the additional or recovered investments shall be used to adjust the cost of long-term equity investment. Except for the cash dividends or distributions declared and not yet distributed in the considerations paid to acquire the investment, the cash dividend or distributions declared by the investee that belong to the investee shall be recognized as the investment gains.

2 *Long-term equity investment accounted by equity method*

If the initial cost of a long-term equity investment, accounted by equity method, is more than attributable share of the fair value of the investee's identifiable net assets for the investment in the investee, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of a long-term equity investment is less than the attributable share of the fair value of the investee's identifiable net assets for the investment in the investee, the difference shall be recorded into current profit or loss and the cost of the long-term equity investment shall be adjusted simultaneously.

When it is accounted by equity method, the investment gains and other comprehensive incomes shall be recognized respectively, and the carrying amount of long-term equity investment shall be adjusted according to the net profit or loss and other comprehensive incomes realized by the investee, which shall be enjoyed or shared.

The enjoyed part shall be accounted according to profits or cash dividends announced to be assigned by the investee with the corresponding decrease of the carrying amount of long-term equity investment. For other changes of shareholder's equity excluding net profit or loss of investee, other comprehensive income and profits distributed, the carrying amount of long-term equity investments shall be adjusted and included into capital reserve. The Company shall, on the ground of the fair value of all identifiable assets of the investee when it obtains the investment, recognize the attributable share of the net profit or loss of the investee after it adjusts the net profits of the investee. If the accounting policies and accounting period adopted by the investee do not consistent with the investor, the financial statements of the investee shall be adjusted according to the accounting policies and accounting periods of the Company, and according to which the investment profits and other comprehensive incomes shall be recognized. If investment and sales of assets cannot constitute business in transactions between the Company, associates and joint ventures, the unrealized profit or loss of internal transaction shall be offset through calculating the part attributable to the Company based on sharing ratio so as to recognize the profit or loss of investment. Where the unrealized losses from the internal transactions between the Company and the invested entity belong to the impairment losses from the transferred assets, they shall not be written off. Where the assets contributed by the Company towards joint ventures or associates constitute business, and the investor acquires long-term equity investment but not the control right thereof, the fair value of the contribution shall be the initial investment cost of the newly added long-term equity investment. The balance of carrying amount between initial investment cost and the contribution shall be recorded into current profit or loss in full amount. If the assets sales, from the Company to joint ventures or associates, constitute business, the total difference between consideration achieved and carrying amount of business shall be recorded into current profit or loss.

Where the assets purchased by the Company from associates and joint ventures constitute business, accounting treatment shall be carried out based on Accounting Standards for Business Enterprises No.20 – Business Combination and recognize the profit or loss in relation to the transaction in full amount.

The Company shall recognize the net losses of the investee until the carrying amount of the long-term equity investment and other long-term equity which substantially forms the net investment made to the investee are reduced to zero. In addition, if the Company has the extra obligation towards its investee to undertake extra losses, the expected liabilities shall be recognized according to expected obligation and recorded into current profit or loss. If the investee realizes any net profits later, the Company shall, after the amount of its attributable share of profits offsets against its attributable share of the unrecognized losses, resume recognizing its attributable share of profits.

3 *Minority equity purchase*

When preparing consolidated financial statements, as for the difference between the long-term equity investment increased newly due to purchase minority equity and the net asset proportion continuously calculated from the purchase date (or combination date) by subsidiary based and enjoyed by the Company based on newly increasing shareholding ratio, capital reserve is adjusted. If the capital reserve is insufficient to write down, the retained income shall be adjusted.

4 *Disposal of long-term equity investment*

In the consolidated financial statements, the parent company disposes the long-term equity investment of the subsidiary without losing control right. The difference between the disposing amount and the net asset of the subsidiary enjoyed correspondingly in disposing long-term equity investment is recorded into shareholder's equity; If the parent company loses its control right on the subsidiary due to the disposal of the long-term equity investment of the subsidiary, the relevant accounting policy as indicated in Note IV. 5(2) "Method for Preparation of Consolidated Financial Statements" shall be followed for handling.

When disposing of a long-term equity investment under other circumstances, for equity being disposed, the difference between its carrying amount and actual purchase price shall be recorded into current profit or loss.

If long-term equity investment is accounted by equity method while the residual equity after disposal is still accounted for by equity method, the accounting treatment of other comprehensive income included in shareholder's equity originally shall be conducted as per proportion on the same base as investee disposes of relevant assets and liabilities directly. Other shareholder's equity, which is recognized for changes of other shareholder's equity of the investee excluding net profit or loss, other comprehensive incomes and profits distribution, shall be translated into current profit or loss as per proportion.

If long-term equity investment is accounted by the cost model while the residual equity after disposal is still accounted by the cost model, the accounting treatment of other comprehensive incomes which are recognized for being accounted by equity method or recognition and measurement standards of financial instruments shall be conducted on the same base as investee disposes of relevant assets and liabilities directly, and other comprehensive incomes shall be carried forward into current profit or loss as per proportion. Owners' equity, which is recognized for changes of other shareholder's equity of the investee excluding net profit or loss, other comprehensive incomes and profits distribution when the equity method is adopted, shall be carried forward into current profit or loss as per proportion.

When the Company loses the control over investee for disposal of some equity interests, the accounting method shall be changed as equity method in compiling individual financial statements and the remaining shares shall be deemed to be adjusted by equity method upon being obtained if the remaining shares after disposal still have joint control or significant impacts on investee. While the remaining equity interests after disposal do not have joint control or significant impacts on investee anymore, the accounting treatment shall be conducted according to regulations related to recognition and measurement standards of financial instruments and its difference between fair value and carrying amount on the date of losing the control shall be included into current profit or loss. For other comprehensive income recognized as being accounted by equity method or recognition and measurement standards of financial instruments before the Company obtains the control over investee, its accounting treatment shall be conducted on the same base as investee disposes of relevant assets and liabilities directly upon losing the control over investee, and other shareholder's entity in net assets of investee accounted for by equity method, excluding net profit or loss, other comprehensive income and profits distribution, shall be carried forward into current profit or loss in the event of losing the control over investee. Of which, if the residual equity investment after disposal is calculated by equity method, other comprehensive income and shareholder's equity shall be carried forward by proportion; where the residual equity investment after disposal changes to be conducted with accounting treatment according to standard of recognition and measurement of financial instruments, other comprehensive income and shareholder's equity shall be carried forward.

Where the Company's common control or significant influence over the investee is lost due to the disposal of partial equity investment, the residual equity after disposal will change to be calculated by standard of recognition and measurement of financial instruments, the balance between the fair value and carrying amount thereof on the date the common control or significant influence is lost shall be included into current profit or loss. Other comprehensive income recognized by calculating original equity investment by equity method shall go through accounting treatment on the same basis on which the investee directly disposes the relevant assets or liabilities when ceasing to use equity method; for the shareholder's equity recognized by other changes on shareholder's equity rather than net profit or loss, other comprehensive income and profit distribution of the investee shall be transferred into current investment income when ceasing to use equity method.

If the Company's disposal of equity investments in a subsidiaries leading to losing control, the foregoing transaction is a package deal, accounting treatment shall be conducted for each transaction as the transaction that the disposal of the subsidiary with loss of control right; before loss of control right, the difference between each price disposal and the carrying amount of long-term equity investment correspondingly in equity disposed shall be firstly recognized in the other comprehensive income and then wholly transferred into current profit or loss when losing control right.

14. Investment Property

Investment property is property held to earn rentals or for capital appreciation or both, including the land use rights which have been rented, land use right held for transfer after capital gain, and buildings which have been rented.

Investment property is measured initially at cost. Subsequent costs related to investment property are recognized in the cost of the investment property, if the economic benefits of the asset will probably flow in and the cost can be measured reliably. Other subsequent costs are recognized through profit or loss in the periods in which they are incurred.

After initial recognition, the Company uses the cost model to measure the investment property, and depreciates and amortizes the investment property according to provisions that buildings should be consistent with land use rights.

Please refer to Note IV. 20 “Long-term Asset Impairment” for the methods of impairment test and preparing provisions for the impairment of investment property. When an owner-occupied property or an inventory are transferred into an investment property, or when an investment property is transferred into an owner-occupied property, the carrying amount prior to the transfer is recognized as the carrying amount after the transfer.

When an investment property is transferred into an owner-occupied property, the investment property is reclassified as fixed asset or intangible asset since the date of transfer. When the purpose of an owner-occupied property is transferred to generate rent or receive capital gain, the fixed asset or the intangible asset is transferred to investment property since the date of transfer. After the transfer, investment property measured at cost, recognizes the carrying amount prior to the transfer as the carrying amount after the transfer; for investment property transferred to be measured under fair value model, the fair value at the transfer date shall be recognized as the carrying amount after transfer.

An investment property shall be derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognized in profit or loss in the period of the retirement or disposal.

15. Fixed Assets

(1). Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

(2) Depreciation method of various fixed assets

From the next month of bringing the fixed asset to the expected conditions for use, the fixed assets are depreciated using the straight-line method over their estimated useful lives. Estimated useful life, net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation method	Useful lives of depreciation (years)	Estimated residual value(%)	Annual depreciation rate(%)
Housing and building	straight line method	15-40	5	6.33-2.38
Machinery equipment	straight line method	4-18	5	23.75-5.28
Motor vehicles	straight line method	6-12	5	15.83-7.92
Electronic equipment	straight line method	5-10	5	19-9.50
Other equipment	straight line method	4-14	5	23.75-6.79

Estimated net residual value of a fixed asset is the estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(3) Impairment testing and accounting treatment

As for impairment testing method and accounting treatment, please refer to Note IV. 20 “Long-term Asset Impairment”.

(4) Recognition basis and measurement method of fixed assets under finance lease

A finance lease is a lease that transfers in substance all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. Consistent depreciation policies are adopted to finance leased fixed assets. Leased fixed assets are depreciated over the estimated useful lives when it is reasonably determined that the ownership of the asset will be obtained after the lease term is over. Otherwise, the leased assets are depreciated over the shorter period between the lease term and the estimated useful lives of the assets.

(5) *Others*

The subsequent expenses related to a fixed asset, if the economic benefits pertinent to the fixed asset are probably to flow into the enterprise and the cost of the fixed asset can be measured reliably, shall be included in the cost of the fixed asset and the book value of the replaced parts shall be derecognized. Any other subsequent expenses shall be recorded into current profit or loss.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying value and related taxes is recognized in current profit or loss.

The Company reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at the end of each year and treats the changes as changes of in accounting estimate.

16. Construction in Progress

The cost of construction in progress is recognized based on actual project expenditure, including each project expenditure during the construction, capitalized borrowing costs before the construction get ready for its intended use and other relevant expenses. Construction in progress is transferred to a fixed asset when it is ready for intended use.

Please refer to Note IV. 20 “Long-term Asset Impairment” for the impairment test method and impairment provision method of construction in progress.

17. Borrowing Costs

Borrowing costs include interest, amortization of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings. Where the borrowing costs incurred to an enterprise can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, they shall be capitalized: where the expenditures for the asset are being incurred; where the borrowing costs are being incurred; where the construction activities which are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs shall cease when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs shall be recognized as expenses in the period in which it is incurred.

The amount of interest of specific-purpose borrowings to be capitalized shall be the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. An enterprise shall determine the amount of interest to be capitalized on general-purpose borrowings by applying a capitalization rate to the weighted average

of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalization rate shall be the weighted average of the interest rates applicable to the general-purpose borrowings.

During the period of capitalization, the exchange differences on foreign currency specificpurposeborrowings shall be all capitalized; the exchange differences on foreign currency generalpurposes borrowings shall be recorded into current profit or loss.

Qualifying assets are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

Capitalization of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months until the acquisition, construction or production is resumed.

18. Intangible Assets

(1) Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance owned or controlled by the Company.

The intangible assets shall be initially measured at cost. The expenses pertinent to an intangible asset shall form part of the cost of the intangible assets, if it is probable that the economic profit related to the asset will flow to the Company and the cost can be measured reliably. In addition, the expenditure of other items shall be recorded into current profit or loss in the period in which it is incurred.

The acquisition of land use right is usually recognized as intangible assets for accounting purposes. Building such as self-constructed plant, relevant expenditure incurred for obtaining land use right and construction cost of the building shall be recognized as intangible asset and fixed asset for accounting purposes. Cost incurred on purchased building shall be allocated between land use right and building. The cost shall be recognized as fixed asset if it cannot be reasonably allocated.

An intangible asset with a finite useful life shall be amortized using straight line method based on the original value, less estimated residual value and the accumulative amount of impairment provision within the estimated useful life. An intangible asset with an indefinite useful life shall not be amortized.

Estimated useful lives for the intangible assets with finite useful life:

Category	Useful lives	Amortization method	Residual rate (%)
Land use rights	Validity period of land use certificate	Straight line method	0
Highway franchise	Terms stipulated in the contract	Traffic flow method	0
Others	5-10 years	Straight line method	0

At the end of the period, the Company reviewed the useful life and amortization method of the intangible asset with limited useful life. In case of any change, it shall be treated as changes in accounting estimation. In addition, the Company also reviewed the useful lives of the intangible assets with uncertain useful lives. If there is evidence that the term of economic benefits brought by the intangible asset to the enterprise is predictable, its useful life is estimated and amortized in accordance with the amortization policy for intangible assets with limited useful lives.

(2) Research and development expenses

The expenses for internal research and development projects of the Company are divided into expenses in the research phase and expenses in the development phase. Research expenditures shall be recorded into profit or loss for the periods in which the expenditures are incurred.

Expenses arising from development phase and fulfil all following criteria shall be recognized as intangible assets, otherwise, they shall be included in the current profit and loss as incurred:

- 1 It is technically feasible to complete the intangible assets so that they can be used or sold;
- 2 The Company has the intention to complete the intangible assets and use or sell them;
- 3 The ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the products produced by the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- 4 The Company has sufficient technical, financial and other resources support to complete the development of the intangible assets, thereafter, has the ability to use it or sell it;

- 5 The expenditure attributable to the development stage of the intangible assets can be reliably measured.

If the expenditures cannot be distinguished between research phase and development phase, the Company recognizes all expenditures into current profit or loss.

(3) *Impairment test method and impairment provision assessing method of intangible asset*

Please refer to Note IV. 20 “Long-term Asset Impairment” for the impairment test method and impairment provision method of intangible asset.

19. Long-term Deferred Expenses

Long-term deferred expenses are expenses which have occurred but will benefit over 1 year and shall be amortized over the reporting period and subsequent periods. The Company’s long-term deferred expenses mainly include leasehold improvement, rental fees, insurance premiums, etc. Long-term deferred expenses will be amortized during expected beneficial period.

20. Impairment of Long-term Assets

The Company assesses impairment indicators for fixed asset, construction in progress, the intangible asset with limited useful life, the investment properties measured at cost pattern, the longterm equity investment in subsidiaries, associates and joint ventures and the non-current and nonfinancial asset, such as goodwill at the balance sheet date. If the Company finds evidence on asset impairment, the recoverable amount of the asset shall be measured, and impairment test shall be conducted. Impairment test shall be conducted annually for goodwill, the intangible asset with uncertain service life and the intangible asset not reaching available condition, no matter there is impairment indication.

Where the measurement result of the impairment test indicates that an asset’s recoverable amount is lower than its book value, impairment reserve shall be withdrawn based on its differences and recorded into the impairment loss. The recoverable amount shall be determined on the basis of the higher one of the net amounts of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flows of the asset. The fair value of asset is recognized based on the price as stipulated in the sales agreement in the fair transaction; where there is no sales agreement but there is an active market of assets, the fair value is recognized based on the price bidden by the buyer of the asset; where there is no sales agreement and no active market of assets, the fair value of an asset shall be estimated in light of the best information available of asset. The disposal expenses shall include the relevant legal expenses, relevant taxes, truckage as well as the direct expenses for bringing the assets into a marketable state. The present value of the expected future cash flows of an asset shall be determined by the discounted cash with an appropriate discount rate, on the basis of the expected future cash flows generated during the continuous use or final disposal of an asset. Asset impairment provision is calculated and recognized based on single asset. In

case of the difficulty to estimate the recoverable amount of single asset, the recoverable amount of asset group is recognized in accordance with the asset group that such asset belongs to. The asset group refers to the minimum asset portfolio that can independently generate cash inflow.

When conducting impairment test for goodwill separately listed in financial statements, the carrying amount of the goodwill shall be apportioned to asset groups or asset group portfolios which are expected to benefit from the synergistic effect of business combination. When the test result indicates that the recoverable amount of asset groups or asset group portfolios containing goodwill apportioned is less than its carrying amount, relevant impairment loss of goodwill shall be recognized.

The impairment loss of goodwill shall offset the carrying amount of the portion of goodwill apportioned to the asset groups or asset group portfolios, and then offset the carrying amount of other assets according to the proportion of the carrying amount of other asset in asset groups or asset group portfolios after deducting the goodwill.

Once the above asset impairment loss is confirmed, the part that the value is restored in the future period is not allowed to be transferred back.

21. Employee Remuneration

The Company's employee remuneration comprises short-term employee remuneration, post-employment benefits, dismissal benefits and other long-term employee benefit. In particular: Short-term benefits mainly include employee salaries, bonus, allowances and subsidies, staff welfare, social insurance contributions such as premiums or contributions on medical insurance, maternity insurance premiums, work injury insurance, housing funds, labor union running cost, employee education costs, non-monetary benefits, etc. The Company shall recognize, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to profit or loss for the current year or in the cost of relevant asset. Among which, the non-monetary benefits shall be measured at its fair value.

Retirement benefits mainly include basic pension insurance, unemployment insurance and supplementary pension insurance, etc. The retirement benefit plan includes a defined contribution plan. If the defined contribution plan is adopted, the corresponding deposit amount shall be included in the relevant asset cost or current profit or loss when it occurs.

When the Company terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy. The remuneration incurred by the termination benefits is recognized as liabilities and included in the profit or loss for the period when the Company cannot unilaterally withdraw the termination benefits arising from termination of employment relationship or layoff proposal, and when the Company recognizes costs for restructuring which involving the payment of termination benefits (whichever the earliest). However, if the termination benefits are not expected to be fully paid twelve months after the end of the annual reporting period, they shall be treated as other long-term employee compensation.

The internal retirement plan for employee shall be treated by the same principle as the above dismissal welfare. The Company will pay the salary and contribute social insurance for the internal retirement from the service stopped to be provided by such employee to normal retirement. Such fee is recorded in the current profit or loss (dismissal welfare) when conforming to the reorganization condition of estimated liability.

Accounting treatment shall be conducted on other long-term employee payrolls provided to employees by the Company according to defined contribution plans if such plans are conformed, and besides, accounting treatment shall be conducted according to defined benefit plans.

22. Estimated Liabilities

An obligation related to a contingency shall be recognized as an estimated liability when all of the following conditions are satisfied: (1) the obligation is a present obligation of the Company; (2) it is probable that an outflow of economic benefits will be required to settle the obligation; and (3) the amount of the obligation can be measured reliably.

As at the balance sheet date, the estimated liabilities shall be measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation considering the risks, uncertainty, time value of money and other factors pertinent to the contingencies.

Where some or all of the expenditure required to settle an estimated liability is expected to be reimbursed by a third party, the reimbursement is separately recognised as an asset when it is virtually certain that the reimbursement will be received. The amount recognized for the reimbursement is limited to the carrying amount of the liability recognised.

23. Preference Shares, Perpetual Bonds and Other Financial Instruments

(1) Difference of perpetual bonds and preference shares

The Company classifies the financial instruments (such as perpetual bonds and preference shares) issued as equity instruments when all of the following conditions are satisfied:

- 1 The financial instruments have no contractual obligation to pay in cash or other financial assets to other parties nor to exchange financial assets or financial liabilities under potential adverse condition with other parties;
- 2 If the financial instrument will or may be settled in the Company's own equity instruments, it is a non-derivative instrument that includes no contractual obligations to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Company exchanging a fixed amount of cash or other financial asset for a fixed number of its own equity instruments.

Except for financial instruments that can be classified as equity instruments under the above conditions, other financial instruments issued by the Company are classified as financial liabilities.

The financial instruments issued by the Group which are compound financial instruments are recognized as a liability based on the fair value of the liability component, and the amount net of the fair value of the liability component from the actual amount received is recognised as “other equity instruments”. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of gross proceeds.

(2) *Accounting treatment method of perpetual bonds and preference shares*

For financial instruments classified as financial liabilities (such as perpetual bonds and preference shares), except borrowing costs qualifying for capitalisation (see Note IV 17. “Borrowing Costs”), its related interest, dividends, gains or losses, and gains or losses arising from redemption or refinancing are credited to profit or loss for the current period.

For financial instruments classified as equity instruments (such as perpetual bonds and preference shares), its issue (including refinancing), repurchase, sale or cancellation are treated by the Company as changes in equity, with related transaction costs deducted from equity. The Company’s distribution to holders of equity instruments is treated as a distribution of profits. Changes in the fair value of equity instruments are not recognised by the Group. Changes in the fair value of equity instruments are not recognised by the Company.

24. Revenue

The Company shall recognise revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer obtains control of that asset. Whether performance obligations satisfied over time or at a point in time is based on the contracts and related law regulations. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: the customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs; the entity’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; the entity’s performance does not create an asset with an alternative use to the entity and the entity has the right to payment for performance completed to date.

If the performance obligations satisfied over time, the Company will recognise revenue based on contract performance schedule, otherwise the Company satisfies the performance obligation at a point in time. The performance progress is measured by the Company’s expenditure or investment in fulfilling the performance obligations. The progress is determined based on the proportion of the cumulative cost incurred as of the balance sheet date of each contract to the estimated total cost.

When determining the transaction price, if there is a variable consideration, the Company shall determine the best estimate of the variable consideration according to its expected value or the amount most likely to be incurred and the transaction price included by the Company does not exceed

the amount of revenue accumulatively recognized when the relevant uncertainties are eliminated and where it is highly unlikely that a major reversal on such revenue will occur. Where there are significant financing elements in the contract, the Company will adjust the transaction price according to the financing elements in the contract; where the interval between the transfer of control right and the payment of the price by the customer does not exceed one year, the financing elements in the contract will not be considered by the Company.

(1) Revenue from sales of goods

Revenue from sale of goods is recognized when the Company has transferred the goods to customers and obtained the receipt certificate or acceptance form, i.e. when the performance obligation stipulated in the contract is performed.

(2) Revenue from project construction

For a performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the schedule of completion.

At the balance sheet date, when the schedule of completion could be measured reliably, the amount of total contract revenue times the schedule of completion and deducting the previous accumulated revenue is recognized as contract income in the current year. Meanwhile, the amount of estimated total contract costs multiplied by the completion progress deducted the previously recognized costs is recognized as contract costs in the current year.

If the performance progress cannot be reasonably measured and the costs incurred can be expected to be compensated, the revenue shall be recognized according to the costs incurred until such time that performance progress can be reasonably measured.

(3) Revenue from sales of property

For performance business of the property sales contract that is performed within a certain period of time, the Company recognizes the revenue according to the schedule of completion, otherwise the Company recognizes the revenue at a certain point in time when the customer obtains control of the relevant assets.

For property sales contracts that transfer control of assets within a certain period of time, at the balance sheet date, the amount of total contract revenue times the schedule of completion and deducting the previous accumulated revenue is recognized as contract income in the current year. Meanwhile, the amount of estimated total contract costs multiplied by the completion progress deducted the previously recognized costs is recognized as contract costs in the current year.

For a property sales contract that transfers control at a certain point in time, the Company will recognise the revenue when all of the following conditions are met: the housing is completed and qualified, the sales contract is signed, the buyer's payment certificate is obtained, and the transfer of the housing is completed. If the Company has notified the buyer

to complete the transfer procedures of the housing within the specified time, but the buyer fails to complete the transfer formalities within the specified time without proper reason, the Company shall, if other conditions are met, recognize revenue upon expiry of the time limit specified in the notification.

(4) Recognition of revenue for Build-Operate-Transfer (“BOT”) business

- 1 The project company confirms related cost and income as offered construction service according to project construction income during project construction. After infrastructure is constructed, it confirms the income and costs related to operating services afterwards according to Accounting Standards for Business Enterprises No.14- Revenue. Revenue of construction contract shall be measured at fair values of consideration received or receivable, and the financial assets or intangible assets shall be recognised at the same time as revenue, if:
 - a. Within a certain period after the completion of the infrastructure stipulated in the contract, the Group recognises construction costs as financial assets to the extent that it has an unconditional contractual right to receive specified or determinable amount of cash or another financial asset from the grantor, or to receive the shortfall, if any, between the amount received from grantor and the specified or determinable amount, and accounts for the financial asset in accordance with the Accounting Standards for Business Enterprises No. 22– Recognition and Measurement of Financial Instruments.
 - b. The Group recognises construction costs as intangible assets to the extent that it has a right to receive unspecified or indeterminable amount of fees from the users of service within a certain operating period after the completion of the relevant infrastructure where such right does not constitute an unconditional right to receive cash.

Borrowing costs incurred during the construction process shall be measured based on the Accounting Standards for Business Enterprises No. 17-Borrowing Costs.

- 2 The Group, instead of recognising the revenue for those infrastructure construction being subcontracted to other parties other than providing actual construction service, recognises financial assets or intangible assets based on the costs incurred and paid during the construction and the contract arrangement of the project.

25. Government Grants

(1) *Types*

Government grants are transfers of monetary assets and non-monetary assets from the government to the Company, which do not include any capital contribution from the government as an investor. Government grants include government grants related to assets and government grants related to revenue.

The Company classified government grants obtained for acquisition or construction of long-term assets or other forms of long-term asset formation as government grants related to assets.

Government grants other than those related to assets are classified as government grants related to revenue.

If related government documents do not specify the objective of the grants, the grants are classified as related to assets or income as follows: (1) in case a project for which the grants are granted is specified in such documents, the grants are classified as related to assets and income based on the budgeted ratio of the expenditure on asset formation and the expenditure recorded as expenses, where such ratio should be reviewed and, if necessary, changed on each balance sheet date; and (2) in case of general description without specifying any project in such documents, the grants are classified as related to revenue.

(2) *Time for recognition*

Government grants which are monetary assets shall be measured at the amount received or receivable. Government grants which are non-monetary assets shall be measured at fair value, or at nominal amount if the fair value cannot be reliably measured. Government grants measured at notional amount are directly recorded in profit or loss.

The government grants that measured by the amount of money receivable are recognised when there is conclusive evidence at the end of the accounting period that the Company will meet related requirements of such grants and will be able to receive the grants. Other government grants other than government grants that measured by the amount of money receivable are recognised when the amount actually received.

(3) *Accounting treatment*

Government grants related to assets should be presented as deferred income. Government grants are recognised in profit or loss on a systematic basis over the periods (recognised as other income when related to operating activities; and recognised as nonoperating income when not related to operating activities); A government grant related to income is used for compensation for related expenses or losses to be incurred by the Company in subsequent periods, the grant shall be recognised as deferred income, and recognised as other income for daily operating activities and nonoperating income for non-

operating activities over the periods in which the related costs are recognised; if the grant is a compensation for related expenses or losses already incurred by the Company, the grant shall be recognised immediately in profit or loss for the current period.

The Company receives the loan interest with policy reference and treats in different ways in accordance with two situations below:

- 1 If the interest grants paid to the bank and then the bank provides bank loans to company with interest rate in preferential policy, the Company will regard the borrowing amount received as the initial value and calculate the principle of borrowing and borrowing costs based on the interest rate in preferential policy.
- 2 Not applicable If the interest grants paid directly to the Company, the Company will deduct the interest grants from borrowing costs.

26. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Current income taxes

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws. The taxable income used for calculation of current income tax is calculated based on the current period adjusted taxable profit in compliance with the regulation of taxation law.

(2) Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

For taxable temporary difference which is related to the initial recognition of goodwill and the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profits or taxable income (or deductible losses), a deferred tax liability is not recognized. In addition, for deductible temporary difference arising from investments in subsidiaries, associates and joint ventures, the Group shall recognize a deferred tax liability for all taxable temporary difference except to the extent that the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary difference which is related to the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit or taxable income (or deductible losses), a deferred tax asset is not recognized. In addition, for deductible temporary difference arising

from investments in subsidiaries, associates and joint ventures, the Group shall recognize a deferred tax asset for other deductible temporary difference to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be deducted except to the extent that it is not probable that the temporary difference will reverse in the foreseeable future or taxable profit will not be available against which the temporary difference can be utilized.

For deductible losses and tax credits that can be reversed in the future period, deferred tax assets shall be recognised to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable income will be available in the future to allow the benefit of deferred tax assets to be deducted. Such reduction in amount is reversed when it is probable that sufficient taxable income is available.

(3) *Income tax expense*

Income tax expense comprises current and deferred tax.

Income tax is recognized as an income or an expense and included in the income statement for the current period, except to the extent that the current income tax related to a transaction or events which is recognized under other comprehensive income or directly recorded in equity, deferred tax recorded under other comprehensive income or equity, and deferred tax arises from a business combination that have impact on the carrying value of goodwill.

(4) *Offsetting of income taxes*

After granted the legal rights of net settlement and with the intention to use net settlement or obtain assets, repay debt, the Company, at the same time, the net amount after offsetting its current income tax assets and current income tax liabilities shall be recorded.

The Group was granted the legal rights of net settlement of current income tax assets and current income tax liabilities. Deferred income tax assets and deferred income tax liabilities are related to income tax to be paid by the same entity liable to pay tax to the same tax collection and management authority or related to different entities liable to pay tax, but the relevant entity liable to pay tax is intended to apply net settlement of current income tax assets and liabilities or, at the same time, obtain assets, repay debt whenever every deferred income tax assets and liabilities with importance would be reversed in the future, the Company records the net amount after offsetting its current income tax assets and current income tax liabilities.

27. Leases

A lease is a contract if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception of a contract, the Company assesses whether a contract is, or contains, a lease.

(1) *The Company as a lessee*

The Company's leased assets mainly include rented houses and buildings, machinery and equipment, electronic equipment and office equipment.

1 *Initial measurement*

At the commencement date, the Company shall recognize its right to use the leased asset over the lease term as the right-of-use asset, and shall recognize the present value of the lease payments that have not been paid as lease liabilities, except for short-term leases and leases for which the underlying asset is of low value. The lease payments shall be discounted using the interest rate which is implicit in the lease. If that rate cannot be readily determined, the Company shall use the lessee's incremental borrowing rate as the discount rate.

2 *Subsequent measurement*

The Company subsequently makes depreciation provisions for the right-of-use assets with reference to the depreciation requirements of the Accounting Standards for Business Enterprises No. 4 – Fixed Assets (see Note IV. 15 “Fixed assets”). If the Company can reasonably determine that a lease will transfer ownership of the asset to the Company by the end of the lease term, related assets will be depreciated over their useful life. If there is no reasonable certainty that the Company can determine that a lease will transfer ownership of the asset to the Company by the end of the lease term, related assets are depreciated over the shorter of the lease term and useful life.

As for the lease liabilities, the Company calculates their interest expenses of each period during the lease term according to a fixed periodic interest rate and includes them in current profit or loss or relevant asset costs when incurred. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss or the cost of related asset as incurred.

After the commencement date of the lease term, when the actual fixed payment, the estimated amount due for the residual value of the guarantee, the index or ratio used to determine the lease payment, the assessment result or the actual exercise of call option, renewal option or termination option changes, the Company re-measures the lease liability based on the present value of the changed lease payment, and adjusts the carrying amount of the right-of-use assets accordingly. When the carrying amount of the

right-of-use asset has been written down to zero, but further write-down is still required for the lease liability, the Company recognises the remaining amount in the current profit and loss.

3 *Short-term leases and leases of low-value assets*

For short-term leases (of which the lease term starting from the commencement date of lease is 12 months or less) and leases of low-value assets, the Company simplifies their treatment and does not recognize the rightof- use assets and lease liabilities, but includes the lease payments in asset cost or current profit and loss on straight-line basis or other systematic and reasonable basis during each period of the lease term.

(2) *The Company as a lessor*

The Company classifies leases into finance lease and operating lease based on the substance of transactions at the commencement date of lease. Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Operating leases are the leases other than finance leases.

1 *Operating leases*

The Company recognizes lease income received under operating leases as rental income in each period during the lease term using the straight-line method. Variable lease income not included in lease income in relation to operating lease is included in the current profit or loss when incurred.

2 *Finance leases*

At the commencement date of lease, the Company recognizes finance lease receivables and derecognizes the underlying assets. The finance lease receivables are initially measured at the amount of net investment under the lease (the sum of the unguaranteed residual value and the present value of the lease income (which has not been received as at the commencement date of lease) discounted at the interest rate which is implicit in the lease) and calculated the lease income during the lease term confirmed at the fixed periodic rate. The variable lease payments which are received by the Company but are not included in measurement on net investment under leases are recorded in the current profit or loss when actually incurred.

28. **Discontinued Operations**

A discontinued operation is a clearly distinguished component of an entity, that either has been disposed of, or is classified as held for sale, and meets any of the following criteria:

- (1) represents a separate major line of business or geographical area of operations;

- (2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- (3) is a subsidiary acquired exclusively with a view to resale.

29. Asset Securitization Business

The Company evaluates the extent to which it transfers the risks and rewards of ownership of the financial assets to the other party and determines whether it retains control while applying the accounting policy in respect of asset securitisation.

- (1) The financial asset is derecognised when the Company transfers substantially all the risks and rewards of ownership of the financial asset.
- (2) The financial asset continues to be recognised when the Company retains substantially all the risks and rewards of ownership of the financial asset.
- (3) When the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Company evaluates whether there is control over the financial asset, and if the Company does not retain control, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer, otherwise, the Company continues to recognise the financial asset to the extent of its continuing involvement in the financial asset and recognizes relevant liabilities.

30. Significant Accounting Policies and Estimates

The Company continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(1) *Revenue from construction business*

The Company recognises the project contracting service income based on the schedule of completion. The Company is required to reasonably estimate the estimated total revenue and estimated total cost of the construction contract to determine the schedule of completion, and further evaluate and revise during the execution of the contract, which involves significant accounting estimates. If the project contract is expected to incur losses, such losses should be recognized as current expenses. The Company estimated expected losses that may occur based on the estimated budgets of the contracting contract. Because of the nature of the construction contracting, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Company considers the terms of the contract and its customary business practices to determine the transaction price.

When determining the transaction price, the Company considers the effects of variable consideration, the existence of a significant financing component in the contract and other factors. The Company reviews the estimates of both contract revenue and contract costs during performance. When the initial estimate changes, such as contract changes, claims and awards, the estimated total contract revenue and estimated total contract cost are revised. When the estimated total cost of the contract exceeds the total revenue of the contract, the asset impairment loss and estimated liabilities are recognized in accordance with the loss-making contract to be executed. The Company also monitors the payment progress from property owners against the contract terms, and periodically evaluates the creditworthiness of the property owners. If circumstances arise that a property owner would default on all or part of its payments, the Company will reassess the impact of expected credit losses for the entire duration of the contract asset on the financial statements and may revise the amount of credit impairment. The revision will be reflected in the financial statements in the period in which the credit impairment loss that give rise to the revision become known by the Company.

(2) *Impairment of financial instruments*

The Company uses the expected credit loss model to assess the impairment of financial instruments. The application of the expected credit loss model requires significant judgements and estimations, and all reasonable and evidenced information, including forward-looking information, should be considered. In making such judgements and estimations, the Company infers the expected changes in the debtor's credit risk based on the historical repayment data in combination with economic policies, macroeconomic indicators, and industry risks.

(3) *Impairment of non-current assets other than financial assets (other than goodwill)*

The Company assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the balance sheet date. For an intangible asset that has indefinite useful life, impairment test is made in addition to the annual impairment test if there is any indication of impairment. For non-current assets other than financial assets, impairment test is made when there is any indication that their carrying amounts cannot be recovered. An asset or asset group is impaired when its carrying amount is higher than the recoverable amount (i.e., the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from it).

The fair value net of disposal cost is determined by reference of the price of similar assets under a sale agreement in an arm's length transaction or an observable market price less the incremental cost directly attributable to the disposal of the asset. When estimating the present value of future cash flows, the management must estimate the expected future cash flows of such asset (or asset groups), and determine the present value of the future cash flows with appropriate discount rate.

(4) *Impairment of goodwill*

The Company tests annually whether goodwill has suffered any impairment. The recoverable amount of group of assets and groups of asset combinations is the present value of the future cash flows expected to be derived from them. These calculations require use of estimates.

In estimating the impairment of goodwill, if the Company revises the gross margin or the pre-tax discount rate that is used in the calculation of the future cash flows of group of assets and groups of asset combinations or revises the pre-tax discount rate applied to the discounted cash flows, and the revised gross profit margin is lower than the one currently used or the revised pretax discount rate is higher than the one currently applied, the Company would need to consider the impact of these revises on the assessment results of goodwill impairment to determine the provision for impairment of goodwill. If the actual gross profit margin or pre-tax discount rate is higher or lower than management's estimates, the impairment loss of goodwill previously provided for is not allowed to be reversed by the Company.

(5) *Property development cost*

Critical estimates and judgments on budget cost and development progress are required in determining property development cost. Should the actual cost differs from the budget cost, such difference will impact the accuracy of cost of properties held for sale, development cost and cost of principal business.

(6) *Deferred income tax assets and deferred income tax liabilities*

Deferred income tax assets and deferred income tax liabilities are measured at the rate at the time of realisation of estimated deferred tax assets or settlement of deferred tax liabilities. Deferred income tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

The Company recognised the deferred income tax assets based on the tax laws that have been enacted or substantively enacted and the best estimate of the Company's realizable profitability in the future period. It is estimated that the profit forecast or future taxable income require a lot of judgement and estimates, and are influenced by tax planning strategies.

Different judgements and estimates will affect the amount of deferred tax assets recognised. The Company reassesses the estimates of profitability and other estimates at each balance sheet date.

(7) *Defined benefit plan*

The Company appointed independent actuary to make actuarial valuation on the liabilities and expenses arising from retirement benefit plan provided by the Company as follows:

- 1 Eligible supplementary pension benefit for retired and resigned personnel and families of the deceased;
- 2 Eligible reimbursement for medical treatment or payment to commercial medical insurance for retired personnel after retirement;
- 3 Eligible continuous benefits off-post payroll for early retired personnel during the early retirement period.

The discount rate was determined by the Company with reference to government bonds of China, the normal retirement age was determined based on Chinese stator retirement age and the mortality rate published by China Life Annuitant Mortality Table 2000 – 2003 was adopted.

(8) *Determination of fair value of financial instruments*

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, etc., and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments in which there is no active market is recognized by valuation methods. The Company chooses various methods based on its judgments, and makes assumptions mainly based on the current market conditions at each reporting date.

The judgments based on the market condition on the date of balance sheets and valuation method adopted may subject to the changes in the market, which will lead to the different actual results in the next period.

31. Change in Significant Accounting Policies and Accounting Estimates

(1) *Change in accounting policies*

On 19 June 2020, the Ministry of Finance issued the Regulations on Accounting Treatment of Rental Concessions Related to the COVID-19 Epidemic (Cai Kuai (2020) No. 10), which came into effect on 19 June 2020, allowing companies to adjust the relevant rental concessions that occurred between 1 January 2020 to the date of implementation of this regulation. According to the regulations, for those rental concessions and deferred rental payments directly triggered by the COVID-19 epidemic that meet the conditions, entities choose to adopt a simplified method for accounting treatment. The Company adopted

simplified method for accounting treatment for rental concessions applicable to this regulation. The implementation of the above regulations did not have a significant impact on the Company's financial conditions and operating results.

(2) *Change in accounting estimates*

There are no significant changes in the Company's accounting estimates for current period.

V. TAXATION

1. Main Types of Taxes and Corresponding Tax Rates

Tax type	Particulars of tax rates
Value-added tax ("VAT")	Profit is taxable to output VAT at tax rates of 16%,13%,9%, 5% and 3%, respectively and the differences are taxable to output VAT which was levied after deducting deductible input VAT for the current period.
City maintenance and construction tax	It is levied at 7%, 5% and 1% on the turnover taxes paid.
Corporate income tax ("CIT")	It is levied at 25% and 15% on the taxable profit.
Land VAT	It is levied based on the added value obtained from transfer of real estates and the stipulated tax rates, at the rate of 30%, 40%, 50% and 60%, respectively.

2. Tax Preference and Approvals

1 Tax incentives for high and new technology enterprises

The details of the Company and its subsidiaries that are recognized as key high and new technology enterprises in need of national support in accordance with the Enterprise Income

Tax Law and other relevant regulations are as follows:

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
China Gezhouba Group Stock Company Limited	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
Gezhoubu Explosive Company Limited (中國葛洲壩集團易普力股份有限公司)	Chongqing Association for Science and Technology, Chongqing Municipal Finance Bureau, Chongqing Municipal Tax Service, State Administration of Taxation	21 November 2019	15
China Gezhoubu Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
China Gezhoubu Group No.1 Engineering Co., Ltd. (中國葛洲壩集團第一工程有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
China Gezhoubu Group Electric Power Co., Ltd. (中國葛洲壩集團電力有限責任公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
China Gezhoubu Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15
China Gezhoubu Group No. 2 Engineering Co., Ltd. (中國葛洲壩集團第二工程有限公司)	Science and Technology Department of Sichuan Province, Sichuan Provincial Finance Department, Sichuan Provincial Tax Service, State Administration of Taxation	14 September 2018	15
China Gezhoubu Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司)	Science and Technology Department of Sichuan Province, Sichuan Provincial Finance Department, Sichuan Provincial Tax Service, State Administration of Taxation	14 September 2018	15
China Gezhoubu Group International Engineering Co., Ltd.* (中國葛洲壩集團國際工程有限公司)	Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, Beijing Municipal Tax Service, State Taxation Administration and Beijing Local Taxation Bureau	2 Decemebr 2020	15
China Gezhoubu Group Municipal Engineering Co., Ltd.* (中國葛洲壩集團市政工程有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15
China Gezhoubu Group Construction Engineering Co., Ltd.* (中國葛洲壩集團建設工程有限公司)	Science and Technology Department of Yunnan Province, Yunnan Provincial Department of Finance and Yunnan Provincial Tax Service, State Taxation Administration	12 November 2019	15

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
Gezhouba Group Testing and Inspection Co., Ltd. (葛洲壩集團試驗 檢測有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15
Gezhouba Surveying and Mapping Geographic Information Technology Co., Ltd. (葛洲壩測繪地理信息 技術有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration and Hubei Local Taxation Bureau	1 Decemehr 2020	15
Gezhouba Energy and Engineering Co., Ltd. (葛洲壩能源重工有限公司)	Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, Beijing Municipal Tax Service, State Taxation Administration and Beijing Local Taxation Bureau	30 November 2018	15
Gezhouba Xinjiang Engineering Bureau (Co., Ltd.) (葛洲壩新疆工程局 (有限公司))	Science & Technology Department of Xinjiang Uygur Autonomous Region, Finance Department of Xinjiang Uygur Autonomous Region, Xinjiang Uygur Autonomous Region Tax Service, State Taxation Administration	2 August 2018	15
China Gezhouba Jingmen Cement Co., Ltd. (葛洲壩荊門水泥 有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
Gezhouba Wuhan Road Materials Co., Ltd. (葛洲壩武漢道路材料 有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
Gezhouba Shimen Special Cement Co., Ltd. (葛洲壩石門特種 水泥 有限公司)	Hunan Provincial Science & Technology Department, the Hunan Provincial Department of Finance, Hunan Provincial Tax Service, State Taxation Administration and the Hunan Local Taxation Bureau	5 September 2019	15
Gezhouba Zhonggu Technology Corporation Limited (葛洲壩中固科技股份 有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15
China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限 公司)	Science and Technology Department of Shaanxi Province, Financial Department of Shaanxi Province, Shaanxi Provincial Tax Service, State Taxation Administration and Shaanxi Local Taxation Bureau	1 Decemehr 2020	15

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
Tianjin Binhai New Area Tanggu Huanke Xinhe Wastewater Treatment Co., Ltd. (天津濱海新區塘沽環科新河污水處理有限公司)	Tianjin Science and Technology Commission, Tianjin Finance Bureau, Tianjin Municipal Tax Service, State Taxation Administration and Tianjin Local Taxation Bureau	28 October 2020	15
Gezhouba Explosive Chongqing Lineng Civil Explosive Stock Co., Ltd. (葛洲壩易普力重慶力能民爆股份有限公司)	Chongqing Association for Science and Technology, Chongqing Municipal Finance Bureau, Chongqing Municipal Tax Service, State Administration of Taxation	12 November 2018	15
Gezhouba Explosive Hubei Changtai Civil Explosive Co., Ltd. (葛洲壩易普力湖北昌泰民爆有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2018	15
Gezhouba Explosive Xinjiang Explosive Engineering Co., Ltd. (葛洲壩易普力新疆爆破工程有限公司)	Science & Technology Department of Xinjiang Uygur Autonomous Region, Finance Department of Xinjiang Uygur Autonomous Region, Xinjiang Uygur Autonomous Region Tax Service, State Taxation Administration and Xinjiang Uygur Autonomous Region Local Tax Bureau	19 October 2020	15
Gezhouba Explosive Hunan Erhua Civil Explosive Co., Ltd. (葛洲壩易普力湖南二化民爆有限公司)	Hunan Provincial Science & Technology Department, the Hunan Provincial Department of Finance, Hunan Provincial Tax Service, State Taxation Administration	5 September 2019	15
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)	Department of Science and		
Technology of Zhejiang Province, Department of Finance of Zhejiang Province, State Taxation Bureau of Zhejiang Province, Zhejiang Local Taxation Bureau	1 December 2020	15	
China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	15 November 2019	15

Name of taxable entity	Approval authority	Time of issue	Income tax rate (%)
Gezhouba Zhongcaijixin (Wuhan) Technology Co., Ltd. (葛洲壩中材潔新(武漢)科技有 限公司)	Science and Technology Department of Hubei Province, the Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration	28 November 2019	15

2 Other preferential tax policies

According to the Notice on Directory of VAT Concessions on Comprehensive Utilization of Goods and Services (Cai Shui [2015] No. 78) (《關於印發〈資源綜合利用產品和勞務增值稅優惠目錄〉的通知》(財稅[2015]78號文件)), the Company's subsidiary China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司) and its affiliated subsidiaries meet the requirement of Comprehensive Utilization of Resources, enjoying refund of 70% of VAT upon collection for revenue from cement of PC42.5 and above grades produced by comprehensive utilization of waste slag resources, with over 20% of raw materials and over 40% of other cement and cement clinker from waste slag resources; subsidiaries engaging in sewage treatment business of China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司), a subsidiary of the Company, meet the requirement of Comprehensive Utilization of Resources, enjoying refund of 70% of VAT upon collection; and scrap products that are processed and sold by headquarters and in the catalog of Gezhouba Xingye Renewable Resources Co., Ltd., subsidiary of China Gezhouba Group Lvyuan Technology Co. Ltd. (中國葛洲壩集團綠園科技有 限公司), a subsidiary of the Company, meet the requirement of Comprehensive Utilization of Resources, enjoying refund of 30% of VAT upon collection.

From 1 January 2011 to 31 December 2020, enterprise income tax may be levied at a reduced tax rate of 15% on Gezhouba Chongqing Daxihe Hydropower Development Co., Ltd. (葛洲壩重慶大溪河水電開發有限公司), a subsidiary of China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司), in encouraged industries that are established in the western region according to Cai Shui [2011] No. 58.

VI. NOTES TO ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at Bank and on Hand

Item	Closing balance	Opening balance
Cash on hand	29,827,118.78	25,802,249.23
Deposits with banks	25,257,046,320.67	21,513,702,256.53
Other monetary funds	576,225,580.23	543,211,954.80
Total	25,863,099,019.68	22,082,716,460.56
Including: Total overseas deposits	2,558,609,734.63	3,028,153,314.83

The breakdown of the cash at bank and on hand is as following:

Item	Closing balance	Opening balance
Other deposits	522,849.73	521,653.37
Bank acceptance deposit	69,595,969.25	131,388,152.44
L/C deposit	4,478,675.17	12,230,203.03
Guarantee deposit	61,693,307.90	81,262,363.50
Time deposit	289,840,931.25	
Others	343,755,156.37	236,616,894.61
Total	769,886,889.67	462,019,266.95

2. Bills Receivables

(1) Classification of bills receivables

Item	Closing balance	Opening balance
Bank acceptance bills	1,410,048,336.26	2,453,563,786.40
Commercial acceptance bills	4,078,863,935.41	214,623,658.80
Subtotal	5,488,912,271.67	2,668,187,445.20
Less: provision for bad debts		
Total	5,488,912,271.67	2,668,187,445.20

(2) No bills receivables which was pledged at the end of the period

(3) Bills receivables that have been endorsed or discounted and is undue at the balance sheet date at the end of the period

Items	Amount derecognised at the end of the period	Amount continued to be recognised at the end of the period
Bank acceptance bills	962,697,125.88	1,084,330,263.39
Commercial acceptance bills		3,055,308,119.22
Total	962,697,125.88	4,139,638,382.61

(4) *No bills receivables reclassified into trade receivables due to issuer's default at the end of the period.*

3. Trade Receivables

(1) *By aging*

Aging	Closing balance
Within 1 year	
Including: Within 6 month	10,887,425,980.32
7 to 12 months	1,984,855,235.62
Sub-total of within 1 year	12,872,281,215.94
1 to 2 years	1,954,772,178.35
2 to 3 years	821,056,913.67
3 to 4 years	203,394,904.71
4 to 5 years	312,702,053.80
Over 5 years	346,916,823.15
Sub-total	16,511,124,089.62
Less: provision for bad debts	458,872,370.83
Total	16,052,251,718.79

(2) *Trade receivables disclosed by classification by means of bad debt provision*

Type	Carrying amount		Closing balance		Carrying value
			Bad debt provision		
	Value	Percentage (%)	Value	Provision percentage (%)	
Trade receivables accruing bad debt provision on an individual basis	5,112,465,428.10	30.96	41,104,100.53	0.80	5,071,361,327.57
Trade receivables accruing bad debt provision on a portfolio basis	11,398,658,661.52	69.04	417,768,270.30	3.67	10,980,890,391.22
Among which: Group 1	11,039,391,723.52	66.86	417,768,270.30	3.78	10,621,623,453.22
Group 2	359,266,938.00	2.18			359,266,938.00
Total	16,511,124,089.62	-	458,872,370.83	-	16,052,251,718.79

Type	Carrying amount		Closing balance		Carrying value
	Value	Percentage (%)	Bad debt provision		
			Value	Provision percentage (%)	
Trade receivables accruing bad debt provision on an individual basis	3,643,925,199.43	24.05	43,503,708.63	1.19	3,600,421,490.80
Trade receivables accruing bad debt provision on a portfolio basis	11,506,318,501.99	75.95	294,912,354.10	2.56	11,211,406,147.89
Among which: Group 1	11,183,998,279.16	73.82	294,912,354.10	2.64	10,889,085,925.06
Group 2	322,320,222.83	2.13			322,320,222.83
Total	15,150,243,701.42	-	338,416,062.73	-	14,811,827,638.69

1 Individual impaired trade receivables at the end of the period

Trade receivables (by unit)	Book balance	Provision for bad debt	Closing balance	
			Provision percentage (%)	Rationale for provision
Unit 1	171,186,609.54	10,373,284.09	6.06	Provision for impairment is provided upon individual impairment test
Unit 2	144,414,392.47		-	Provision for impairment is provided upon individual impairment test
Unit 3	112,690,280.00		-	Provision for impairment is provided upon individual impairment test
Unit 4	105,999,492.42		-	Provision for impairment is provided upon individual impairment test
Unit 5	16,189,176.55	16,189,176.55	100.00	Provision for impairment is provided upon individual impairment test
Others	4,561,985,477.12	14,541,639.89	0.32	Provision for impairment is provided upon individual impairment test
Total	5,112,465,428.10	41,104,100.53	-	-

- 2 *Trade receivable with provision for bad debts based on Group 1 among the groups:*

Item	Carrying amount	Closing balance	
		Bad debt provision	Provision percentage (%)
Within 1 year			
Including: Within			
6 month	8,356,259,561.73		
7 to 12 months	753,671,921.06	37,540,699.77	5.00
Sub-total of within			
1 year	9,109,931,482.79	37,540,699.77	0.41
1 to 2 years	892,509,906.65	70,966,258.44	8.00
2 to 3 years	483,014,711.81	48,301,471.24	10.00
3 to 4 years	141,093,147.54	28,218,629.52	20.00
4 to 5 years	195,065,537.04	58,519,661.15	30.00
Over 5 years	217,776,937.69	174,221,550.18	80.00
Total	11,039,391,723.52	417,768,270.30	

- 3 *Trade receivable with provision for bad debts based on Group 1 among the groups*

Item	Carrying amount	Opening balance	
		Bad debt provision	Provision percentage (%)
Within 1 year			
Including: Within			
6 month	9,367,158,155.18		
7 to 12 months	498,434,407.40	24,921,720.37	5.00
Sub-total of within			
1 year	9,865,592,562.58	24,921,720.37	0.25
1 to 2 years	637,706,676.75	51,016,534.14	8.00
2 to 3 years	202,627,928.90	20,262,792.89	10.00
3 to 4 years	225,619,875.10	45,123,975.02	20.00
4 to 5 years	96,747,313.97	29,024,194.19	30.00
Over 5 years	155,703,921.86	124,563,137.49	80.00
Total	11,183,998,279.16	294,912,354.10	

(3) *Provision for bad debt*

Type	Opening balance	Change amount for current period			Closing balance
		Provision	Other increase	Transfer or write-off	
Bad debt provision	338,416,062.73	152,336,456.20	5,073,272.57	36,953,420.67	458,872,370.83
Total	338,416,062.73	152,336,456.20	5,073,272.57	36,953,420.67	458,872,370.83

(4) *Trade receivables written off in the period*

Item	Written off
Trade receivables written off	36,953,420.67

(5) *Status of top five trade receivables according to the closing balance collected by the debtor*

Name	Trade receivables	Closing balance Percentage of total trade receivables (%)	Provision for bad debts
The largest	1,588,671,166.95	9.62	
The second largest	606,499,245.33	3.67	
The third largest	465,335,660.07	2.82	
The fourth largest	418,545,533.83	2.53	
The fifth largest	324,385,139.00	1.96	
Total	3,403,436,745.18	20.60	

(6) *In 2020, The balance of accounts receivable derecognized due to the transfer of financial assets amounted to RMB2,092,889,969.82 and relevant depreciation costs amounted to RMB58,889,969.82.*4. **Receivables financing**

Item	Closing balance	Opening balance
Bills receivables	2,034,069,338.48	
Trade receivables		
Total	2,034,069,338.48	

Note: As at 31 December 2020, the Company's bank acceptance notes receivable listed in receivables financing amountd to RMB15,927,111.00.

5. Prepayments

(1) By aging

Ageing	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	6,084,609,629.89	90.62	7,572,256,758.48	89.36
1 to 2 years	276,013,818.62	4.11	266,518,633.79	3.15
2 to 3 years	55,418,888.13	0.83	123,476,350.97	1.46
Over 3 years	297,919,834.39	4.44	511,623,156.11	6.03
Sub-total	6,713,962,171.03	-	8,473,874,899.35	-
Less: provision for impairment of prepayments				
Total	6,713,962,171.03		8,473,874,899.35	

Note: Significant prepayments with an age of over one year are mainly prepayments for project construction, which has not been settled due to long construction period of partial project construction.

(2) Top five largest prepayments at the end of the period by the balance collected regarding receivers of advances

Name of debtor	Carrying amount	Percentage in total prepayments (%)	Provision for bad debts
The largest	371,815,314.96	5.54	
The second largest	233,745,539.40	3.48	
The third largest	210,845,392.86	3.14	
The fourth largest	210,000,000.00	3.13	
The fifth largest	138,839,822.95	2.07	
Total	1,165,246,070.17	17.36	

6. Other Receivables

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	14,307,138.51	11,863,946.55
Other receivables	10,408,683,737.33	9,584,182,784.34
Total	10,422,990,875.84	9,596,046,730.89

(1) *Interest receivable*

Investee	Closing balance	Opening balance
China Energy Engineering Group Finance Co., Ltd. (中 國能源建設集團財務有限公司)	14,307,138.51	11,863,946.55
Subtotal	14,307,138.51	11,863,946.55
Less: Provision for bad debts		
Total	14,307,138.51	11,863,946.55

(2) *Other Receivables**1 By aging*

Aging	Closing balance
Within 1 year	
Including: Within 6 month	8,353,201,944.76
7 to 12 months	1,692,659,914.63
Sub-total of within 1 year	10,045,861,859.39
1 to 2 years	1,556,900,490.95
2 to 3 years	268,354,803.06
3 to 4 years	24,394,505.10
4 to 5 years	92,630,688.54
Over 5 years	130,976,199.56
Subtotal	12,119,118,546.60
Less: Provision for bad debts	1,710,434,809.27
Total	10,408,683,737.33

2 *Classification by nature of accounts*

Nature of accounts	Closing book balance	Opening book balance
Retention money	3,603,589,052.43	2,555,193,921.47
Interest-bearing placements	1,200,259,696.55	2,910,644,832.42
Non-interest-bearing placements	2,583,145,266.05	1,861,894,401.16
Deposits	74,748,333.02	88,973,620.01
Other prepayments receivable	1,121,597,939.40	461,750,665.72
Others	3,535,778,259.15	2,799,171,627.27
Subtotal	12,119,118,546.60	10,677,629,068.05
Less: Provision for bad debts	1,710,434,809.27	1,093,446,283.71
Total	10,408,683,737.33	9,584,182,784.34

3 *Provision for bad debt*

Provision for bad debt	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit-impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2020	192,888,645.52		900,557,638.19	1,093,446,283.71
Balance of other receivables for the period as at 1 January 2020				
- Transferred to stage 2				
- Transferred to stage 3				
- Reversed to stage 2				
- Reversed to stage 1				
Provision for the period	42,434,555.34		574,218,848.33	616,653,403.67
Reversal for the period				
Write-off for the period				
Cancellation for the period				
Other changes	335,121.89			335,121.89
Closing balance	235,658,322.75		1,474,776,486.52	1,710,434,809.27

Note: In 2018, Gezhouba Huanjia (Dalian) Renewable Resources Company Limited (葛洲壩環嘉(大連)再生資源有限公司, "Gezhouba Huanjia"), the controlling subsidiary of the Company's subsidiary China Gezhouba Group Lvyuan Technology Co., Ltd., made prepayments to certain suppliers. In 2019, two directors and one management personnel of Gezhouba Huanjia were kept in detention and investigated by the Committee of Supervisory of Wuhan City (武漢市監察委員會) (hereinafter the "Committee Investigation"). These suppliers were found to be connected to the investigatees of

Gezhouba Huanjia. In 2019, the Company reclassified such prepayments as other receivables. As at 31 December 2020, the Committee Investigation has not yet concluded. The book value of the above receivables was RMB1,474,776,500. After making assessment on its recoverable amount, bad debt provision was made for the period of RMB574,218,800 and total bad debt provision of RMB1,474,776,500 was made based on principles of prudence.

4 Provision for bad debt

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Write-off or cancellation	Other transfer-in	
Provision for bad debt	1,093,446,283.71	616,653,403.67		335,121.89	1,710,434,809.27
Total	1,093,446,283.71	616,653,403.67		335,121.89	1,710,434,809.27

5 No other receivables written off in the period

6 Five largest other receivables by debtor at the end of the period

Name of entity	Nature of receivable	Closing balance	Aging	Proportion of the closing balance of other receivables (%)	Provision for bad debt closing balance
The largest	Non-interest-bearing placements	2,024,629,761.37	0-6 months	16.71	
The second largest	Deposits	2,000,000,000.00	0-6 months	16.50	
The third largest	Interest-bearing placements	623,900,000.00	0-6 months	5.15	
The fourth largest	Other	612,961,601.79	2-3 years	5.06	612,961,601.79
The fifth largest	Deposits	514,487,500.00	3-4 years	4.25	
Total	-	5,775,978,863.16	-	47.67	612,961,601.79

7 Receivables involving government subsidies

Name of entity	Projects related to government subsidies	Closing balance	Aging	Expected receiving time
Tianjin Port Bonded Area Management Committee	Tax refunds	76,470,000.00	Within 6 months	2021
Finance Bureau of Macheng City (麻城市财政局)	Tax refunds	37,828,160.68	Within 6 months	2021
Finance Bureau of Changege City (長葛市财政局)	Tax refunds	6,174,151.82	Within 6 months	2021

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Name of entity	Projects related to government subsidies	Closing balance	Aging	Expected receiving time
Anlu Municipal Finance Bureau Fucheng Finance Branch (安陸市財政局府城財政分局)	Tax refunds	3,803,730.14	Within 6 months	2021
Finance Bureau of Shangcheng County	Tax refunds	773,559.04	Within 6 months	2021
Jiuyuan District State Taxation Bureau (九原區國稅局)	Tax refunds	1,507,628.65	Within 6 months	2021
Taxation Bureau of Jiuyuan District	Tax refunds	6,801,235.03	Within 1 year	2021
Yangzhong Finance Bureau (揚中財政局)	Tax refunds	78,085.26	Within 1 year	2021
Wuxue Municipal Finance Bureau Tianzhen Branch (武穴市財政局田鎮分局)	Tax refunds	4,148,680.00	2-3 years	2021
Laohekou Treasury Centralized Collection and Payment Center (老河口市國庫集中收付中心)	Tax refunds	2,644,078.68	Within 6 months	2021
Jiangsu Xuyi Economic Development Zone Management Committee (江蘇盱眙經濟開發區管理委員會)	Tax refunds	2,342,800.00	Within 6 months	2021
Xuyi County Finance Bureau	Tax refunds	1,380,785.51	Within 6 months	2021
National Treasury Xuyi County Branch (國家金庫盱眙縣支庫)	Tax refunds	107,289.09	Within 6 months	2021
Other	Tax refunds	313,371.85	Within 1 year	2021
Total	-	144,373,555.75	-	-

7. Inventories

(1) Classification

Item	Closing balance		
	Book balance	Provision for inventory impairment	Carrying value
Raw materials	2,069,211,365.99	1,723,651.27	2,067,487,714.72
Turnover materials	156,665,722.30	4,383,299.18	152,282,423.12
Product in progress	549,211,692.21		549,211,692.21
Development costs	44,758,144,702.45		44,758,144,702.45
Finished goods	1,025,125,819.58	93,382,477.00	931,743,342.58
Development of products	4,636,073,803.87		4,636,073,803.87
Contract performance costs	219,574,762.35		219,574,762.35
Total	53,414,007,868.75	99,489,427.45	53,314,518,441.30
Raw materials	2,279,916,598.52	4,556,380.24	2,275,360,218.28
Turnover materials	153,181,211.90	4,383,299.18	148,797,912.72
Product in progress	578,166,619.20		578,166,619.20
Development costs	46,928,700,355.64		46,928,700,355.64
Finished goods	1,207,500,605.34	118,996,955.06	1,088,503,650.28
Development of products	2,231,891,017.03		2,231,891,017.03
Contract performance costs	207,501,234.36		207,501,234.36
Total	53,586,857,641.99	127,936,634.48	53,458,921,007.51

1 Development costs

Name of project	Estimated total investment	Closing balance for the year	Opening balance for the year
Jinxiuhuafu (錦繡華府)	377,580,000.00	59,858,403.36	59,858,403.36
Guangzhou Zijun Residence (廣州紫郡府)	5,200,000,000.00	1,756,561,664.78	3,418,479,948.67
Shanghai Yulan Garden project (上海玉蘭花園)	11,112,000,000.00	2,954,483,869.39	3,467,193,183.78
Shanghai Zijun Mansion (上海紫郡公館)	1,970,000,000.00		87,086,530.64
Beijing China Residence (北京中國府)	10,812,644,856.00	6,996,201,598.23	6,818,419,355.12
Hainan Fuwan (海南福灣)	9,743,329,621.00	2,142,790,394.10	2,163,084,837.33
Nanjing China Residence project (南京中國府項目)	5,500,000,000.00	4,457,699,002.13	4,253,325,646.97
Hefei China Residence project (合肥中國府項目)	7,102,554,692.00	2,054,546,958.88	4,659,273,259.85
Gezhouba Jingkai Zijun Orchid Garden (葛洲壩經開紫郡蘭園)	1,634,810,000.00	535,573,779.55	646,278,340.54
Nanjing Zijun Orchid Court (南京紫郡蘭園)	9,400,000,000.00	1,016,724,562.37	2,147,944,510.03
Nanjing Zijun Residence project (南京紫郡府項目)	3,500,000,000.00		1,937,130,337.86
Shanghai Rose Mansion (上海玫瑰公館)	1,495,848,828.00		1,295,511,955.73
Hangzhou China Residence (杭州中國府)	9,543,230,000.00	5,557,618,828.96	5,047,153,280.57
Suzhou Intimate Hill Villa (蘇州知丘別墅)	1,593,230,000.00	1,049,497,986.96	943,911,606.15
Beijing Zijun Orchid Court (北京紫郡蘭園)	7,803,625,627.00	6,889,435,047.58	6,376,973,543.60
Chongqing Royal Lake Orchid Court (重慶御湖蘭園)	2,276,567,924.69	982,995,338.26	375,102,306.35

Name of project	Estimated total investment	Closing balance for the year	Opening balance for the year
Nanjing Orchid Garden (南京鼓悅蘭園)	4,851,330,000.00	3,452,129,482.93	3,231,973,309.09
Gecheng Shui'an Garden project (葛城水岸花園)	17,406,532,517.00	4,852,027,784.97	
Total		44,758,144,702.45	46,928,700,355.64

2 Development of products

Name of project	Date of completion	Closing balance for the year	Opening balance for the year
Economically affordable housing of Jinxiuhuafu (錦繡華府)	2013/5/31	2,481,067.82	4,181,389.23
Economically affordable housing of Jinxiuhuating (錦繡華庭)	2013/5/31	2,293,140.14	2,293,140.14
Phase I of Jinxiutianxia (錦繡天下一期)	2006/6/28	23,664,624.27	23,948,997.23
Jiuxiujiaoyuan (錦繡嘉苑)	2008/5/16	12,256,067.72	12,256,067.72
Jiahong No. 5 building (佳鴻5#樓)	2013/12/31	4,208,863.99	4,208,863.99
Jinxiuhuafu (錦繡華府)	2013/12/27	905,539.69	905,539.69
Jinxiuhuating (錦繡華庭)	2014/09/30	18,259,614.24	24,319,675.90
Jiuxiuxingcheng (錦繡星城)	2017/06/05	47,256,932.11	46,876,932.11
North area of CGGC International Plaza (葛洲壩國際廣場北區)	2011/12/20	82,063,394.47	87,490,167.18
Zone B1 of Gezhouba Century Garden (葛洲壩世紀花園B1區)	2010/12/20	23,614,834.77	23,584,175.94
Zone B2 South Grouping of Gezhouba Century Garden (葛洲壩世紀花園B2區南組團)	2013/10/15		148,480.43
Gezhouba City Garden (葛洲壩城市花園)	2016/12/28	316,076,436.02	532,569,262.96
Zone B2 South Grouping of Gezhouba Century Garden (葛洲壩世紀花園B2區北組團)	2016/12/28		7,635,185.02
Gezhouba Beijing Zi Jun Mansion (葛洲壩北京紫郡府)	2015/01/04	51,143,369.61	51,690,242.25
Gezhouba Beijing China Residence (北京中國府)	2020/01/30	26,943,756.28	
Hefei China Residence Phase I (合肥中國府一期)	2020/06/30	681,562,522.00	
Hefei Zijun Residence (合肥紫郡府)	2020/12/31	550,733,194.00	
Shanghai Zhen Garden project (上海臻園項目)	2014/12/2	18,990,017.37	22,328,925.73
Shanghai Zijun Mansion (上海紫郡公館)	2019/03/21	96,438,650.59	
Shanghai Rose Mansion (上海玫瑰公館)	2020/09/29	199,479,509.98	
Chengdu Zijun Orchid Court (成都紫郡蘭園)	2019/9/30	85,399,791.27	248,761,881.29
Gezhouba Weike Mansion (葛洲壩微客公館)	2017/12/31	4,009,254.03	7,462,704.59
Beijing Jade Mansion (北京西宸原著)	2016/12/30	174,044,217.84	486,076,667.61
Xinjiang CEEC Building (新疆能建大廈)	2015/12/30	13,109,967.48	36,314,988.12
Gezhouba Runjing International (葛洲壩潤景國際)	2016/7/17	97,513,074.52	96,850,877.91
Gezhouba•Long Mansion (葛洲壩•玖隴府)	2018/12/31	77,072,561.90	113,456,758.28
Wuhan Jingkai Zijun Orchid Garden (武漢經開紫郡蘭園)	2020/08/30	4,317,467.20	
Nanjing Zijun Orchid Court (南京紫郡蘭園)	2019/9/20	130,342,721.22	138,396,427.27
Nanjing Zijun Orchid Court (南京紫郡蘭園)	2020/12/14	1,891,893,213.34	260,133,666.44
Total		4,636,073,803.87	2,231,891,017.03

(2) *Provision for inventory impairment*

Item	Book balance	Increase for the period		Decrease for the period		Closing balance
		Provision	Other	Reversal or write-off	Others	
Raw materials	4,556,380.24	1,674,816.82		4,507,545.79		1,723,651.27
Turnover materials	4,383,299.18					4,383,299.18
Finished goods	118,996,955.06			25,614,478.06		93,382,477.00
Total	127,936,634.48	1,674,816.82		30,122,023.85		99,489,427.45

(3) *The balance of capitalised interests of inventories as at the end of the period was RMB4,100,984,942.30, of which the capitalised amount for the period was RMB735,074,079.66.*

(4) *The secured amount of inventories as at the end of the period was RMB17,291,459,794.00. For details please refer to Note VI. 66. "Assets with restrictive ownership title or right of use".*

(5) *Certain inventories owned by Gezhouba Huanjia were stored in sites, which were leased from Huanjia Group Co., Ltd. (環嘉集團有限公司). In 2019, as Huanjia Group Co., Ltd. (環嘉集團有限公司) involved in litigation, the above-mentioned sites and supplies stored thereon (including inventories legally owned and stored in these sites by Gezhouba Huanjia with a book value of RMB708,193,800) were seized by court orders for enforcement. On 31 December 2020, the inventory has not been released yet.*

8. **Contract Assets**(1) *Classification of contract assets*

Item	Closing balance		
	Book balance	Provision for impairment	Carrying value
Contract assets	19,863,773,637.89	255,674,671.62	19,608,098,966.27
Total	19,863,773,637.89	255,674,671.62	19,608,098,966.27

Item	Opening balance		
	Book balance	Provision for impairment	Carrying value
Contract assets	18,354,911,152.97	119,451,704.73	18,235,459,448.24
Total	18,354,911,152.97	119,451,704.73	18,235,459,448.24

(2) *Provision for impairment of contract assets*

Item	Provision for the period	Reversal for the period	Reversal/write-off for the period	Reason
Contract assets	169,529,196.56	33,306,229.67		Settle
Total	169,529,196.56	33,306,229.67		

9. Non-current Assets Due within One Year

Items	Closing balance	Opening balance	Remark
Long-term receivables due within one year	861,703,137.61	955,575,777.23	
Other non-current assets due within one year	1,064,499.70	1,226,308.96	
Total	862,767,637.31	956,802,086.19	

Long-term receivables due within 1 year:

Item	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Receivables from BT projects	110,866,594.23		155,733,935.35	
Receivables from BOT projects	744,848,809.00		791,146,600.87	
Long-term receivables for construction works	5,987,734.38		8,695,241.01	
Total	861,703,137.61		955,575,777.23	

10. Other Current Assets

Item	Closing balance	Opening balance
Prepaid taxes	4,135,885,020.32	3,750,526,688.08
Others	3,729,712.95	4,844,202.26
Total	4,139,614,733.27	3,755,370,890.34

11. Long-term Receivables

(1) Long-term receivables

Item	Closing balance		Carrying amount	Range of discount rate
	Book balance	Provision for bad debts		
BT projects	1,684,781,291.43		1,684,781,291.43	
BOT projects	9,993,792,353.75		9,993,792,353.75	
Long-term receivables for construction works	2,425,576,729.32		2,425,576,729.32	
Relocation compensation	150,000,000.00	120,000,000.00	30,000,000.00	
Total	14,254,150,374.50	120,000,000.00	14,134,150,374.50	-

Item	Opening balance		Carrying amount	Range of discount rate
	Book balance	Provision for bad debts		
BT projects	1,823,738,554.03		1,823,738,554.03	
BOT projects	10,688,754,046.36		10,688,754,046.36	
Long-term receivables for construction works	3,021,779,923.61	48,024,961.34	2,973,754,962.27	
Relocation compensation	150,000,000.00	30,000,000.00	120,000,000.00	
Total	15,684,272,524.00	78,024,961.34	15,606,247,562.66	-

(2) *Provision for impairment*

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit-impaired)	Total
Provision for bad debts				
Balance as at 1 January 2020	78,024,961.34			78,024,961.34
Book balance of long-term receivables for the period as at 1 January 2020				
- Transferred to stage 2				
- Transferred to stage 3				
- Reversed to stage 2				
- Reversed to stage 1				
Provision for the period	101,927,239.08			101,927,239.08
Reversal for the period	316,005.00			316,005.00
Write-off for the period	59,636,195.42			59,636,195.42
Cancellation for the period				
Other changes				
Balance as at 31 December 2020	120,000,000.00			120,000,000.00

12. Long-term Equity Investments

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period			Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid		
1. Joint ventures									
Gezhouba Jianxin (Wuhan) Investment Fund Management Co., Ltd. (葛洲壩建信(武漢)投資基金管理有限公司)	5,010,967.40						5,010,967.40		
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (南州葛洲壩城北快速路投資建設有限公司)	1,316,000,000.00	416,010,000.00					1,732,010,000.00		
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	486,960,000.00	172,900,000.00					659,860,000.00		
Nansha International Financial Island (Guangzhou) Co., Ltd. (南沙國際金融島(廣州)有限公司)		613,265,026.67					613,265,026.67		
Gezhouba Urban Development Co., Ltd. (葛洲壩城市發展有限公司)		26,000,000.00					26,000,000.00		
Jiangsu Environment Gezhouba Water (Yangxi) Co., Ltd. (建蘇環境葛洲壩水務(陽西)有限公司)		35,556,000.00					35,556,000.00		
Gezhouba Lingnan (Yancheng Tingchu) Water Treatment Co., Ltd. (葛洲壩嶺南(鹽城亭湖)水治理有限公司)		97,331,500.00					97,331,500.00		
Gezhouba Energy Sales Co., Ltd. (葛洲壩能源銷售有限公司)		25,500,000.00		-2,847,548.56			22,652,451.44		
Yichang Miaozui Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	93,300,000.00						93,300,000.00		

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period			Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid		
Beijing Zongheng Wuzhou Management Consulting Co., Ltd. (北京縱橫五洲管理諮詢有限公司)	4,501,436.25			45,121.75				4,546,558.00	
Guangzhou Rumao Real Estate Development Co., Ltd. (廣州市如茂房地產開發有限公司)	1,047,411,924.05			165,111,662.03		213,590,617.03		850,332,969.05	
Guangzhou Zhengjin Real Estate Development Co., Ltd. (廣州市正林房地產開發有限公司)	1,466,453,733.04			105,720,028.01		409,150,000.00		1,163,023,761.05	
Yunnan Gezhoubu Xuanyang Expressway Development Co., Ltd. (雲南葛州樞紐暢通高速公路開發有限公司)		355,000,000.00					355,000,000.00	710,000,000.00	
Chengdu China Construction Win No. 7 Infrastructure Investment Center (Limited Partnership) (成都中建共贏七號基建設投資中心(有限合伙))		48,000,000.00						48,000,000.00	
Subtotal	4,419,638,060.74	1,789,362,526.67		119,429,263.23		622,740,617.03	355,000,000.00	6,060,689,233.61	
II. Associates	1,107,439,066.34			80,164,851.28	-27,972.00	212,331.34		1,126,025,892.28	
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	424,349,217.48			-61,238,801.43				363,110,416.05	
Chongqing Jiangqi Highway Co., Ltd. (重慶江綦高速公路有限公司)	218,088.31			-5,022.33				213,065.98	
Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限公司)	653,461.72			133,340.74		36,430.00		750,372.46	
Subtotal	512,251,342.16			178,018,921.83				690,270,263.99	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period			Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid		
Chongqing Gezhoubu Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創築業有限公司)	591,188,445.17			17,061,897.39			253,531,900.00	354,718,432.56	
Beijing Franshon Gezhoubu Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	605,585,739.07			108,580,781.44				714,166,520.51	
Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	1,427,637.76			- 740,659.14				686,978.62	
Yichang High-tech Landscaping Co., Ltd. (宜昌高新園林綠化有限公司)	8,114,586.41			- 1,778,999.05				6,335,587.36	
Wuhan China Resources Land Gezhoubu Real Estate Co., Ltd. (武漢漢華置業地產葛洲壩置業有限公司)	1,179,419,841.01			- 110,945.18				1,179,308,895.83	
Gezhoubu Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司)	77,285,700.00							77,285,700.00	
Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	50,000,000.00							50,000,000.00	
Panzhou Hongcau Gezhoubu Project Management Co., Ltd. (鹽州市宏財葛洲壩項目管理有限公司)	900,000.00							900,000.00	
Gezhoubu (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	222,500,000.00							222,500,000.00	
Gezhoubu (Luzhou) Yangze River Sixth Bridge Investment Co., Ltd. (葛洲壩(廬州)長江六橋投資有限公司)	25,000,000.00							25,000,000.00	
Gezhoubu Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	1,500,000.00							1,500,000.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period			Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid		
China Overseas Infrastructure Development and Investment Corporation Limited (中國海外基礎設施開發投資有限公司)	330,951,098.24			7,562,597.82				338,513,696.06	
Yueyang Three Gorges Water Environment Comprehensive Management Co., Ltd. (岳陽市三峽水環境綜合治理有限責任公司)	24,000,000.00	45,254,000.00						69,254,000.00	
Jiaozuo City Gezhouba China Railway 19th Bureau Ecological Governance Construction Company (焦作市葛洲壩中鐵十九局生態治理建設運營有限公司)	76,212,705.00							76,212,705.00	
Three Gorges Riqing Maoping River Ecological Treatment (Zigui) Co., Ltd. (三峽日清茅坪河生態治理(務歸)有限公司)	10,000,000.00	10,000,000.00						20,000,000.00	
Xinjiang Gezhouba Dashiya Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	65,000,000.00	175,000,000.00						240,000,000.00	
Xinjiang Gezhouba Qiabab Water Conservancy Project Development Co., Ltd. (新疆葛洲壩喬巴特水利樞紐工程開發有限公司)	124,950,000.00	115,000,000.00						239,950,000.00	
Gezhouba Huaihe Development Co., Ltd. (葛洲壩淮河流域發展有限公司)		371,899,905.80						371,899,905.80	
Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司)	4,405,950.00	4,405,950.00						8,811,900.00	
Gezhouba Running (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	27,817,302.93			- 3,555,845.63				24,261,457.30	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period	Cash dividends or profits declared and paid	Provision for impairment	Others	Closing balance	Closing balance of provision for impairment
Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	63,075,300.30			- 10,058,466.63					53,016,833.67	
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨韓高速公路有限公司)	779,972,050.89			- 106,404,579.50					673,567,471.39	
Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩濰州高速公路有限公司)	1,224,159,183.00			- 61,100,234.84					1,163,058,948.16	
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	795,781,580.23	103,384,615.38		- 44,033,015.89					855,133,179.72	
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國祿水環境治理投資建設有限公司)	161,500,000.00								161,500,000.00	
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武漢)投資建設有限公司)	19,640,000.00								19,640,000.00	
Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	34,443,420.93			- 2,134,522.07					32,308,898.86	
Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	354,665,616.19		247,500,000.00	68,421,438.04		137,500,000.00			38,087,054.23	
Gezhouba (Yantai) Real Estate Development Co., Ltd. (葛洲壩(煙臺)房地產開發有限公司)		17,000,000.00		- 7,746,396.85					9,253,603.15	
Gezhouba Nanjing Property Development Co., Ltd. (葛洲壩(南京)房地產開發有限公司)	30,404,675.16			- 1,755,332.12					28,649,343.04	
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃甯石高速公路有限公司)	1,950,000,000.00	363,000,000.00							2,313,000,000.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period			Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid		
Gezhouba (Huzhou) Jiangqian Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	5,000,000.00							5,000,000.00	
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宜楊高速公路開發有限公司)	355,000,000.00								-355,000,000.00
Pingtan Gezhouba (Shenzhen) Expressway Investment Partnership Company (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	1,725,824,658.99	565,534,880.89		-186,420.98				2,290,937,118.90	
Shenzhen Qihua Infrastructure Construction Investment Partnership (Limited Partnership) (深圳啟華基礎設施建設投資合夥企業(有限合夥))		90,000,000.00						90,000,000.00	
Shenzhen Anshun Transportation Facilities Construction Investment Partnership (Limited Partnership) (深圳安順交通設施建設投資合夥企業(有限合夥))		99,955,301.37						99,955,301.37	
Baite No.6 (Shenzhen) Investment Partnership Enterprise (Limited Partnership) (百利六號(深圳)投資合夥企業(有限合夥))		91,000,000.00						91,000,000.00	
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	120,000,000.00	755,000,000.00						875,000,000.00	
Hubei Huangshi Wuyang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)	245,000,000.00							245,000,000.00	
Guangdong Gezhouba Zhaoming Expressway Co., Ltd. (廣東葛洲壩肇明高速公路有限公司)		315,570,000.00						315,570,000.00	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period			Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared and paid		
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	191,577,785.40			- 9,735,063.34			9,422,722.06		
Wuhan Gezhouba Longshu Property Development Co., Ltd. (武漢葛洲壩龍澗房地產開發有限公司)	2,466,108,524.05			- 9,751,956.00			2,456,356,568.05		
Liuzhou Changming Blasting Co., Ltd. (柳州市長寧爆破有限公司)				342,143.55		725,242.73	1,067,386.28		
Guangxi Hezhou Hewei Civil Explosives Sales Co., Ltd. (廣西賀州市賀威民用爆炸物品銷售有限公司)				- 707,721.44		5,887,152.24	5,179,430.80		
Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)	8,000,000.00			- 1,512,660.39			6,487,339.61		
Huadian Huayuan Artificial Environment Engineering Co., Ltd. (華電華源人工環境工程有限公司)	518,691.68						518,691.68		
Subtotal	16,390,645,633.33	4,882,954,653.44	247,500,000.00	108,262,475.54	- 27,972.00	212,331.34	20,333,328,261.94		
Total	20,810,283,694.07	6,672,317,180.11	247,500,000.00	227,691,738.77	- 27,972.00	212,331.34	26,394,017,495.55		

13. Other Equity Instrument Investment*(1) Other equity instrument investment*

Item	Closing balance	Opening balance
Investment in equity of listed companies	1,141,384,876.80	970,177,145.28
Total	1,141,384,876.80	970,177,145.28

(2) Information of non-trading equity instrument investment

Item	Dividend income recognized in the period	Accumulated gains	Accumulated losses	Amounts transferred to retained earnings from other comprehensive income	Reasons designated to be measured at fair value through other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
Changjiang Securities	20,381,872.80	937,440,580.30			Non-trading equity	
Instrument investment						
Total	20,381,872.80	937,440,580.30				

14. Other Non-current Financial Assets

Item	Closing balance	Opening balance
Classified as financial assets at fair value through profit or loss	6,488,116,910.82	5,375,588,446.33
Including: Investments in equity instruments	5,725,734,565.61	4,826,441,863.75
Investments in trust products	762,382,345.21	549,146,582.58
Total	6,488,116,910.82	5,375,588,446.33

Note: Except for investment in equity of listed companies, the investment in equity instruments of the Company includes other non-current financial assets and its change in fair value was included in gains or losses from change in fair value. As the end of 2020, the fair value of other non-current financial assets at the end of the period was assessed and the change in fair value of RMB546,042,965.77 for the period was included in gains or losses from change in fair value. Please refer to Note VI “ (57) Gains or losses from change in fair value”.

15. Investment Properties*(1) Investment properties measured at cost*

Item	Buildings and structures	Total
I. Original carrying amount		
1. Opening balance	214,956,776.60	214,956,776.60
2. Increase for the period	18,686.28	18,686.28
(1) Transfer from fixed assets		
(2) Transfer from inventories	18,686.28	18,686.28
3. Decrease for the period	21,782,956.72	21,782,956.72
(1) Transferred to fixed assets	21,782,956.72	21,782,956.72
4. Closing balance	193,192,506.16	193,192,506.16
II. Accumulated depreciation and accumulated amortisation		
1. Opening balance	20,828,838.94	20,828,838.94
2. Increase for the period	5,270,318.03	5,270,318.03
(1) Provision or amortisation	5,270,318.03	5,270,318.03
3. Decrease for the period	3,641,277.10	3,641,277.10
(1) Transferred to fixed assets	3,641,277.10	3,641,277.10
4. Closing balance	22,457,879.87	22,457,879.87
III. Provision for impairment		
IV. Carrying amount		
1. Closing carrying amount	170,734,626.29	170,734,626.29
2. Opening carrying amount	194,127,937.66	194,127,937.66

16. Fixed Assets

Item	Closing balance	Opening balance
Fixed assets	18,141,965,323.83	17,035,725,119.67
Disposal of fixed assets	17,823,645.92	18,044,825.86
Total	18,159,788,969.75	17,053,769,945.53

*(1) Fixed assets**1 Fixed assets*

Item	Buildings and structure	Machinery and equipment	Transportation tools	Electronic equipment	Others	Closing balance
I. Original carrying amount						
1. Opening balance	12,742,173,268.63	9,988,389,794.48	1,907,574,855.37	756,296,616.67	798,617,986.13	26,193,052,521.28
2. Increase for the period	1,024,512,660.62	1,444,078,337.58	226,541,396.99	91,739,408.69	112,102,660.87	2,898,974,464.75

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Buildings and structure	Machinery and equipment	Transportation tools	Electronic equipment	Others	Closing balance
(1) Purchase	132,976,931.28	782,204,829.55	196,793,388.12	45,696,619.03	40,006,983.01	1,197,678,750.99
(2) Transferred from construction in progress	701,997,221.51	584,853,795.47	1,415,584.38	37,588,442.28	71,034,129.77	1,396,889,173.41
(3) Increase due to business combinations	139,179,901.48	76,956,757.41	28,225,974.61	8,281,767.94	825,201.71	253,469,603.15
(4) Effect of change in exchange rates	28,499,996.67	62,955.15	106,449.88	172,579.44	236,346.38	29,078,327.52
(5) Others	21,858,609.68					21,858,609.68
3. Decrease for the period	32,296,839.09	437,949,262.83	104,366,913.80	38,364,765.25	26,023,340.38	639,001,121.35
(1) Disposal or retirement	36,675,535.73	347,310,184.72	84,082,514.05	22,632,608.21	17,671,086.42	508,371,929.13
(2) Decrease due to disposal of subsidiaries						
(3) Effect of change in exchange rates	482,100.00	81,963,414.21	40,744,888.77	1,835,637.65	4,161,308.50	129,187,349.13
(4) Others	- 4,860,796.64	8,675,663.90	- 20,460,489.02	13,896,519.39	4,190,945.46	1,441,843.09
4. Closing balance	13,734,389,090.16	10,994,518,869.23	2,029,749,338.56	809,671,260.11	884,697,306.62	28,453,025,864.68
II. Accumulated depreciation						
1. Opening balance	2,505,797,440.71	4,934,990,053.90	1,054,301,709.04	379,984,561.65	273,097,219.75	9,148,170,985.05
2. Increase for the period	419,189,727.95	744,887,458.02	197,518,180.73	65,934,851.40	129,539,657.18	1,557,069,875.28
(1) Provision	368,893,290.52	709,207,363.25	179,822,263.02	59,297,968.08	128,843,230.63	1,446,064,115.50
(1) Transfer-in due to acquisition of subsidiaries	46,655,185.91	35,399,532.64	16,730,594.15	6,575,634.07	611,739.21	105,972,685.98
(2) Effect of change in exchange rates	- 25.58	280,562.13	965,323.56	61,249.25	84,687.34	1,391,796.70
(4) Others	3,641,277.10					3,641,277.10
3. Decrease for the period	16,514,301.96	286,927,121.10	64,946,937.76	19,018,700.27	14,844,820.27	402,251,881.36
(1) Disposal or retirement	17,897,665.04	232,240,741.80	71,631,928.22	16,559,044.04	14,889,750.76	353,219,129.86
(2) Decrease due to disposal of subsidiaries						
(3) Effect of change in exchange rates		38,066,940.46	6,374,948.94	1,340,661.72	3,250,200.38	49,032,751.50
(4) Others	- 1,383,363.08	16,619,438.84	- 13,059,939.40	1,118,994.51	- 3,295,130.87	
4. Closing balance	2,908,472,866.70	5,392,950,390.82	1,186,872,952.01	426,900,712.78	387,792,056.66	10,302,988,978.97
III. Provision for impairment						
1. Opening balance	2,303,655.99	6,837,718.81	4,678.00	10,363.76		9,156,416.56
2. Increase for the period	5,701,688.46					5,701,688.46
(1) Provision	5,701,688.46					5,701,688.46
3. Decrease for the period	6,786,015.14		528.00			6,786,543.14
(1) Disposal or retirement	6,786,015.14		528.00			6,786,543.14
4. Closing balance	1,219,329.31	6,837,718.81	4,150.00	10,363.76		8,071,561.88
IV. Carrying amount						
1. Closing carrying amount	10,824,696,894.15	5,594,730,759.60	842,872,236.55	382,760,183.57	496,905,249.96	18,141,965,323.83

Item	Buildings and structure	Machinery and equipment	Transportation tools	Electronic equipment	Others	Closing balance
2. Opening carrying amount	10,234,072,171.93	5,046,562,021.77	853,268,468.33	376,301,691.26	525,520,766.38	17,035,725,119.67

2 The Company has no fixed assets leased in through financial leases at the end of the period.

3 The Company has no pledges of fixed assets for current period.

(2) *Disposal of fixed assets*

Item	Closing balance	Opening balance
Fixed assets to be disposed upon approval	17,823,645.92	18,044,825.86
Total	17,823,645.92	18,044,825.86

17. **Construction in Progress**

Item	Closing balance	Opening balance
Construction in progress	1,464,000,681.46	24,249,852,146.02
Construction materials		
Total	1,464,000,681.46	24,249,852,146.02

(1) *Construction in progress*

1 *Construction in progress*

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Expansion and technological transformation project of Cement Company (水泥公司擴建、技改項目)	309,110,871.18		309,110,871.18	312,462,510.33		312,462,510.33
SK hydropower station project				4,868,081,021.32		4,868,081,021.32
Pakistan Azad Patan hydropower project (巴基斯坦阿扎德帕坦水電項目)	173,719,245.78		173,719,245.78	53,183,620.28		53,183,620.28
Yili Hydropower Station Project (伊犁水電站工程)	276,822,640.29		276,822,640.29	269,351,369.61		269,351,369.61
Hami Coal Mine Project (哈密煤礦項目)	117,596,947.11		117,596,947.11	115,382,682.72		115,382,682.72
Environmental protection business base project (環保業務基地項目)	181,486,341.82		181,486,341.82	211,590,319.92		211,590,319.92

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Closing balance			Opening balance		
	Book balance	Provision for		Book balance	Provision for	
		impairment	Carrying amount		impairment	Carrying amount
Expansion Project of Explosive Company (易普力公司擴建工程)	37,795,496.57		37,795,496.57	19,593,098.31		19,593,098.31
Manas river hydropower station (瑪納斯河水電站)	90,901,119.07		90,901,119.07	86,285,972.17		86,285,972.17
Office building	89,175,164.44		89,175,164.44	58,836,020.31		58,836,020.31
Xinjiang gas & oil station project (新疆加油氣站項目)	46,153,612.57		46,153,612.57	46,956,325.35		46,956,325.35
High-end equipment industrial park project (高端裝備產業園項目)	1,773,764.74		1,773,764.74	230,301,831.54		230,301,831.54
Pakistan Regional Dispatching Management Center (巴基斯坦區域調度管理中心)	49,073,301.20		49,073,301.20			
Production line of Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司)				765,682,007.43		765,682,007.43
Bazhong-Wanyuan expressway project				12,368,393,929.71		12,368,393,929.71
Water diversion construction project of Nandu River in Haikou City				1,470,787,375.01		1,470,787,375.01
Comprehensive treatment project of water environment of Zhupi river in Jingmen City (荊門市竹皮河水環境綜合治理)				1,421,106,107.80		1,421,106,107.80
Black and odorous water treatment project in Yuyong area, Tongzhou District, Beijing				276,839,366.50		276,839,366.50
Comprehensive Pipe Gallery of Hefei High- tech Zone (合肥高新區綜合管廊)				1,179,241,905.47		1,179,241,905.47
Yichang Xiling District Livelihood Improvement PPP Project (宜昌市西陵 區民生改善PPP項目)				118,248,684.42		118,248,684.42
Xiaogan Wet Station Square of Wuhan- Shiyan High-speed Railway/Greening and Lighting Project (漢十高鐵孝感西 站站前廣場/綠化亮化工程)				303,853,902.85		303,853,902.85
Others	90,392,176.69		90,392,176.69	73,674,094.97		73,674,094.97
Total	1,464,000,681.46		1,464,000,681.46	24,249,852,146.02		24,249,852,146.02

2 Changes in important projects under construction for the current period

Project name	Opening balance	Increase during the period	Transferred into fixed assets during the period	Other decrease during the period	Closing balance	Proportion of total project investment in the budget (%)	Progress of project	Accumulated capitalized interest	Including: capitalized interest for the period	Interest rate Of capitalization (%)	Source of fund
SK hydropower station project	4,868,081,021.32	1,379,653,954.56		6,247,734,975.88							Loans from financial institutions
Expansion and technological transformation project of Cement Company (水泥公司擴建、技改項目)	312,462,510.33	288,568,803.75	285,646,696.51	6,273,746.29	309,110,871.18						Self-owned funds
Production line of Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限公司)	765,682,007.43		765,682,007.43			37.24	37.24				Self-owned funds and loans from financial institutions
Yili Hydropower Station Project (伊犁水電站工程)	269,351,569.61	7,736,988.51	265,717.83		276,822,640.29	21.40	21.40				Self-owned funds
Pakistan Azad Patan hydropower project (巴基斯坦阿扎德帕坦水電項目)	55,183,620.28	120,535,625.50			173,719,245.78	1.65	1.65				Self-owned funds and loans from financial institutions
Environmental protection business base project (環保業務基地項目)	211,590,319.92	39,346,097.01	66,747,080.71	2,702,994.40	181,486,341.82			23,664,317.61	2,850,184.12	6.39	Self-owned funds and loans from financial institutions
High-end equipment industrial park project (高端裝備產業園項目)	230,301,831.54	16,134,859.58	244,150,735.83	512,190.55	1,773,764.74	80	80				Self-owned funds
Water diversion construction project of Nanu River in Haikou City	1,470,787,375.01	245,605,982.22		1,716,393,357.23							Capital contribution from shareholders and banks loans
Black and odorous water treatment project in Yuyong area, Tongzhou District, Beijing	276,839,366.50	10,714,730.95		287,554,097.45							Self-owned funds and loans from financial institutions
Bazhong-Wanyuan expressway project	12,368,393,929.71	4,331,676,715.69		16,700,070,645.40							Capital funds and project loans

Project name	Opening balance	Increase during the period	Transferred into fixed assets during the period	Other decrease during the period	Closing balance	Proportion of total project investment in the budget (%)	Progress of project	Accumulated capitalized interest	Including: capitalized interest for the period	Interest rate Of capitalization (%)	Source of fund
Comprehensive treatment PPP project of water environment of Zhupi river in Jieqimen City (荆门市竹皮河水环境综合治理PPP项目)	1,421,106,107.80	49,192,542.13		1,470,298,649.93							Self-owned funds and loans from financial institutions
Comprehensive Pipe Gallery of Hefei High-tech Zone (合肥高新區綜合管廊)	1,179,241,903.47	-7,266,209.64		1,171,975,693.83							Loans from financial institutions
Xianggan Wet Station Square of Wuhan-Shiyuan High-speed Railway/Greening and Lighting Project (漢十高鐵孝感西站站前廣場/綠亮化工程)	303,853,902.85	101,909,826.72		405,763,729.57							Self-owned funds and loans from financial institutions
Total	23,730,875,267.77	6,583,809,916.98	1,362,492,238.31	28,009,280,082.63	942,912,863.81			23,664,317.61	2,830,184.12		

The decrease in construction in progress was mainly due to the transfer of the completed PPP project such as Bazhong-Wanyuan expressway PPP project into intangible assets.

18. Right-of-use Assets

Item	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Others	Total
I. Original carrying amount						
1. Opening balance	17,276,499.22	866,478,364.66	16,471,933.03	2,045,020.64	90,000.00	902,361,817.55
2. Increase for the period	2,963,564.80	110,932,173.73	651,881.48	1,869,047.14	3,047,619.00	119,464,286.15
(1) Purchase	3,168,104.13	112,084,535.22	3,140,663.57	1,986,637.90	3,047,619.00	123,427,559.82
(2) Change in and adjustment of leases	- 204,539.33	- 392,134.70	- 2,488,782.09	- 46,109.17		- 3,131,565.29
(3) Effect of change in exchange rates		- 760,226.79		- 71,481.59		- 831,708.38
3. Decrease for the period		28,719,322.16				28,719,322.16
(2) Disposal or discontinued		28,719,322.16				28,719,322.16
4. Closing balance	20,240,064.02	948,691,216.23	17,123,814.51	3,914,067.78	3,137,619.00	993,106,781.54
II. Accumulated depreciation						
1. Opening balance	521,848.72	240,841,352.48	8,543,993.06	1,075,812.29	15,000.00	250,998,006.55
2. Increase for the period	1,357,895.77	264,291,679.32	4,907,160.56	1,155,759.19	1,523,762.04	273,236,256.88
(1) Provision for depreciation for current period	1,357,895.77	264,285,268.92	4,907,160.56	1,155,759.19	1,523,762.04	273,229,846.48
(2) Effect of change in exchange rates		6,410.40				6,410.40
3. Decrease for the period		7,699,749.99		15,012.29		7,714,762.28
(2) Disposal or discontinued		7,699,749.99		15,012.29		7,714,762.28
4. Closing balance	1,879,744.49	497,433,281.81	13,451,153.62	2,216,559.19	1,538,762.04	516,519,501.15
III. Provision for impairment						
IV. Net right-of-use assets						
(2) Closing balance	18,360,319.53	451,257,934.42	3,672,660.89	1,697,508.59	1,598,856.96	476,587,280.39
(2) Opening balance	16,754,650.50	625,637,012.18	7,927,939.97	969,208.35	75,000.00	651,363,811.00

19. Intangible Assets

(1) Intangible assets

Item	Land use rights	Patent rights	Non-patented				Others	Total
			technology	Software	Mining rights	Franchise right		
I. Original carrying amount								
1. Opening balance	3,516,006,688.46	154,207,925.95	186,897,367.32	73,244,896.45	343,723,815.75	10,447,634,489.20	186,803,127.27	14,908,518,310.40
2. Increase for the period	161,516,087.75	19,955,970.11	- 2,432,369.85	70,996,834.32	81,329,980.01	28,709,041,277.89	1,803,965.83	29,042,211,746.06
(1) Purchase	68,029,405.45	42,583.40	1,447,347.20	14,682,502.09	81,329,980.01	1,740,995.64	2,446,042.16	169,718,855.95
(2) Increase due to business combination	73,503,199.96	175,000.00					4,600.00	73,682,799.96
(3) Transferred from construction in progress	19,979,712.54					28,692,294,358.48		28,712,274,071.02
(4) Transferred from Development expenditure		19,729,186.71	36,531,871.81	15,265,267.04				71,526,325.56
(5) Others	3,769.80	9,200.00	- 40,411,588.86	41,049,065.19		15,005,923.77	- 646,676.33	15,009,693.57
3. Decrease for the period	2,232,526.37	1,145.00	-	808,087.49	12,795,171.04	104,992,941.65	246,728.16	121,076,599.71
(1) Disposal of subsidiaries								
(2) Disposal and retirement	657,526.37	1,145.00		761,042.10			246,728.16	1,666,441.63
(3) Others	1,575,000.00			47,045.39	12,795,171.04	104,992,941.65		119,410,158.08
4. Closing balance	3,675,290,249.84	174,162,751.06	184,464,997.47	143,433,643.28	412,258,624.72	39,051,682,825.44	188,360,364.94	43,829,653,456.75
II. Accumulated amortisation								
1. Opening balance	473,943,967.09	33,771,023.34	80,364,316.67	55,245,505.07	83,191,407.98	1,856,630,977.87	70,479,205.91	2,653,626,403.93
2. Increase for the period	92,571,223.05	18,391,888.65	12,959,287.92	36,015,994.22	44,816,607.58	282,590,684.70	- 4,208,841.60	483,136,844.52
(1) Provision	92,915,249.31	18,382,688.65	12,959,287.92	13,843,029.16	44,816,607.58	276,171,916.89	14,870,702.95	473,959,482.46
(2) Increase due to business combination	2,751,545.49							2,751,545.49
(3) Others	- 3,095,571.75	9,200.00		22,172,965.06		6,418,767.81	- 19,079,544.55	6,425,816.57
3. Decrease for the period	322,146.03	1,145.00		590,059.48	7,698,219.21		230,398.80	8,841,968.52
(1) Disposal of subsidiaries								
(2) Disposal and retirement	322,146.03	1,145.00		561,832.86			230,398.80	1,115,522.69
(3) Others				28,226.62	7,698,219.21			7,726,445.83
4. Closing balance	566,193,044.11	52,161,766.99	93,323,604.59	90,671,439.81	120,309,796.35	2,139,221,662.57	66,039,965.51	3,127,921,279.93
III. Provision for impairment								
1. Opening balance								
2. Increase for the period								
3. Decrease for the period								
4. Closing balance								
IV. Carrying amount								
1. Closing carrying amount	3,109,097,205.73	122,000,984.07	91,141,392.88	52,762,203.47	291,948,828.37	36,912,461,162.87	122,320,399.43	40,701,732,176.82
2. Opening carrying amount	3,042,062,721.37	120,436,902.61	106,533,050.65	17,999,391.38	260,532,407.77	8,591,003,511.33	116,323,921.36	12,254,891,906.47

(2) For details of intangible assets with restrictive ownership title or right of use, please refer to Note VI. 66. "Assets with restrictive ownership title or right of use".

20. Development Expenditure

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Internal development expenditure	Others	Recognized as intangible assets	Transferred to profit or loss for the period	
Informatisation construction	51,002,446.33	8,079,137.72		15,265,267.04		43,816,317.01
Civil explosives and blasting service technology development	138,964,262.76	72,931,335.70		53,992,797.74	82,354,125.29	75,548,675.43
Highway Intelligent Maintenance Management Platform	2,268,260.78			2,268,260.78		
Others		41,666,483.16			41,666,483.16	
Total	192,234,969.87	122,676,956.58		71,526,325.56	124,020,608.45	119,364,992.44

21. Goodwill**(1) Original carrying amount of goodwill**

Name of investee or matters resulting in goodwill	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Arising from business combination	Others	Disposal		
Guazhou Liyang New Energy Co., Ltd. (瓜州聯洋新能源有限責任公司)	1,524,474.09					1,524,474.09
Weifang Lixin Energy Co., Ltd. (濰坊利鑫能源有限公司)	18,033,713.44					18,033,713.44
Gezhouba Oil & Natural Gas Engineering Co., Ltd. (葛洲壩石油天然氣工程有限公司)	6,686,266.30					6,686,266.30
China Gezhouba Group Xinjiang Oil & Gas Co., Ltd.	305,965.88					305,965.88
Suki Hydro (Private) Limited	59,669,547.61					59,669,547.61
Dubai Global Power Investment Co., Ltd.	9,604,335.04					9,604,335.04
Gezhouba Water Affairs (Laiwu) Co., Ltd. (葛洲壩水務(萊蕪)有限公司)	150,536,452.24					150,536,452.24
Gezhouba Water Affairs (Dazhou) Co., Ltd. (葛洲壩水務(達州)有限公司)	12,207,136.09					12,207,136.09
Tianjin Binhai New Area Tanggu Huanke Xinhe Wastewater Treatment Co., Ltd. (天津濱海新區塘沽環科新河污水處理有限公司)	11,500,688.19					11,500,688.19

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Name of investee or matters resulting in goodwill	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Arising from business combination	Others	Disposal		
Tianjin Binhai New Area Dagang Huanke Lantian Wastewater Treatment Co., Ltd. (天津濱海新區大港環科藍天污水處理有限公司)	9,396,895.78					9,396,895.78
Gezhouba Water Affairs (Huantai) Co., Ltd. (葛洲壩水務(桓台)有限公司)	9,359,248.50					9,359,248.50
Jinshi Haichuanda Water Affairs Co., Ltd. (津海市海川達水務有限公司)	618,232.91					618,232.91
Anxiang Haichuanda Water Affairs Co., Ltd. (安鄉縣海川達水務有限公司)	1,398,388.90					1,398,388.90
Gezhouba Water Affairs (Yueyang) Co., Ltd. (葛洲壩水務(岳陽)有限公司)	11,691,653.46					11,691,653.46
Gezhouba Water Affairs (Xiangyin) Co., Ltd. (葛洲壩水務(湘陰)有限公司)	11,094,363.20					11,094,363.20
Anhua Haichuanda Water Affairs Co., Ltd. (安化縣海川達水務有限公司)	10,126,025.67					10,126,025.67
Lianyuan Haichuanda Water Affairs Co., Ltd. (漣源市海川達水務有限公司)	6,604,661.02					6,604,661.02
Qiyang Haichuanda Water Affairs Co., Ltd. (祁陽縣海川達水務有限公司)	1,649,563.60					1,649,563.60
Danjiangkou Zhonghe Water Purification Co., Ltd. (丹江口市中和水質淨化有限 公司)	81,081,980.93					81,081,980.93
Gezhouba Water Affairs (Lingbao) Co., Ltd. (葛洲壩水務(靈寶)有限公司)	54,124,412.31					54,124,412.31
Gezhouba Water Affairs (Qinyang) Co., Ltd. (葛洲壩水務(沁陽)有限公司)	60,559,325.54					60,559,325.54
Gezhouba Water Affairs (Binzhou) Co., Ltd. (葛洲壩水務(濱州)有限公司)	78,027,130.55					78,027,130.55
Gezhouba Water Affairs (Huanggang) Co., Ltd. (葛洲壩水務(黃岡)有限公司)	40,447,274.76					40,447,274.76
Gezhouba Water Affairs Zibo Boshan Co., Ltd. (葛洲壩水務淄博博山有限公司)	2,856,456.63					2,856,456.63
Tianjin Jinnan District Huanke Sewage Treatment Co., Ltd. (天津市津南區環科 污水處理有限公司)	1,007,114.12					1,007,114.12
Gezhouba Water Affairs Zibo Zichuan Co., Ltd. (葛洲壩水務淄博淄川有限 公司)	1,627,026.71					1,627,026.71

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Name of investee or matters resulting in goodwill	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Arising from business combination	Others	Disposal		
Gezhouba Water Affairs (Baoding) Co., Ltd. (葛洲壩水務(保定)有限公司)	62,084,823.92					62,084,823.92
Gezhouba Water Affairs (Zhangjiakou) Co., Ltd. (葛洲壩水務(張家口)有限公司)	7,044,547.00					7,044,547.00
Gezhouba Water Affairs (Dingzhou) Co., Ltd. (葛洲壩水務(定州)有限公司)	1,584,023.68					1,584,023.68
Gezhouba Zhongxiang Cement Company Limited (葛洲壩鍾祥水泥有限公司)	653,761,832.15					653,761,832.15
Urumqi Civil Blasting Equipment Monopoly Co., Ltd. (烏魯木齊市民用 爆破器材專賣有限公司)	1,041,503.84					1,041,503.84
Pengzhou Branch of Sichuan Tongda Chemical Co., Ltd. (四川通達化工有限 責任公司彭州分公司)	97,988,616.23					97,988,616.23
Shandong Taishan Civil Explosive Co., Ltd. (山東泰山民爆有限公司)	2,130,607.73					2,130,607.73
Hunan Erhua Civil Explosive Co., Ltd. (湖南二化民爆有限公司)	6,398,960.31					6,398,960.31
Ningxia Tianchang Civil Explosive Co., Ltd. (寧夏天長民爆有限公司)	5,989,364.06					5,989,364.06
Chongqing Lineng Civil Explosive Equipment Co., Ltd. (重慶力能民爆 器材有限公司)	329,986.22					329,986.22
Liaoyuan Zhuoli Petrochemical Co., Ltd. (遼源卓力化工有限公司)	7,459,989.24					7,459,989.24
Lixian Erhua Civil Explosive Equipment Co., Ltd. (禮縣二化民爆器材有限責任 公司)	791,139.94					791,139.94
Gezhouba Explosive Stock Co., Ltd.	1,000,000.00					1,000,000.00
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環 境工程有限公司)	40,254,722.32					40,254,722.32
Gezhouba Epuli Guangxi Weiqi Chemical Co., Ltd. (葛洲壩易普力廣西威奇化工有 限責任公司)		356,235,267.72				356,235,267.72
Total	1,539,598,450.11	356,235,267.72				1,895,833,717.83

(2) Provision for impairment of goodwill

The goodwill acquired from business combination has been allocated to the asset group of relevant subsidiary for impairment testing of goodwill. The recoverable amount of the asset group which adopt the present value of the estimated future cash flows was determined based on cash flow projection in accordance to the 4-year financial budget approved by the management. After testing, the Company considered that goodwill has not been impaired and no provision impairment is required.

Key information on goodwill impairment test of Gezhouba Zhongxiang Cement Company Limited (葛洲壩鍾祥水泥有限公司):

- 1 Discount rate used in cash flow forecasting is 10.02% (2019: 10.50%).
- 2 Revenue growth rate used for cash flow forecasting is the growth rate of Gezhouba Zhongxiang Cement Company Limited (葛洲壩鍾祥水泥有限公司) for years 2021 to 2025 of 1.45%, -3.07%, -1.91%, 2.37% and 0.09%, respectively, and there will be no growth after 2026.
- 3 Gross profit margin is determined based on average gross profit margin of historical operating results and expectations for market development.

22. Long-term Deferred Expenses

Item	Opening balance	Increase for the period	Amortization amount		Closing balance
			Increase for the period	Other decrease	
Costs of improvements to fixed assets					
under operating leases	17,564,776.02	12,114,161.13	4,967,612.59		24,711,324.56
Insurance premiums	147,697,072.13	85,762,784.82	48,867,389.79		184,592,467.16
Rental fees	21,712,625.32	318,526.80	13,624,712.49	7,169,481.83	1,236,957.80
Others	237,736,685.14	124,543,078.81	68,805,919.81		293,473,844.14
Total	424,711,158.61	222,738,551.56	136,265,634.68	7,169,481.83	504,014,593.66

23. Deferred Tax Assets/Deferred Tax Liabilities**(1) Breakdown of deferred tax assets**

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment	898,026,192.28	164,667,335.60	685,272,600.92	133,970,063.61
Unrealized profit in intra-group transactions	3,386,694,550.23	779,624,590.60	2,719,470,201.24	679,867,550.32
Change in fair value of other non-current financial assets	11,886,833.20	2,971,708.30	11,886,833.20	2,971,708.30
Deductible losses	301,164,891.92	75,291,222.98		
Others	121,251,239.10	29,194,826.13	90,798,919.80	22,145,321.90
Total	4,719,023,706.73	1,051,749,683.61	3,507,428,555.16	838,954,644.13

(2) Breakdown of deferred tax liabilities

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Appraised asset appreciation of business combination not under common control	229,619,138.26	41,313,338.42	132,575,809.04	27,181,501.12
Difference of depreciation and taxation	3,707,597,468.17	902,349,630.81	3,380,539,324.09	822,757,963.79
Change in fair value of other equity instrument investments	937,440,580.22	140,616,087.04	766,232,848.70	114,934,927.31
Change in fair value of other non-current financial assets	1,133,339,187.84	170,099,878.60	584,473,724.84	87,671,058.73
Others	12,286,921.86	3,042,715.61	8,537,514.48	2,114,936.14
Total	6,020,283,296.35	1,257,421,650.48	4,872,359,221.15	1,054,660,387.09

(3) Breakdown of unrecognised deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	1,754,516,648.77	1,081,159,462.63
Deductible losses	8,021,993,719.33	6,006,608,252.17
Total	9,776,510,368.10	7,087,767,714.80

(4) *Deductible loss for which no deferred tax assets are recognised will become due in the following years*

Year	Closing balance	Opening balance	Remarks
2020		657,247,365.64	
2021	765,307,634.07	1,021,601,726.33	
2022	681,647,495.35	666,743,756.43	
2023	1,587,994,153.05	1,875,392,255.91	
2024	1,931,734,816.23	1,785,623,147.86	
2025	3,055,309,620.63		
Total	8,021,993,719.33	6,006,608,252.17	

24. **Other Non-current Assets**

Item	Closing balance		Opening balance			
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Temporary facilities	19,654,199.51		19,654,199.51	20,331,442.46		20,331,442.46
Prepaid taxes	153,656,954.41		153,656,954.41	120,027,854.76		120,027,854.76
Prepayments for equipment	6,374,500.00		6,374,500.00	9,511,993.45		9,511,993.45
Contract acquisition cost	43,612,681.27		43,612,681.27	40,460,309.43		40,460,309.43
VAT debit balance	28,065,025.35		28,065,025.35	16,309,798.84		16,309,798.84
Construction quality assurance fee	1,939,649,088.48		1,939,649,088.48			
Prepaid land premiums				18,340,000.00		18,340,000.00
Prepayments for investment				13,836,539.10		13,836,539.10
Others	11,930,104.91		11,930,104.91	23,546,270.99		23,546,270.99
Total	2,202,942,553.93		2,202,942,553.93	262,364,209.03		262,364,209.03

25. **Short-term Borrowings**

(1) *Classification of short-term borrowings*

Item	Closing balance	Opening balance
Secured borrowings	3,055,308,119.22	
Mortgaged loans		12,000,000.00
Credit loans	15,262,860,206.60	17,181,582,132.84
Total	18,318,168,325.82	17,193,582,132.84

Note: The balance of secured borrowings of RMB3,055,308,100 at the end of the period was obtained by discounting commercial acceptance bills.

(2) There were no overdue but unpaid short-term borrowings for current period.

26. Bills Payables

Type	Closing balance	Opening balance
Commercial acceptances	1,598,229,879.65	2,090,946,946.37
Bank acceptances	3,880,906,860.11	4,805,913,272.62
Total	5,479,136,739.76	6,896,860,218.99

Note: The overdue but unpaid bills payables as at 31 December 2020 amounted to RMB0 (31 December 2019: RMB0).

27. Trade Payables**(1) Breakdown of trade payables**

Item	Closing balance	Opening balance
Progress payments for constructions	22,002,111,082.58	20,628,597,745.41
Retention payable	3,982,480,931.83	3,480,309,757.01
Materials payable	9,689,037,343.66	8,869,160,841.45
Equipment payables	548,781,209.45	294,118,705.83
Service fees	1,985,798,103.30	1,504,388,250.49
Others	3,131,879,793.12	2,603,144,543.79
Total	41,340,088,463.94	37,379,719,843.98

(2) Major trade payables aged over one year

Item	Closing balance	Reason for unsettlement or carrying forward
Progress payments for constructions	1,519,871,413.79	Not at the contractual payment node
Retention payable	799,879,504.77	Not at the contractual payment node
Materials payable	586,499,813.47	Not at the contractual payment node
Total	2,906,250,732.03	–

28. Contract Liabilities

(1) Contract liabilities

Item	Closing balance	Opening balance
Advanced sales receipt from real estate business	15,464,480,329.84	13,029,718,387.56
Settled but uncompleted payments	2,681,006,261.20	3,188,632,403.57
Advanced receipts of construction raw materials	97,394,858.09	114,160,919.68
Advanced receipts of construction works	2,944,014,159.49	3,155,488,700.42
Advanced sales receipt from manufacturing of products	802,656,269.25	1,238,538,500.56
Others	358,261,110.81	267,850,073.86
Total	22,347,812,988.68	20,994,388,985.65

Breakdown of advanced sales receipt from real estate business was as follows:

Name of project	Closing balance	Expected date of completion	Percentage of presale
Hefei Gezhouba.Long Mansion (合肥葛洲壩·玖龍府)	16,594,199.00	2018-12-31	97.00%
CGGC International Plaza (葛洲壩國際廣場)	2,011,951.62	2011-12-20	100.00%
Xinjiang Headquarter Building and supporting residential project (新疆總部大廈及配套住宅項目)	11,958,415.55	2015-12-30	99.00%
Yili Gezhouba Runjing International (伊犁葛洲壩潤景國際)	5,300,211.55	2016-07-17	99.00%
Wuhan Gezhouba Sun City (武漢葛洲壩太陽城)	2,315,950.57	2013-06-30	70.00%
Shanghai Yulan Garden (上海玉蘭花園)	423,123,631.59	2024-6-30	83.00%
Yichang Jiuxiuxingcheng (宜昌錦繡星城)	437,895.05	2017-06-05	98.00%
Yichang Jinxiuhuafu (宜昌錦繡華府)	304,645.10	2013-05-31	98.00%
Hainan Fuwan project (海南福灣項目)	521,047,432.10	2019-12-31	75.00%
Beijing Jade Mansion (北京西宸原著)	51,044,854.29	2016-12-30	99.00%
Nanjing Zijun Orchid Court (南京紫郡蘭園)	818,122,743.75	2025-12-31	77.00%
Chengdu Zijun Orchid Court (成都紫郡蘭園)	107,100,381.80	2019-09-30	88.00%
Guangzhou Zijun Residence (廣州紫郡府)	635,785,663.00	2021-09-30	70.00%
Gecheng Shui'an Garaden project (葛城水岸花園項目)	118,175,982.00	2028-02-24	0.07%
Wuhan Jingkai Zijun Orchid Garden (武漢經開紫郡蘭園)	408,019,636.00	2021-06-30	95.00%
Hefei Binhu project (合肥濱湖項目)	2,043,384,940.19	2022-12-31	81.00%

Name of project	Closing balance	Expected date of completion	Percentage of presale
Shanghai Zijun Mansion (上海紫郡公館)	9,671,701.91	2019-03-21	88.61%
Beijing China Residence (北京中國府)	67,073,931.15	2022-04-30	0.41%
Nanjing China Residence (南京中國府)	2,485,834,389.25	2021-10-31	62.00%
Nanjing Zijun Residence (南京紫郡府)	626,422,306.12	2020-12-15	96.21%
Suzhou Intimate Hill Villa (蘇州知丘別墅)	268,233,615.00	2022-06-30	23.79%
Chongqing Royal Lake Orchid Court (重慶御湖蘭園)	86,641,488.00	2022-05-28	3.41%
Nanjing Orchid Garden (南京鼓悅蘭園)	710,653,403.00	2022-12-31	57.00%
Shanghai Rose Mansion (上海玫瑰公館)	2,879,584.00	2020-09-29	99.00%
Beijing Zijun Orchid Court (北京紫郡蘭園)	6,034,941,595.93	2021-05-10	69.00%
Phase I of Jinxiutianxia (錦繡天下一期)	172,690.48	2006-6-28	99.00%
Jiuxiujayuan (錦繡嘉苑)	229,934.33	2008-5-16	99.00%
Jiahong No. 5 building (佳鴻5#樓)	743,147.15	2013-12-31	99.00%
Zone B1 of Gezhouba Century Garden (葛洲壩世紀花園B1區)	1,125,429.15	2010-12-20	100.00%
Jinxiuhuating (錦繡華庭)	1,538,455.49	2014-9-30	99.00%
Gezhouba City Garden (葛洲壩城市花園)	3,590,125.72	2016-12-28	92.00%
Total	15,464,480,329.84		

(2) *Major advance receipts aged over one year*

Item	Closing balance	Reason for unsettlement or carrying forward
Advanced sales receipt from real estate business	470,034,816.76	The property has not been delivered
Advanced receipts of construction works	474,321,663.79	Advanced receipts of construction works
Total	944,356,480.55	—

29. Employee Benefits Payable**(1) Breakdown of employee benefits payable**

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term benefits	262,508,164.88	7,204,861,770.42	7,213,663,705.46	253,706,229.84
II. Post-employment benefits – defined contribution plans	17,492,386.38	603,425,561.01	603,577,799.11	17,340,148.28
III. Termination benefits	257,952.53	12,937,866.38	12,822,506.91	373,312.00
Total	280,258,503.79	7,821,225,197.81	7,830,064,011.48	271,419,690.12

(2) Breakdown of short-term benefits

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Wages, bonuses, allowances and subsidies	95,527,464.90	5,017,358,328.54	5,063,018,331.52	49,867,461.92
II. Employee welfare benefits		422,654,687.00	422,654,687.00	
III. Social insurance	8,108,705.95	377,446,324.67	378,626,422.46	6,928,608.16
Including: medical insurance	6,120,586.61	274,478,434.32	275,524,982.15	5,074,038.78
Work-related injury insurance	860,728.85	23,172,102.96	23,350,684.58	682,147.23
Maternity insurance	310,004.35	18,893,620.98	18,756,933.37	446,691.96
Supplementary medical insurance	817,386.14	60,902,166.41	60,993,822.36	725,730.19
4. Housing provident fund	8,243,366.41	536,983,984.35	537,884,271.30	7,343,079.46
5. Union and education funds	129,924,329.27	194,543,794.13	164,226,556.85	160,241,566.55
6. Others	20,704,298.35	655,874,651.73	647,253,436.33	29,325,513.75
Total	262,508,164.88	7,204,861,770.42	7,213,663,705.46	253,706,229.84

(3) *Breakdown of defined contribution plan*

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	9,301,183.22	311,224,380.69	310,303,298.33	10,222,265.58
2. Unemployment insurance	5,114,879.09	10,612,068.10	10,616,600.29	5,110,346.90
3. Enterprise annuity payment	3,076,324.07	281,589,112.22	282,657,900.49	2,007,535.80
Total	17,492,386.38	603,425,561.01	603,577,799.11	17,340,148.28

30. **Taxes Payable**

Item	Closing balance	Opening balance
Value-added tax (VAT)	1,427,226,330.51	842,755,036.48
Business tax		8,398,519.38
Corporate income tax (“CIT”)	1,410,151,564.39	1,254,850,474.99
Individual income tax	122,957,604.07	119,312,122.05
City maintenance and construction tax	41,603,220.11	23,829,102.77
Property tax	22,259,876.31	23,921,149.10
LAT	832,226,135.75	454,144,256.62
Education surcharges	30,688,386.60	23,328,354.02
Resources tax	5,777,468.87	6,629,793.18
Land use tax	11,312,490.66	11,301,772.52
Others	131,155,444.34	134,687,096.66
Total	4,035,358,521.61	2,903,157,677.77

31. **Other Payables**

Item	Closing balance	Opening balance
Interest payable	715,545,603.78	1,394,019,080.65
Dividends payable	560,959,457.84	481,314,603.58
Other payables	19,475,037,082.52	19,873,444,916.94
Total	20,751,542,144.14	21,748,778,601.17

Interests payable

Item	Closing balance	Opening balance
Interest from corporate bonds		358,207,455.62
Interest payable on borrowings	715,545,603.78	1,035,811,625.03
Total	715,545,603.78	1,394,019,080.65

(2) *Dividends payable*

Item	Closing balance	Opening balance
Dividend of ordinary shares	134,443,770.25	141,763,770.25
Dividend of preference shares/perpetual shares classified as equity instruments	426,515,687.59	339,550,833.33
Total	560,959,457.84	481,314,603.58

(3) *Other payables*1 *Other payables by nature*

Item	Closing balance	Opening balance
Retention money payable	5,287,268,472.02	5,401,910,818.68
Long-term assets purchase payable	86,757,065.78	58,085,161.94
Payment and collection clearance payables	524,336,647.37	255,811,412.03
Payables for advances	799,232,952.18	1,340,112,189.09
Earnest money from property sales	510,318,268.06	68,779,522.39
Current amount due to associates and joint ventures	9,336,667,312.74	9,632,636,166.40
Others	2,930,456,364.37	3,116,109,646.41
Total	19,475,037,082.52	19,873,444,916.94

2 *Other major trade payables aged over one year*

Item	Closing balance	Reason for unsettlement or carrying forward
Retention money payable	1,177,782,232.80	The project has not been completed, so the payment has not yet been settled
Others	1,274,244,467.27	Payables not due
Total	2,452,026,700.07	–

32. Non-current Liabilities Due within One Year

Item	Closing balance	Opening balance
Long-term borrowings due within one year	5,217,530,421.83	3,981,514,550.13
Bonds payable due within one year	8,767,552,865.71	770,600,000.00
Deferred income due within one year		122,400.00
Accrued liabilities due within one year		1,700,000.00
Lease liabilities due within one year	153,918,164.21	110,159,114.07
Long-term employee benefits payable due within one year	193,900,000.00	201,500,000.00
Total	14,332,901,451.75	5,065,596,064.20

(1) Long-term borrowings due within one year

Total	Closing balance	Opening balance
Secured borrowings	609,000,000.00	500,000,000.00
Mortgaged loans	660,500,000.00	1,318,040,000.00
Guaranteed borrowings	2,099,030,421.83	523,274,550.13
Credit loans	1,849,000,000.00	1,640,200,000.00
Total	5,217,530,421.83	3,981,514,550.13

- The balance of secured borrowings amounted to RMB609,000,000, in particular, Gezhouba Hubei Xiangjing Expressway Co., Ltd.* (葛洲壩湖北襄荊高速公路有限公司), a holding subsidiary of Gezhouba Group Transportation Investment Co., Ltd. (葛洲壩集團交通投資有限公司), a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB187,000,000 from China Development Bank; Gezhouba Group Sichuan Neisui Expressway Co., Ltd. (葛洲壩集團四川內遂高速公路有限公司), a subsidiary of Gezhouba Group Transportation Investment Co., Ltd. (葛洲壩集團交通投資有限公司), a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB305,000,000 from Agricultural Bank of China Macheng Sub-branch and Industrial and Commercial Bank of China Suining Branch; Gezhouba Water Affairs (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司), a holding subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB74,000,000 from China Development Bank; and Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司), a holding subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB43,000,000 from China Development Bank Corporation Hainan Branch.
- The balance of mortgaged loans amounted to RMB660,500,000, in particular, Hefei Gezhouba Real Estate Development Co., Ltd. (合肥葛洲壩房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned

subsidiary, pledged No. 09 Plot located at Phase I of Zhongshang Mansion to secure the borrowings of RMB10,000,000 from Agricultural Bank of China Hefei Luyang Sub-branch; Beijing Weiyi Real Estate Development Co., Limited (北京唯逸房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group RealEstate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its Redevelopment Lands No. 6, 12 and 2 of Fanjia Village to secure the borrowing of RMB650,000,000 from Bank of Beijing Co., Ltd. Hongxing Sub-branch; and Gezhouba Shanghai Property Development Co., Ltd. (葛洲壩(上海)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged NO. 2014006310 Plot to secure the borrowings of RMB500,000 from China Construction Bank Corporation Shanghai Qingpu Sub-branch.

- 3 Guaranteed borrowings amounted to RMB2,099,030,400, in particular, the Company guaranteed the loans of RMB299,030,400 for subsidiaries under combination, and China Gezhouba Group Co., Ltd. guaranteed the loans of RMB1,800,000,000 for a subsidiary of the Company.
- (2) For details of bonds payable due within one year, please refer to Note VI. (35) “Bonds payable”.
- (3) For details of long-term payables due within one year, please refer to Note VI. (36) “Long-term payables”.
- (4) For details of long-term employee benefits payable due within one year, please refer to Note VI. (38) “Long-term employee benefits payable”.
- (5) For details of deferred income due within one year, please refer to Note VI. (40) “Deferred income”.

33. Other Current Liabilities

Item	Closing balance	Opening balance
Short-term financing bonds	3,040,500,000.00	
Endorsed but undue bank acceptance bills	1,084,330,263.39	
External guarantee	118,500,000.00	
Pending litigation	200,237,379.64	
Product quality guarantee	1,700,000.00	
Onreous contract to be performed	996,795.67	
Pending output VAT	3,565,337.04	7,071,158.02
Total	4,449,829,775.74	7,071,158.02

Note: As at 31 December 2020, Gezhouba Huanjia Company involved in a number of litigations in relation to daily operation business activities, such as guarantee contracts, purchase, sale and lease contracts, with non-financial institution lenders and relevant suppliers. Based on court decision, the Company made provisions for estimated liabilities of RMB118.5 million and RMB193 million in respect of 3 guarantee contract lawsuits and 13 lawsuits related to daily business activities that are likely to cause losses.

Changes in
short-term
bonds
payable:

Name of bonds	Par value	Issue date	Term	Issue amount	Opening balance	Issued in the period	Accrued interest at par value	Amortization of premium and for discount	Repayments in the period	Interest payment in the period	Closing balance
2020 tranche 1 super short-term financing bonds 20 Gezhouba SCP001 (180 days)	100	2020/4/8	180天	1,500,000,000.00		1,500,000,000.00	13,167,123.29		1,500,000,000.00	13,167,123.29	
2020 tranche 1 super short-term financing bonds 20 Gezhouba (epidemic prevention and control) CP001	100	2020/4/24	365天	3,000,000,000.00		3,000,000,000.00	40,500,000.00				3,040,500,000.00
2020 tranche 2 super short-term financing bonds (180 days)	100	2020/5/18	180天	1,500,000,000.00		1,500,000,000.00	10,356,164.38		1,500,000,000.00	10,356,164.38	
Total	/	/	/	6,000,000,000.00		6,000,000,000.00	64,023,287.67		3,000,000,000.00	23,523,287.67	3,040,500,000.00

34. Long-term Borrowings

Item	Closing balance	Opening balance
Secured borrowings	20,069,790,000.00	16,117,000,000.00
Mortgaged loans	8,366,388,852.08	8,667,439,365.95
Guaranteed borrowings	4,267,437,465.84	8,471,034,056.79
Credit loans	7,998,875,940.00	6,028,838,666.70
Total	40,702,492,257.92	39,284,312,089.44

Note (1) The balance of secured borrowings amounted to RMB200,697,900, in Particular, Gezhouba Group Sichuan Neisui Expressway Co., Ltd. (葛洲壩集團四川內遂高速公路有限公司), a subsidiary of Gezhouba Group Transportation Investment Co., Ltd. (葛洲壩集團交通投資有限公司), a wholly-owned subsidiary, pledged its toll collection rights to secure the borrowings of RMB3,350,000,000 from Agricultural Bank of China Macheng Sub-branch and Industrial and Commercial Bank of China Sunning Branch; Gezhouba (Haikou) Water Diversion Investment Co., Ltd. (葛洲壩海口引水工程投資有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings RMB990,000,000 from China Development Bank Hainan Branch; Gezhouba Water Affairs (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司), a holding subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB780,500,000 from China Development Bank; Gezhouba Water Affairs (Taizhou) Co., Ltd. (葛洲壩水務(台州)有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings of RMB472,000,000 from Agricultural Bank of China Wenling Sub-branch; Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司), a holding subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB251,000,000 from China Development Bank Hainan Branch; Sichuan Gezhouba Batongwan Expressway Limited (四川葛洲壩巴通萬高速公路有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings of RMB12,010,000,000 from China Development Bank Sichuan Branch; Hefei Gezhouba High-tech Pipe Gallery Investment and Construction Co., Ltd. (合肥葛洲壩高新管廊投資建設有限公司), a holding subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB636,400,000 from China Development Bank Corporation; Gezhouba Xinfu (Nanning) Highway Construction Investment Co., Ltd. (葛洲壩新扶(南寧)公路建設投資有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings of RMB688,000,000 from China Development Bank Hainan Branch; Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司), a holding subsidiary, pledged its account receivables, including service fee for the availability of PPP project construction to government to secure the borrowings of RMB375,000,000 from China Construction Bank Corporation Huizhou Huiyang Sub-branch; Leqing Gezhouba Investment Co., Ltd. (樂清葛洲壩投資有限公司), a wholly-owned subsidiary, pledged its franchise right of toll collection to secure the borrowings of RMB23,000,000 from China Construction Bank Leqing Sub-branch Business Department; and Gezhouba (Yichang) Minsheng Engineering Investment and Construction Co., Ltd. ((宜昌)民生工程投資建設有限公司), a holding subsidiary, pledged its rights of account receivables to secure the borrowings of RMB130,000,000 from China Construction Bank Yichang Gezhouba Sub-branch; China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司), a wholly-owned subsidiary, pledged its franchise right to secure the borrowings of RMB93,890,000 from China Merchants Bank Wuhan Branch; Gezhouba Yunmeng Urban Infrastructure Investment, Construction and Operation Project Co., Ltd. (葛洲壩雲夢城市基礎設施投資建設運營項目有限公司), a holding subsidiary, pledged its rights to charge for the Hanshi sub-project and the greening sub-project to secure borrowings of RMB270,000,000 from Bank of China Xiaogan Branch.

- (2) The balance of mortgaged loans amounted to RMB8,366,388,900, in particular, Hefei Gezhouba Property Development Co., Ltd. (合肥葛洲壩房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged Plot No.09 of Phase I of China Residence to secure the borrowings of RMB335,000,000 from Agricultural Bank of China Hefei Luyang Sub-branch; Gezhouba (Hangzhou) Property Development Co., Ltd. (葛洲壩(杭州)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its land use right of Hang Zheng Chu Chu (2017) No. 23 Plot to secure the borrowings of RMB1,080,000,000 from Agricultural Bank of China Hangzhou Chengxi Sub-branch and China Construction Bank Hangzhou High-tech Sub-branch, for which China Gezhouba Group Company Limited provided guarantee; SK Hydropower Private Limited (SK水電私營有限公司), a subsidiary of China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司), a subsidiary, pledged the assets of its project company to secure the syndicated loans of RMB3,761,888,900 from Industrial and Commercial Bank of China and The Export-Import Bank of China; Gezhouba (Shanghai) Real Estate Development Co., Ltd. (葛洲壩(上海)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its No. Qing 2014006310 Plot to secure the borrowings of RMB779,500,000 from China Construction Bank Corporation Shanghai Qingpu Sub-branch; and Gezhouba (Beijing) Development Co., Ltd. (葛洲壩(北京)發展有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司), a wholly-owned subsidiary, pledged its Cuihu High-tech Park No. HD00-0303-6033 Plot to secure the borrowings of RMB450,000,000 from CITIC Bank Beijing Guanhu International Sub-branch; Gezhouba (Chongqing) Real Estate Development Co., Ltd. (葛洲壩(重慶)房地產開發有限公司), a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司) pledged its Real Estate Plot No. 000083054 Land at Chongqing 2020 Bishan District to secure its borrowings of RMB700,000,000 from China CITIC Bank Chongqing Branch; 南京葛洲壩蘭園房地產開發有限公司, a wholly-owned subsidiary of China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司) pledged its Su (2020) Ninggu Real Estate Property Lot No. 0005318 Land to secure the borrowings of RMB1,260,000,000 from Agricultural Bank of China Nanjing Chengbei Sub-branch, China Construction Bank Nanjing Gulou Sub-branch and Nanjing Bank Nanjing Financial City Sub-branch.
- (3) The balance of guaranteed borrowings amounted to RMB4,267,437,500, in particular, the Company guaranteed the loans of RMB3,262,172,900 for subsidiaries under combination; Hubei Siping Hydropower Development Co., Ltd. (湖北寺坪水電開發有限公司), a holding subsidiary of China Gezhouba Group Water Operation Co., Ltd., a wholly-owned subsidiary, obtained borrowings of RMB113,403,900 from Japan Bank for International Cooperation, for which the Finance Bureau of Baokang County provided the guarantee; China Gezhouba Group Cement Co., Ltd., a wholly-owned subsidiary, provided guarantees for the borrowings of RMB793,200,700 secured by its wholly-owned subsidiary Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司) from Hubei Branch of the Export-Import Bank of China; and China Gezhouba Group Water Operation Co., Ltd., a wholly-owned subsidiary, provided guarantees for the borrowings of RMB98,660,000 secured by its wholly-owned subsidiary Huanggang Zhonghe Water Purification Co., Ltd. (黃岡市中和水質淨化有限公司) from Bank of China Limited Huanggang Branch.
- (4) As at 31 December 2020, the annual interest rates of borrowings ranged from 1.05% to 7.50%.

35. Bonds Payable**(1) Bonds payable**

Item	Closing balance	Opening balance
Medium-term bonds		600,000,000.00
Corporate bonds	12,564,122,011.67	12,220,600,000.00
Asset-backed special project	203,430,854.04	350,000,000.00
Subtotal	12,767,552,865.71	13,170,600,000.00
Less: Medium-term bonds due within one year		600,000,000.00
Corporate bonds due within one year	8,564,122,011.67	20,600,000.00
Asset-backed special project due within one year	203,430,854.04	150,000,000.00
Total	4,000,000,000.00	12,400,000,000.00

(2) Changes in bonds payable

Name of bonds	Par value	Issue date	Maturity	Issue amount	Opening balance	Issued in the period	Accrued interest at par value	Amortization of premium and for discount	Repayments in the period	Interests payment for the period	Reclassification of closing par value to non-current liabilities due within one year	Closing balance
Corporate bonds	100.00	2016-1-19	5 years	3,000,000,000.00	3,000,000,000.00	86,611,666.67	86,611,666.67			86,611,666.67	3,086,611,666.67	
Corporate bonds	100.00	2016-5-5	5 years	3,000,000,000.00	20,600,000.00						20,600,000.00	
Corporate bonds	100.00	2016-5-15	5 years	4,000,000,000.00	4,000,000,000.00		83,950,000.00			83,950,000.00	4,083,950,000.00	
Green corporate bonds	100.00	2018-09-20	3 years	1,200,000,000.00	1,200,000,000.00		14,220,000.00			14,220,000.00	1,214,220,000.00	
2019 Phase I residential lease bonds	100.00	2019-1-9	5 years	1,000,000,000.00	1,000,000,000.00		38,500,000.00			38,500,000.00	38,500,000.00	1,000,000,000.00
2019 Phase I corporate bonds	100.00	2019-3-13	5 years	1,500,000,000.00	1,500,000,000.00		61,500,000.00			61,500,000.00	61,500,000.00	1,500,000,000.00
2019 Phase II corporate bonds	100.00	2019-04-24	3 years	1,500,000,000.00	1,500,000,000.00		58,740,345.00			58,740,345.00	58,740,345.00	1,500,000,000.00
Medium-term bonds	100.00	2013-3-6	7 years	600,000,000.00	600,000,000.00				600,000,000.00			
Asset-backed special project	100.00	2016-11-22	5 years	800,000,000.00	350,000,000.00		3,430,854.04		150,000,000.00	3,430,854.04	203,430,854.04	
Total				16,600,000,000.00	13,170,600,000.00		346,952,865.71		750,000,000.00	346,952,865.71	8,767,552,865.71	4,000,000,000.00

36. Lease Liabilities

Item	Closing balance	Opening balance
Lease liabilities	368,693,901.47	478,717,776.29
Less: Lease liabilities due within one year	153,918,164.21	110,159,114.07
Total	214,775,737.26	368,558,662.22

37. Long-term Payables

Item	Closing balance	Opening balance
Long-term payables		
Special payables	48,374,909.08	15,970,505.41
Total	48,374,909.08	15,970,505.41

(1) Special payables

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason
Government special funds for dredging	15,970,505.41	32,404,403.67		48,374,909.08	
Total	15,970,505.41	32,404,403.67		48,374,909.08	

38. Long-term Employee Benefits Payable**(1) Statement of long-term employee benefits payable**

Item	Closing balance	Opening balance
I. Post-employment benefits (net liabilities under defined benefit plans)	2,180,470,000.00	2,341,053,400.00
II. Termination benefits	94,950,000.00	92,610,000.00
III. Other long-term benefits		
Total	2,275,420,000.00	2,433,663,400.00
Less: Long-term employee benefits payable due within one year	193,900,000.00	201,500,000.00
Long-term employee benefits payable due after one year	2,081,520,000.00	2,232,163,400.00

(2) *Changes in defined benefit plans*1 *Present value of obligations under defined benefit plans:*

Item	Amount for the current period	Amount for the last period
I. Opening balance	2,433,663,400.00	2,358,437,000.00
II. Defined benefit cost included		
in profit and loss	101,730,000.00	129,390,000.00
1. Current service costs		
2. Past service costs	31,320,000.00	52,380,000.00
3. Settlement gains (losses represented by “-”)	– 6,380,000.00	– 3,640,000.00
4. Net interests	76,790,000.00	80,650,000.00
III. Defined benefit cost included in other comprehensive income	– 107,770,000.00	– 37,640,000.00
1. Actuarial gains (gains represented by “-”)	– 107,770,000.00	– 37,640,000.00
IV. Other changes	– 152,203,400.00	– 16,523,600.00
1. Consideration paid at settlement	41,986,600.00	183,476,400.00
2. Benefits paid	– 194,190,000.00	– 200,000,000.00
V. Closing balance	2,275,420,000.00	2,433,663,400.00

2 *Net liabilities (net assets) under defined benefit plans*

Item	Amount for the current period	Amount for the last period
I. Opening balance	2,433,663,400.00	2,358,437,000.00
II. Defined benefit cost included		
in current profit and loss	101,730,000.00	129,390,000.00
III. Defined benefit cost included in other comprehensive income	– 107,770,000.00	– 37,640,000.00
IV. Other changes	– 152,203,400.00	– 16,523,600.00
V. Closing balance	2,275,420,000.00	2,433,663,400.00

3 *Explanation about impacts of the details of the defined benefit plan and its associated risks on the Company's future cash flows, timing and uncertainty*

The actuarial risks from the actuarial benefit plan of the Company mainly include interest rate risk, risks of growth in welfare and average medical premium.

Interest rate risk: The present value of defined benefit plan obligations is calculated with reference to the market yield of government bonds as the discount rate. Therefore, a decrease in the interest rate of government bonds will lead to an increase in the present value of defined benefit plan obligations.

Welfare growth risk: The present value of defined benefit plan liabilities is calculated with reference to the welfare of the three types of personnel. Therefore, the increase in the welfare growth rate of the three types of personnel due to rising prices and other factors will lead to an increase in the amount of liabilities.

Average medical premium growth risk: The present value of defined benefit plan liabilities is calculated with reference to the medical reimbursement benefit of the original retired personnel. Therefore, the increase in the average medical premium growth rate caused by factors such as the increase in medical reimbursement expenses will lead to an increase in the amount of liabilities.

4 *Key actuarial assumptions of defined benefit plans*

Key actuarial assumptions	For the current year	For last year
Discount rate	3.00%-3.25%	2.75%-3.25%
Annual growth rate of pre-retirement benefits for retired personnel and non-working injury personnel	4.50%	4.50%
Annual growth rate of pension benefits for retirees, decentralized personnel and survivors	2.00%	2.00%
Average annual growth rate of medical expenses	5.50%	5.50%

39. Accrued Liabilities

Mine reclamation obligations	40,973,326.02	44,703,828.76	Mine reclamation obligations
Total	40,973,326.02	44,703,828.76	/

40. Deferred Income

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason
Government grants	230,836,202.38	45,318,100.00	35,561,496.99	240,592,805.39	
Unrecognised profit or loss from sales and leaseback	36,699,674.37		10,720,709.13	25,978,965.24	
Less: Deferred income due within one year	122,400.00		122,400.00		
Total	267,413,476.75	45,318,100.00	46,159,806.12	266,571,770.63	-

In particular, projects related to government grants:

Item	Opening balance	Additions of grants for the period	Included in profit or loss for the period	Other changes	Closing balance	Related to assets/income
Return income from land premiums	125,439,196.21		4,248,756.60		121,190,439.61	與資產相關
Infrastructure investment subsidy	27,885,100.00		2,859,600.00		25,025,500.00	與資產相關
Scientific and research subsidy	4,000,000.00				4,000,000.00	與資產相關
Coal to gas technical reform subsidy	4,320,000.00		4,320,000.00			與資產相關
Special subsidies for the deep integration of informatisation and industrialization	6,723,984.91		517,867.22		6,206,117.69	與資產相關
Domestic waste demonstration line subsidy	13,779,364.71	2,370,000.00	918,024.54		15,231,340.17	與資產相關
Industry development fund	17,262,732.28	22,102,500.00	1,441,566.48		37,923,665.80	與資產相關
Special award fund	15,551,277.81		1,252,611.07		14,298,666.74	與資產相關
Subsidy for people waiting for employment	15,512,134.46	13,845,600.00	19,643,659.08		9,714,075.38	與收益相關
Grants for sewage project construction		6,500,000.00			6,500,000.00	與資產相關
Others	362,412.00	500,000.00	359,412.00		503,000.00	與資產相關
Total	230,836,202.38	45,318,100.00	35,561,496.99		240,592,805.39	-

41. Other Non-current Liabilities

Item	Closing balance	Opening balance
Long-term tax payable by foreign companies	121,365,387.72	91,826,938.89
Others	3,216,626.43	2,848,886.93
Total	124,582,014.15	94,675,825.82

42. Share Capital

Item	Opening balance	Changes for the period (+, -)				Subtotal	Closing balance
		Issuance of new shares	Bonus shares	Capitalization of surplus reserve	Others		
Total number of shares	4,604,777,412.00					4,604,777,412.00	

43. Other Equity Instruments

(1) Basic information on preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

In May 2016, the Company issued 2016 Tranche I Perpetual Medium-term Bonds of RMB3 billion in National Association of Financial Market Institutional Investors.

In July 2016, the Company issued 2016 Tranche I Renewable Corporate Bonds of RMB5 billion in the Shanghai Stock Exchange. In July 2019, the Company didn't choose to exercise the option of renewal and settled RMB2.5 billion. As at 31 December 2020, the balance of 2016 Tranche I Renewable Corporate Bonds was RMB2.5 billion.

In August 2016, the Company issued 2016 Tranche II Renewable Corporate Bonds of RMB5 billion in the Shanghai Stock Exchange. In July 2019, the Company didn't choose to exercise the option of renewal and settled RMB2 billion. As at 31 December 2020, the balance of 2016 Tranche II Renewable Corporate Bonds was RMB3 billion.

In September 2016, the Company issued 2016 Tranche II Perpetual Medium-term Bonds of RMB3 billion in National Association of Financial Market Institutional Investors.

In May 2019, the Company issued 2019 Tranche I Renewable Corporate Bonds of RMB5 billion in the Shanghai Stock Exchange.

In November 2019, the Company issued 2019 Tranche I Perpetual Medium-term Bonds of RMB5 billion in National Association of Financial Market Institutional Investors.

In August 2020, the Company issued 2020 Tranche I Renewable Corporate Bonds of RMB1 billion in the Shanghai Stock Exchange.

In October 2020, the Company issued 2020 Tranche II Renewable Corporate Bonds of RMB3 billion in the Shanghai Stock Exchange.

In October 2020, the Company issued 2020 Tranche III Renewable Corporate Bonds of RMB3 billion in the Shanghai Stock Exchange.

(2) *Statement on changes in preference shares, perpetual bonds and other financial instruments that are outstanding at the end of the period*

Outstanding financial instruments	Opening balance		Increase for the period		Decrease for the period		Closing balance	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
2016 Renewable Corporate Bonds (Tranche I)		2,500,000,000.00						2,500,000,000.00
2016 Renewable Corporate Bonds (Tranche II)		3,000,000,000.00						3,000,000,000.00
2016 Perpetual Medium-term Bonds (Tranche I)		3,000,000,000.00						3,000,000,000.00
2016 Perpetual Medium-term Bonds (Tranche II)		3,000,000,000.00						3,000,000,000.00
2019 Renewable Corporate Bonds (Tranche I)		5,000,000,000.00						5,000,000,000.00
2019 Perpetual Medium-term Bonds (Tranche I)		5,000,000,000.00						5,000,000,000.00
2020 Renewable Corporate Bonds (Tranche I)				1,000,000,000.00				1,000,000,000.00
2020 Renewable Corporate Bonds (Tranche II)				3,000,000,000.00				3,000,000,000.00
2020 Renewable Corporate Bonds (Tranche III)				3,000,000,000.00				3,000,000,000.00
Total		21,500,000,000.00		7,000,000,000.00				28,500,000,000.00

44. Capital Reserve

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium	5,974,450,100.22	593,075.88	182,469.76	5,974,860,706.34
Other capital reserves	1,640,651,341.43	114,818,949.78		1,755,470,291.21
Total	7,615,101,441.65	115,412,025.66	182,469.76	7,730,330,997.55

Note: (1) The increase in capital premiums in the current period was mainly due to the capital contribution by minority shareholders of subsidiaries and the decrease in the capital premiums in the current period was due to the difference between the consideration paid by the Company for purchase of minority interest and the net assets it entitled;

(2) The increase in other capital reserves in the current period was mainly due to the other changes of shareholders' interests of investees excluding net profit or loss, other comprehensive income and profit distribution calculated under equity method, and the greater of the 920 funds paid by China Gezhouba Group Company Limited, the parent, than the 920 funds the Company paid to its subsidiaries.

45. Other Comprehensive Income

Item	Opening balance	Balance before income tax during the period	Amount for the current period			Amount attributable to the minority shareholders after tax	Closing balance
			Less: Amount transferred to profit or loss from other comprehensive income	Less: Income tax expense	Amount attributable to the parent after tax		
I. Other comprehensive income not to be reclassified into profit or loss	372,234,481.52	278,949,759.52		25,681,159.73	253,186,403.79	82,196.00	625,420,885.31
Including: Changes of the re- measurement of defined benefit plans	- 279,052,503.60	107,770,000.00			107,687,804.00	82,196.00	- 171,364,699.60
Other comprehensive income not to be reclassified into profit or loss under equity method	- 10,936.35	- 27,972.00			- 27,972.00		- 38,908.35
Change in fair value of other equity instrument investments	651,297,921.47	171,207,731.52		25,681,159.73	145,526,571.79		796,824,493.26
II. Other comprehensive income to be reclassified into profit or loss	- 563,609,891.66	- 397,643,575.35			- 388,401,819.73	- 9,241,755.62	- 952,011,711.39
Including: Differences on translation of foreign currency statements	- 563,609,891.66	- 397,643,575.35			- 388,401,819.73	- 9,241,755.62	- 952,011,711.39
Total other comprehensive income	- 191,375,410.14	- 118,693,815.83		25,681,159.73	- 135,215,415.94	- 9,159,559.62	- 326,590,826.08

46. Special Reserve

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Production safety expenses	98,341,095.32	1,152,105,743.67	1,081,184,260.04	169,262,578.95
Total	98,341,095.32	1,152,105,743.67	1,081,184,260.04	169,262,578.95

47. Surplus Reserve

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	1,652,127,077.28	751,094,750.28		2,403,221,827.56
Total	1,652,127,077.28	751,094,750.28		2,403,221,827.56

48. Retained Earnings

Item	Current period	Last period
Retained earnings at the end of last period before adjustment	17,255,150,152.67	13,391,336,189.86
Total amount of retained earnings at the beginning of the adjustment year (increase +, decrease -)		
Retained earnings at the beginning of the year after adjustment	17,255,150,152.67	13,391,336,189.86
Add: Net profits attributable to owners of the parent during the current period	4,282,298,034.25	5,441,781,311.03
Less: Appropriation for statutory surplus reserve	751,094,750.28	69,182,414.06
Ordinary share dividends payable	718,345,276.27	828,859,934.16
Dividends for other equity instruments payable	938,575,000.00	679,925,000.00
Decrease in others		
Retained earnings at the end of the period	19,129,433,160.37	17,255,150,152.67

49. Operating Income and Operating Costs

Item	Amount for the current period		Amount for last period	
	Revenue	Cost	Revenue	Cost
Principal business	111,652,641,962.02	91,874,085,626.14	109,244,531,388.14	91,421,028,527.27
Other businesses	958,530,915.20	747,702,436.54	701,165,479.22	520,696,989.28
Total	112,611,172,877.22	92,621,788,062.68	109,945,696,867.36	91,941,725,516.55

(1) Principal operations by industry

Name of sector	Amount for the current period		Amount for last period	
	Revenue	Cost	Revenue	Cost
Construction and contracting	71,356,662,981.45	61,302,821,165.93	65,894,065,197.19	57,881,757,276.79
Industrial manufacturing	24,098,788,585.16	18,982,006,362.86	28,451,422,436.13	23,504,095,958.77
Investment and operation	15,184,371,767.89	10,653,200,430.23	13,127,714,993.47	8,732,416,488.82
Comprehensive services	1,012,818,627.52	936,057,667.12	1,771,328,761.35	1,302,758,802.89
Total	111,652,641,962.02	91,874,085,626.14	109,244,531,388.14	91,421,028,527.27

(2) *Principal operations by geography*

Name of region	Amount for the	Amount for the	Revenue	Cost
	current period	previous period		
	Revenue	Cost		
Domestic	98,102,728,876.15	80,297,214,136.14	90,638,219,738.38	75,799,562,622.28
Overseas	13,549,913,085.87	11,576,871,490.00	18,606,311,649.76	15,621,465,904.99
Total	111,652,641,962.02	91,874,085,626.14	109,244,531,388.14	91,421,028,527.27

Note: Included in the income from overseas contracted engineering of the Company in 2020, the engineering technology outsource income amounted to US\$121,165,732.

(3) *Operating income from top five customers*

Name of customer	Operating income	Percentage to total
		operating income of the Company (%)
The largest	6,981,041,921.50	6.20
The second largest	5,563,069,465.88	4.94
The third largest	3,429,004,979.18	3.04
The fourth largest	2,995,209,241.42	2.66
The fifth largest	1,839,195,664.88	1.63
Total	20,807,521,272.86	18.47

(4) *Revenue from contracts*

Type of contract	Construction and	Industrial	Investment and	Comprehensive	Elimination	Total
	contracting	manufacturing	operation	services		
Operating income from principal activities	71,356,662,981.45	24,098,788,585.16	15,184,371,767.89	1,061,035,867.45	48,217,239.93	111,652,641,962.02
Including: recognised at a point of time		24,098,788,585.16	15,184,371,767.89	1,061,035,867.45	48,217,239.93	40,295,978,980.57
Including: recognised over time	71,356,662,981.45					71,356,662,981.45
Other operating income				958,530,915.20		958,530,915.20
Total	71,356,662,981.45	24,098,788,585.16	15,184,371,767.89	2,019,566,782.65	48,217,239.93	112,611,172,877.22

50. Taxes and Surcharges

Item	Amount for the current period	Amount for the previous period
City maintenance and construction tax	153,583,915.43	184,115,688.18
Education surcharges	116,877,475.35	133,843,770.45
Resources tax	28,040,099.01	32,244,309.03
LAT	635,277,858.04	534,536,832.58
Property tax	56,954,661.78	68,741,247.31
Land use tax	36,546,519.34	42,602,380.63
Vehicle and vessels use tax	1,461,024.09	1,426,957.49
Stamp duty	52,059,731.34	46,676,465.54
Others	74,425,400.87	104,974,907.42
Total	1,155,226,685.25	1,149,162,558.63

Note: For particulars of standards of levy of taxes and surcharges, please refer to Note V. Taxation.

51. Selling and Distribution Expenses

Item	Amount for the current period	Amount for the previous period
Employee benefits expenses	247,930,578.83	255,789,400.40
Packaging expenses	81,126,038.74	103,731,991.20
Transportation and loading and unloading expenses	302,724,001.90	518,196,117.70
Selling expenses	200,082,796.06	226,061,003.40
Others	213,363,066.27	276,305,270.71
Total	1,045,226,481.80	1,380,083,783.41

52. Administrative Expenses

Item	Amount for the current period	Amount for the last period
Employee benefits	2,998,163,216.34	2,834,169,421.52
Depreciation and amortization expenses	570,925,942.44	536,264,105.18
Office and travel expenses	244,264,990.51	329,448,607.06
Others	876,308,127.35	987,326,801.82
Total	4,689,662,276.64	4,687,208,935.58

53. Research and Development Expenses

Item	Amount for the current period	Amount for the last period
Labor expenses	622,368,182.26	620,151,142.46
Direct investment expenses	2,420,747,619.40	1,834,717,737.80
Depreciation expenses	42,386,092.78	71,932,845.62
Amortization expenses of intangible assets	165,310.24	469,437.05
New product design expenses	16,950,928.54	133,500.00
Others relevant expenses	209,669,630.63	231,024,176.90
Entrusted R& D expenses	41,392,718.56	30,728,884.48
Total	3,353,680,482.41	2,789,157,724.31

54. Finance Costs

Item	Amount for the current period	Amount for the last period
Interest expense	2,188,098,981.60	2,895,796,192.41
Less: interest income	195,786,915.35	314,509,414.31
Exchange gains and losses	99,629,587.78	- 18,466,837.07
Commission expenses	193,263,353.62	202,417,310.98
Total	2,285,205,007.65	2,765,237,252.01

55. Other Income

Item	Amount for the current period	Amount for the last period	Related to assets/income
Gas boiler subsidy	4,320,000.00	1,440,000.00	Related to assets
Special award fund	1,252,611.07	1,252,611.08	Related to assets
Return of land premium	4,248,756.60	4,127,025.00	Related to assets
Domestic waste demonstration line subsidy	918,024.54	891,917.94	Related to assets
Industry Development Fund	1,441,566.48	1,233,052.32	Related to assets
Infrastructure investment subsidy	2,859,600.00	714,900.00	Related to assets
Other government grants related to assets	340,580.10	45,294.00	Related to assets
Tax rebate in respect of comprehensive utilization of resources	25,380,180.04	473,613,681.13	Related to income
Tax refunds	431,797,055.27	565,042,172.47	Related to income
Enterprise support funds	50,619,625.39	48,882,560.24	Related to income
Subsidy for people waiting for employment	19,643,659.08	17,931,174.01	Related to income
Post stabilization subsidy	20,178,048.44	5,674,910.07	Related to income
Individual tax refunds	4,706,288.66	1,532,352.46	Related to income
Others	30,245,699.19	4,617,123.16	Related to income
Total	597,951,694.86	1,126,998,773.88	

56. Investment Income

Item	Amount for the current period	Amount for the last period
Income from long-term equity investment under equity method	227,691,738.77	806,662,212.19
Investment income generated from disposal of long-term equity investments		2,247,842,727.14
Income earned during the holding period of other equity instrument investments	20,381,872.80	2,717,583.04
Investment income earned during the holding period of other non-current financial assets	26,985,268.85	44,863,396.70
Derecognition of revenue of financial assets measured at amortised cost	-58,889,969.82	
Investment income from disposal of other non-current financial assets		100,255.41
Interest income from placements	32,218,119.40	
Others		135,649,977.17
Total	248,387,030.00	3,237,836,151.65

57. Gains on Changes in Fair Value

Source of gains on change in fair value	Amount for the current period	Amount for the last period
Other non-current financial assets	546,042,965.77	44,373,957.58
Total	546,042,965.77	44,373,957.58

58. Credit Impairment Losses

Item	Amount for the current period	Amount for the last period
Losses from bad debts of trade receivables	-152,336,456.20	-123,236,539.41
Losses from bad debts of other receivables	-616,653,403.67	-492,005,486.62
Losses from bad debts of long-term receivables	-101,611,234.08	-24,461,779.64
Losses from bad debts of long-term receivables		-76,151,551.83
Total	-870,601,093.95	-715,855,357.50

Note: The provision for bad debts of other receivables was RMB616,653,403.67 for the current period. For details, please refer to Note VI. 6 “Other Receivables”.

59. Asset Impairment Losses

Item	Amount for the current period	Amount for the last period
Loss of inventory depreciation	-1,674,816.82	-123,553,335.30
Impairment loss of fixed assets	-5,701,688.46	
Impairment loss of contract assets	-136,222,966.89	
Total	-143,599,472.17	-123,553,335.30

60. Gains from Disposal of Assets

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring gains and losses of the period
Gains or losses from disposal of fixed assets	42,918,529.77	– 24,908,607.64	42,918,529.77
Gains or losses from disposal of land	43,840,456.72		43,840,456.72
Gains or losses from disposal of intangible assets (other than land)	– 3,594.88	– 175,554.29	– 3,594.88
Total	86,755,391.61	– 25,084,161.93	86,755,391.61

61. Non-operating Income

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss
Government grants		2,700,063.57	
Gain from compensation for breach of contract	6,229,090.67	18,790,878.29	6,229,090.67
Penalty gains	2,900,970.07	3,843,893.88	2,900,970.07
Unpayable amount	10,846,098.93	14,257,154.77	10,846,098.93
Compensation for cross-line construction	30,145,463.20	12,224,265.93	30,145,463.20
Other gains	19,611,353.37	5,653,963.58	19,611,353.37
Total	69,732,976.24	57,470,220.02	69,732,976.24

In particular, the breakdown of government grants is as follows:

Subsidy item	Amount for the current period	Amount for the last period	Related to assets/income
Enterprise support funds		380,000.00	Related to income
Other subsidy		2,320,063.57	Related to income
Total		2,700,063.57	

62. Non-operating Expenses

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss
External donations	6,993,817.45	2,560,995.48	6,993,817.45
Losses from default and late fees	43,260,375.77	7,573,026.87	43,260,375.77
Losses from compensation and default	65,400,047.44	21,269,549.23	65,400,047.44
Asset retirement losses	4,595,519.65	7,636,834.83	4,595,519.65
Estimated losses on guarantee	118,500,000.00		118,500,000.00
Estimated losses on pending litigation	48,325,437.64		48,325,437.64
Others	15,763,442.53	8,376,689.02	15,763,442.53
Total	302,838,640.48	47,417,095.43	302,838,640.48

Note: (1) The estimated losses on guarantee and the estimated losses on pending litigation will be RMB118.5 million and RMB48 million, respectively. Please refer to Note VI. 33 "Other non-current liabilities".

(2) In 2020, the court determined that the issuing false VAT invoices of a subsidiary of Gezhouba Huanjia Company constitutes issuing false VAT invoices and based on the judgement result, the Company recognized non-operating expenses.

63. Income Tax Expenses**(1) Income tax expenses statement**

Item	Amount for the current period	Amount for the last period
Current income tax expenses	2,403,899,298.70	2,187,234,553.13
Deferred income tax expenses	– 5,130,882.08	37,046,207.69
Total	2,398,768,416.62	2,224,280,760.82

(2) *Reconciliation for accounting profit and income tax expenses*

Item	Amount for the current period
Total profit	7,692,214,732.67
Income tax expenses at the statutory income tax rate	1,923,053,683.17
Effect of different tax rates for subsidiaries	– 282,031,272.41
Effect of non-taxable income	– 68,764,720.10
Effect of non-deductible cost, expenses and losses	8,232,394.88
Effect of utilization of deductible temporary differences or deductible losses in deferred income tax assets not recognized in previous period	– 111,879,862.55
Effect of deductible temporary differences or deductible losses in deferred income tax assets not recognized in current period	933,134,744.19
Qualified R& D expenditure and tax effect of additional deductions	– 206,880,839.90
Others	203,904,289.34
Income tax expense	2,398,768,416.62

64. **Items in Statement of Cash Flows**(1) *Other cash received related to operating activities*

Item	Amount for the current period	Amount for the last period
Government grants received	89,079,194.24	30,876,128.19
Interest income	228,005,034.75	314,509,414.31
Deposits, current accounts and others	17,667,622,271.62	18,627,882,161.88
Total	17,984,706,500.61	18,973,267,704.38

(2) *Other cash paid related to operating activities*

Item	Amount for the current period	Amount for the last period
Expenses in current period	4,763,050,921.15	4,582,477,147.02
Deposits, current accounts and others	17,700,280,276.35	17,436,789,509.41
Total	22,463,331,197.50	22,019,266,656.43

(3) Other cash received related to investment activities

Item	Amount for the current period	Amount for the last period
Central fund investment budget	594,852,062.17	119,930,000.00
Recovery of time deposits		288,791,724.17
Others	29,237,300.00	
Total	624,089,362.17	408,721,724.17

(4) Other cash paid related to investment activities

Item	Amount for the current period	Amount for the last period
Time deposits	289,840,931.25	
Purchase of minority interets	53,154,099.67	
Others	1,089,700.00	
Total	344,084,730.92	

(5) Other cash received related to financing activities

Item	Amount for the current period	Amount for the last period
Collection and payment of financial assets transfer		3,188,062,483.13
Discounted bills	1,750,000,000.00	
920 funds	156,671,885.67	164,607,429.56
Notes deposits received	131,388,152.44	185,913,515.23
Funds from associates and joint ventures		2,863,956,080.65
Others	258,632,554.07	976,664,985.51
Total	2,296,692,592.18	7,379,204,494.08

(6) *Other cash related to financing activities*

Item	Amount for the current period	Amount for the last period
Collection and payment of financial assets transfer		759,858,234.51
Repayment of discounted bills	1,251,387,035.63	
Repayment of perpetual bonds	1,220,000,000.00	5,500,000,000.00
Payment for finance leases and sales and leaseback		476,574,949.88
Payment of surety for bills	69,595,969.25	229,769,362.31
Repayment of funds from associates and joint ventures	537,908,957.57	
Others	103,787,224.12	9,800,000.00
Total	3,182,679,186.57	6,976,002,546.70

65. **Supplementary Information to the Statement of Cash Flows**(1) *Supplementary information to the statement of cash flows*

Supplementary information	Amount for the current period	Amount for the last period
1. Adjustment of net profit to cash flows of operating activities:		
Net profits	5,293,446,316.05	6,563,609,489.02
Add: Provision for asset impairment	143,599,472.17	123,553,335.30
Credit impairment losses	870,601,093.95	715,855,357.50
Depreciation of fixed assets	1,446,064,115.50	1,461,713,520.63
Depreciation of investment properties	5,270,318.03	5,098,599.79
Amortization of right-of-use assets	472,445,421.94	596,109,546.03
Amortization of long-term prepaid expenses	136,265,634.68	187,992,477.72
Loss from disposal of fixed assets, intangible assets and other long-term assets (income represented by “-”)	- 86,755,391.61	25,084,161.93
Losses from damage and scrap of fixed assets (income represented by “-”)	-	
Losses due to changes in fair value (income represented by “-”)	- 546,042,965.77	- 44,373,957.58

Supplementary information	Amount for the current period	Amount for the last period
Financial costs (income represented by “-”)	2,287,728,569.38	2,877,329,355.34
Investment loss (income represented by “-”)	– 248,387,030.00	– 3,237,836,151.65
Decrease in deferred income tax assets (increase represented by “-”)	– 211,892,133.49	– 106,598,457.03
Increase in deferred income tax liabilities (decrease represented by “-”)	206,761,251.41	143,644,664.72
Decrease in inventories (increase represented by “-”)	– 1,336,012,711.68	– 1,384,856,232.64
Decrease in operating receivables (increase represented by “-”)	– 6,325,913,376.93	18,224,381,093.04
Increase in operating payables (decrease represented by “-”)	4,256,982,448.15	20,080,273,483.37
Others		
Net cash flows from operating activities	6,364,161,031.78	6,070,433,318.75
2. Major investment and financing activities not involving cash receipts and payments:		
Debt transferred to capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under financing leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	25,093,212,130.01	21,620,697,193.61
Less: Opening balance of cash	21,620,697,193.61	18,838,712,123.84
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	3,472,514,936.40	2,781,985,069.77

(2) *Net cash paid to acquire subsidiaries during the period*

Item	Amount
Cash or cash equivalents paid during the period from business combination during the period	518,651,300.00
Including: Gezhouba Epuli Guangxi Weiqi Chemical Co., Ltd. (葛洲壩易普力廣西威奇化工有限責任公司)	518,651,300.00
Less: cash and cash equivalents held by subsidiaries on the acquisition date	502,493,919.28
Including: Gezhouba Epuli Guangxi Weiqi Chemical Co., Ltd. (葛洲壩易普力廣西威奇化工有限責任公司)	502,493,919.28
Add: Cash or cash equivalents paid during the period from business combination in previous periods	17,089,700.00
Including: Gezhouba Explosive Company Limited (中國葛洲壩集團易普力股份有限公司) Pengzhou Branch	17,089,700.00
Net cash paid for acquisition of subsidiaries	33,247,080.72

(3) *Net cash received from disposal of subsidiaries during the period* (4) *Composition of cash and cash equivalents*

Item	Closing balance	Opening balance
I. Cash	25,093,212,130.01	21,620,697,193.61
Including: Cash on hand	29,827,118.78	25,802,249.23
Bank deposits available for payment	24,967,205,389.42	21,468,635,206.09
Other monetary funds available for payment	96,179,621.81	126,259,738.29
II. Cash equivalents		
III. Closing balance of cash and cash equivalents	25,093,212,130.01	21,620,697,193.61

66. **Assets with Restricted Ownership or Right-of-use**

Item	Closing carrying amount	Reasons of restriction
Monetary assets	480,045,958.42	Bank acceptances, guarantee letter deposits, etc.
Long-term receivables	3,170,173,800.59	Secured loans
Inventories	17,999,653,553.98	Loan mortgage and seizure, please refer to Note VI. 7 "Inventories" for details
Intangible assets	33,062,673,391.35	Loans mortgage
Bills receivable (Receivables financing)	3,071,235,230.22	Secured loans, etc.
Total	57,783,781,934.56	

67. Foreign Currency Monetary Items

Item	Closing balance of foreign currency	Exchange rate	Closing balance in RMB equivalent
Monetary assets			4,769,095,086.61
Including: US Dollar	466,080,948.53	6.5249	3,041,131,581.09
Others			1,727,963,505.52
Trade receivables			868,615,483.51
Including: US Dollar	82,959,669.34	6.5249	541,303,546.45
Others			327,311,937.06
Other receivables			449,213,201.24
Including: US Dollar	9,837,893.57	6.5249	64,191,271.78
Others			385,021,929.46
Non-current assets due within one year			250,288,761.26
Including: US Dollar			
Others			250,288,761.26
Long-term receivables			4,790,081,614.36
Including: US Dollar			
Others			4,790,081,614.36
Short-term borrowings			1,505,325,206.60
Including: US Dollar	202,914,644.12	6.5249	1,324,234,308.60
Others			181,090,898.00
Non-current liabilities due within one year			192,846,218.84
Including: US Dollar			
Others			192,846,218.84
Long-term borrowings			7,881,120,676.76
Including: US Dollar	763,643,525.89	6.5249	4,982,697,642.08
Others			2,898,423,034.68
Accounts payable			6,970,711,566.55
Including: US Dollar	114,058,446.10	6.5249	744,219,954.94
Others			6,226,491,611.61
Other payables			1,224,848,189.21
Including: US Dollar	8,740,481.10	6.5249	57,030,765.15
Others			1,167,817,424.06
Interest payables			681,614,125.88
Including: US Dollar	2,208,479.17	6.5249	14,410,105.73
Others			667,204,020.15
Other non-current liabilities			122,624,376.01
Including: US Dollar			
Others			122,624,376.01

68. Government Grants**(1) Basic information of government grants**

Type	Amount	Items reported	Amount included in profit or loss
Government grants related to assets			
Industry development fund	22,102,500.00	Deferred revenue	1,441,566.48
Domestic waste demonstration line subsidy	2,370,000.00	Deferred revenue	918,024.54
Subsidy for sewage project construction	6,500,000.00	Deferred revenue	
Gas boiler subsidy		Deferred revenue	4,320,000.00
Special award fund		Deferred revenue	1,252,611.07
Return of land premium		Deferred revenue	4,248,756.60
Infrastructure investment subsidy		Deferred revenue	2,859,600.00
Others	500,000.00	Deferred revenue	699,992.10
Government grants related to income		Deferred revenue	
Subsidy for people waiting for employment	13,845,600.00	Deferred revenue	19,643,659.08
Tax rebate in respect of comprehensive utilization of resources	25,380,180.04	Other gains	25,380,180.04
Tax refunds	431,797,055.27	Other gains	431,797,055.27
Posts stabilization subsidy	14,964,139.62	Other gains	14,964,139.62
Enterprise support funds	50,619,625.39	Other gains	50,619,625.39
Personal income tax refund	4,706,288.66	Other gains	4,706,288.66
Others	27,737,560.77	Other gains	27,737,560.77
Other subsidy	7,722,047.24	Other gains	7,722,047.24
Total	608,244,996.99		598,311,106.86

(2) Return of government grants

There was no return of government grants for the current period.

VII. CHANGES ON SCOPE OF COMBINATION

1. Business Combination not under Common Control

(1) Business combination of entities not under common control during the period

Name of acquiree	Date of equity acquisition	Acquisition cost	Acquisition ratio		Acquisition date	Basis for determining the acquisition date	Revenue of the	Net profit of the
			(%)	Acquisition method			acquiree from acquisition date to the end of the reporting period	acquiree from acquisition date to the end of the period
Gezhouba Epuli Guangxi Weiqi Chemical Co., Ltd. (葛洲壩易普力廣西威奇化工有限責任公司)	2020-7-1	577,490,000.00	79.00	Business combination not under common control	2020-7-1	Date of actual control	510,668,460.81	82,385,656.13

(2) Cost of combination and goodwill

Item	Gezhouba Epuli Guangxi Weiqi Chemical Co., Ltd. (葛洲壩易普力廣西威奇化工有限責任公司)
Cost of combination	
– Cash	577,490,000.00
– Fair value of equity interests held prior to purchase date at the purchase date	
Total cost of combination	577,490,000.00
Less: Share of fair value of the identifiable net assets	221,254,732.28
Goodwill	356,235,267.72

(3) Identifiable assets and liabilities of the acquiree at the acquisition date

Item	Gezhouba Epuli Guangxi Weiqi Chemical Co., Ltd. (葛洲壩易普力廣西威 奇化工有限責任公司)	
	Carrying amount at acquisition date	Fair value at acquisition date
Assets:	701,054,964.59	807,532,446.89
Monetary assets	502,493,919.28	502,493,919.28
Trade receivables	44,575,916.56	44,575,916.56
Prepayments	4,368,721.90	4,368,721.90
Other receivables	8,483,921.58	8,483,921.58
Inventories	19,059,057.58	19,059,057.58
Other current assets	269,626.09	269,626.09
Long-term equity investment	5,887,152.24	5,887,152.24
Others non-current financial assets	22,000.00	334,971.71
Fixed assets	93,200,982.77	147,496,917.17
Construction in progress	33,018.87	33,018.87
Intangible assets	17,691,596.41	70,931,254.47
Long-term prepaid expenses	4,066,145.32	2,695,063.45
Deferred income tax assets	902,905.99	902,905.99
Liabilities:	508,405,110.93	524,376,733.28
Trade payables	16,496,501.19	16,496,501.19
Contract liabilities	8,967,689.81	8,967,689.81
Employee benefits payable	6,379,589.47	6,379,589.47
Taxes payable	12,126,597.95	12,126,597.95
Dividends payable	420,674,771.08	420,674,771.08
Other payables	43,759,961.43	43,759,961.43
Deferred tax liabilities		15,971,622.35
Net assets	192,649,853.66	283,155,713.61
Less: Minority interest	3,086,432.25	61,900,981.33
Net assets acquired	189,563,421.41	221,254,732.28

2. Subsidiaries disposed of

The Company has no disposal of subsidiaries in the year.

3. Change in Scope of Combination for Other Reasons

There was no change in scope of combination for other reasons of the Company for the year.

VIII. EQUITY IN OTHER ENTITIES

1. Equity in Subsidiaries

(1) Constitution of enterprise group

Name of second-level subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Gezhouba Group International Engineering Co., Ltd. (中國葛洲壩集團國際工程有限公司)	Beijing	Beijing	Project construction	100.00		Business combination under common control
China Gezhouba Group No.1 Engineering Co., Ltd. (中國葛洲壩集團第一工程有限公司)	Yichang	Yichang	Project construction	100.00		Business combination under common control
China Gezhouba Group No.2 Engineering Co., Ltd. (中國葛洲壩集團第二工程有限公司)	Chengdu	Chengdu	Project construction	100.00		Business combination under common control
China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限公司)	Xi'an	Xi'an	Project construction	100.00		Investment or establishment
China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	Yichang	Yichang	Project construction	68.54		Business combination under common control
China Gezhouba Group Construction Engineering Co., Ltd. (中國葛洲壩集團建設工程有限公司)	Kunming	Kunming	Project construction	100.00		Business combination under common control
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	Yichang	Yichang	Project construction	56.33		Business combination under common control
China Gezhouba Group Municipal Engineering Co., Ltd. (中國葛洲壩集團市政工程有限公司)	Yichang	Yichang	Project construction	100.00		Business combination under common control
China Gezhouba Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司)	Chengdu	Chengdu	Project construction	100.00		Business combination under common control
China Gezhouba Group Electric Power Co., Ltd. (中國葛洲壩集團電力有限責任公司)	Yichang	Yichang	Project construction	100.00		Business combination under common control
China Gezhouba Group Survey and Design Co., Ltd. (中國葛洲壩集團勘測設計有限公司)	Wuhan	Wuhan	Survey and design	100.00		Investment or establishment
China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司)	Beijing	Beijing	Investment	100.00		Investment or establishment
China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司)	Wuhan	Wuhan	Infrastructure investment and operations	100.00		Investment or establishment
Gezhouba Group Transportation Investment Co., Ltd. (葛洲壩集團交通投資有限公司)	Wuhan	Wuhan	Infrastructure investment and operations	100.00		Investment or establishment
China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司)	Beijing	Beijing	Real estate development	100.00		Business combination under common control
China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司)	Jingmen	Jingmen	Cement production and sales	100.00		Investment or establishment
Gezhouba Explosive Company Limited (中國葛洲壩集團易普力股份有限公司)	Chongqing	Chongqing	Civil blasting	68.36		Investment or establishment

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of second-level subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Gezhouba Group Equipment Industry Co., Ltd. (中國葛洲壩集團裝備工業有限公司)	Wuhan	Wuhan	Equipment manufacturing	100.00		Investment or establishment
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)	Hangzhou	Hangzhou	Environmental protection engineering construction	40.00		Business combination under not common control
China Gezhouba Group Ecological Environment Engineering Co., Ltd. (中國葛洲壩集團生態環境工程有限公司)	Wuhan	Wuhan	Environmental protection	100.00		Investment or establishment
Gezhouba Group Trade Development Co., Ltd. (葛洲壩集團貿易發展有限公司)	Wuhan	Wuhan	Trade	100.00		Investment or establishment
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	Shanghai	Shanghai	Finance lease	75.00	25.00	Investment or establishment
Fuzhou Jiangyin Industrial Zone Gezhouba Reclamation Investment Co., Ltd. (福州市江陰工業區葛洲壩填海投資有限公司)	Fuqing	Fuqing	Infrastructure investment and operations	72.00		Investment or establishment
Gezhouba (Haikou) Water Diversion Investment Co., Ltd. (葛洲壩(海口)引水工程投資有限公司)	Haikou	Haikou	Infrastructure investment and operations	80.00		Investment or establishment
Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司)	Haikou	Haikou	Infrastructure investment and operations	80.00		Investment or establishment
Beijing Gezhouba Zhenghe Yuyong Water Environmental Treatment Co., Ltd. (北京葛洲壩正和於永水環境治理有限公司)	Beijing	Beijing	Infrastructure investment and operations	85.50		Investment or establishment
Sichuan Gezhouba Batongwan Expressway Limited(四川葛洲壩巴通萬高速公路有限公司)	Bazhong	Bazhong	Expressway investment and operation	99.00		Investment or establishment
Gezhouba Water Affairs (Taizhou) Co., Ltd. (葛洲壩水務(台州)有限公司)	Taizhou	Taizhou	Infrastructure investment and operations	40.80	30.20	Investment or establishment
Gezhouba Water Affairs (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司)	Jingmen	Jingmen	Infrastructure investment and operations	90.00		Investment or establishment
Hefei Gezhouba High-tech Pipe Gallery Investment and Construction Co., Ltd. (合肥葛洲壩高新管廊投資建設有限公司)	Hefei	Hefei	Infrastructure investment and operations	60.00		Investment or establishment
Gezhouba Xinfu (Nanning) Highway Construction Investment Co., Ltd. (葛洲壩新扶(南寧)公路建設投資有限公司)	Nanning	Nanning	Infrastructure investment and operations	95.00		Investment or establishment
Leqing Gezhouba Investment Co., Ltd. (樂清葛洲壩投資有限公司)	Wenzhou	Wenzhou	Infrastructure investment and operations	100.00		Investment or establishment
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	Huizhou	Huizhou	Infrastructure investment and operations	99.90		Business combination not under common control

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Name of second-level subsidiary	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Gezhouba (Hainan) Construction Investment Co., Ltd. (葛洲壩(海南)建設投資有限公司)	Haikou	Haikou	Investment	100.00		Investment or establishment
Gezhouba (Yichang) Minsheng Engineering Investment and Construction Co., Ltd. (葛洲壩(宜昌)民生工程投資建設有限公司)	Yichang	Yichang	Infrastructure investment and operations	90.00		Investment or establishment
Gezhouba Yunmeng Urban Infrastructure Investment, Construction and Operation Project Co., Ltd. (葛洲壩雲夢城市基礎設施投資建設運營項目有限公司)	Yunmeng County	Yunmeng County	Infrastructure investment and operations	98.90	0.10	Investment or establishment
Xinjiang Gezhouba Yulong Kashi Water Conservancy Project Development Co., Ltd. (新疆葛洲壩玉龍喀什水利樞紐開發有限公司)	Hetian County, Xinjiang	Hetian County, Xinjiang	Infrastructure investment and operations	92.00	1.00	Investment or establishment

Note: It was approved by the resolution at the 12th chairman's office meeting in 2020, that China Gezhouba Group Highway Operation Co., Ltd. (中國葛洲壩集團公路運營有限公司) and China Gezhouba Group Investment Co., Ltd. (中國葛洲壩集團投資有限公司) will be reorganized to form China Gezhouba Group Transportation Construction Investment Co., Ltd. (中國葛洲壩集團交通建設投資有限公司). Upon completion, China Gezhouba Group Transportation Construction Investment Co., Ltd. (中國葛洲壩集團交通建設投資有限公司) will become the secondary subsidiary of the Company, and China Gezhouba Group Investment Co., Ltd. (中國葛洲壩集團投資有限公司) will become the subsidiary of China Gezhouba Group Transportation Construction Investment Co., Ltd. (中國葛洲壩集團交通建設投資有限公司).

It was approved by the resolution at the 35th chairman's office meeting in 2020, that China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司) reorganized and integrated with China Gezhouba Group Lvyuan Technology Co., Ltd. by a special tax mode. Upon completion of the transfer, China Gezhouba Group Lvyuan Technology Co., Ltd. will become a wholly-owned subsidiary of China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司).

It was approved at the chairman's office meeting that the Company transfers the 100% equity interest it held in China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司) to China Gezhouba Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司). Upon completion of the transfer, China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司) will become a wholly-owned subsidiary of China Gezhouba Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司).

(2) *Material non-wholly owned subsidiaries*

Name of subsidiary	Shareholding of minority Shareholders (%)	Profit or loss attributable to minority shareholders in current period	Dividend declared to minority shareholders in the current period	Closing balance of equity of minority shareholders
Gezhouba Explosive Company Limited (中國葛洲壩集團易普力股份有限公司)	31.64	150,313,138.82	50,941,177.21	684,568,910.02
China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	31.46	55,000,000.00	41,555,555.56	1,027,194,444.44
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	43.67	55,000,000.00	41,555,555.56	1,027,194,444.44

(3) Major financial information of significant non-wholly second-level owned subsidiaries

Name of subsidiary	Closing balance			Non-current liabilities				
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities		
Gezhouba Explosive Company Limited (中國葛洲壩集團易普力股份有限公司)	2,630,246,239.05	2,141,327,599.36	4,771,573,838.41	1,717,491,684.83	720,808,695.18	2,438,300,380.01		
China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	8,805,237,910.11	2,928,545,115.00	11,733,783,025.11	7,266,090,283.13	991,208,325.38	8,257,298,608.51		
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	10,312,345,395.78	277,484,908.07	10,589,830,303.85	7,332,594,496.97	634,823,216.04	7,967,417,713.01		
Name of subsidiary	Opening balance			Non-current liabilities				
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities		
Gezhouba Explosive Company Limited (中國葛洲壩集團易普力股份有限公司)	1,925,039,539.32	1,583,909,546.97	3,508,949,086.29	1,375,124,681.80	206,701,398.18	1,581,826,079.98		
China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	8,483,567,803.01	2,973,913,138.34	11,457,480,941.35	7,770,702,596.91	308,772,330.46	8,079,474,927.37		
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	8,480,328,045.79	258,977,316.06	8,739,305,361.85	5,950,608,760.14	253,040,115.90	6,203,648,876.04		
Name of subsidiary	Amount for the current period				Amount for the last period			
	Revenue	Net profit	Total comprehensive income	Cash flows generated from operating activities	Revenue	Net profit	Total comprehensive income	Cash flows generated from
Operating activities								
Gezhouba Explosive Company Limited (中國葛洲壩集團易普力股份有限公司)	4,887,062,838.99	517,829,585.07	516,620,582.41	560,279,252.09	4,033,957,541.80	362,319,869.46	362,221,144.21	401,967,779.76
China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	8,299,282,676.99	176,285,108.29	206,474,028.76	- 122,934,807.69	9,047,257,330.68	187,988,685.61	176,081,206.28	515,275,245.80
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	6,551,437,195.98	220,454,971.97	224,224,971.97	417,288,672.35	5,120,975,626.01	117,342,037.34	120,712,037.34	233,900,299.60

2. Interests in the joint venture or associate

(1) Important joint ventures or associates

Names of joint ventures or associates	Principal place of operation	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Chongqing Gexing Construction Co., Ltd. (重慶葛興建設有限公司)	Chongqing	Chongqing	Infrastructure investment and operations	51.00		Equity method
Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶綏寧縣東部片區建設發展有限公司)	Dianjiang County	Dianjiang County	Infrastructure investment and operations	1.00		Equity method
Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)	Chongqing	Chongqing	Expressway investment and operation	40.00		Equity method
Chongqing Gezhouba Sunac Shenda Properties Co., Ltd. (重慶葛洲壩融創深達置業有限公司)	Chongqing	Chongqing	Real estate development	49.00		Equity method
Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd. (重慶葛洲壩融創金裕置業有限公司)	Chongqing	Chongqing	Real estate development	49.00		Equity method
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	Wuhan	Wuhan	Finance	23.31		Equity method
China Overseas Infrastructure Development and Investment Corporation Limited (中國海外基礎設施開發投資有限公司)	Hong Kong	Hong Kong	Investment management	21.74		Equity method
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	Suzhou	Suzhou	Real estate development	22.00		Equity method
Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限責任公司)	Zhangjiajie	Zhangjiajie	Civil blasting	21.84		Equity method
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣揚高速公路開發有限公司)	Xuanwei	Xuanwei	Expressway investment and operation	50.00		Equity method
Yueyang Three Gorges Water Environment Comprehensive Management Co., Ltd. (岳陽市三峽水環境綜合治理有限責任公司)	Yueyang	Yueyang	Infrastructure investment and operations	8.00		Equity method
Yiyang Yilian Civil Explosive Equipment Co., Ltd. (益陽益聯民用爆破器材有限公司)	Yiyang	Yiyang	Civil blasting	36.43		Equity method
Yichang Yiling Nissin Ecological Treatment Co., Ltd. (宜昌夷陵日清生態治理有限公司)	Yichang	Yichang	Ecological protection and environmental governance	19.99		Equity method
Yichang Miaozui Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	Yichang	Yichang	Road and bridge operations	50.00		Equity method
Yichang High-tech Landscaping Co., Ltd. (宜昌高新園林綠化有限公司)	Yichang	Yichang	Landscaping	49.00		Equity method
Yan'an Gezhouba Shanjiandong Ring Expressway Co., Ltd. (延安葛洲壩陝建東繞城高速公路有限公司)	Yan'an	Yan'an	Expressway investment and operation	42.00	3.00	Equity method

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Names of joint ventures or associates	Principal place of operation	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	Wushi County, Xinjiang	Wushi County, Xinjiang	Hydropower station construction and operation	49.00		Equity method
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	Wuhan	Wuhan	Real estate development	40.00		Equity method
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	Wuhan	Wuhan	Real estate development	50.00		Equity method
Weinan Dongqin Water Supply Co., Ltd. (Weinan東秦供水有限公司)	Weinan	Weinan	Infrastructure investment and operations	33.33		Equity method
Shenzhen Qihua Infrastructure Construction Investment Partnership (Limited Partnership) (深圳啟華基礎設施建設投資合夥企業(有限合夥))	Shenzhen	Shenzhen	Investment and management	47.16		Equity method
Shenzhen Anshun Transportation Facilities Construction Investment Partnership (Limited Partnership) (深圳安順交通設施建設投資合夥企業(有限合夥))	Shenzhen	Shenzhen	Investment and management	33.98		Equity method
Shaanxi Guanhuo Linfa Expressway Co., Ltd. (陝西關環麟法高速公路有限公司)	Baoji	Baoji	Expressway investment and operation	22.00	3.00	Equity method
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃甯石高速公路有限公司)	Xi'an	Xi'an	Expressway investment and operation	40.00		Equity method
Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	Jining	Jining	Expressway investment and operation	35.00		Equity method
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	Heze	Heze	Expressway investment and operation	35.00		Equity method
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	Tai'an	Tai'an	Expressway investment and operation	35.00		Equity method
Three Gorges Riqing Maoping River Ecological Treatment (Zigui) Co., Ltd. (三峽日清茅坪河生態治理(秭歸)有限公司)	Zigui	Zigui	Infrastructure investment and operations	20.00		Equity method
Pingan Gezhouba (Shenzhen) Expressway Investment Partnership Company (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	Shenzhen	Shenzhen	Investment management	47.50		Equity method
Panzhou Hongcai Gezhouba Project Management Co., Ltd. (盤州市宏財葛洲壩項目管理有限公司)	Panxian	Panxian	Infrastructure investment and operations	30.00		Equity method
Nansha International Financial Island (Guangzhou) Co., Ltd. (南沙國際金融島(廣州)有限公司)	Guangzhou	Guangzhou	Investment management	45.00		Equity method
Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd. (南京江北新區地下空間研究院有限公司)	Nanjing	Nanjing	Scientific research and technical services	35.00		Equity method

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Names of joint ventures or associates	Principal place of operation	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	Nanjing	Nanjing	Infrastructure investment and operations	70.00		Equity method
Liuzhou Changning Blasting Co., Ltd. (柳州昌寧爆破有限公司)	Liuzhou	Liuzhou	Civil explosive	40.00		Equity method
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	Jingzhou	Jingzhou	Infrastructure investment and operations	70.00		Equity method
Jiaozuo City Gezhouba China Railway 19th Bureau Ecological Governance Construction Company (焦作市葛洲壩中鐵十九局生態治理建設運營有限公司)	Jiaozuo	Jiaozuo	Infrastructure investment and operations	47.50		Equity method
Jiangsu Junyu New Energy Co., Ltd. (江蘇君煜新能源有限公司)	Suzhou	Suzhou	Sales of photovoltaic equipment and components		25.00	Equity method
Jianguang Environment Gezhouba Water (Yangxi) Co., Ltd. (建廣環境葛洲壩水務(陽西)有限公司)	Yangjiang	Yangjiang	Infrastructure investment and operations	35.00	10.00	Equity method
Huadian Huayuan Artificial Environment Engineering Co., Ltd. (華電華源人工環境工程有限公司)	Beijing	Beijing	Environmental protection engineering construction			Equity method
Hubei Huangshi Wuyang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)	Huangshi	Huangshi	Expressway investment and operation	49.00		Equity method
Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	Hangzhou	Hangzhou	Investment management	34.00		Equity method
Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	Hangzhou	Hangzhou	Real estate development	25.00		Equity method
Guizhou Liu'an Expressway Co., Ltd. (貴州省六安高速公路有限公司)	Qianxi, Guizhou	Qianxi, Guizhou	Expressway investment and operation	13.39	6.56	Equity method
Guizhou Naqing Expressway Co., Ltd. (貴州納晴高速公路有限公司)	Liupanshui	Liupanshui	Expressway investment and operation	8.04	3.93	Equity method
Guangzhou Zhenglin Real Estate Development Co., Ltd. (廣州正林房地產開發有限公司)	Guangzhou	Guangzhou	Real estate development	49.00		Equity method
Guangzhou Rumao Real Estate Development Co., Ltd. (廣州如茂房地產開發有限公司)	Guangzhou	Guangzhou	Real estate development	49.00		Equity method
Guangxi Hezhou Hewei Civil Explosives Sales Co., Ltd. (廣西賀州市賀威民用爆炸物品銷售有限公司)	Hezhou	Hezhou	Civil blasting	40.00		Equity method
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	Baise	Baise	Expressway investment and operation	40.00		Equity method
Guangdong Gezhouba Zhaoming Expressway Co., Ltd. (廣東葛洲壩肇明高速公路有限公司)	Zhaoqing	Zhaoqing	Expressway investment and operation	47.50		Equity method

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Names of joint ventures or associates	Principal place of operation	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Guangde Railway Construction Daqin Investment Partnership (Limited Partnership) (廣德鐵建大秦投資合夥企業(有限合夥))	Guangde	Guangde	Investment management	24.13		Equity method
Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司)	Beijing	Beijing	Energy storage technology development	51.00		Equity method
Gezhouba Water Affairs (Tangshan) Co., Ltd. (葛洲壩水務(唐山)有限公司)	Tangshan	Tangshan	Infrastructure investment and operations	30.00	12.50	Equity method
Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	Wuhan	Wuhan	Real estate development	30.00		Equity method
Gezhouba Energy Sales Co., Ltd. (葛洲壩能源銷售有限公司)	Jinan	Jinan	Motor vehicle charging sales	51.00		Equity method
Gezhouba Lingnan (Yancheng Tinghu) Water Treatment Co., Ltd. (葛洲壩嶺南(鹽城亭湖)水治理有限責任公司)	Yancheng	Yancheng	Ecological protection and environmental governance	35.00	9.78	Equity method
Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)	Wuhan	Wuhan	Technology research and technical services	40.00		Equity method
Gezhouba Jianxin (Wuhan) Investment Fund Management Co., Ltd. (葛洲壩建信(武漢)投資基金管理有限公司)	Wuhan	Wuhan	Investment management	50.00		Equity method
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	Guiyang	Guiyang	Infrastructure investment and operations	5.00		Equity method
Gezhouba Huaihe Development Co., Ltd. (葛洲壩淮河發展有限公司)	Xinyang	Xinyang	Infrastructure investment and operations	36.00	1.00	Equity method
Gezhouba (Zhejiang) Investment and Construction Co., Ltd. (葛洲壩(浙江)投資建設有限公司)	Hangzhou	Hangzhou	Landscaping		40.00	Equity method
Gezhouba (Yantai) Real Estate Development Co., Ltd. (葛洲壩(煙臺)房地產開發有限公司)	Yantai	Yantai	Real estate development		34.00	Equity method
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	Wuan	Wuan	Infrastructure investment and operations	19.64		Equity method
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	Tangshan	Tangshan	Infrastructure investment and operations	7.50		Equity method
Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	Shenzhen	Shenzhen	Real estate development	40.00		Equity method
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	Luzhou	Luzhou	Infrastructure investment and operations	10.00		Equity method
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	Huizhou	Huizhou	Expressway investment and operation	5.00		Equity method
Gekuangli Nanjing Property Development Co. Ltd. (葛礦利南京房地產開發有限公司)	Nanjing	Nanjing	Real estate development	33.90		Equity method

Names of joint ventures or associates	Principal place of operation	Place of registration	Business nature	Shareholding ratio (%)		Accounting methods of investment in joint ventures or joint ventures
				Direct	Indirect	
Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	Nanjing	Nanjing	Real estate development	35.70		Equity method
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)	Fuyang	Fuyang	Infrastructure investment and operations	35.00		Equity method
Chengdu China Construction Win-Win No. 7 Infrastructure Investment Center (Limited Partnership) (成都中建共贏七號基礎設施投資中心(有限合伙))	Chengdu	Chengdu	Investment management	61.09		Equity method
Beijing Zongheng Wuzhou Management Consulting Co., Ltd. (北京縱橫五洲管理諮詢有限公司)	Beijing	Beijing	Management consulting	49.00		Equity method
Beijing Jinlong Times Investment Co., Ltd. (北京津隆時代投資有限公司)	Beijing	Beijing	Investment management	31.59		Equity method
Beijing Franshion Gezhouba Real Estate Development Co., Ltd. (北京方興葛洲壩房地產開發有限公司)	Beijing	Beijing	Real estate development	49.00		Equity method

- Note:* 1. According to the articles of association and capital contribution agreement, the Company's appointment of 1 to 2 directors of Jingzhou Chengbei Expressway Investment and Construction Co., Ltd. (荊州城北快速路投資建設有限公司) and Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司) may exercise significant control over Jingzhou Chengbei Expressway Investment and Construction Co., Ltd. (荊州城北快速路投資建設有限公司) and Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司), but cannot control the general meeting and board meeting, hence, the Company accounted them as joint ventures using equity method.
2. According to the articles of association and capital contribution agreement, the Company's appointment of 1 to 2 directors of Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司), Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司), Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司), Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司), Yueyang Three Gorges Water Environment Management Co., Ltd. (岳陽市三峽水環境治理有限責任公司), Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司), Yichang Yiling Nissin Ecological Treatment Co., Ltd. (宜昌夷陵日清生態治理有限公司), Guizhou Liu'an Expressway Co., Ltd. (貴州省六安高速公路有限公司), Guizhou Naqing Expressway Co., Ltd. (貴州納晴高速公路有限公司), Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司) may exercise significant control over Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司), Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司), Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司),

Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司), Yueyang Three Gorges Water Environment Management Co., Ltd. (岳陽市三峽水環境治理有限責任公司), Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司), Yichang Yiling Nissin Ecological Treatment Co., Ltd. (宜昌夷陵日清生態治理有限公司), Guizhou Liu'an Expressway Co., Ltd. (貴州省六安高速公路有限公司), Guizhou Naqing Expressway Co., Ltd. (貴州納晴高速公路有限公司), Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司), hence, the Company accounted them as joint ventures using equity method.

3. China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司), a subsidiary of the Company, and CGGC-UN POWER Co., Ltd. (葛洲壩能源重工有限公司) totally held 67.64% equity interest of Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司). Pursuant to the Articles of Association, the Company may exercise significant influence on Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司) but cannot control its general meetings and board meetings, hence, the Company accounted it as associate using equity method.
4. China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司), a subsidiary of the Company, held 51% equity interest of Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司). Pursuant to the articles of association, China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司) may exercise significant influence on Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司), hence, the Company accounted it as associate using equity method.
5. Gezhouba Group Transportation Investment Co., Ltd. (葛洲壩集團交通投資有限公司), a subsidiary of the Company, held 51% equity interest of Gezhouba Energy Sales Co., Ltd. (葛洲壩能源銷售有限公司). Pursuant to the articles of association, Gezhouba Group Transportation Investment Co., Ltd. (葛洲壩集團交通投資有限公司) and shareholders of other parties may exercise common control on Gezhouba Energy Sales Co., Ltd. (葛洲壩能源銷售有限公司), hence, the Company accounted it as associate using equity method.
6. The Company held 61.09% equity interest of Chengdu China Construction Win-Win No. 7 Infrastructure Investment Center (Limited Partnership) (成都中建共贏七號基礎設施投資中心(有限合夥)). Pursuant to partnership agreement, the Company and other partners may exercise common control on Chengdu China Construction Win-Win No. 7 Infrastructure Investment Center (Limited Partnership) (成都中建共贏七號基礎設施投資中心(有限合夥)), hence, the Company accounted it as associate using equity method.

(2) Main financial information of significant joint ventures

Item	Closing balance/Amount for the current period			Opening balance/Amount for the previous period		
	Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城 北快速路投資建設有 限公司)	Guangzhou Rumao Real Estate Development Co., Ltd. (Guangzhou如茂 房地產開發有限公司)	Guangzhou Zhenglin Real Estate Development Co., Ltd. (Guangzhou正 林房地產開發有限公 司)	Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城 北快速路投資建設有 限公司)	Guangzhou Rumao Real Estate Development Co., Ltd. (Guangzhou如茂 房地產開發有限公司)	Guangzhou Zhenglin Real Estate Development Co., Ltd. (Guangzhou正 林房地產開發有限公 司)
Current assets	776,027,524.11	2,075,430,923.06	2,830,591,452.05	962,236,000.16	2,521,227,891.38	3,701,317,985.25
Non-current assets	7,168,957,768.39	126,418.84	269,547.03	5,736,789,024.23	1,112,813.30	443,143.81
Total assets	7,944,985,292.50	2,075,557,341.90	2,830,860,999.08	6,699,025,024.39	2,522,340,704.68	3,701,761,129.06
Current liabilities	482,485,292.50	340,183,935.67	457,343,119.39	780,825,024.39	384,765,349.48	708,998,408.58
Non-current liabilities	4,988,200,000.00			4,038,200,000.00		
Total liabilities	5,470,685,292.50	340,183,935.67	457,343,119.39	4,819,025,024.39	384,765,349.48	708,998,408.58
Minority interests						
Shareholders' equity attributable to the parent	2,474,300,000.00	1,735,373,406.23	2,373,517,879.69	1,880,000,000.00	2,137,575,355.20	2,992,762,720.48
Proportionate share in net assets	1,732,010,000.00	850,332,969.05	1,163,023,761.05	1,316,000,000.00	1,047,411,924.05	1,466,453,733.04
Adjustments						
- Inconsistent capital contribution						
- Unrealized profits from Intercompany transactions						
Carrying amount of investment in joint venture	1,732,010,000.00	850,332,969.05	1,163,023,761.05	1,316,000,000.00	1,047,411,924.05	1,466,453,733.04
Operating income		104,471,446.79	396,973,526.42		196,527,071.84	515,166,847.92
Finance cost		- 1,428,257.10	- 3,303,389.75		5,288,006.02	12,512,911.59
Income tax expenses		11,926,300.72	73,296,162.08		- 732,420.67	49,534,826.08
Net profit		35,729,940.34	219,888,486.23		- 2,197,262.01	148,604,478.25
Other comprehensive income						
Total comprehensive income		35,729,940.34	219,888,486.23		- 2,197,262.01	148,604,478.25
Dividend from joint venture in the period		213,590,617.03	409,150,000.00			

(3) *Main financial information of significant associates*

Item	Closing balance/Amount for the current period					
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	Beijing Franshion Gezhouba Real Estate Development Co., Ltd. (北京方興葛洲壩房地產開發有限公司)	Shandong Gezhouba Zaobe Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢潤置地葛洲壩置業有限公司)	Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)
Current assets	34,133,692,854.84	986,015,987.63	2,583,732,678.51	793,931,919.17	9,530,450,944.44	5,613,419,805.85
Non-current assets	49,499,467,929.53	931,721,864.01	17,398,125,495.94	11,189,643,293.31	8,218,251.41	98,993.56
Total assets	83,633,160,784.37	1,917,737,851.64	19,981,858,174.45	11,983,575,212.48	9,538,669,195.85	5,613,518,799.41
Current liabilities	79,206,193,472.27	460,255,156.72	3,359,689,751.13	562,637,556.13	6,140,546,956.28	701,385,851.98
Non-current liabilities	32,751,932.84		13,300,000,000.00	8,992,500,000.00	449,850,000.00	
Total liabilities	79,238,945,405.11	460,255,156.72	16,659,689,751.13	9,555,137,556.13	6,590,396,956.28	701,385,851.98
Minority interest						
Shareholders' equity attributable to the parent company	4,394,215,379.26	1,457,482,694.92	3,322,168,423.32	2,428,437,656.35	2,948,272,239.57	4,912,132,947.43
Proportionate share in net assets	1,024,291,604.91	714,166,520.51	1,162,758,948.16	849,953,179.72	1,179,308,895.83	2,456,066,473.72
Adjustment	101,734,287.38		300,000.00	5,180,000.00		290,094.33
- Inconsistent capital contribution						
- Unrealized profits from Intercompany transactions						
- Others	101,734,287.38		300,000.00	5,180,000.00		290,094.33
Carrying amount of investment in associates	1,126,025,892.29	714,166,520.51	1,163,058,948.16	855,133,179.72	1,179,308,895.83	2,456,356,568.05
Operating income	660,124.06	389,592,983.63	179,995,627.14	36,018,006.43	44,138,437.59	515,499.24
Net profit	344,818,458.28	221,593,431.52	- 174,572,100.68	- 125,808,635.29	11,652,711.62	- 19,503,912.00
Other comprehensive income	- 120,000.00					
Total comprehensive income	344,698,458.28	221,593,431.52	- 174,572,100.68	- 125,808,635.29	11,652,711.62	- 19,503,912.00
Dividend from associates in the period	61,762,924.68					

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Opening balance/Amount for the previous period					
	Beijing Franshion				Wuhan China	
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩萊高速公路有限公司)	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	Resources Land Gezhouba Real Estate Co., Ltd. (武漢潤置地葛洲壩置業有限公司)	Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)
Current assets	31,568,582,568.52	1,218,241,160.78	3,841,715,320.43	3,366,395,812.39	6,831,388,397.03	5,325,401,798.98
Non-current assets	32,578,867,967.02	931,804,497.91	11,389,239,468.15	7,361,391,682.50	2,589,749.33	142,199.29
Total assets	64,147,450,535.54	2,150,045,658.69	15,230,954,788.58	10,727,787,494.89	6,833,978,146.36	5,325,543,998.27
Current liabilities	59,815,678,382.84	914,156,395.29	2,168,214,265.72	1,902,925,837.09	3,285,478,543.84	393,907,138.84
Non-current liabilities	17,292,019.87		9,566,000,000.00	6,566,000,000.00	599,950,000.00	
Total liabilities	59,832,970,402.71	914,156,395.29	11,734,214,265.72	8,468,925,837.09	3,885,428,543.84	393,907,138.84
Minority interest						
Shareholders' equity attributable to the parent company	4,314,480,132.83	1,235,889,263.40	3,496,740,522.86	2,258,861,657.80	2,948,549,602.52	4,931,636,859.43
Proportionate share in net assets	1,005,705,318.96	605,585,739.07	1,223,859,183.00	790,601,580.23	1,179,419,841.01	2,465,818,429.72
Adjustment	101,734,287.38		300,000.00	5,180,000.00		290,094.33
- Inconsistent capital contribution						
- Unrealized profits from Intercompany transactions						
- Others	101,734,287.38		300,000.00	5,180,000.00		290,094.33
Carrying amount of investment in associates	1,107,439,606.34	605,585,739.07	1,224,159,183.00	795,781,580.23	1,179,419,841.01	2,466,108,524.05
Operating income	296,341.72	637,184,838.18			2,801,736,394.18	
Net profit	285,934,727.95	277,412,717.44			583,059,410.29	- 29,328,656.61
Other comprehensive income	- 78,500.00					
Total comprehensive income	285,856,227.95	277,412,717.44			583,059,410.29	- 29,328,656.61
Dividend from associates in the period	71,470,535.65					

(4) *Summary of financial information of insignificant joint ventures and associates*

Item	Closing balance/ Amount for the current period	Opening balance/ Amount for the previous period
Joint ventures:		
Total carrying amount of investment	2,315,322,503.51	589,772,403.65
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profit	– 2,802,426.81	9,285.16
– Other comprehensive income		
– Total comprehensive income	– 2,802,426.81	9,285.16
Associates:		
Total carrying amount of investment	12,839,278,257.38	9,012,151,159.63
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profit	34,512,994.73	310,777,125.37
– Other comprehensive income		
– Total comprehensive income	34,512,994.73	310,777,125.37

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Company faces various financial risks in the course of its business: credit risk, market risk and liquidity risk. The Board of Directors is responsible for the determination of overall risk management objectives and policies and assumes ultimate responsibility for risk management objectives and policies. However, the Board of Directors has authorized the Company's risk control department to design and implement procedures that can ensure the effective implementation of risk management objectives and policies. The Board of Directors reviews the effectiveness of the implemented procedures and the rationality of risk management objectives and policies through the monthly report submitted by the risk control department. The internal auditors also audit the risk management objectives and policies and record the results to the audit committee.

The overall objective of the Company's risk management is to formulate risk management policies which can minimise risks without excessively affecting the Company's competitiveness and adaptability.

1. Credit risks

Credit risk refers to the risk that the party of a financial instrument does not fulfil its obligations and creates financial losses on the other party. The Company is mainly faced with credit risk caused by credit sales. Prior to signing the new contract, the Company will evaluate the credit risk of the new customer, including the external credit rating and, in some cases, the bank credit certificate (when this information is available). The Company sets a credit limit for each customer, which is the maximum amount that does not require additional approval.

The Company ensures that the Company's overall credit risk is within control of the Company through quarterly monitoring of existing customer credit ratings and monthly review of accounts receivable aging analysis. When monitoring the customer's credit risk, they are grouped according to their credit characteristics. Customers rated as "high-risk" will be placed on the list of restricted customers, and the Company can only sell them on the premise of additional approval, otherwise they must be required to pay in advance.

2. Market risks

The market risk of financial instruments refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market prices, including foreign exchange risk, interest rate risk and other price risks.

(1) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market interest rates. The interest rate risk faced by the Company mainly comes from long-term borrowings and bonds payable. The Company's current policy is that fixed-rate borrowings account for 10%-40% of external borrowings. In order to maintain this ratio, the Company may use interest rate swaps to achieve the expected interest rate structure. Although this policy does not enable the Company to completely avoid the risk of paying interest rates exceeding prevailing market rates, nor can it completely eliminate the cash flow risks associated with fluctuations in interest payments, the management believes that the policy achieves a reasonable balance between these risks.

As at 31 December 2020, if other variables remain unchanged and the borrowing rate calculated at floating interest rates rises or falls by 25 basis points, the Company's net profit will decrease or increase by RMB145,851,600. The management believes that 25 basis points reasonably reflect the reasonable range of possible changes in interest rates in the next year.

(2) *Foreign exchange risk*

Foreign exchange risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in foreign exchange rates. The Company tries to match the revenue and cost in foreign currencies in order to reduce the exchange rate risk. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to achieve the purpose of avoiding exchange rate risk. In 2018 and 2017, the Company did not sign any forward exchange agreement and currency swap agreement.

The main foreign exchange risk is the financial assets and financial liabilities denominated in USD. The amount of the financial assets and liabilities in foreign currencies converted into RMB is as follows:

Items	Closing balance			Opening balance		
	USD	Other currency	Total	USD	Other currency	Total
Monetary capital	3,041,131,581.09	1,727,963,505.52	4,769,095,086.61	3,109,315,326.33	1,594,440,253.25	4,703,755,579.58
Account receivables	541,303,546.45	327,311,937.06	868,615,483.51	557,505,723.28	425,975,464.61	983,481,187.89
Other receivables	64,191,271.78	385,021,929.46	449,213,201.24	26,966,305.23	626,936,263.86	653,902,569.09
Non-current liabilities due within one year		250,288,761.26	250,288,761.26		325,981,491.25	325,981,491.25
Long-term borrowings		4,790,081,614.36	4,790,081,614.36		6,011,930,239.82	6,011,930,239.82
Total	3,646,626,399.32	7,480,667,747.66	11,127,294,146.98	3,693,787,354.84	8,985,263,712.79	12,679,051,067.63
Short-term borrowings	1,324,234,308.60	181,090,898.00	1,505,325,206.60	2,526,954,000.00	930,628,132.84	3,457,582,132.84
Accounts payables	744,219,954.94	6,226,491,611.61	6,970,711,566.55	1,491,969,471.36	6,344,540,440.39	7,836,509,911.75
Other payables	57,030,765.15	1,167,817,424.06	1,224,848,189.21	298,035,503.71	803,992,942.32	1,102,028,446.03
Non-current liabilities due within one year		192,846,218.84	192,846,218.84		207,748,547.98	207,748,547.98
Interest payable	14,410,105.73	667,204,020.15	681,614,125.88	15,406,792.38	984,842,997.55	1,000,249,789.93
Long-term borrowings	4,982,697,642.08	2,898,423,034.68	7,881,120,676.76	4,647,984,880.95	4,067,287,312.62	8,715,272,193.57
Other non-current liabilities		122,624,376.01	122,624,376.01		96,659,935.67	96,659,935.67
Total	7,122,592,776.50	11,456,497,583.35	18,579,090,359.85	8,980,350,648.40	13,435,700,309.37	22,416,050,957.77

As at 31 December 2020, if other variables remain unchanged and RMB appreciates or depreciates against the U.S. dollar by 5%, the Company's net profit will increase or decrease by RM57,102,800 (31 December 2019: RMB69,787,300). The management believes that 5% reasonably reflect the reasonable range of possible changes in the exchange rate of RMB against U.S. dollar in the next year.

(3) Other price risks

For equity investments held by the Company, the management believes that the market price risks faced by these investment activities are acceptable.

The equity investments held by the Company are listed below:

Items	Closing balance	Opening balance
Other non-current financial assets	6,488,116,910.82	5,375,588,446.33
Other equity instrument investment	1,141,384,876.80	970,177,145.28
Total	7,629,501,787.62	6,345,765,591.61

As at 31 December 2020, if other variables remain unchanged and the value of equity instrument investment rises or falls by 5%, the Company's net profit will increase or decrease by RMB275,745,000 (31 December 2019: RMB228,462,500), other comprehensive income

RMB48,508,900 (31 December 2019: RMB41,232,500). The management believes that 5% reasonably reflect the reasonable range of possible changes in the value of equity instrument investment in the next year.

3. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter capital shortage when performing obligations that are settled by delivering cash or another financial asset. The Company's policy is to ensure it has sufficient cash to settle the debts when they fall due. The Company's finance department controls the liquidity risk. Through monitoring cash balance, readily realizable marketable securities and the rolling forecasts of cash flows for the next 12 months, the finance department will ensure the Company has sufficient fund to settle its debts under all reasonable foreseeable circumstances.

The maturity profile of the Company's financial liabilities at each balance sheet date based on contractual undiscounted payments is analysed below:

Items	Closing balance					Total
	Within 1 year	1-2 years	2-3 years	3-5 years	Above 5 years	
Short-term borrowings	18,318,168,325.82					18,318,168,325.82
Bills payables	5,479,136,739.76					5,479,136,739.76
Trade payables	41,340,088,463.94					41,340,088,463.94
Others payables	20,751,542,144.14					20,751,542,144.14
Others current liabilities	4,449,829,775.74					4,449,829,775.74
Long-term borrowings	5,217,530,421.83	3,633,609,458.84	8,433,001,318.84	1,316,502,637.68	27,319,378,842.56	45,920,022,679.75
Bonds payable	8,767,552,865.71	1,500,000,000.00		2,500,000,000.00		12,767,552,865.71
Others non-current liabilities		124,582,014.15				124,582,014.15
Total	104,323,848,736.94	5,258,191,472.99	8,433,001,318.84	3,816,502,637.68	27,319,378,842.56	149,150,923,009.01

X. FAIR VALUE DISCLOSURE

1. Closing Fair Value of Assets and Liabilities Measured at Fair Value

Items	Fair value at the end of period			Total
	Level 1 Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	
I. Continuing fair value measurement				
(1) Other equity instrument investment	1,141,384,876.80			1,141,384,876.80
(2) Other non-current financial assets			6,488,116,910.82	6,488,116,910.82
Total continuing assets measured at fair value	1,141,384,876.80		6,488,116,910.82	7,629,501,787.62

2. Basis for Determining Market Price of Continuous and Non-continuous Level-1 Fair Value Measurement Items

The market price of fair value measurement items of the Company comes from the closing price quoted on the stock exchange at the end of 2020.

3. Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

Financial assets and financial liabilities measured at amortised costs of the Company mainly include receivables, short-term borrowings, payables, long-term borrowings, bonds payable and long-term payables.

Except for the financial assets and financial liabilities below, the carrying amount of other financial assets and financial liabilities not measured at fair value are approximate to their fair value.

Items	At the end of the period			At beginning of the year		
	Carrying amount	Fair value	Level	Carrying amount	Fair value	Level
Bonds payable	12,420,600,000.00	12,468,279,400.00	Level 1	13,170,600,000.00	13,270,580,000.00	Level 1

For bonds payable in an active market, the fair value is determined by the quoted price in the active market, which belongs to level 1. The fair value of bonds payable without an active market is determined by the present value of the future cash flows stipulated in the contract, which is discounted at an interest rate that has a comparable credit rating in the market and provides almost the same cash flows under the same conditions, and belongs to level 3.

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Parent of the Company

Name of the parent	Place of registration	Nature of business	Registered capital (RMB ten thousand)	Shareholding percentage of the parent to the Company (%)	Percentage of voting right of the parent to the Company (%)
China Gehouba Group Company Limited	Wuhan, Hubei	Project construction	331,530.87	42.84	42.84

Note: The Company's indirect controlling shareholder is China Energy Engineering Group Co., Ltd. and China Energy Engineering Corporation Limited. The Company's de facto controller is the State-owned Assets Supervision and Administration Commission of the State Council.

2. Subsidiaries of the Company

For details, refer to the Note VIII. 1. Equity in subsidiaries.

3. Details of the Joint Ventures and Associates of the Company

For details of significant joint ventures or associates of the Company, see the Note VIII. 2. Equity in joint ventures or associates. Information for other joint ventures and associates which form balance through related party transaction during the current or previous periods is as follows:

Name of joint venture or associates	Relationship with the Company
Guangzhou Rumao Real Estate Development Co., Ltd (Guangzhou如茂房地產開發有限公司)	Joint venture
Guangzhou Zhenglin Real Estate Development Co., Ltd. (Guangzhou正林房地產開發有限公司)	Joint venture
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	Joint venture
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	Joint venture
Yichang Miaozui Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	Joint venture
Nansha International Financial Island (Guangzhou) Co., Ltd. (南沙國際金融島(廣州)有限公司)	Joint venture
Gezhouba Lingnan (Yancheng Tinghu) Water Treatment Co., Ltd. (葛洲壩嶺南(鹽城亭湖)水治理有限責任公司)	Joint venture
Gezhouba Energy Sales Co., Ltd. (葛洲壩能源銷售有限公司)	Joint venture
Jianguang Environment Gezhouba Water (Yangxi) Co., Ltd. (建廣環境葛洲壩水務(陽西)有限公司)	Joint venture
Yunnan Gezhouba City Operation Investment Co., Ltd. (雲南葛洲壩城市運營投資有限公司)	Joint venture
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣揚高速公路開發有限公司)	Joint venture
Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	Associate
Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	Associate
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	Associate
Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	Associate
Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	Associate
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	Associate
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	Associate

Name of joint venture or associates	Relationship with the Company
Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	Associate
Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	Associate
Gekuangli Nanjing Property Development Co. Ltd. (葛礦利南京房地產開發有限公司)	Associate
Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	Associate
Shanghai Xiyue Real Estate Development Co., Ltd. (上海璽越地產開發有限公司)	Associate
Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	Associate
Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民用爆破器材有限公司)	Associate
Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限責任公司)	Associate
Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)	Associate
Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司)	Associate
Huadian Huayuan Artificial Environment Engineering Co., Ltd. (華電華源人工環境工程有限公司)	Associate
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	Associate
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	Associate
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)	Associate
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	Associate
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	Associate
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	Associate
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	Associate
Chongqing Jiangqi Highway Co., Ltd. (重慶江綦高速公路有限公司)	Associate
Chongqing Gexing Construction Co., Ltd. (Chongqing 葛興建設有限公司)	Associate

Name of joint venture or associates	Relationship with the Company
Nanjing Jiangbei New Area Underground Space Research Institute Co., Ltd. (南京江北新區地下空間研究院有限公司)	Associate
Panzhou Gezhouba Project Management Co., Ltd. (盤州市宏財葛洲壩項目管理有限公司)	Associate
Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	Associate
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	Associate
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	Associate
Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗菏高速公路有限公司)	Associate
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd (陝西葛洲壩延黃甯石高速公路有限公司)	Associate
Weinan Dongqin Water Supply Co., Ltd. (渭南東秦供水有限公司)	Associate
Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	Associate
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	Associate
Pingan Gezhouba (Shenzhen) Expressway Investment Partnership Company (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	Associate
Xinjiang Gezhouba Qiaobat Water Conservancy Project Development Co., Ltd. (新疆葛洲壩喬巴特水利樞紐工程開發有限公司)	Associate
Guangdong Gezhouba Zhaoming Expressway Co., Ltd. (廣東葛洲壩肇明高速公路有限公司)	Associate
Yan'an Gezhouba Shanjiandong Ring Expressway Co., Ltd. (延安葛洲壩陝建東繞城高速公路有限公司)	Associate
Hubei Huangshi Wuyang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)	Associate
Gezhouba (Yantai) Real Estate Development Co., Ltd. (葛洲壩(煙臺)房地產開發有限公司)	Associate
Liuzhou Changning Blasting Co., Ltd. (柳州昌寧爆破有限公司)	Associate
Guangxi Bagui Civil Blasting Equipment Co., Ltd. (廣西八桂民用爆破器材有限責任公司)	Associate
Three Gorges Riqing Maoping River Ecological Treatment (Zigui) Co., Ltd. (三峽日清茅坪河生態治理(秭歸)有限公司)	Associate
Gezhouba Huaihe Development Co., Ltd. (葛洲壩淮河發展有限公司)	Associate
Gezhouba Chongqing Nanchuan District Infrastructure Construction Co., Ltd. (葛洲壩重慶市南川區基礎設施建設有限公司)	Associate
Gezhouba Water Affairs (Tangshan) Co., Ltd. (葛洲壩水務(唐山)有限公司)	Associate

Name of joint venture or associates	Relationship with the Company
Shaanxi Guanhuang Linfa Expressway Co., Ltd. (陝西關環麟法高速公路有限公司)	Associate

4. Other Related Parties

Name of other related parties	Relationship between other related parties and the Company
China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	Brother company of the Group
China Energy Engineering Group Beijing Electric Power Construction Company (中國能源建設集團北京電力建設有限公司)	Brother company of the Group
Beijing Luosida Science and Technology Development Co., Ltd. (北京洛斯達科技發展有限公司)	Brother company of the Group
Gezhouba (Beijing) Investments Co., Limited (葛洲壩(北京)投資有限公司)	Brother company of the Group
China Energy Engineering Group Anhui No. 2 Electric Power Construction Engineering Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)	Brother company of the Group
China Energy Engineering Group Anhui No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	Brother company of the Group
China Energy Engineering Group Anshan Iron Tower Manufacturing Co., Ltd. (中國能源建設集團鞍山鐵塔有限公司)	Brother company of the Group
China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	Brother company of the Group
China Energy Engineering Group Northeast No. 2 Electric Power Engineering Co., Ltd. (中國能源建設集團東北電力第二工程有限公司)	Brother company of the Group
China Energy Engineering Group Northwest Power Construction Gansu Engineering Corporation(中國能源建設集團西北電力建設甘肅工程有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Electric Power Engineering Co., Ltd. (中國能源建設集團廣東電力工程局有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	Brother company of the Group

Name of other related parties	Relationship between other related parties and the Company
China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)	Brother company of the Group
China Energy Engineering Group Guangdong Power Line Equipment Factory (中國能源建設集團廣東省電力線路器材廠)	Brother company of the Group
China Energy Engineering Group Guangxi Power Design Institute Co., Ltd. (中國能源建設集團廣西電力設計研究院有限公司)	Brother company of the Group
China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	Brother company of the Group
China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源建設集團湖南火電建設有限公司)	Brother company of the Group
China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中國能源建設集團湖南省電力設計院有限公司)	Brother company of the Group
China Energy Engineering Group Jiangsu Electric Power Design Institute Co., Ltd. (中國能源建設集團江蘇省電力設計院有限公司)	Brother company of the Group
China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建設集團科技發展有限公司)	Brother company of the Group
China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	Brother company of the Group
China Energy Engineering Group Nanjing Power Line Products Co., Ltd (中國能源建設集團南京線路器材廠)	Brother company of the Group
China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電力建設一公司)	Brother company of the Group
China Energy Engineering Group Shanxi Electric Power Design Institute Co., Ltd. (中國能源建設集團山西省電力勘測設計院有限公司)	Brother company of the Group
China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	Brother company of the Group
China Energy Engineering Group Jiangsu No. 1 Electric Power Construction Engineering Co., Ltd. (中國能源建設集團江蘇省電力建設第一工程有限公司)	Brother company of the Group

Name of other related parties	Relationship between other related parties and the Company
China Energy Engineering Group Northwest Power Construction Engineering Co., Ltd. No.3 Engineering Company (中國能源建設集團西北電力建設工程有限公司)第三工程公司)	Brother company of the Group
China Energy Engineering Group Northeast No. 1 Electric Power Engineering Co., Ltd. (中國能源建設集團東北電力第一工程有限公司)	Brother company of the Group
China Energy Engineering Group North Construction and Investment Co., Ltd. (中國能源建設集團北方建設投資有限公司)	Brother company of the Group
China Energy Engineering Group Equipment Co., Ltd. (中國能建集團裝備有限公司)	Brother company of the Group
Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group (中國電力工程顧問集團中南電力設計院有限公司)	Brother company of the Group
China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	Brother company of the Group
Anhui Huadian Engineering Consulting & Design Co., Ltd. (安徽華電工程諮詢設計有限公司)	Brother company of the Group
Beijing General Power Equipment Plant Co., Ltd. (北京電力設備總廠有限公司)	Brother company of the Group
Hunan Electric Power Line Equipment Co., Ltd. (湖南省電力線路器材有限公司)	Brother company of the Group
Jiangsu Power Equipment Co., Ltd. (Jiangsu Power Equipment Co., Ltd. (江蘇電力裝備有限公司))	Brother company of the Group
Jiangsu Keneng Power Engineering Consulting Co., Ltd. (江蘇科能電力工程諮詢有限公司)	Brother company of the Group
Tongcheng Environmental Engineering Company (同誠環保工程公司)	Brother company of the Group
South Wuhan Geotechnical Engineering Technique Co., Ltd (武漢南方岩土工程技術有限責任公司)	Brother company of the Group
Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司)	Brother company of the Group
CEEG (Hainan) Co., Ltd. (中能建(海南)有限公司)	Brother company of the Group
China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	Wholly-owned subsidiary of the parent
Yichang City Gezhouba Hotel Co., Ltd. (宜昌市葛洲壩賓館有限公司)	Wholly-owned subsidiary of the parent
Huanjia Group Co., Ltd. (Huanjia Group Co., Ltd. (環嘉集團有限公司))	Other related party

5. Related Party Transactions

(1) *Related party transactions of purchasing or selling goods and rendering or receiving Services*1 *Statement on procurement of goods/receipt of labor services*

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
China Energy Engineering Group Beijing Electric Power Construction Co., Company (中國能源建設集團北京電力建設有限公司)	Engineering construction	125,992,452.97	136,284,514.15
Beijing Luosida Science and Technology Development Co., Ltd. (北京洛斯達科技發展有限公司)	Purchase of materials	6,258,376.27	
Beijing General Power Equipment Plant Co., Ltd. (北京電力設備總廠有限公司)	Engineering construction	53,442.47	605,059.23
Jiangsu Power Equipment Co., Ltd. (江蘇電力裝備有限公司)	Engineering construction		24,257,561.50
China Energy Engineering Group Anhui No.2 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)	Engineering construction	143,807,724.06	87,062,943.80
China Energy Engineering Group Anhui No.1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	Engineering construction		42,274,042.42
China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	Purchase of goods	98,392,344.87	11,994,911.41
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	Engineering construction	461,805,181.05	53,971,799.71
China Energy Engineering Group Guangxi Power Design Institute Co., Ltd. (中國能源建設集團廣西電力設計研究院有限公司)	Engineering construction	552,509.43	20,233,246.26

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
China Energy Engineering Group Jiangsu No. 1 Electric Power Construction Engineering Co., Ltd. (中國能源建設集團江蘇省電力建設 第一工程有限公司)	Engineering construction	2,377,775.10	
Anhui Huadian Engineering Consulting & Design Co., Ltd. (安徽華電工程 諮詢設計有限公司)	Engineering construction	377,358.49	
China Energy Engineering Group Northwest Power Construction Engineering Company Limited (中 國能源建設集團西北電力建設工程 有限公司)	Engineering construction	6,978,651.72	
China Energy Engineering Group Northwest Power Construction Engineering Co., Ltd. No.3 Engineering Company (中國能源建 設集團西北電力建設工程有限公司) 第三工程公司)	Engineering construction	36,914,726.51	
China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集 團廣西水電工程局有限公司)	Engineering construction	4,151,486.97	1,811,849.90
China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源建設集團湖南 火電建設有限公司)	Engineering construction		3,325,846.30
China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建 設集團科技發展有限公司)	Engineering construction	1,441,577.69	17,133,659.82
China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設 集團南方建設投資有限公司)	Engineering construction	142,621,810.08	157,243,854.60
China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津 電力建設有限公司)	Engineering construction	194,504,243.35	263,570,974.90

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
China Energy Engineering Group North Construction and Investment Co., Ltd. (中國能源建設集團北方建設投資有限公司)	Engineering construction	42,768,033.04	
China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	Other services	2,829,273.87	3,770,840.21
Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民用爆破器材有限公司)	Purchasing of materials	8,253,313.70	7,463,364.62
Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限責任公司)	Purchasing of materials	7,444,015.50	7,861,940.92
Guangxi Bagui Civil Blasting Equipment Co., Ltd. (廣西八桂民用爆破器材有限責任公司)	Purchasing of materials	33,265,092.23	
Total		1,320,789,389.37	838,866,409.75

2 *Statement on sales of goods/provision of labor services*

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Gezhouba (Beijing) Investments Co., Limited(葛洲壩(北京)投資有限公司)	Engineering construction	352,702.80	
China Energy Engineering Corporation Limited (中國能源建設股份有限公司)	Engineering construction	3,409,493.80	1,621,538.32
China Energy Engineering Group Beijing Electric Power Construction Co., Company (中國能源建設集團北京電力建設有限公司)	Engineering construction	26,505,057.87	7,664,853.38
China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	Engineering construction	6,249,883.99	6,114,844.17
China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)	Engineering construction	7,391,404.40	

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源建設集團湖南火電建設有限公司)	Sale of goods	283,185.84	
CEEG (Hainan) Co., Ltd. (中能建(海南)有限公司)	Engineering construction	176,032.11	
China Energy Engineering Group Anhui No.2 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)	Sale of goods	201,516.81	
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	Engineering construction	10,222,600.94	
China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	Engineering construction	107,831.19	
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	Sale of goods	413,418.04	3,903,274.34
China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	Engineering construction	10,279,822.99	
China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建設集團科技發展有限公司)	Engineering construction	70,754.72	117,924.53
China Energy Engineering Group Shanxi Electric Power Design Institute Co., Ltd. (中國能源建設集團山西省電力勘測設計院有限公司)	Engineering construction		51,157,932.69
China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	Engineering construction	757,261.74	89,413.36
China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	Engineering construction	102,307,561.34	310,190,356.50

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
China Energy Engineering Group Anhui No.1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	Sale of goods		174,966.42
Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司)	Engineering construction	568,546,655.60	37,522,050.94
Guangxi Bagui Civil Blasting Equipment Co., Ltd. (廣西八桂民用 爆破器材有限責任公司)	Sale of goods	717,396.33	
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩 國禎水環境治理投資建設有限公司)	Engineering construction	941,528,170.41	184,132,453.24
Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京) 房地產開發有限公司)	Engineering construction	88,779,293.93	
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建 設有限公司)	Engineering construction		2,251,493.13
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公 司)	Engineering construction	299,996,307.33	112,699,904.55
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有 限公司)	Engineering construction	1,163,219,232.72	1,551,891,184.05
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武 安)投資建設有限公司)	Engineering construction	338,649,999.37	129,208,519.26
Gezhouba Lingnan (Yancheng Tinghu) Water Treatment Co., Ltd. (葛洲壩 嶺南(鹽城亭湖)水治理有限責任公 司)	Engineering construction	180,333,332.56	
Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲 壩潤明(武漢)房地產開發有限公司)	Engineering construction	114,735,576.70	85,649,717.84

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Gezhouba Chongqing Nanchuan District Infrastructure Construction Co., Ltd. (葛洲壩重慶市南川區基礎設施建設有限公司)	Engineering construction	123,004,882.61	128,250,163.85
Guangdong Gezhouba Zhaoming Expressway Co., Ltd. (廣東葛洲壩肇明高速公路有限公司)	Engineering construction	638,929,766.80	
Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	Engineering construction	5,563,069,465.88	1,200,001,403.91
Hubei Huangshi Wuyang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)	Engineering construction	745,244,200.98	
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	Engineering construction	923,496,742.09	2,176,501,621.54
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	Engineering construction	891,332,572.25	2,600,625,489.46
Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	Engineering construction	466,765,675.35	510,764,079.17
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	Engineering construction	1,873,462,649.47	1,421,417,184.30
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	Engineering construction	1,120,190,179.74	1,652,569,681.59
Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	Engineering construction	1,537,787,946.14	2,388,442,151.20
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃甯石高速公路有限公司)	Engineering construction	6,981,041,921.50	4,270,426,454.32
Weinan Dongqin Water Supply Co., Ltd. (Weinan東秦供水有限公司)	Engineering construction	23,597,546.11	72,830,286.79

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	Engineering construction	521,071,237.04	99,344,036.70
Xinjiang Gezhouba Qiaobat Water Conservancy Project Development Co., Ltd. (新疆葛洲壩喬巴特水利樞紐工程開發有限公司)	Engineering construction	365,990,016.46	
Yan'an Gezhouba Shanjiandong Ring Expressway Co., Ltd. (延安葛洲壩陝建東繞城高速公路有限公司)	Engineering construction	42,587,503.63	
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	Engineering construction	2,995,209,241.42	548,101,949.89
Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)	Engineering construction	2,611,751.35	
Chongqing Gexing Construction Co., Ltd. (Chongqing葛興建設有限公司)	Engineering construction	80,072,828.60	- 27,917,745.10
Three Gorges Riqing Maoping River Ecological Treatment (Zigui) Co., Ltd. (三峽日清茅坪河生態治理(秭歸)有限公司)	Engineering construction	31,204,569.57	
Jianguang Environment Gezhouba Water (Yangxi) Co., Ltd. (建廣環境葛洲壩水務(陽西)有限公司)	Engineering construction	72,159,491.46	
Gezhouba Water Affairs (Tangshan) Co., Ltd. (葛洲壩水務(唐山)有限公司)	Engineering construction	36,990,950.55	
Gezhouba Huaihe Development Co., Ltd. (葛洲壩淮河發展有限公司)	Engineering construction	441,565,380.15	
Total		29,342,621,012.68	19,525,747,184.34

(2) *Leases with related parties**The Company as lessee:*

Name of lessor	Type of leased assets	Rental fee recognized in current period	Rental fee recognized in last period
Gezhouba (Beijing) Investments Co., Limited (葛洲壩(北京)投資有限公司)	Building	62,222.21	
Total		62,222.21	

(3) *Related guarantee*1 *The Company as a guarantor*

Secured party	Guarantee amount	Commencement date of guarantee	Expiry date	Whether the guarantee has been fulfilled
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團Finance lease有限公司)	6,770,698.99	2019/1/28	2021/12/27	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團Finance lease有限公司)	37,200,000.00	2018/9/13	2021/9/13	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團Finance lease有限公司)	9,420,000.00	2018/9/17	2021/9/17	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團Finance lease有限公司)	8,793,504.00	2018/11/22	2021/9/17	No
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團Finance lease有限公司)	24,000,000.00	2018/12/11	2021/9/17	No
Fuzhou Jiangyin Industrial Zone Gezhouba Reclamation Investment Co., Ltd. (福州市江陰工業區葛洲壩填海投資有限公司)	690,000,000.00	2017/1/3	2028/12/1	No
San Noronso Water System Co., Ltd. (巴西聖諾倫索供水系統有限公司)	2,785,019,166.68	2018/5/23	2038/12/31	No
China Gezhouba Group Lv Yuan Technology Co., Ltd.	1,200,000,000.00	2018/9/23	2023/9/23	No

Secured party	Guarantee amount	Commencement date of guarantee	Expiry date	Whether the guarantee has been fulfilled
China Gezhouba Group Overseas Investment Hong Kong Co., Ltd. (中國葛洲壩集團海外投資香港有限公司)	1,308,580,000.00	2020/11/18	2025/11/18	No
Gezhouba Water (Huanggang) Co., Ltd. (葛洲壩水務(黃岡)有限公司)	98,660,000.00	2019/10/17	2036/10/31	No
Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司)	396,387,675.00	2018/12/6	2027/6/21	No
Gezhouba Xili Cement Co., Ltd. (葛洲壩西里水泥有限責任公司)	396,812,975.00	2018/11/1	2027/6/21	No
Hangzhou Huayuan Frontline Energy Equipment Co., Ltd. (杭州華源前線能源設備有限公司)	10,000,000.00	2020/6/11	2021/1/22	No
Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)	320,000,000.00	2013/6/7	2043/6/7	No
Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)	38,800,000.00	2019/3/21	2024/3/20	No
Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)	35,000,000.00	2019/3/21	2023/6/26	No
Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)	80,000,000.00	2020/3/10	2023/2/28	No
Total	7,445,444,019.67			

2 The Company as a secured party

Guarantor	Guarantee amount	Commencement date of guarantee	Expiry date	Whether the guarantee has been fulfilled
China Gezhouba Group Company Limited	1,200,000,000.00	2016/5/11	2021/5/11	No
China Gezhouba Group Company Limited	600,000,000.00	2016/6/16	2021/6/16	No
China Gezhouba Group Company Limited	580,000,000.00	2018/12/11	2023/12/10	No
China Gezhouba Group Company Limited	500,000,000.00	2019/5/23	2024/5/22	No
Total	2,880,000,000.00			

(4) Lending to/borrowing from related parties

Related parties	Amount of lending/borrowing	Commencement date	Date of expiry	Explanation
Borrowing from:				

Related parties	Amount of lending/ borrowing	Commencement date	Date of expiry	Explanation
Beijing Franshion Gezhouba Real Estate Development Co., Ltd. (北京方興葛洲壩房地產開發有限公司)	18,427,039.43	2020/3/23	No fixed date of expiration	
Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	15,999,376.56	2020/1/1	No fixed date of expiration	
Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	819,356,419.34	2020/6/29	No fixed date of expiration	
Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	43,561,345.85	2020/7/29	No fixed date of expiration	
Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	7,200,000.00	2020/3/19	No fixed date of expiration	
Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	437,257,939.29	2020/6/2	No fixed date of expiration	
Nansha International Financial Island (Guangzhou) Co., Ltd. (南沙國際金融島(廣州)有限公司)	590,113,700.00	2020/1/8	No fixed date of expiration	
Loans to banks and other institution:				
Gekuangli Nanjing Property Development Co. Ltd. (葛礦利南京房地產開發有限公司)	85,089,000.00	2020/1/20	No fixed date of expiration	
Gezhouba (Yantai) Real Estate Development Co., Ltd. (葛洲壩(煙臺)房地產開發有限公司)	27,848,600.00	2020/9/25	No fixed date of expiration	
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	33,000,000.00	2020/1/17	No fixed date of expiration	
Yunnan Gezhouba City Operation Investment Co., Ltd. (雲南葛洲壩城市運營投資有限公司)	623,900,000.00	2020/9/29	No fixed date of expiration	
Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	623,900,000.00	2020/5/14	No fixed date of expiration	
Nansha International Financial Island (Guangzhou) Co., Ltd. (南沙國際金融島(廣州)有限公司)	227,708,700.00	2020/1/14	No fixed date of expiration	

(5) Asset transfer and debt restructuring of related parties

The Company has no asset transfer and debt restructuring of related parties that are required to be disclosed for current period.

(6) Emolument of key management

Item	Amount for the current period (RMB0'000)	Amount for the last period(RMB0'000)
Emolument of key management	1,528.66	1,739.81

(7) *Other connected transactions*

In 2020, the Company and its subsidiaries paid to China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司) interest expenses for bank borrowings of RMB325,522,603.48 and received interest income of bank deposits from China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司) of RMB43,526,987.29.

6. **Amounts Due from/to Related Parties**(1) *Amounts due from related parties*

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Monetary funds					
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	11,546,981,906.79		9,214,151,729.77	
	Total	11,546,981,906.79		9,214,151,729.77	
Bills receivable					
	Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	11,753,770.01		5,873,728.57	
	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國楨水環境治理投資建設有限公司)	236,606,834.22			
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	568,701,285.00			
	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	950,000,000.00			
	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃甯石高速公路有限公司)	600,000,000.00			
	Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	1,780,414.26			
	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	491,000,000.00			
	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	187,700,000.00			
	Total	3,047,542,303.49		5,873,728.57	
Accounts receivable					
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	84,560.71		2,121,412.32	
	China Energy Engineering Group Beijing Electric Power Construction Co., Company (中國能源建設集團北京電力建設有限公司)	16,600,727.00		835,469.02	
	Gezhouba (Beijing) Investments Co., Limited (葛洲壩(北京)投資有限公司)	31,629.21		12,495.76	
	China Energy Engineering Corporation Limited (中國能源建設股份有限公司)	229,566.52		37,836.79	
	China Energy Engineering Group Equipment Co., Ltd. (中國能建集團裝備有限公司)	8,297.44		20,997.44	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	China Energy Engineering Group Anhui No.1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	335,600.00		335,600.00	
	China Energy Engineering Group Anhui No.2 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)	227,714.00			
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	555,180.12			
	China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	1,274,947.52		2,466,883.35	
	China Energy Engineering Group Northeast No. 2 Electric Power Engineering Co., Ltd. (中國能源建設集團東北電力第二工程有限公司)	9,596,585.47		9,596,585.47	
	China Energy Engineering Group Guangdong Electric Power Engineering Co., Ltd. (中國能源建設集團廣東電力工程局有限公司)	1,511,022.90		1,591,022.90	
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	8,794,386.00		9,444,415.00	
	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)	8,056,630.80		294,700.00	
	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	300,000.00		300,000.00	
	China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源建設集團湖南火電建設有限公司)	96,000.00			
	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中國能源建設集團湖南省電力設計院有限公司)	582,000.00		582,000.00	
	China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建設集團科技發展有限公司)			125,000.00	
	China Energy Engineering Group Shanxi Electric Power Design Institute Co., Ltd. (中國能源建設集團山西省電力勘測設計院有限公司)	10,030,516.40		20,279,777.16	
	China Energy Engineering Group Northwest Power Construction Gansu Engineering Corporation(中國能源建設集團西北電力建設甘肅工程有限公司)	253,228.20		253,228.20	
	Jiangsu Keneng Power Engineering Consulting Co., Ltd. (江蘇科能電力工程諮詢有限公司)	640,425.00		1,066,425.00	
	CEEG (Hainan) Co., Ltd. (中能建(海南)有限公司)	5,756.25			
	China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	176,775,076.47		207,595,733.99	
	Chongqing Dianjiang County Eastern Area Construction Development Co., Ltd. (重慶市墊江縣東部片區建設發展有限公司)	123,210,360.99		65,311,903.43	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	66,727.00		48,737.00	
	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國楨水環境治理投資建設有限公司)	234,716,729.04			
	Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	22,930,653.55			
	Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	14,094,068.42		60,288,154.73	
	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)			50,305,055.87	
	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)			80,983,523.98	
	Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	5,431,676.12		5,431,676.12	
	Gezhouba Lingnan (Yancheng Tinghu) Water Treatment Co., Ltd. (葛洲壩嶺南(鹽城亭湖)水治理有限責任公司)	13,089,918.95			
	Gezhouba Runming (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	44,289,527.38		17,647,562.63	
	Guangdong Gezhouba Zhaoming Expressway Co., Ltd. (廣東葛洲壩肇明高速公路有限公司)	418,545,533.83			
	Guangxi Bagui Civil Blasting Equipment Co., Ltd. (廣西八桂民用爆破器材有限責任公司)	16,876,012.81			
	Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	222,731,378.57			
	Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	77,154,041.51		263,921,455.66	
	Panzhou Hongcai Gezhouba Project Management Co., Ltd. (盤州市宏財葛洲壩項目管理有限公司)	145,001,988.44		346,215,736.10	
	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	200,524,145.00		109,180,192.59	
	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	10,452,293.60			
	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩壩巨單高速公路有限公司)	2,006,044.45		6,693,500.72	
	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃甯石高速公路有限公司)	615,447,916.33			
	Weinan Dongqin Water Supply Co., Ltd. (渭南市東秦供水有限公司)	45,043,302.69		159,606,113.76	
	Xinjiang Gezhouba Qiaobat Water Conservancy Project Development Co., Ltd. (新疆葛洲壩喬巴特水利樞紐工程開發有限公司)	22,801,583.01			
	Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	121,913,673.00		25,479,287.00	
	Gezhouba Huahe Development Co., Ltd. (葛洲壩淮河發展有限公司)	106,140,233.00			

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	Three Gorges Riqing Maoping River Ecological Treatment (Zigui) Co., Ltd. (三峽日清茅坪河生態治理(秭歸)有限公司)	13,126,343.30			
	Jianguang Environment Gezhouba Water (Yangxi) Co., Ltd. (建廣環境葛洲壩水務(陽西)有限公司)	3,345,298.71			
	Gezhouba Water Affairs (Tangshan) Co., Ltd. (葛洲壩水務(唐山)有限公司)	4,032,013.61			
	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	39,933,580.62		149,612,227.14	
	Gezhouba Chongqing Nanchuan District Infrastructure Construction Co., Ltd. (葛洲壩重慶市南川區基礎設施建設有限公司)	9,363,997.51			
	Total	2,752,559,899.26		1,597,684,709.13	
Prepayments					
	China Energy Engineering Group Beijing Electric Power Construction Co., Company (中國能源建設集團北京電力建設有限公司)	210,486,830.74		210,347,289.10	
	China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)			120,375.00	
	China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	179,556.00		33,274.00	
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	158,564,680.39		180,221,573.97	
	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)	371,815,314.96			
	Beijing General Power Equipment Plant Co., Ltd. (北京電力設備總廠有限公司)			7,792.00	
	China Energy Engineering Group Anhui No.2 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)			14,985,000.00	
	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	1,362,615.16		1,909,748.21	
	Hunan Electric Lines and Wares Co., Ltd. (湖南省電力線路器材有限公司)	15,500,000.00		15,500,000.00	
	China Energy Engineering Group Guangxi Power Design Institute Co., Ltd. (中國能源建設集團廣西電力設計研究院有限公司)	590,000.00		696,735.86	
	China Energy Engineering Group Jiangsu No. 1 Electric Power Construction Engineering Co., Ltd. (中國能源建設集團江蘇省電力建設第一工程有限公司)	1,370,360.25			
	Zhangjiajie Yongli Civil Explosive Co., Ltd. (張家界永利民爆有限責任公司)			333,852.77	
	Guangxi Bagui Civil Blasting Equipment Co., Ltd. (廣西八桂民用爆破器材有限責任公司)	1,888,958.77			

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Dividends receivable	Total	761,758,316.27		424,155,640.91	
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	14,307,138.51		11,863,946.55	
	Total	14,307,138.51		11,863,946.55	
Other receivables	China Energy Engineering Group Co., Ltd.	2,500,000.00			
	China Energy Engineering Group Beijing Electric Power Construction Co., Company (中國能源建設集團北京電力建設有限公司)	514,531,845.00		514,507,500.00	
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	5,000.00		710,621.27	
	China Gezhouba Group Company Limited	296,012,000.00		296,012,000.00	
	China Energy Engineering Group Anhui No.1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	5,980,664.83		5,980,664.83	
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	1,655,018.14		1,450,000.00	
	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	911,026.28			
	China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	100,000.00			
	China Energy Engineering Group Northeast No. 2 Electric Power Engineering Co., Ltd. (中國能源建設集團東北電力第二工程有限公司)	6,585.27		6,585.27	
	China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	8,200.00		8,200.00	
	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣東省電力設計研究院有限公司)			30,281.00	
	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中國能源建設集團湖南省電力設計院有限公司)	700.00		700.00	
	China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	7,480,171.60		13,764,936.43	
	China Energy Engineering Group Nanjing Power Line Products Co., Ltd (中國能源建設集團南京線路器材有限公司)			10,000,000.00	
	China Energy Engineering Group Equipment Co., Ltd. (中國能建集團裝備有限公司)			14,500,000.00	
	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)	156,693,959.98			
	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	400,000,000.00			

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	553,068.62		200,000,000.00	
	Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	33,663,880.85		61,473,880.85	
	Guangdong Gezhouba Zhaoming Expressway Co., Ltd. (廣東葛洲壩肇明高速公路有限公司)	1,124,910.19			
	Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	416,687.97			
	Panzhou Hongcai Gezhouba Project Management Co., Ltd. (盤州市宏財葛洲壩項目管理有限公司)	364,626,878.33		364,626,878.33	
	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	13,359,485.00		44,554,367.00	
	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	38,272,047.54		43,240,255.50	
	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	1,427,344.93		18,697,543.63	
	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃甯石高速公路有限公司)	35,979,519.91			
	Chongqing Gexing Construction Co., Ltd. (重慶市葛興建設有限公司)	2,685,616.72		2,685,616.72	
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	1,168,873.38		74,017,150.00	
	Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	5,108.04		353,912.04	
	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	19,457,621.17		107,053,858.93	
	Yichang Miaozui Bridge Construction Engineering Co., Ltd. (宜昌廟嘴大橋建設工程有限公司)	1,941,160.43		1,941,160.43	
	Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	4,525,460.34			
	Hubei Huangshi Wuyang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)	249,440.28			
	Yan'an Gezhouba Shanjiandong Ring Expressway Co., Ltd. (延安葛洲壩陝建東繞城高速公路有限公司)	838,567.22			
	Shaanxi Guanhuo Linfa Expressway Co., Ltd. (陝西關環麟法高速公路有限公司)	79,863.21			
	Nansha International Financial Island (Guangzhou) Co., Ltd. (南沙國際金融島(廣州)有限公司)	227,708,700.00			
	Gekuangli Nanjing Property Development Co. Ltd. (葛礦利南京房地產開發有限公司)	2,024,629,761.37		2,109,040,761.37	
	Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd. (中葛永茂(蘇州)房地產開發有限公司)	501,573,905.65		474,945,627.93	
	Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)			460,739,275.47	
	Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)			167,344,952.53	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
	Gezhouba Running (Wuhan) Real Estate Development Co., Ltd. (葛洲壩潤明(武漢)房地產開發有限公司)	38,872,340.12		95,454,215.12	
	Yunnan Gezhouba City Operation Investment Co., Ltd. (雲南葛洲壩城市運營投資有限公司)	631,206,750.00			
	Gezhouba (Yantai) Real Estate Development Co., Ltd. (葛洲壩(煙臺)房地產開發有限公司)	28,606,700.78			
	Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd. (重慶葛洲壩融創金裕置業有限公司)	3,208,013.19		500,935.68	
	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd. (重慶葛洲壩融創深達置業有限公司)	4,276,579.25		1,722,058.65	
	Gezhouba Energy Sales Co., Ltd. (葛洲壩能源銷售有限公司)	40,486.36			
	Gezhouba Zhongke Energy Storage Technology Co., Ltd. (葛洲壩中科儲能技術有限公司)	40,552,429.65		33,788,974.83	
	Gezhouba Energy Saving Technology Co., Ltd. (葛洲壩節能科技有限公司)	1,302,954.00		1,302,954.00	
	Huanjia Group Co., Ltd. (環嘉集團有限公司)	95,362,281.79	95,362,281.79	95,362,281.79	44,595,947.87
	Total	5,503,601,607.39	95,362,281.79	5,215,818,149.60	44,595,947.87

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Long-term receivables/other non-current assets					
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)			21,041,131.57	
	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	243,986,004.18		196,660,025.13	
	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	48,478,594.84		38,009,648.68	
	Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	1,427,655,027.20		612,200,977.39	
	Pingliang Pinghua Highway Construction and Operation Co., Ltd. (平涼平華公路建設運營有限責任公司)	19,863,494.00		19,863,494.00	
	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃甯石高速公路有限公司)	94,475,739.00		15,731,457.00	
	Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司)	64,135,595.71		66,315,697.00	
	Gezhouba Chongqing Nanchuan District Infrastructure Construction Co., Ltd. (葛洲壩重慶市南川區基礎設施建設有限公司)	84,594,559.11			
	Total	1,983,189,014.04		969,822,430.77	

(2) Amounts due to related parties

Item	Related parties	Closing balance	Opening balance
Bills payable			
	China Energy Engineering Group Beijing Electric Power Construction Co., Company (中國能源建設集團北京電力建設有限公司)	8,019,447.63	
	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	4,598,409.57	81,332,417.44
	Anhui Huadian Engineering Consulting & Design Co., Ltd. (安徽華電工程諮詢設計有限公司)		2,335,000.00
	Total	12,617,857.20	83,667,417.44
Accounts payable			
	Anhui Huadian Engineering Consulting & Design Co., Ltd. (安徽華電工程諮詢設計有限公司)	400,000.00	
	Beijing General Power Equipment Plant Co., Ltd. (北京電力設備總廠有限公司)	208,196.27	578,448.27

Item	Related parties	Closing balance	Opening balance
	Beijing Luosida Science and Technology Development Co., Ltd. (北京洛斯達科技發展有限公司)	199,500.00	199,500.00
	Guangxi Bagui Civil Blasting Equipment Co., Ltd. (廣西八桂民用爆破器材有限責任公司)	358,439.77	
	Jiangsu Power Equipment Co., Ltd. (江蘇電力裝備有限公司)	6,811,353.00	8,885,907.92
	South Wuhan Geotechnical Engineering Technique Co., Ltd (武漢南方岩土工程技術有限責任公司)		1,124,229.81
	Yiyang Yilian Civil Explosive Equipment Co., Ltd (益陽益聯民用爆破器材有限公司)	115,450.07	67,392.00
	Central Southern China Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group (中國電力工程顧問集團中南電力設計院有限公司)	580,000.00	580,000.00
	China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	569,741.13	276,110.75
	China Energy Engineering Group Anhui No.2 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)	31,789,859.15	15,677,386.56
	China Energy Engineering Group Anhui No.1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	111,457,289.32	143,066,724.77
	China Energy Engineering Group Anshan Iron Tower Manufacturing Co., Ltd. (中國能源建設集團鞍山鐵塔有限公司)	518,500.17	518,500.17
	China Energy Engineering Group Beijing Electric Power Construction Co., Company (中國能源建設集團北京電力建設有限公司)	32,323,911.73	21,094,545.39
	China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)	5,030,784.36	5,231,124.19

Item	Related parties	Closing balance	Opening balance
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程 有限公司)	2,380,894.96	1,079,989.09
	China Energy Engineering Group Guangdong Power Line Equipment Factory (中國能源建設集團廣東省電力 線路器材廠)		708,269.64
	China Energy Engineering Group Guangxi Power Design Institute Co., Ltd. (中國能 源建設集團廣西電力設計研究院有限公 司)	28,914,312.66	28,444,190.35
	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局 有限公司)	2,563,888.84	7,970,768.54
	China Energy Engineering Group Northwest Power Construction Engineering Company Limited (中國能源 建設集團西北電力建設工程有限公司)	3,061,518.06	
	China Energy Engineering Group Hunan Thermal Power Construction Co., Ltd. (中國能源建設集團湖南火電建設有限公 司)	3,625,172.47	3,625,172.47
	China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建設集團科技發展有限公司)	6,039,641.51	5,824,512.26
	China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公 司)	102,394,151.88	92,903,451.87
	China Energy Engineering Group Nanjing Power Line Products Co., Ltd (中國能源 建設集團南京線路器材有限公司)		715,864.80
	China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電 力建設一公司)	119,319.21	119,319.21
	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公 司)	71,825,429.95	76,686,566.06

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance	Opening balance
	China Energy Engineering Group Northwest Power Construction Gansu Engineering Corporation(中國能源建設集團西北電力建設甘肅工程有限公司)	2,845,225.06	2,845,225.06
	China Energy Engineering Group Northwest Power Construction Engineering Co., Ltd. No.3 Engineering Company (中國能源建設集團西北電力 建設工程有限公司)第三工程公司)	10,274,888.63	
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)		387,525.97
	Total	424,407,468.20	418,610,725.15
Receipts in advance	China Energy Engineering Group Beijing Electric Power Construction Co., Company (中國能源建設集團北京電力 建設有限公司)	149,439.82	
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工 程有限公司)	1,047,787.61	
	China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公 司)	13,949,020.90	
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)		106,975.08
	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中國能源建設集團湖南省電力設計院有 限公司)	8,803.00	
	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (中國能源建設集團廣 東省電力設計研究院有限公司)	264,700.00	
	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限 公司)		1,253,795,784.84
	Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	557,378.60	39,538,980.09

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Item	Related parties	Closing balance	Opening balance
	Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	331,411,160.42	127,155,963.30
	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)		54,388,545.17
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	16,945,296.00	123,941,800.08
	Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	89,728,136.54	103,504,135.65
	Yan'an Gezhouba Shanjiandong Ring Expressway Co., Ltd. (延安葛洲壩陝建東繞城高速公路有限公司)	7,412,496.37	
	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	115,000,000.00	
	Gezhouba Lingnan (Yancheng Tinghu) Water Treatment Co., Ltd. (葛洲壩嶺南(鹽城亭湖)水治理有限責任公司)	85,695,483.33	
	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	410,145,608.63	
	Xinjiang Gezhouba Qiaobat Water Conservancy Project Development Co., Ltd. (新疆葛洲壩喬巴特水利樞紐工程開發有限公司)	29,399,863.98	
	Gezhouba Water Affairs (Tangshan) Co., Ltd. (葛洲壩水務(唐山)有限公司)	8,985,263.01	
	Liuzhou Changning Blasting Co., Ltd. (柳州昌寧爆破有限公司)	223,697.35	
	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	552,966.00	
	Total	1,111,477,101.56	1,702,432,184.21
Other payables	Beijing Luosida Science and Technology Development Co., Ltd. (北京洛斯達科技發展有限公司)	1,404,218.36	1,124,218.36

Item	Related parties	Closing balance	Opening balance
	China Gezhouba Group Cultural Tourism Development Co., Ltd. (中國葛洲壩集團文旅發展有限公司)	123,036,704.71	119,028,296.53
	China Energy Engineering Group Anhui No.2 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第二工程有限公司)		100,000.00
	China Energy Engineering Group Anhui No.1 Electric Power Construction Co., Ltd. (中國能源建設集團安徽電力建設第一工程有限公司)	92,334,139.49	143,943.40
	China Energy Engineering Group Beijing Electric Power Construction Co., Company (中國能源建設集團北京電力建設有限公司)	87,240,209.70	21,817,080.34
	China Energy Construction Group E-Commerce Co., Ltd. (中國能源建設集團電子商務有限公司)		5,860.40
	China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	246,287.99	308,886.36
	China Energy Engineering Group Guangxi Power Design Institute Co., Ltd. (中國能源建設集團廣西電力設計研究院有限公司)	340,441.68	2,431,031.30
	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. (中國能源建設集團廣西水電工程局有限公司)	7,595,709.20	8,290,968.93
	China Energy Engineering Group Science and Technology Development Co., Ltd. (中國能源建設集團科技發展有限公司)	817,849.49	386,139.74
	China Energy Engineering Group Southern Construction and Investment Co., Ltd. (中國能源建設集團南方建設投資有限公司)	49,177,800.00	
	China Energy Engineering Group Shanxi Electric Power No. 1 Construction Company (中國能源建設集團山西省電力建設一公司)		35,400.00

Item	Related parties	Closing balance	Opening balance
	China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd. (中國能源建設集團天津電力建設有限公司)	854,287.79	520,000.00
	China Energy Construction Yichang Gezhouba Asset Management Co., Ltd. (中能建宜昌葛洲壩資產管理有限公司)	199,342,394.72	44,099,710.11
	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中國能源建設集團湖南省電力設計院有限公司)		50,000.00
	Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	3,877,326.87	
	Guangxi Gezhouba Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	331,316.13	
	Xinjiang Gezhouba Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	8,097.27	
	Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國禎水環境治理投資建設有限公司)	5,999,581.63	38,176.40
	Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(瀘州)長江六橋投資有限公司)	76,156,735.70	186,384,693.51
	Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)	30,323,560.49	93,599,505.23
	Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	424,877,838.40	92,304,359.65
	Shandong Gezhouba Zaohe Expressway Co., Ltd. (山東葛洲壩棗荷高速公路有限公司)	8,399,463.08	
	Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	418,590,953.30	1,359,840,293.53
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)		13,722,677.72

Item	Related parties	Closing balance	Opening balance
	China Energy Jiannan Jiantou (Wuxue) Construction Co., Ltd. (中能建南建投(武穴)建設有限公司)	12,308,611.09	30,158,603.32
	China Gezhouba Group Company Limited	51,684,238.47	52,076,548.60
	Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd (陝西葛洲壩延黃甯石高速公路有限公司)	789,245,934.22	785,373,499.94
	Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (荊州葛洲壩城北快速路投資建設有限公司)	4,493.71	83,501,407.81
	Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	3,198,997.46	235,583,518.41
	Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	19,596.74	190,015,166.67
	Beijing Franshion Gezhouba Real Estate Development Co., Ltd (北京方興葛洲壩房地產開發有限公司)	873,280,900.00	854,853,860.57
	Gezhouba (Shenzhen) Real Estate Development Co., Ltd. (葛洲壩(深圳)房地產開發有限公司)	31,200,000.00	24,000,000.00
	Guangzhou Rumao Real Estate Development Co., Ltd (廣州市如茂房地產開發有限公司)	897,558,300.02	1,111,148,917.05
	Guangzhou Zhenglin Real Estate Development Co., Ltd. (廣州市正林房地產開發有限公司)	885,710,956.30	1,294,860,956.30
	Hangzhou Longshang Real Estate Development Co., Ltd. (杭州龍尚房地產開發有限公司)	3,567,500.00	388,567,500.00
	Shanghai Xiyue Real Estate Development Co., Ltd. (上海璽越地產開發有限公司)	54,936,000.00	54,936,000.00
	Wuhan Gezhouba Longhu Property Development Co., Ltd. (武漢葛洲壩龍湖房地產開發有限公司)	1,135,498,951.69	1,119,499,575.13
	Wuhan China Resources Land Gezhouba Real Estate Co., Ltd. (武漢華潤置地葛洲壩置業有限公司)	1,632,446,321.47	813,089,902.13

Item	Related parties	Closing balance	Opening balance
	Chongqing Gezhouba Sunac Jinyu Properties Co., Ltd (重慶葛洲壩融創金裕置業有限公司)	393,732,179.75	460,507,911.32
	Chongqing Gezhouba Sunac Shenda Properties Co., Ltd (重慶葛洲壩融創深達置業有限公司)	142,192,308.22	484,656,407.12
	China Energy Engineering Group Northeast No. 1 Electric Power Engineering Co., Ltd. (中國能源建設集團東北電力第一工程有限公司)	169,525.70	
	China Energy Engineering Group North Construction and Investment Co., Ltd. (中國能源建設集團北方建設投資有限公司)	11,188,117.00	
	Pingan Gezhouba (Shenzhen) Expressway InvestmentPartnership Company (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	118,969,374.66	
	Xinjiang Gezhouba Qiaobat Water Conservancy Project Development Co., Ltd. (新疆葛洲壩喬巴特水利樞紐工程開發有限公司)	20,538.19	
	Guangdong Gezhouba Zhaoming Expressway Co., Ltd. (廣東葛洲壩肇明高速公路有限公司)	320,922,679.88	
	Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	14,664,422.42	
	Gecheng (Nanjing) Real Estate Development Co., Ltd. (葛城(南京)房地產開發有限公司)	43,561,345.85	
	Nansha International Financial Island (Guangzhou) Co., Ltd. (南沙國際金融島(廣州)有限公司)	590,113,700.00	
	Hangzhou Longyu Investment Management Co., Ltd. (杭州龍譽投資管理有限公司)	437,257,939.29	
	Gezhouba Lingnan (Yancheng Tinghu) Water Treatment Co., Ltd. (葛洲壩嶺南(鹽城亭湖)水治理有限責任公司)	45,619,655.00	
	Gezhouba Water Affairs (Tangshan) Co., Ltd. (葛洲壩水務(唐山)有限公司)	83,984,146.77	
	Total	10,104,011,649.90	9,927,061,015.88

Item	Related parties	Closing balance	Opening balance
Short-term borrowings			
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	10,467,000,000.00	9,620,000,000.00
	China Energy Engineering Corporation Limited (中國能源建設股份有限公司)	1,200,000,000.00	
	Total	11,667,000,000.00	9,620,000,000.00
Non-current liabilities due within one year			
	China Energy Engineering Corporation Limited (中國能源建設股份有限公司)		200,000,000.00
	Total		200,000,000.00
Long-term borrowings			
	China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	900,000,000.00	
	Total	900,000,000.00	

XII. SHARE-BASED PAYMENT

The Company has no share-based payment that should be disclosed.

XIII. COMMITMENTS AND CONTINGENCIES

1. Significant Commitments

Item	Closing balance (RMB0'000)	Opening balance (RMB0'000)
Signed but not yet confirmed in the financial statements		
– Purchase and construction of long-term asset commitments	1,672,279.00	621,756.00
– Financing construction projects	5,980,144.00	6,068,324.00
– Investment commitments	2,027,706.00	612,570.00
Total	9,680,129.00	7,302,650.00

2. Contingencies

(1) *Contingent liabilities and their financial impacts arising from significant pending litigation or arbitration*

In 2019, Gezhouba Huanjia Company (葛洲壩環嘉公司) and related suppliers acted as defendants and were involved in 20 lawsuits with several financial institutions. The aforementioned financial institutions appealed to Gezhouba Huanjia Company (葛洲壩環嘉公司) and other defendants to repay RMB1.056 billion in loans. Most of the above-mentioned lawsuits have been rejected by the court on the grounds that the above-mentioned lawsuits may be suspected of economic crimes and should be investigated and handled by the Supervisory Committee (please refer to Note VI. 5. (2)). After the investigation by the Supervisory Committee, Gezhouba Huanjia Company (葛洲壩環嘉公司) may be sued by the above-mentioned financial institutions and will be involved in further related investigations. As of 31 December 2020, as the investigation by the Supervisory Committee has not yet ended, the Company cannot reliably predict the amount of repayment that Gezhouba Huanjia Company (葛洲壩環嘉公司) may undertake.

2 *Litigation in relation to guarantee*

In 2019, Gezhouba Huanjia Company and 3 non-financial institution lenders were involved in 4 guarantee contract litigations. As at 31 December 2020, the Company made provisions for estimated liabilities of RMB118.5 million in respect of the 3 guarantee contract litigations that are likely to cause losses based on court judgement,. For the remaning lawsuit with a prosecution amount of RMB268 million, the lawsuit has been rejected by the court on the grounds that the lawsuit may be suspected of economic crime. As at 31 December 2020, the Company cannot reliably predict the amount of repayment that the lawsuit may bear as the Commission Investigation has not yet concluded.

3 *Litigation in relation to lease contracts*

Gezhouba Huanjia Company and 3 suppliers including Huanjia Group Co., Ltd. (環嘉集團有限公司) were involved in 3 lease contract litigations. As at 31 December 2020, the Company made provisions for estimated liabilities of RMB148 million in respect of the 3 lease contract lawsuits that are likely to cause losses based on court judgments.

4 *Litigation in relation to sale and purchase agreement*

In 2020, Gezhouba Huanjia Company, as a defendant, and other parties concerned were involved in 27 lawsuits concerning purchase and sale agreements related to daily activities. China Gezhouba Group Lvyuan Technology Co., Ltd. was also one of the defendants of the litigation. As at 31 December 2020, the Company made provisions

for estimated liabilities of RMB45 million in respect of the 10 sale and purchase agreement lawsuits that are likely to cause losses. The remaining 17 lawsuits with an amount of RMB102 million are still pending.

Except for the above matters, as of 31 December 2020, the Company had no pending litigation or arbitration that had a significant impact on the financial statements.

(2) *Commitments*

As of 31 December 2020, the guaranteed loan balance of the Company was RMB6,366,467,900, of which, the balance of loans obtained through guarantees provided by the Company and its subsidiaries is RMB4,453,064,000. For details, please refer to VI. 32 “Non-current liabilities due within one year” and VI. 34 “Long-term loans”.

Chongqing Jiangqi Highway Co., Ltd. (重慶江碁高速公路有限公司), an associate of the Company’s related parties, borrowed RMB3,640 million from China Development Bank Co., Ltd. and China Gezhouba Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司), a controlling subsidiary of the Company, is willing to provide guarantees to lenders for the borrower to repay the principal of RMB473,800,000 under the main contract and derived interest, penalty interest, compound interest, compensation, damages and the cost of realizing the debt.

The Argentine Ministry of Finance has borrowed from a foreign exchange syndicate such as the China Development Bank and the Industrial and Commercial Bank of China for the construction of the Santa Cruz CC/LB hydropower station. The Company provided a guarantee of RMB1.39 billion. China Gezhouba Group Lvyuan Technology Co., Ltd., a wholly-owned subsidiary of the Company, applied for the issuance of RMB1.2 billion green corporate bonds on the Shanghai Stock Exchange, and the Company provided guarantee.

China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司), a wholly-owned subsidiary of the Company, issued USD200 million perpetual bonds to the public of Hong Kong through China Gezhouba Group Overseas Investment Hong Kong Co., Ltd. (中國葛洲壩集團海外投資香港有限公司), and the Company provided guarantee.

As of 31 December 2020, the Company provided mortgage guarantees for house purchasers in our real estate business, and the balance of the guarantees provided by the Company for house purchasers’ mortgages was RMB4.681 billion (the guarantee provided by the Company for commercial housing purchasers to bank mortgage loans. The purchasers used the commodity house they purchased as collateral. During the reporting period, no purchaser breaches the contract, and the provision of such guarantees brought relatively little risk to the Company).

(3) *Mortgages*

As of 31 December 2020, the balance of pledged loans of the Company was RMB20,678.79 million. For details, please refer to VI. 32 “Non-current liabilities due within one year” and VI. 34 “Long-term loans”.

(4) *Security*

As of 31 December 2020, the balance of the mortgage loans of the Company was RMB9 026,888,900. For details, please refer to VI. 32 “Non-current liabilities due within one year” and VI. 34 “Long-term loans”.

XIV. EVENTS AFTER THE BALANCE SHEET DATE

1. Important Non-adjusting Matters

- (1) On 27 October 2020, the Company held the 29th extraordinary meeting of the seventh session of the Board, at which, the Resolution regarding the Plan on Merger by Absorption between China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited and Related Party Transaction and Highlights thereof and other proposals in relation to the transaction, and disclosed the Plan on Plan on Merger by Absorption between China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited and Related Party Transaction as well as relevant documents. In February 2021, the Company received a Reply on Matters regarding the Merger by Absorption between China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited (Guo Zi Chan Quan [2021] No.62) issued by State-owned Assets Supervision and Administration Commission of the State Council from the Company’s indirect controlling shareholder, China Energy Engineering Group Co., Ltd., agreeing in principle to the overall plan for CEEC’s merger by absorption with Gezhouba.
- (2) In January 2021, the Company’s wholly-owned subsidiary, China Gezhouba Group Ecological Environment Engineering Co., Ltd. (中國葛洲壩集團生態環境工程有限公司) entered into a conditional share transfer agreement with Guotou Chuangxin (Beijing) Investment Fund Corporation Limited and Shanghai Fosun Chuangfu Shareholding Fund Limited Partnership, pursuant to which, Gezhouba Ecological Environment Company (葛洲壩生態環境公司) proposes to purchase the 20,889,202 shares of Poten Environment Group Co., Ltd (“Poten Environment”) by way of transfer. Upon the transfer, Gezhouba Ecological Environment Company (葛洲壩生態環境公司) will hold 5% equity interest of Poten Environment. The transfer price per share is 90% of the closing price of Poten Environment a trading day prior to the date of signing the agreement, and the total consideration is RMB87,525,758. The agreement is established since the date of signing by Gezhouba Ecological Environment Company (葛洲壩生態環境公司), Guotou Chuangxin and Fosun Chuangfu and takes effect from the date when

the transaction on transferring the subject shares of Poten Environment of Gezhouba Ecological Environment Company (葛洲壩生態環境公司) is approval of by China Energy Engineering Corporation Limited.

2. Information about Profit Distribution

Profits or dividends proposed to be distributed

The Company's profit distribution plan for 2020 is that the distribution to all shareholders of a cash dividend of RMB0.73 (tax inclusive) for every 10 shares based on the Company's total share capital of 4,604,777,412 shares, totaling cash dividends of RMB336,148,751.08, without any capitalisation of reserve for the period, and the remaining profits will be carry forward to the next year.

XV. OTHER IMPORTANT EVENTS

1. Early Correction of Accounting Error

There was no early correction of accounting error for the reporting period.

2. Debt Restructuring

The Company has no debt restructuring that should be disclosed during the reporting period.

3. Asset Replacement

The Company has no asset replacement that should be disclosed during the reporting period.

4. Annuity Plan

In accordance with relevant national regulations, the Company and its subsidiaries implemented enterprise annuity plan after being reviewed and approved by the Board of Directors and reported to the labor and social security department for review and filing. The Company accounted enterprise annuity expenses that should be borne as employee remuneration into the current profit and loss, and transferred the annuity payments payable to the employee's bank account opened by the account manager on time. As of the end of 2020, no major changes have taken place in the annuity plan.

5. Segment Information

(1) *The basis of determination and accounting policy for segment information*

The Company established 4 parts of segment reports on the basis of the internal organizational structure, management requirement and internal report system. They are Project construction, industrial manufacturing, investment operations and general services. Each

segment provides different products and service. Due to the different demands of each segment applying for different technology and marketing strategy, the Company's management control over the different segments of business activities separately, and evaluate the operating results on a regular basis in order to allocate resources and evaluate its performance.

The transfer price between different segments is based on the actual transaction price, and cost indirectly assumed by each segment is allocated in accordance with the corresponding proportion. Assets are allocated in accordance of business performance and location. Segment liabilities include the liabilities produced by business activities which belong to its own segment. If the costs related to a joint liability, the liability would be allocated to different segments at the proportion.

(2) *Financial information of the segment*

Item	Project construction	Industrial manufacturing	Investment operation	General service	Elimination	Total
I. Revenue from external transactions	71,356,662,981.45	24,098,788,585.16	15,184,371,767.89	1,971,349,542.72		112,611,172,877.22
II. Revenue from inter-segment transactions				48,217,239.93	- 48,217,239.93	
III. Investment income from joint ventures and associates	- 63,758,459.62	- 1,749,919.87	424,714,396.44	- 131,514,278.18		227,691,738.77
IV. Losses from impairment of assets/ credit	- 255,095,243.36	- 753,792,151.56	- 1,933,047.70	- 3,380,123.50		- 1,014,200,566.12
V. Depreciation and amortization expenses	742,165,091.87	795,503,060.19	516,038,481.46	6,338,856.63		2,060,045,490.15
VI. Total profit	4,561,065,360.30	1,762,811,838.12	1,595,555,599.38	187,075,404.53	- 414,293,469.66	7,692,214,732.67
VII. Income tax expenses	848,111,077.06	928,731,227.73	607,379,670.31	46,937,397.24	- 32,390,955.72	2,398,768,416.62
VIII. Net profit	3,712,954,283.24	834,080,610.39	988,175,929.07	140,138,007.29	- 381,902,513.94	5,293,446,316.05
IX. Total assets	124,036,206,571.01	30,235,580,677.92	132,244,566,771.71	28,636,685,170.77	- 55,748,335,083.92	259,404,704,107.49
X. Total liabilities	98,826,590,429.07	16,550,300,352.77	103,139,091,890.09	18,842,905,467.88	- 57,295,918,372.71	180,062,969,767.10

XVI. NOTES TO MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE PARENT

1. Trade Receivables

(1) *Disclosure by aging*

Aging	Closing balance
Within 1 year	
Including: Within 6 months	3,930,128,667.14
7 to 12 months	386,186,639.73
Subtotal of within 1 year	4,316,315,306.87
1 to 2 years	566,727,187.87
2 to 3 years	45,199,245.09
3 to 4 years	7,173,154.32
4 to 5 years	59,144,879.75
Over 5 years	21,023,482.31
Subtotal	5,015,583,256.21
Less: Provision for bad debts	24,488,163.64
Total	4,991,095,092.57

(2) *Disclosure by classification with the method of provision for bad debt*

Type	Closing balance				
	Book balance		Provision for bad debt		
	Amount	Proportion	Amount	Provision	Carrying
		(%)		proportion	
Trade receivables for which provision for bad debts has been individually made	1,224,874,005.66	24.42	10,373,284.09	0.85	1,214,500,721.57
Receivables with provision for bad debts on group basis	3,790,709,250.55	75.58	14,114,879.55	0.37	3,776,594,371.00
Including: Group 1	2,402,066,378.11	47.89	14,114,879.55	0.59	2,387,951,498.56
Group 2	1,388,642,872.44	27.69			1,388,642,872.44
Total	5,015,583,256.21	-	24,488,163.64	-	4,991,095,092.57

Category	Book balance		Opening balance		Carrying amount
	Amount	Proportion	Amount	Proportion	
		(%)		(%)	
Trade receivables for which provision for bad debts has been individually made	1,097,883,848.71	18.43	10,373,284.09	0.94	1,087,510,564.62
Receivables with provision for bad debts on group basis	4,859,364,950.36	81.57	1,343,782.16	0.03	4,858,021,168.20
Including: Group 1	1,855,035,359.67	31.14	1,343,782.16	0.07	1,853,691,577.51
Group 2	3,004,329,590.69	50.43			3,004,329,590.69
Total	5,957,248,799.07	-	11,717,066.25	-	5,945,531,732.82

1 Trade receivables for which provision for bad debts has been individually made at the end of the period

Trade receivables (by unit)	Book balance	Provision for bad debt	Closing balance	
			Percentage (%)	Rationale for provision
Unit 1	144,414,392.47			Provision for impairment is provided upon individual impairment test
Unit 2	112,690,280.00			Provision for impairment is provided upon individual impairment test
Unit 3	171,186,609.54	10,373,284.09	6.06	Provision for impairment is provided upon individual impairment test
Unit 4	86,469,080.00			Provision for impairment is provided upon individual impairment test
Unit 5	72,639,564.25			Provision for impairment is provided upon individual impairment test
Others	637,474,079.40			Provision for impairment is provided upon individual impairment test
Total	1,224,874,005.66	10,373,284.09	-	-

2 *Trade receivables with provision for bad debts based on Group 1 within the groups*

Item	Closing balance		Percentage (%)
	Book balance	Provision for bad debt	
Within 1 year			
Including: 0 to 6 months	2,213,475,555.47		
6 months to 1 year	41,049,545.06	2,052,477.26	5.00
Sub-total within 1 year	2,254,525,100.53	2,052,477.26	
1 to 2 years	141,895,564.98	10,917,111.13	8.00
2 to 3 years	2,974,894.44	297,489.44	10.00
3 to 4 years	1,496,678.03	299,335.61	20.00
4 to 5 years	781,692.00	234,507.60	30.00
Over 5 years	392,448.13	313,958.51	80.00
Total	2,402,066,378.11	14,114,879.55	

(3) *Provision for bad debts*

Type	Opening balance	Change during the period		Closing balance
		Provisions	Recovered or reversed	
Provision for bad debt	11,717,066.25	12,771,097.39		24,488,163.64
Total	11,717,066.25	12,771,097.39		24,488,163.64

There was no actual of the write-off of trade receivable for the period.

(5) *Top five accounts receivable by closing balance collection of the borrowers*

Name of entity	Closing balance		Provision for bad debt
	Trade receivables	Percentage of total accounts receivable (%)	
The largest	418,545,533.83	8.34	
The second largest	362,816,146.69	7.23	
The third largest	314,363,362.44	6.27	
The fourth largest	221,679,366.07	4.42	
The fifth largest	189,770,230.64	3.78	2,474,367.50
Total	1,507,174,639.67	30.04	2,474,367.50

(6) In 2020, the balance of trade receivable that was derecognized due to the transfer of financial assets was RMB2,092,889,969.82, and the relevant discount expense was RMB58,889,969.82.

2. Other Receivables

Item	Closing balance	Opening balance
Dividends receivable	14,307,138.51	11,863,946.55
Other receivables	42,534,066,007.53	38,235,968,933.86
Total	42,548,373,146.04	38,247,832,880.41

(1) Dividends receivable

Project (or invested unit)	Closing balance	Opening balance
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	14,307,138.51	11,863,946.55
Subtotal	14,307,138.51	11,863,946.55
Less: Provision for bad debts		
Total	14,307,138.51	11,863,946.55

(2) Other receivable

1 Disclosure by aging

Aging	Closing balance
Within 1 year	
Including: Within 6 months	40,700,295,349.68
7 to 12 months	881,093,263.63
Sub-total within 1 year	41,581,388,613.31
1 to 2 years	889,434,412.41
2 to 3 years	544,492.99
3 to 4 years	304,858.66
4 to 5 years	25,212,079.53
Over 5 years	90,204,661.35
Subtotal	42,587,089,118.25
Less: Provision for bad debts	53,023,110.72
Total	42,534,066,007.53

2 *Classification by nature of accounts*

Nature of accounts	Closing book balance	Opening book balance
Retention money	2,018,117,998.76	1,250,806,575.40
Prepayments receivable	37,403,803,372.65	35,258,843,546.65
Reserve fund	10,211,225.27	9,690,628.84
Others	3,154,956,521.57	1,764,513,223.45
Subtotal	42,587,089,118.25	38,283,853,974.34
Less: Provision for bad debts	53,023,110.72	47,885,040.48
Total	42,534,066,007.53	38,235,968,933.86

3 *Provision for bad debts*

Provision for bad debt	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Balances as at 1 January 2020	47,885,040.48			47,885,040.48
Book balance of other receivables for the period as at 1 January 2020				
- Transferred to stage 2				
- Transferred to stage 3				
- Reversed to stage 2				
- Reversed to stage 1				
Provision for the period	5,138,070.24			5,138,070.24
Balances as at 31 December 2020	53,023,110.72			53,023,110.72

4 *Provision for bad debts*

Type	Opening balance	Change during the period		Closing balance
		Provisions	Recovered or reversed	
Provision for bad debt	47,885,040.48	5,138,070.24		53,023,110.72
Total	47,885,040.48	5,138,070.24		53,023,110.72

5 There was no actual write-off of other receivables for the period.

6 *Top five other receivables by closing balance collection of the borrowers*

Name of entity	Nature of Accounts	Closing balance	Aging	Proportion of the closing balance of otherreceivables(%)	Closing balance of provision for bad debt
The largest	Prepayments receivable	29,204,057,338.38	0 to 6 months	68.57	
The second largest	Prepayments receivable	4,937,623,551.50	0 to 6 months	11.59	
The third largest	Prepayments receivable	3,428,807,722.63	0 to 6 months	8.05	
The fourth largest	Prepayments receivable	2,043,582,344.44	0 to 6 months	4.80	
The fifth largest	Prepayments receivable	599,123,960.34	0 to 6 months	1.41	
Total	-	40,213,194,917.29	-	94.42	

3. Long-term Equity Investments

(1) *Classification of long-term equity investments*

Item	Book balance	Closing balance		Opening balance		
		Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	42,462,722,333.62		42,462,722,333.62	37,333,494,388.18		37,333,494,388.18
Investments in associates and joint ventures	17,079,325,668.52		17,079,325,668.52	10,784,198,552.48		10,784,198,552.48
Total	59,542,048,002.14		59,542,048,002.14	48,117,692,940.66		48,117,692,940.66

(2) *Investment in subsidiaries*

Investees	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for	Closing balance of
					impairment during the period	provision for impairment
China Gezhoubu Group No.1 Engineering Co., Ltd. (中國葛洲壩集團第一工程有限公司)	1,066,196,508.05	19,330,230.91	5,000,000.00	1,080,526,738.96		
China Gezhoubu Group No.2 Engineering Co., Ltd. (中國葛洲壩集團第二工程有限公司)	1,020,042,472.77	10,079,885.11	14,501,333.33	1,015,621,024.55		
China Gezhoubu Group Road & Bridge Co., Ltd. (中國葛洲壩集團路橋工程有限公司)	1,105,369,709.86	10,000,000.00		1,115,369,709.86		
China Gezhoubu Group Construction Engineering Co., Ltd. (中國葛洲壩集團建設工程有限公司)	700,410,816.99	7,000,000.00	101,000,000.00	606,410,816.99		

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP

Investees	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
China Gezhouba Group Mechanical and Power Construction Co., Ltd. (中國葛洲壩集團機電建設有限公司)	493,424,461.86	1,059,271,756.82	24,621,207.02	1,528,075,011.66		
China Gezhouba Group Municipal Engineering Co., Ltd. (中國葛洲壩集團市政工程有限公司)	425,103,178.09	208,330,491.59	10,079,885.11	623,353,784.57		
China Gezhouba Group Electric Power Co., Ltd. (中國葛洲壩集團電力有限公司)	501,303,531.96	31,187,337.57	13,000,000.00	519,490,869.53		
China Gezhouba Group International Engineering Co., Ltd. (中國葛洲壩集團國際工程有限公司)	1,383,008,223.47		235,072,905.61	1,147,935,317.86		
China Gezhouba Group Machinery & Ship Co., Ltd. (中國葛洲壩集團機械船舶有限公司)	642,451,517.39	412,318,906.10	1,054,770,423.49			
Gezhouba Explosive Company Limited (中國葛洲壩集團易善力股份有限公司)	153,816,321.67			153,816,321.67		
China Gezhouba Group Real Estate Development Co., Ltd. (中國葛洲壩集團房地產開發有限公司)	6,035,977,655.83	27,120,000.00		6,063,097,655.83		
China Gezhouba Group Cement Co., Ltd. (中國葛洲壩集團水泥有限公司)	3,128,840,200.00	1,879,922,980.09	5,500,000.00	5,003,263,180.09		
China Gezhouba Group Investment Holding Co., Ltd. (中國葛洲壩集團投資控股有限公司)	660,853,476.82		660,853,476.82			
China Gezhouba Group No.3 Engineering Co., Ltd. (中國葛洲壩集團第三工程有限公司)	463,008,134.36	385,072,905.61		848,081,039.97		
China Gezhouba Group Three Gorges Construction Engineering Co., Ltd. (中國葛洲壩集團三峽建設工程有限公司)	602,658,676.30	6,000,000.00		608,658,676.30		
China Gezhouba Group Survey and Design Co., Ltd. (中國葛洲壩集團勘测設計有限公司)	229,494,636.80	130,000,000.00		359,494,636.80		
China Gezhouba Group Lvyuan Technology Co., Ltd.	2,000,000,000.00		2,000,000,000.00			
China Gezhouba Group Financial Leasing Co., Ltd. (中國葛洲壩集團融資租賃有限公司)	180,000,000.00	53,154,099.67		233,154,099.67		

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investees	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
Zhongge Wuhan Rail Transit Construction Co., Ltd. (中葛武漢軌道交通建設有限公司)	63,300,000.00			63,300,000.00		
China Gezhouba Group Overseas Investment Co., Ltd. (中國葛洲壩集團海外投資有限公司)	3,778,794,291.56	855,164,904.19		4,633,959,195.75		
China Gezhouba Group Water Operation Co., Ltd. (中國葛洲壩集團水務運營有限公司)	1,426,695,472.15	253,311,930.90		1,680,007,403.05		
China Gezhouba Group Equipment Industry Co., Ltd. (中國葛洲壩集團裝備工業有限公司)	1,000,000,000.00	150,000,000.00		1,150,000,000.00		
China Gezhouba Group Ecological Environment Engineering Co., Ltd. (中國葛洲壩集團生態環境工程有限公司)	126,200,000.00	368,725,089.01		494,925,089.01		
Gezhouba Chongqing Investment Co., Ltd. (葛洲壩重慶投資有限公司)	15,000,000.00			15,000,000.00		
Hefei Gezhouba High-tech Pipe Gallery Investment and Construction Co., Ltd. (合肥葛洲壩高新管廊投資建設有限公司)	252,000,000.00			252,000,000.00		
Leqing Gezhouba Investment Co., Ltd. (樂清葛洲壩投資有限公司)	30,000,000.00			30,000,000.00		
Fuzhou Jiangyin Industrial Zone Gezhouba Reclamation Investment Co., Ltd. (福州市江陰工業區葛洲壩填海投資有限公司)	432,000,000.00			432,000,000.00		
Gezhouba (Haikou) Water Environment Treatment Investment Co., Ltd. (葛洲壩(海口)水環境治理投資有限公司)	131,200,000.00			131,200,000.00		
Sichuan Gezhouba Batongwan Expressway Limited (四川葛洲壩巴通萬高速公路有限公司)	2,980,000,000.00	1,170,000,000.00		4,150,000,000.00		
Gezhouba Water Affairs (Jingmen) Co., Ltd. (葛洲壩水務(荊門)有限公司)	380,700,000.00			380,700,000.00		
Gezhouba (Haikou) Water Diversion Investment Co., Ltd. (葛洲壩(海口)引水工程投資有限公司)	560,000,000.00			560,000,000.00		

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investees	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
Beijing Gezhouba Zhenghe Yuyongshui Environmental Treatment Co., Ltd. (北京葛洲壩正和于永水環境治理有限公司)	34,530,000.00			34,530,000.00		
Gezhouba Water Affairs (Taizhou) Co., Ltd. (葛洲壩水務(台州)有限公司)	53,040,000.00			53,040,000.00		
Gezhouba (Yichang) Minsheng Engineering Investment and Construction Co., Ltd. (葛洲壩(宜昌)民生工程投資建設有限公司)	32,400,000.00	17,820,000.00		50,220,000.00		
Gezhouba Yunmeng Urban Infrastructure Investment, Construction and Operation Project Co., Ltd. (葛洲壩雲夢城市基礎設施投資建設運營項目有限公司)	122,042,600.00			122,042,600.00		
Gezhouba (Hainan) Construction Investment Co., Ltd. (葛洲壩(海南)建設投資有限公司)	63,067,382.09	114,410,000.00		177,477,382.09		
Hangzhou Huadian Huayuan Environmental Engineering Co., Ltd. (杭州華電華源環境工程有限公司)	161,142,352.68			161,142,352.68		
Gezhouba (Huizhou Huiyang) Investment and Construction Co., Ltd. (葛洲壩(惠州惠陽)投資建設有限公司)	24,175,800.00	91,902,000.00	18,175,800.00	97,902,000.00		
Gezhouba Xinfu (Nanning) Highway Construction Investment Co., Ltd. (葛洲壩新扶(南寧)公路建設投資有限公司)	395,910,000.00			395,910,000.00		
Gezhouba Group Transportation Investment Co., Ltd. (葛洲壩集團交通投資有限公司)	4,429,209,507.92	577,680,459.25		5,006,889,967.17		
Xinjiang Gezhouba Yulong Kashi Water Conservancy Project Development Co., Ltd. (新疆葛洲壩玉龍喀什水利樞紐開發有限公司)		184,000,000.00		184,000,000.00		
Gezhouba (Tianjin) Investment Partnership (Limited Partnership) (葛洲壩(天津)投資合夥企業(有限合夥))		750,000,000.00		750,000,000.00		
Gezhouba (Beijing) Industrial Co., Ltd. (葛洲壩(北京)實業有限公司)	30,000,000.00			30,000,000.00		

APPENDIX II**FINANCIAL INFORMATION OF THE TARGET GROUP**

Investees	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
Gezhouba Group Trade Development Co., Ltd. (葛洲壩集團貿易發展有限公司)	20,127,459.56	500,000,000.00		520,127,459.56		
Total	37,333,494,388.18	9,271,802,976.82	4,142,575,031.38	42,462,722,333.62		

(3) *Investments in associates and joint ventures*

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period Other comprehensive income adjustment	Change in other equity	Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
I. Joint ventures										
Gezhouba Jianxin (Wuhan) Investment Fund Management Co., Ltd. (葛洲壩建信(武漢)投資基金管理有限公司)	5,010,967.40									5,010,967.40
Jingzhou Gezhouba Chengbei Expressway Investment and Construction Co., Ltd. (南州葛洲壩城北快速路投資建設有限公司)	1,316,000,000.00	416,010,000.00								1,732,010,000.00
Nanjing Gezhouba Urban Underground Space Comprehensive Construction Development Co., Ltd. (南京葛洲壩城市地下空間綜合建設開發有限公司)	486,960,000.00	172,900,000.00								659,860,000.00
Nansha International Financial Island (Guangzhou) Co., Ltd. (南沙國際金融島(廣州)有限公司)		613,265,026.67								613,265,026.67
Gezhouba Urban Development Co., Ltd. (葛洲壩城市發展有限公司)		26,000,000.00								26,000,000.00

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period Other comprehensive income adjustment	Change in other equity	Declared and paid dividends or profits	Provision for impairment	Others	Closing balance
Gezhouba Lingshan (Yancheng Tinghu) Water Treatment Co., Ltd. (葛洲壩寧南(鹽城亭湖)水治理有限責任公司)		76,082,700.00								76,082,700.00
Jianguang Environment Gezhouba Water (Yangxi) Co., Ltd. (建廣環境葛洲壩水務(陽西)有限公司)		22,580,000.00								22,580,000.00
Chengdu China Construction Win-Win No. 7 Infrastructure Investment Center (Limited Partnership) (成都中建共贏七號基礎設施投資中心(有限合夥))		48,000,000.00								48,000,000.00
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宣楊高速公路開發有限公司)		355,000,000.00							355,000,000.00	710,000,000.00
Subtotal	1,807,970,967.40	1,729,837,726.67							355,000,000.00	3,892,808,694.07
II. Associates										
Jiaozuo Gezhouba China Railway 19th Bureau Ecological Treatment and Construction and Operation Co., Ltd. (焦作市葛洲壩中鐵十九局生態治理建設運營有限公司)	69,794,793.00									69,794,793.00

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period		Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
					Other comprehensive income adjustment	Change in other equity				
Shandong Gezhoubu Zaohu Expressway Co., Ltd. (山東葛洲壩秦荷高速公路有限公司)	1,224,159,183.00			- 61,100,234.84						1,163,058,948.16
Shandong Gezhoubu Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	790,601,580.23	103,384,615.38		- 44,033,015.89						849,953,179.72
Shandong Gezhoubu Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	779,792,050.89			- 106,404,579.50						673,387,471.39
Pingnan Gezhoubu (Shenzhen) Expressway Investment Partnership Company (平安葛洲壩(深圳)高速公路投資合夥企業(有限合夥))	1,725,824,658.99	565,334,880.89		- 186,420.98						2,290,973,118.90
Three Gorges Riqing Maoping River Ecological Treatment (Zigui) Co., Ltd. (三峽日清茅坪河生態治理(秭歸)有限公司)	10,000,000.00	10,000,000.00								20,000,000.00
Xinjiang Gezhoubu Dashixia Water Conservancy Project Development Co., Ltd. (新疆葛洲壩大石峽水利樞紐開發有限公司)	60,000,000.00	170,000,000.00								230,000,000.00

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase or decrease in the period Other comprehensive income adjustment	Change in other equity	Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
Xinjiang Gezhouba Qiaobat Water Conservancy Project Development Co., Ltd. (新疆葛洲壩喬巴特水利樞紐工程開發有限公司)	124,950,000.00	115,000,000.00								239,950,000.00
China Energy Engineering Group Finance Co., Ltd. (中國能源建設集團財務有限公司)	1,005,705,318.97			80,164,851.28	- 27,972.00	212,331.34	61,762,924.68			1,024,291,604.91
Yueyang Three Gorges Water Environment Comprehensive Management Co., Ltd. (岳陽市三峽水環境綜合治理有限責任公司)	24,000,000.00	45,254,000.00								69,254,000.00
Gezhouba Huaithe Development Co., Ltd. (葛洲壩淮河發展有限公司)		361,848,557.00								361,848,557.00
Shenzhen Qihua Infrastructure Construction Investment Partnership (Limited Partnership) (深圳啟華基礎設施建設投資合夥企業 (有限合夥))		90,000,000.00								90,000,000.00
Shenzhen Anshun Transportation Facilities Construction Investment Partnership (Limited Partnership) (深圳安順交通設施建設投資合夥企業 (有限合夥))		9,955,301.37								9,955,301.37

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period Other comprehensive income adjustment	Change in other equity	Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
Guangxi Gezhoubu Tianxi Expressway Co., Ltd. (廣西葛洲壩田西高速公路有限公司)	120,000,000.00	755,000,000.00								875,000,000.00
Baihe No.6 (Shenzhen) Investment Partnership Enterprise (Limited Partnership)(百和六號(深圳)投資合夥企業(有限合夥))		91,000,000.00								91,000,000.00
Guangdong Gezhoubu Zhaoming Expressway Co., Ltd. (廣東葛洲壩肇明高速公路有限公司)		315,570,000.00								315,570,000.00
Yan'an Gezhoubu Shanjiandong Ring Expressway Co., Ltd. (延安葛洲壩鞏建東繞城高速公路有限公司)		326,670,000.00								326,670,000.00
Guizhou Province Lu'an Expressway Project Company Limited (貴州省六安高速公路有限公司)		26,780,000.00								26,780,000.00
Yichang Yiling Nissin Ecological Treatment Co., Ltd. (宜昌夷陵日清生態治理有限公司)		41,550,000.00								41,550,000.00
Guizhou Naqing Expressway Co., Ltd. (貴州納晴高速公路有限公司)		16,080,000.00								16,080,000.00

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase or decrease in the period		Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
					Other comprehensive income adjustment	Change in other equity				
Guangde Railway Construction Daqin Investment Partnership (Limited Partnership) (廣德鐵建大秦投資合夥企業(有限合夥))		900,000,000.00								900,000,000.00
Beijing Jintong Times Investment Co., Ltd. (北京津隆時代投資有限公司)		320,000,000.00								320,000,000.00
Shaanxi Guanhuan Linfa Expressway Co., Ltd. (陝西關環麟法高速公路有限公司)		132,000,000.00								132,000,000.00
Shaanxi Gezhouba Yanhuang Ningshi Expressway Co., Ltd. (陝西葛洲壩延黃寧石高速公路有限公司)	1,950,000,000.00	363,000,000.00								2,313,000,000.00
Hubei Huangshi Wuyang Expressway Development Co., Ltd. (湖北黃石武陽高速公路發展有限公司)	245,000,000.00									245,000,000.00
Weinan Dongqin Water Supply Co., Ltd. (Weinan 東秦供水有限公司)	50,000,000.00									50,000,000.00
Gezhouba (Luzhou) Yangtze River Sixth Bridge Investment Co., Ltd. (葛洲壩(蘆州)長江六橋投資有限公司)	25,000,000.00									25,000,000.00

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase or decrease in the period Other comprehensive income adjustment	Change in other equity	Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
Gezhouba (Tangshan) Fengnan Investment and Construction Co., Ltd. (葛洲壩(唐山)豐南投資建設有限公司)	222,500,000.00									222,500,000.00
Gezhouba Group (Guiyang) Comprehensive Bonded Zone Investment and Construction Co., Ltd. (葛洲壩集團(貴陽)綜合保稅區投資建設有限公司)	1,500,000.00									1,500,000.00
Panzhou Hongcai Gezhouba Project Management Co., Ltd. (盤州市宏財葛洲壩項目管理有限公司)	900,000.00									900,000.00
Shandong Gezhouba Judan Expressway Co., Ltd. (山東葛洲壩巨單高速公路有限公司)	180,000.00									180,000.00
Shandong Gezhouba Jitai Expressway Co., Ltd. (山東葛洲壩濟泰高速公路有限公司)	5,180,000.00									5,180,000.00
Fuyang Gezhouba Guozhen Water Environment Treatment Investment Construction Co., Ltd. (阜陽葛洲壩國慎水環境治理投資建設有限公司)	161,500,000.00									161,500,000.00

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase or decrease in the period Other comprehensive income adjustment	Change in other equity	Declared and paid cash dividends or profits	Provision for impairment	Others	Closing balance
Gezhouba (Wu'an) Investment and Construction Co., Ltd. (葛洲壩(武安)投資建設有限公司)	19,640,000.00									19,640,000.00
Gezhouba (Huizhou) Jiangnan Avenue Investment and Construction Co., Ltd. (葛洲壩(惠州)江南大道投資建設有限公司)	5,000,000.00									5,000,000.00
Yunnan Gezhouba Xuanyang Expressway Development Co., Ltd. (雲南葛洲壩宜楊高速公路開發有限公司)	355,000,000.00								- 355,000,000.00	
Subtotal	8,976,227,585.08	4,758,427,354.64		- 131,559,399.93	- 27,972.00	212,331.34	61,762,924.68		- 355,000,000.00	13,186,516,974.45
Total	10,784,198,552.48	6,488,265,081.31		- 131,559,399.93	- 27,972.00	212,331.34	61,762,924.68			17,079,325,668.52

4. Operating Income and Operating Costs

Items	Increase in the period		Amount for the previous period	
	Income	Costs	Income	Costs
Principal business	28,984,441,622.85	25,447,924,009.34	22,632,201,286.96	20,681,579,726.56
Other businesses	4,288,772.65	5,976,020.65	3,865,836.38	16,161,376.56
Total	28,988,730,395.50	25,453,900,029.99	22,636,067,123.34	20,697,741,103.12

5. Investment Income

Items	Amount for the current period	Amount for the previous period
Income from long-term equity investment under cost method	5,402,842,161.11	108,532,676.50
Income from long-term equity investment under equity method	- 131,559,399.93	66,651,385.09
Dividend income during the holding period of other equity instrument investments	20,381,872.80	2,717,583.04
Investment income during the holding period of other non-current financial assets	20,422,187.73	39,267,788.73
Derecognition of revenue of financial assets measured at amortised cost	- 58,889,969.82	
Investment income from disposal of other non-current financial assets		250,960.04
Interest income from placements	1,493,746,143.05	
Others		25,198,083.14
Total	6,746,942,994.94	242,618,476.54

XVII. SUPPLEMENTARY INFORMATION**1. Breakdown of Current Non-recurring Profit or Loss**

Items	Amount	Note
Gains or loss from disposal of non-current assets	86,755,391.61	
Tax refund or relief for which approval is not authorized or no formal approval is issued		
Government grants included in current profit or loss (other than government grants which are closely related to corporate business and granted based on a fixed amount or a fixed quantity unified by the state)	162,509,373.83	
Capital occupation fee charged to non-financial enterprises included in current profits and losses		

Items	Amount	Note
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the subsidiaries, associates and joint ventures		
Profit or loss from exchange of non-monetary assets		
Gain or loss on entrusted investments or asset under management		
Provision for impairment on assets due to force majeure events, such as natural disasters		
Gain or loss on debt restructuring		
Corporate restructuring costs, such as employee relocation expenses and integration costs		
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on other contingencies which are not related to the Company' s normal operations		
Gain or loss on changes in fair value from held-for-trading financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment income from disposal of financial assets for trading, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investment, except for effective hedging transactions that are related to the Company' s normal operation	546,042,965.77	
Reversal of the impairment provision for receivables which are tested individually for impairment		
Gain or loss on external entrusted loans		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Effect of one-off adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations on current profit or loss		
Entrusted fee income from entrusted operations		

Items	Amount	Note
Other non-operating income and expenses apart from the aforesaid items	– 233,105,664.24	
Other gain or loss items falling within the definition of extraordinary items		
Effect of income tax	– 66,672,845.60	
Effect of minority interest (after tax)	22,628,764.89	
Total	518,157,986.26	

2. Return on Net Assets and Earnings Per Share

Profit for Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	10.310	0.726	0.726
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	8.712	0.614	0.614

China Gezhouba Group Stock Company Limited
19 March 2021

II. DIFFERENCES BETWEEN THE ACCOUNTING POLICIES ADOPTED BY THE COMPANY AND CGGC

As described in the section entitled “*Letter from the Board – Waiver from Strict Compliance with Rule 14.69(4)(a)(i) of the Listing Rules*”, the Company has applied to the Hong Kong Stock Exchange for, and been granted, a waiver from the requirement to produce an accountants’ report on CGGC in accordance with Rule 14.69(4)(a)(i) of the Listing Rules.

Instead, this circular contains a copy of the English translation of the audited consolidated financial statements of CGGC for the financial years ended December 31, 2018, 2019 and 2020 prepared in accordance with China Accounting Standard for Business Enterprise (“CAS”) (the “CGGC Historical Track Record Accounts”) as set out in the section entitled “Financial Information of the Target Group”.

The CGGC Historical Track Record Accounts cover the consolidated financial position of CGGC as at December 31, 2018, 2019 and 2020 and the consolidated results of CGGC for each of the years ended December 31, 2018, 2019 and 2020 (the “**Relevant Periods**”).

The accounting policies adopted in the preparation of the CGGC Historical Track Record Accounts are substantially consistent with the accounting policies adopted by the Company, which comply with International Financial Reporting Standards (“**IFRS**”), except for:

- the classification and presentation of certain the account captions;
- the accounting policy for special reserve accrued for safety costs(安全生產費), as set out in Note 2 to “CGGC’s Unaudited Adjusted Financial Information under the Company’s Policies”, and
- the accounting policy for certain assets transferred in accordance with the relevant policies issued by the State-owned Assets Supervision and Administration Commission of the State Council (“**SASAC**”) and the Ministry of Finance of the PRC (“**MOF**”), as set out in Note 3 to “CGGC’s Unaudited Adjusted Financial Information under the Company’s Policies”.

Basis of Preparation

Disclosure is set out by providing a reconciliation (the “**Reconciliation**”) between CGGC’s financial information for the Relevant Periods as extracted from the CGGC Historical Track Record Accounts on the one hand, and the adjusted financial information for the Relevant Periods had it instead been prepared in accordance with the accounting policies adopted by the Company, where appropriate. The process applied in the preparation of such Reconciliation is set out below.

Reconciliation Process

The Reconciliation has been prepared by the directors of the Company by comparing the accounting policies adopted by CGGC for the preparation of the CGGC Historical Track Record Accounts and the accounting policies adopted by the Company, and quantifying the relevant material financial effects of such differences, where appropriate. Your attention is drawn to the fact that as the Reconciliation has not been subject to an independent audit and accordingly, no opinion is expressed by an auditor or reporting accountants on whether it presents a true and fair view of the CGGC’s consolidated financial position as at December 31, 2018, 2019 and 2020, nor its consolidated results for the years then ended under the accounting policies adopted by the Company.

KPMG was engaged by the Company to conduct work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” (“**HKSAE 3000**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

The work conducted by KPMG consisted primarily of:

- (i) comparing the “*Unadjusted Financial Information under CAS*” as set out in the section entitled “*CGGC’s Unaudited Adjusted Financial Information under the Company’s Policies*” with the CGGC Historical Track Record Accounts prepared under CAS;
- (ii) considering the adjustments made and evidence supporting the adjustments made in arriving at the “*Adjusted Financial Information under the Company’s Policies*” as set out in the section entitled “*CGGC’s Unaudited Adjusted Financial Information under the Company’s Policies*”, which included examining the differences between CGGC’s accounting policies under CAS and the Company’s accounting policies under IFRS; and
- (iii) checking the arithmetic accuracy of the computation of the “*Adjusted Financial Information under the Company’s Policies*”.

KPMG’s engagement did not involve independent examination of any of the underlying financial information on which the “*CGGC’s unaudited Adjusted Financial Information under the Company’s Policies*” is based. The work carried out in accordance with HKSAE 3000 is different in scope from an audit or a review conducted in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA and consequently, KPMG did not express an audit opinion nor a review conclusion on the Reconciliation. KPMG’s engagement was intended solely for the use of the Directors in connection with this circular and may not be suitable for another purpose. KPMG has not audited or reviewed CGGC’s financial information for any period.

Based on the work performed, KPMG has concluded that:

- (i) the “*Unadjusted Financial Information under CAS*” as set out in the section entitled “*CGGC’s Unaudited Adjusted Financial Information under the Company’s Policies*” is in agreement with the CGGC Historical Track Record Accounts;
- (ii) the adjustments reflect, in all material respects, the differences between CGGC’s accounting policies and the Company’s accounting policies under IFRS; and
- (iii) the computation of the “*Adjusted Financial Information under the Company’s Policies*” is arithmetically accurate.

CGGC’s Unaudited Adjusted Financial Information under the Company’s Policies

The CGGC Historical Track Record Accounts have been prepared and presented in accordance with CAS. There are no material differences between the CGGC Historical Track Record Accounts compared to that applying the Company’s accounting policies under IFRS, except for the classification and presentation of certain account captions, the accounting policy for special reserve accrued for safety costs (see Note 2 below), and the accounting policy for certain assets transferred in accordance with the relevant policies issued by SASAC and MOF (see Note 3 below).

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME UNDER THE COMPANY'S POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

Unadjusted Financial Information under CAS	Reclassification	GAAP Difference	Adjusted Financial Information under the Company's Policies		
<i>RMB'000</i>	<i>(Note 1) RMB'000</i>	<i>(Note 2) RMB'000</i>	<i>RMB'000</i>		
Total operating income	112,611,173	-	-	112,611,173	Revenue
Operating cost	(92,621,788)	(521,624)	76,324	(93,067,088)	Cost of sales
				<u>19,544,085</u>	Gross profit
Taxes and surcharges	(1,155,227)	1,155,227	-	-	
Selling and distribution expenses	(1,045,226)	-	-	(1,045,226)	Selling expenses
Administrative expenses	(4,689,662)	(193,264)	-	(4,882,926)	Administrative expenses
Development expenses	(3,353,680)	-	-	(3,353,680)	Research and development expenses
Finance expenses	(2,285,205)	2,285,205	-	-	
Assets impairment losses	(143,599)	143,599	-	-	
Credit impairment losses	(870,601)	870,601	-	-	
Other gains	597,952	(597,952)	-	-	
Investment income	248,387	(248,387)	-	-	
Gains on changes in fair value	546,043	(546,043)	-	-	
Gains on disposals of assets	86,755	(86,755)	-	-	
Operating profit	<u>7,925,322</u>				
Non-operating income	69,733	(69,733)	-	-	
Non-operating expenses	(302,839)	302,839	-	-	
		670,116	-	670,116	Other income
		(1,006,824)	-	(1,006,824)	Net impairment losses on financial assets and contract assets
		269,564	-	269,564	Other net gains and losses
		228,005	-	228,005	Finance income
		(2,246,989)	-	(2,246,989)	Finance costs
		119,429	-	119,429	Share of profits of joint ventures
		108,262	-	108,262	Share of profits of associates
Total profit	7,692,216	635,276	76,324	8,403,816	Profit before taxation
Income tax expense	(2,398,770)	(635,276)	-	(3,034,046)	Income tax
Net profit	5,293,446	-	76,324	5,369,770	Profit for the year
Other comprehensive income, net of tax	<u>(144,375)</u>	-	-	<u>(144,375)</u>	Other comprehensive income for the year
Total comprehensive income	<u>5,149,071</u>	-	76,324	<u>5,225,395</u>	Total comprehensive income for the year

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME UNDER THE COMPANY'S POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Unadjusted Financial Information under CAS	Reclassification	GAAP Difference	Adjusted Financial Information under the Company's Policies	
<i>RMB'000</i>	<i>(Note 1) RMB'000</i>	<i>(Note 2) RMB'000</i>	<i>RMB'000</i>	
				Profit for the year attributable to:
				Equity holders of the Company
1. Net profit attributable to shareholders of the parent	4,282,298	(918,340)	70,922	3,434,880
	918,340	-	-	- Shareholders
	4,282,298	-	70,922	- Perpetual capital instruments holders
	918,340	-	-	-
	4,282,298	-	70,922	4,353,220
2. Minority interests	1,011,148	(151,298)	5,402	865,252
	151,298	-	-	Non-controlling interests
	1,011,148	-	5,402	- Shareholders
	151,298	-	-	- Perpetual capital instruments holders
	1,011,148	-	5,402	1,016,550
	5,293,446	-	76,324	5,369,770
	918,340	-	-	Total comprehensive income for the year attributable to:
	4,147,083	(918,340)	70,922	3,299,665
	918,340	-	-	Equity holders of the Company
	4,147,083	-	70,922	- Shareholders
	918,340	-	-	- Perpetual capital instruments holders
	4,147,083	-	70,922	4,218,005
Total comprehensive income attributable to owners of the parent	4,147,083	(918,340)	70,922	3,299,665
	918,340	-	-	Non-controlling interests
	4,147,083	-	70,922	- Shareholders
	918,340	-	-	- Perpetual capital instruments holders
	4,147,083	-	70,922	4,218,005
Total comprehensive income attributable to minority interests	1,001,988	(151,298)	5,402	856,092
	151,298	-	-	- Shareholders
	1,001,988	-	5,402	- Perpetual capital instruments holders
	151,298	-	-	151,298
	1,001,988	-	5,402	1,007,390
	5,149,071	-	76,324	5,225,395

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME UNDER THE COMPANY'S POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

Unadjusted Financial Information under CAS	Reclassification	GAAP Difference	Adjusted Financial Information under the Company's Policies	
<i>RMB'000</i>	<i>(Note 1) RMB'000</i>	<i>(Note 2) RMB'000</i>	<i>RMB'000</i>	
Total operating income	109,945,697	-	109,945,697	Revenue
Operating cost	(91,941,726)	(738,179)	(92,667,796)	Cost of sales
			17,277,901	Gross profit
Taxes and surcharges	(1,149,163)	1,149,163	-	
Selling and distribution expenses	(1,380,084)	-	(1,380,084)	Selling expenses
Administrative expenses	(4,687,209)	(202,417)	(4,889,626)	Administrative expenses
Research and development expenses	(2,789,158)	-	(2,789,158)	Research and development expenses
Finance expenses	(2,765,237)	2,765,237	-	
Other gains	1,126,999	(1,126,999)	-	
Investment income	3,237,836	(3,237,836)	-	
Gains on changes in fair value	44,374	(44,374)	-	
Credit impairment losses	(715,855)	715,855	-	
Assets impairment losses	(123,553)	123,553	-	
Gains on disposals of assets	(25,084)	25,084	-	
Operating profit	8,777,837			
Non-operating income	57,470	(57,470)	-	
Non-operating expenses	(47,417)	47,417	-	
		1,195,739	1,195,739	Other income
		(715,855)	(715,855)	Net impairment losses on financial assets and contract assets
		2,410,244	2,410,244	Other net gains and losses
		314,509	314,509	Finance income
		(2,895,796)	(2,895,796)	Finance costs
		72,044	72,044	Share of profits of joint ventures
		734,618	734,618	Share of profits of associates
Total profit	8,787,890	534,537	9,334,536	Profit before taxation
Income tax expense	(2,224,281)	(534,537)	(2,758,818)	Income tax
Net profit	6,563,609	-	6,575,718	Profit for the year
Other comprehensive income, net of tax	178,935	-	178,935	Other comprehensive income for the year
Total comprehensive income	6,742,544	-	6,754,653	Total comprehensive income for the year

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME UNDER THE COMPANY'S POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

Unadjusted Financial Information under CAS	Reclassification	GAAP Difference	Adjusted Financial Information under the Company's Policies	
<i>RMB'000</i>	<i>(Note 1) RMB'000</i>	<i>(Note 2) RMB'000</i>	<i>RMB'000</i>	
				Profit for the year attributable to:
				Equity holders of the Company
1. Net profit attributable to shareholders of the parent	5,441,781	(655,311)	12,109	4,798,579
	<u>655,311</u>	<u>-</u>	<u>655,311</u>	- Shareholders - Perpetual capital instruments holders
	----- 5,441,781	----- -	----- 12,109	----- 5,453,890
2. Minority interests	1,121,828	(183,373)	-	938,455
	<u>183,373</u>	<u>-</u>	<u>-</u>	183,373
	----- 1,121,828	----- -	----- -	----- 1,121,828
	<u>6,563,609</u>	<u>-</u>	<u>12,109</u>	<u>6,575,718</u>
				Total comprehensive income for the year attributable to:
				Equity holders of the Company
Total comprehensive income attributable to owners of the parent	5,623,175	(655,311)	12,109	4,979,973
	<u>655,311</u>	<u>-</u>	<u>655,311</u>	- Shareholders - Perpetual capital instruments holders
	----- 5,623,175	----- -	----- 12,109	----- 5,635,284
				Non-controlling interests
Total comprehensive income attributable to minority interests	1,119,369	(183,373)	-	935,996
	<u>183,373</u>	<u>-</u>	<u>-</u>	183,373
	----- 1,119,369	----- -	----- -	----- 1,119,369
	<u>6,742,544</u>	<u>-</u>	<u>12,109</u>	<u>6,754,653</u>

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME UNDER THE COMPANY'S POLICIES FOR THE YEAR ENDED 31 DECEMBER 2018

Unadjusted Financial Information under CAS	Reclassification	GAAP Difference	Adjusted Financial Information under the Company's Policies		
<i>RMB'000</i>	<i>(Note 1) RMB'000</i>	<i>(Note 2,3) RMB'000</i>	<i>RMB'000</i>		
Total operating income	100,625,670	-	100,625,670	Revenue	
Operating cost	(84,192,223)	(758,338)	(84,924,247)	Cost of sales	
			15,701,423	Gross profit	
Taxes and surcharges	(1,116,588)	1,116,588	-		
Selling and distribution expenses	(1,301,188)	-	(1,301,188)	Selling expenses	
Administrative expenses	(4,455,338)	(277,276)	(4,732,614)	Administrative expenses	
Development expenses	(1,980,553)	-	(1,980,553)	Research and development expenses	
Finance expenses	(2,488,153)	2,488,153	-		
Assets impairment losses	(453,006)	453,006	-		
Credit impairment losses	(102,522)	102,522	-		
Other gains	1,565,739	(1,565,739)	-		
Investment income	1,140,822	(1,140,822)	-		
Gains on changes in fair value	418,392	(418,392)	-		
Gains on disposals of assets	48,256	(48,256)	-		
Operating profit	7,709,308				
Non-operating income	85,566	(85,566)	-		
Non-operating expenses	(50,433)	50,433	-		
		1,674,139	1,674,139	Other income	
		(554,145)	(554,145)	Net impairment losses on financial assets and contract assets	
		547,050	320,208	Other net gains and losses	
		382,261	382,261	Finance income	
		(2,586,810)	(2,586,810)	Finance costs	
		305,122	305,122	Share of profits of joint ventures	
		674,318	674,318	Share of profits of associates	
Total profit	7,744,441	358,248	(200,528)	7,902,161	Profit before taxation
Income tax expense	(1,784,547)	(358,248)	-	(2,142,795)	Income tax
Net profit	5,959,894	-	(200,528)	5,759,366	Profit for the year
Other comprehensive income, net of tax	(886,572)	-	-	(886,572)	Other comprehensive income for the year
Total comprehensive income	5,073,322	-	(200,528)	4,872,794	Total comprehensive income for the year

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME UNDER THE COMPANY'S POLICIES FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

Unadjusted Financial Information under CAS	Reclassification	GAAP Difference	Adjusted Financial Information under the Company's Policies	
<i>RMB'000</i>	<i>(Note 1) RMB'000</i>	<i>(Note 2,3) RMB'000</i>	<i>RMB'000</i>	
				Profit for the year attributable to:
				Equity holders of the Company
1. Net profit attributable to shareholders of the parent	4,657,707	(575,100)	(200,528)	3,882,079
	<u>575,100</u>	<u>-</u>	<u>-</u>	<u>575,100</u>
	----- 4,657,707	----- -	----- (200,528)	----- 4,457,179
2. Minority interests	1,302,187	(204,726)	-	1,097,461
	<u>204,726</u>	<u>-</u>	<u>-</u>	<u>204,726</u>
	----- 1,302,187	----- -	----- -	----- 1,302,187
	<u>5,959,894</u>	<u>-</u>	<u>(200,528)</u>	<u>5,759,366</u>
				Total comprehensive income for the year attributable to:
				Equity holders of the Company
Total comprehensive income attributable to owners of the parent	3,783,494	(575,100)	(200,528)	3,007,866
	<u>575,100</u>	<u>-</u>	<u>-</u>	<u>575,100</u>
	----- 3,783,494	----- -	----- (200,528)	----- 3,582,966
				Non-controlling interests
Total comprehensive income attributable to minority interests	1,289,828	(204,726)	-	1,085,102
	<u>204,726</u>	<u>-</u>	<u>-</u>	<u>204,726</u>
	----- 1,289,828	----- -	----- -	----- 1,289,828
	<u>5,073,322</u>	<u>-</u>	<u>(200,528)</u>	<u>4,872,794</u>

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION UNDER THE COMPANY'S POLICIES AT 31 DECEMBER 2020

Unadjusted Financial Information under CAS	Reclassification	Adjusted Financial Information under the Company's Policies		
<i>RMB'000</i>	<i>(Note 1)</i> <i>RMB'000</i>	<i>RMB'000</i>		
Non-current assets			Non-current assets	
Long-term receivables	14,134,150	(14,134,150) 15,678,907	– 15,678,907	Trade receivables Prepayments, deposits and other receivables
		1,162,201	1,162,201	
Long-term equity investments	26,394,017	(26,394,017) 6,060,689 20,333,328	– 6,060,689 20,333,328	Investments in joint ventures Investments in associates Financial assets at fair value through other comprehensive income
Other investment in equity instruments	1,141,385	–	1,141,385	Financial assets at fair value through profit or loss
Other non-current financial assets	6,488,117	–	6,488,117	Investment properties
Investment properties	170,735	–	170,735	Property, plant and equipment
Fixed assets	18,159,789	5,049,685	23,209,474	
Construction in progress	1,464,001	(1,464,001)	–	
Right-of-use assets	476,587	(476,587)	–	
Intangible assets	40,701,732	(2,989,732)	37,712,000	Intangible assets
Research and development expense	119,365	(119,365)	–	
Goodwill	1,895,834	–	1,895,834	Goodwill
Long-term prepaid expenses	504,015	(504,015)	–	
Deferred income tax assets	1,051,750	–	1,051,750	Deferred tax assets
Other non-current assets	2,202,943	(2,202,943)	–	
	114,904,420	–	114,904,420	
Current assets				Current assets
Cash at bank and on hand	25,863,099	(576,226) 576,226	25,286,873 576,226	Bank and cash balances Pledged deposits
Bills receivables	5,488,912	(5,488,912)	–	
Trade receivables	16,052,252	(16,052,252)	–	
Receivables financing	2,034,069	(2,034,069)	–	
		24,430,949	24,430,949	Trade and bills receivables
Prepayments	6,713,962	(6,713,962)	–	
Other receivables	10,422,991	(10,422,991)	–	Prepayments, deposits and other receivables
		17,500,215	17,500,215	Other loans
Inventories	53,314,518	(49,394,219)	3,783,405 3,920,299	Inventories Properties under development for sale
		44,758,145	44,758,145	Completed properties for sale
Contract assets	19,608,099	–	4,636,074 19,608,099	Contract assets
Non-current assets due within one year	862,768	(862,768)	–	
Other current assets	4,139,615	(4,139,615)	–	
	144,500,285	–	144,500,285	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION UNDER THE COMPANY'S POLICIES AT 31 DECEMBER 2020 (CONTINUED)

Unadjusted Financial Information under CAS	Reclassification	Adjusted Financial Information under the Company's Policies	
RMB'000	(Note 1) RMB'000	RMB'000	
Current liabilities			Current liabilities
Short-term borrowings	18,318,168	(18,318,168)	–
		38,063,171	38,063,171
Bills payables	5,479,137	(5,479,137)	–
Trade payables	41,340,088	(41,340,088)	–
		46,819,225	46,819,225
Contract liabilities	22,347,813	–	22,347,813
Employee benefits payable	271,420	(271,420)	–
Taxes payable	4,035,359	(4,035,359)	–
		2,242,378	2,242,378
Other payables	20,751,542	(20,751,542)	–
		12,416,866	12,416,866
Non-current liabilities due within one year	14,332,901	(14,332,901)	–
Other current liabilities	4,449,830	(4,449,830)	–
		193,900	193,900
		8,767,553	8,767,553
		153,918	153,918
		321,434	321,434
	131,326,258	–	131,326,258
Net current assets	13,174,027	–	13,174,027
Total assets less current liabilities	128,078,447	–	128,078,447
Non-current liabilities			Non-current liabilities
Long-term borrowings	40,702,492	(40,702,492)	–
		40,702,492	40,702,492
Bonds payable	4,000,000	–	4,000,000
Lease liabilities	214,776	–	214,776
Long-term payables	48,375	(48,375)	–
		172,957	172,957
Long-term employee benefits payable	2,081,520	–	2,081,520
Estimated liabilities	40,973	–	40,973
Deferred income	266,572	–	266,572
Deferred income tax liabilities	1,257,422	–	1,257,422
Other non-current liabilities	124,582	(124,582)	–
	48,736,712	–	48,736,712
NET ASSETS	79,341,735	–	79,341,735

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION UNDER THE COMPANY'S POLICIES AT 31 DECEMBER 2020 (CONTINUED)

Unadjusted Financial Information under CAS	Reclassification	Adjusted Financial Information under the Company's Policies		
<i>RMB'000</i>	<i>(Note 1)</i> <i>RMB'000</i>	<i>RMB'000</i>		
CAPITAL AND RESERVES			CAPITAL AND RESERVES	
Paid-in capital (or Share capital)	4,604,777	–	4,604,777	Issued share capital
Other equity instruments	28,500,000	–	28,500,000	
Capital reserve	7,730,332	(7,730,332)	–	
Other comprehensive income	(326,591)	326,591	–	
Special reserve	169,263	(169,263)	–	
Surplus reserve	2,403,222	(2,403,222)	–	
Undistributed profits	19,129,433	(19,129,433)	–	
		29,105,659	29,105,659	Reserves
			62,210,436	Equity attributable to equity holders of the Company
Minority interests	17,131,299	2,478,943 (2,478,943)	2,478,943 14,652,356	Perpetual capital instruments Non-controlling interests
Total owner's equity (or Shareholders' equity)	79,341,735	–	79,341,735	TOTAL EQUITY

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION UNDER THE COMPANY'S POLICIES AT 31 DECEMBER 2019

Unadjusted Financial Information under CAS	Reclassification	Adjusted Financial Information under the Company's Policies		
RMB'000	(Note 1) RMB'000	RMB'000		
Non-current assets			Non-current assets	
Long-term receivables	15,606,248	(15,606,248) 15,241,572	– 15,241,572	Trade receivables Prepayments, deposits and other receivables
		1,051,751	1,051,751	
Long-term equity investments	20,810,284	(20,810,284) 4,419,638 16,390,646	– 4,419,638 16,390,646	Investments in joint ventures Investments in associates Financial assets at fair value through other comprehensive income Financial assets at fair value through profit or loss
Other investment in equity instruments	970,177	–	970,177	Investment properties Property, plant and equipment
Other non-current financial assets	5,375,588	–	5,375,588	Intangible assets
Investment properties	194,128	–	194,128	
Fixed assets	17,053,770	6,037,654	23,091,424	
Construction in progress	24,249,852	(24,249,852)	–	
Right-of-use assets	651,364	(651,364)	–	
Intangible assets	12,254,892	19,055,797	31,310,689	
Research and development expense	192,235	(192,235)	–	
Goodwill	1,539,598	–	1,539,598	Goodwill
Long-term prepaid expenses	424,711	(424,711)	–	
Deferred income tax assets	838,955	–	838,955	Deferred tax assets
Other non-current assets	262,364	(262,364)	–	
	100,424,166	–	100,424,166	
Current assets				Current assets
Cash at bank and on hand	22,082,716	(543,211) 543,211	21,539,505 543,211	Bank and cash balances Pledged deposits
Bills receivables	2,668,187	(2,668,187)	–	
Trade receivables	14,811,828	(14,811,828) 18,426,897	– 18,426,897	Trade and bills receivables
Prepayments	8,473,875	(8,473,875)	–	
Other receivables	9,596,047	(9,596,047)	–	Prepayments, deposits and other receivables
		17,062,675	17,062,675	Other loans
		4,772,539	4,772,539	Inventories
Inventories	53,458,921	(49,160,591)	4,298,330	Properties under development for sale
		46,928,700	46,928,700	Completed properties for sale
		2,231,891	2,231,891	Contract assets
Contract assets	18,235,459	–	18,235,459	
Non-current assets due within one year	956,802	(956,802)	–	
Other current assets	3,755,372	(3,755,372)	–	
	134,039,207	–	134,039,207	

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION UNDER THE COMPANY'S POLICIES AT 31 DECEMBER 2019 (CONTINUED)

Unadjusted Financial Information under CAS	Reclassification	Adjusted Financial Information under the Company's Policies	
<i>RMB'000</i>	<i>(Note 1)</i> <i>RMB'000</i>	<i>RMB'000</i>	
Current liabilities			Current liabilities
Short-term borrowings	(17,193,582)	–	
	32,308,967	32,308,967	Bank and other borrowings
Bills payables	(6,896,860)	–	
Trade payables	(37,379,720)	–	
	44,276,580	44,276,580	Trade and bills payables
Contract liabilities	–	20,994,389	Contract liabilities
Employee benefits payable	(280,259)	–	
Taxes payable	(2,903,158)	–	
	1,708,995	1,708,995	Income tax payable
Other payables	(21,748,779)	–	
	11,738,317	11,738,317	Other payables and accruals
Non-current liabilities due within one year	(5,065,596)	–	
Other current liabilities	(7,071)	–	Other current liabilities
	201,500	201,500	Defined benefit obligations
	1,128,807	1,128,807	Corporate bonds
	110,159	110,159	Lease liabilities
	1,700	1,700	Provisions
	–	112,469,414	
	–	112,469,414	
Net current assets	–	21,569,793	Net current assets
Total assets less current liabilities	–	121,993,959	Total assets less current liabilities
Non-current liabilities			Non-current liabilities
Long-term borrowings	(39,284,312)	–	
	39,284,312	39,284,312	Bank and other borrowings
Bonds payable	–	12,400,000	Corporate bonds
Lease liabilities	–	368,559	Lease liabilities
Long-term payables	(15,971)	–	
	110,647	110,647	Other payables and accruals
Long-term employee benefits payable	–	2,232,163	Defined benefit obligations
Estimated liabilities	–	44,704	Provisions
Deferred income	–	267,413	Deferred revenue
Deferred income tax liabilities	–	1,054,660	Deferred tax liabilities
Other non-current liabilities	(94,676)	–	Other non-current liabilities
	–	55,762,458	
	–	55,762,458	
NET ASSETS	–	66,231,501	NET ASSETS

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION UNDER THE COMPANY'S POLICIES AT 31 DECEMBER 2019 (CONTINUED)

Unadjusted Financial Information under CAS	Reclassification	Adjusted Financial Information under the Company's Policies		
<i>RMB'000</i>	<i>(Note 1)</i> <i>RMB'000</i>	<i>RMB'000</i>		
CAPITAL AND RESERVES			CAPITAL AND RESERVES	
Paid-in capital (or Share capital)	4,604,777	–	4,604,777	Issued share capital
Other equity instruments	21,500,000	–	21,500,000	
Capital reserve	7,615,101	(7,615,101)	–	
Other comprehensive income	(191,375)	191,375	–	
Special reserve	98,341	(98,341)	–	
Surplus reserve	1,652,127	(1,652,127)	–	
Undistributed profits	17,255,150	(17,255,150)	–	
		26,429,344	26,429,344	Reserves
			52,534,121	Equity attributable to equity holders of the Company
Minority interests	13,697,380	3,400,000 (3,400,000)	3,400,000 10,297,380	Perpetual capital instruments Non-controlling interests
Total owner's equity (or Shareholders' equity)	66,231,501	–	66,231,501	TOTAL EQUITY

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION UNDER THE COMPANY'S POLICIES AT 31 DECEMBER 2018

Unadjusted Financial Information under CAS	Reclassification	Adjusted Financial Information under the Company's Policies		
RMB'000	(Note 1) RMB'000	RMB'000		
Non-current assets			Non-current assets	
Long-term receivables	15,274,561	(15,274,561) 15,139,561	– 15,139,561	Trade receivables Prepayments, deposits and other receivables
		827,091	827,091	
Long-term equity investments	14,159,585	(14,159,585) 3,346,644 10,812,941	– 3,346,644 10,812,941	Investments in joint ventures Investments in associates Financial assets at fair value through other comprehensive income
Other investment in equity instruments	699,778	–	699,778	Financial assets at fair value through profit or loss
Other non-current financial assets	5,213,562	–	5,213,562	Investment properties
Investment properties	38,253	–	38,253	Property, plant and equipment
Fixed assets	17,107,207	1,866,810	18,974,017	
Construction in progress	16,089,510	(16,089,510)	–	
Intangible assets	16,682,986	11,350,247 2,985,413	28,033,233 2,985,413	Intangible assets Prepaid lease payments
Development expense	202,448	(202,448)	–	
Goodwill	1,539,598	–	1,539,598	Goodwill
Long-term prepaid expenses	599,560	(599,560)	–	
Deferred income tax assets	732,356	–	732,356	Deferred tax assets
Other non-current assets	92,531	(92,531)	–	
	88,431,935	(89,488)	88,342,447	
Current assets				Current assets
Cash at bank and on hand	19,547,503	(499,356) 499,356	19,048,147 499,356	Bank and cash balances Pledged deposits
Bills receivables and trade receivables	18,745,848	1,038,193	19,784,041	Trade and bills receivables
Prepayments	7,869,567	(7,869,567)	–	
Other receivables	10,702,509	(10,702,509)	–	Prepayments, deposits and other receivables
		16,486,465 4,698,359	16,486,465 4,698,359	Other loans
Inventories	52,197,618	(47,920,642)	4,276,976	Inventories Properties under development for sale
		45,681,424 2,239,218	45,681,424 2,239,218	Completed properties for sale
Contract assets	17,063,347	–	17,063,347	Contract assets
Non-current assets due within one year	1,071,856	(1,071,856)	–	
Other current assets	2,579,085	(2,579,085) 89,488	– 89,488	Prepaid lease payments
	129,777,333	89,488	129,866,821	

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION UNDER THE COMPANY'S POLICIES AT 31 DECEMBER 2018 (CONTINUED)

Unadjusted Financial Information under CAS	Reclassification	Adjusted Financial Information under the Company's Policies	
RMB'000	<i>(Note 1)</i> RMB'000	RMB'000	
Current liabilities			Current liabilities
Short-term borrowings	29,614,035	(29,614,035)	–
		44,693,073	44,693,073
Bills payables and trade payables	38,636,853	–	38,636,853
Contract liabilities	14,556,285	–	14,556,285
Employee benefits payable	258,350	(258,350)	–
Taxes payable	2,530,456	(2,530,456)	–
		1,034,831	1,034,831
Other payables	20,153,423	(20,153,423)	–
		14,862,154	14,862,154
Non-current liabilities due within one year	12,195,693	(12,195,693)	–
Other current liabilities	18,744	(18,744)	–
		196,330	196,330
		3,976,676	3,976,676
		7,637	7,637
	117,963,839	–	117,963,839
Net current assets	11,813,494	89,488	11,902,982
Total assets less current liabilities	100,245,429	–	100,245,429
Non-current liabilities			Non-current liabilities
Long-term borrowings	31,782,735	(31,782,735)	–
		32,437,972	32,437,972
Bonds payable	9,150,000	–	9,150,000
Long-term payables	665,208	(665,208)	–
		94,885	94,885
Long-term employee benefits payable	2,162,107	–	2,162,107
Deferred income	253,967	–	253,967
Deferred tax liabilities	1,061,868	–	1,061,868
Other non-current liabilities	84,914	(84,914)	–
	45,160,799	–	45,160,799
NET ASSETS	55,084,630	–	55,084,630

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION UNDER THE COMPANY'S POLICIES AT 31 DECEMBER 2018 (CONTINUED)

Unadjusted Financial Information under CAS	Reclassification	Adjusted Financial Information under the Company's Policies		
<i>RMB'000</i>	<i>(Note 1)</i> <i>RMB'000</i>	<i>RMB'000</i>		
CAPITAL AND RESERVES			CAPITAL AND RESERVES	
Paid-in capital (or Share capital)	4,604,777	–	4,604,777	Issued share capital
Other equity instruments	16,000,000	–	16,000,000	
Capital reserve	7,511,471	(7,511,471)	–	
Other comprehensive income	(372,769)	372,769	–	
Special reserve	86,233	(86,233)	–	
Surplus reserve	1,582,945	(1,582,945)	–	
Undistributed profits	13,391,336	(13,391,336)	–	
		22,199,216	22,199,216	Reserves
			42,803,993	Equity attributable to equity holders of the Company
Minority interests	12,280,637	3,400,000 (3,400,000)	3,400,000 8,880,637	Perpetual capital instruments Non-controlling interests
Total owner's equity (or Shareholders' equity)	55,084,630	–	55,084,630	TOTAL EQUITY

Notes:

1. To align with the presentation of the consolidated financial statements of the Target Group with that of the Group, reclassification adjustments are made to the “Unadjusted Financial Information under CAS” as at and for the years ended December 31, 2018, 2019 and 2020, which are extracted from the CGGC Historical Track Record Accounts. Such reclassifications are made according to the Company’s accounting policies under IFRS by splitting or grouping certain account captions of the Target Group. These reclassifications do not have any impact on the net profit nor the net assets of the Target Group.
2. In accordance with relevant policies issued by the Ministry of Finance of the PRC (“MOF”), enterprises engaging in high risk industries including construction industry should accrue safety costs based on a fixed percentage of revenue. Under CAS, the Target Group should set aside a special reserve in the equity every year based on a fixed percentage of revenue, and charge to that special reserve in the equity directly when actual costs related to safety incurred. According to the Company’s accounting policy under IFRS, the actual costs related to safety will be charged to profit or loss through “Cost of sales” as incurred. Such difference in accounting policies only impacts the net profit but does not have any impact on net assets.
3. In accordance with relevant policies issued by State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”) and MOF, the state-owned enterprises shall carve out, upgrade (if necessary) and transfer their assets related to water supply, power supply, heat/gas supply and property management of employees’ communities, together with their maintenance obligation and management function, to the parties, which are designated by local governments before the year end of 2018 (the “Transfer”, 三供一業移交). According to the relevant policies issued by MOF, the related upgrading costs and losses arising from the transfer of the assets are charged to the retained earnings directly in 2018 and do not have impact on the net profit. Under the Company’s accounting policy under IFRS, the related costs and losses are charged to the profit or loss through “Other net gains and losses”. Such difference in accounting policies only impacts the net profit but does not have any impact on net assets.

III. SUPPLEMENTARY FINANCIAL INFORMATION ON TARGET GROUP

The Company sets out the following supplemental financial information of the Target Group, which was not included in Target Group’s audited consolidated financial statements prepared under CAS showing the financial information for the financial years ended 31 December 2018, 2019 and 2020.

1. Maturity analysis of long-term bank borrowings

	2020	2019	2018
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount is repayable as follows:			
Within one year	5,217,530	3,981,515	8,291,664
More than one year but within two years	3,633,609	10,233,800	7,164,656
More than two years but within three years	8,433,001	2,978,865	8,486,088
More than three years but within four years	664,501	645,083	919,870
More than four years but within five years	652,001	1,373,221	822,675
More than five years	<u>27,319,379</u>	<u>24,053,344</u>	<u>15,044,685</u>
	<u>45,920,021</u>	<u>43,265,828</u>	<u>40,729,638</u>

2. *Maturity analysis of corporate bonds*

	2020	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount repayable based on repayment term:			
Within one year	8,767,553	1,128,807	3,976,676
More than one year but within two years	–	8,400,000	750,000
More than two years but within three years	–	–	8,400,000
More than three years but within four years	4,000,000	–	–
More than four years but within five years	–	4,000,000	–
	<u>12,767,553</u>	<u>13,528,807</u>	<u>13,126,676</u>

3. *Maturity analysis of lease liabilities*

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	153,918	110,159
After 1 year but within 2 years	130,106	103,360
After 2 years but within 5 years	69,511	149,613
After 5 years	15,159	115,586
	<u>214,776</u>	<u>368,559</u>
	<u>368,694</u>	<u>478,718</u>

4. *Directors', chief executive's, supervisors' and employees' emoluments*

The aggregate amounts of remuneration of the of directors, chief executive and supervisors of the Target Group for the years ended 31 December 2018, 2019, and 2020 is as follows:

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET GROUP

Year ended 31 December 2020

	Directors' fee RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2020					
Executive directors and chief executive:					
Mr. CHEN Xiaohua	-	290	744	4	1,038
Mr. SONG Ling (chief executive) (Appointed as chief executive in January 2020) (Appointed as executive director in March 2020)	-	256	667	21	944
	-	546	1,411	25	1,982
Non-executive directors:					
Mr. LI Jifeng (Appointed in July 2020)	-	-	-	-	-
Mr. CHEN Lixin (Appointed in August 2020)	-	-	-	-	-
Mr. DUAN Qiurong (Resigned in August 2020)	-	-	-	-	-
Mr. XIN Xiaoguang (Resigned in July 2020)	-	-	-	-	-
Independent non-executive directors:					
Mr. ZHANG Zhixiao	80	52	-	-	132
Mrs. YUAN Dakang	100	52	-	-	152
Mr. WENG Yingjun	100	46	-	-	146
Mr. SU Xianglin	100	54	-	-	154
	380	204	-	-	584
Supervisors:					
Mr. SONG Ling (Resigned in January 2020)	-	17	22	3	41
Mr. FENG Bo	-	267	518	21	806
Mr. ZOU Zongxian (Resigned in December 2020)	-	-	-	-	-
Mr. ZHANG Daxue (Resigned in August 2020)	-	-	-	-	-
Mr. XU Gang (Resigned in July 2020)	-	90	333	42	464
Mr. LI Xinbo	-	194	536	21	751
Mr. ZOU Xiaochuan (Resigned in July 2020)	-	94	300	6	400
Mr. LIU Aijun (Appointed in August 2020)	-	-	-	-	-
Mr. ZHU Shengtao (Appointed in August 2020)	-	-	-	-	-
Mrs. XIAO Quan (Appointed in July 2020)	-	67	238	15	319
Mr. CHEN Lixin (Appointed in July 2020)	-	83	273	15	371
	-	812	2,219	123	3,153
Total	380	1,562	3,630	148	5,719

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
Year ended 31 December 2019

	Directors' fee <i>RMB'000</i>	Salaries and other allowances <i>RMB'000</i>	Discretionary bonus <i>RMB'000</i>	Retirement benefit scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended 31 December 2019					
Executive directors and chief executive:					
Mr. CHEN Xiaohua	-	263	691	49	1,003
Mr. FU Junxiong (chief executive) (Resigned in June 2019)	-	128	744	19	891
Mr. GUO Chengzhou (Resigned in November 2019)	-	182	653	36	870
	-	573	2,088	104	2,764
Non-executive directors:					
Mr. DUAN Qiurong	-	-	-	-	-
Mr. XIN Xiaoguang (Appointed in November 2020)	-	-	-	-	-
Mr. LIAN Yongjiu (Resigned in November 2019)	-	-	-	-	-
Independent non-executive directors:					
Mr. ZHANG Zhixiao	80	45	-	-	125
Mrs. YUAN Dakang	100	44	-	-	144
Mr. WENG Yingjun	100	42	-	-	142
Mr. SU Xianglin	100	50	-	-	150
	380	180	-	-	560
Supervisors:					
Mr. SONG Ling	-	238	662	39	939
Mr. FENG Bo	-	204	524	39	767
Mr. ZOU Zongxian	-	-	-	-	-
Mr. ZHANG Daxue	-	143	429	29	601
Mr. XU Gang	-	185	575	39	799
Mr. LI Xinbo	-	192	504	39	735
Mr. ZOU Xiaochuan	-	183	543	39	765
	-	1,145	3,237	224	4,606
Total	380	1,898	5,325	328	7,931

APPENDIX II
FINANCIAL INFORMATION OF THE TARGET GROUP
Year ended 31 December 2018

	Directors' fee RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2018					
Executive directors and chief executive:					
Mr. CHEN Xiaohua (Appointed in August 2018)	-	246	620	55	921
Mr. GUO Chengzhou (Appointed in November 2018)	-	198	620	43	861
Mr. NIE Kai (Resigned in August 2018)	-	-	-	-	-
Mr. HE Jiansheng (Resigned in August 2018)	-	150	689	28	867
Mr. FU Junxiong (chief executive) (Appointed in August 2018)	-	252	689	43	984
	-	846	2,618	169	3,633
Non-executive directors:					
Mr. DUAN Qiurong	-	-	-	-	-
Mr. LIAN Yongjiu (Appointed in November 2018)	-	-	-	-	-
Independent non-executive directors:					
Mr. XU Jingbin (Resigned in June 2018)	40	15	-	-	55
Mr. ZHANG Zhixiao	80	54	-	-	134
Mrs. YUAN Dakang	100	52	-	-	152
Mr. WENG Yingjun	100	52	-	-	152
Mr. SU Xianglin	100	58	-	-	158
	420	231	-	-	651
Supervisors:					
Mr. SONG Ling (Appointed in November 2018)	-	230	620	43	893
Mr. FENG Bo (Appointed in November 2018)	-	201	422	43	666
Mr. ZOU Zongxian (Appointed in November 2018)	-	-	-	-	-
Mr. ZHANG Daxue	-	193	425	43	661
Mr. XU Gang (Appointed in November 2018)	-	183	422	43	648
Mr. LI Xinbo (Appointed in November 2018)	-	196	421	43	660
Mr. ZOU Xiaochuan (Appointed in November 2018)	-	174	400	43	617
Mrs. LU Shenglan (Resigned in November 2018)	-	171	338	39	549
Mr. YANG Zhenwu (Resigned in November 2018)	-	207	432	39	679
Mr. LIU Shuyou (Resigned in November 2018)	-	-	-	-	-
	-	1,556	3,480	337	5,372
Total	420	2,633	6,098	506	9,656

5. *Five highest paid individuals*

For the years ended 31 December 2018, 2019 and 2020, the five highest paid employees were neither directors, supervisors nor chief executive of the Target Group.

Details of the remuneration of the five highest paid individuals within the Target Group for the years ended 31 December 2018, 2019 and 2020 are as follows:

	2020	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Basic salaries and other allowances	2,757	1,755	2,671
Discretionary bonus	3,352	5,853	3,569
Retirement benefit scheme contributions	18	228	238
	<u>6,127</u>	<u>7,836</u>	<u>6,478</u>

The number of the five highest paid individuals whose remuneration fell within the following bands is as follows:

	2020	2019	2018
Hong Kong Dollar (“HKD”) 1,000,001 to HKD1,500,000	3	–	2
HKD1,500,001 to HKD2,000,000	1	5	3
HKD2,000,001 to HKD2,500,000	1	–	–
	<u>5</u>	<u>5</u>	<u>5</u>

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**(1) Basis of Preparation of the Unaudited Pro Forma Financial Information of the Group**

The following is the unaudited pro forma financial information of the Group (the “**Unaudited Pro Forma Financial Information**”) as if the Merger had been completed on 31 December 2020 for the unaudited pro forma consolidated statement of financial position and at the beginning of the year ended 31 December 2020 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows.

The Unaudited Pro Forma Financial Information has been prepared based on the financial information of the Group for the year ended 31 December 2020 as set out in the Company’s annual results announcement for the year ended 31 December 2020 and adjusted on a pro forma basis to reflect the effect of the Merger. A narrative description of the pro forma adjustments that are directly attributable to the transactions concerned and not relating to future events or decisions, and factually supportable, is included in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and is based on a number of assumptions, estimates and uncertainties and currently available information. Because of its hypothetical nature, it may not give a true picture of the financial position and financial performance of the Group had the Merger been completed as of the specified dates or any future date. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the future financial position and financial performance of the Group.

(2) Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Group

	The Group <i>RMB’000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB’000</i>	The Group <i>RMB’000</i> <i>Notes</i>
Revenue	270,327,662		270,327,662
Cost of sales	<u>(234,226,653)</u>		<u>(234,226,653)</u>
Gross profit	<u>36,101,009</u>		<u>36,101,009</u>
Other income	1,613,077		1,613,077
Net impairment losses on financial assets and contract assets	(1,610,505)		(1,610,505)
Other net gains and losses	132,816		132,816
Selling expenses	(1,940,653)		(1,940,653)
Administrative expenses	(11,904,982)		(11,904,982)

APPENDIX III**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	The Group <i>RMB'000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB'000</i>	<i>Notes</i>	The Group <i>RMB'000</i>
Research and development expenses	(6,784,810)			(6,784,810)
Finance income	388,545			388,545
Finance costs	(3,480,229)			(3,480,229)
Share of profits of joint ventures	208,116			208,116
Share of profits of associates	<u>32,461</u>			<u>32,461</u>
Profit before taxation	12,754,845			12,754,845
Income tax	<u>(4,062,751)</u>			<u>(4,062,751)</u>
Profit for the year	<u>8,692,094</u>			<u>8,692,094</u>

APPENDIX III

**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	The Group <i>RMB'000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB'000</i>	The Group <i>RMB'000</i> <i>Notes</i>
Other comprehensive income for the year:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
- Remeasurement of defined benefit obligations	491,120		491,120
- Income tax relating to remeasurement of defined benefit obligations	(17,252)		(17,252)
- Equity investments at fair value through other comprehensive income-net movement in fair value reserve (non-recycling)	553,647		553,647
- Income tax relating to equity investments at fair value through other comprehensive income-net movement in fair value reserve (non-recycling)	(88,145)		(88,145)
	<u>939,370</u>		<u>939,370</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
- Exchange differences on translating foreign operations	<u>(678,831)</u>		<u>(678,831)</u>
	<u>(678,831)</u>		<u>(678,831)</u>
Other comprehensive income for the year	<u>260,539</u>		<u>260,539</u>
Total comprehensive income for the year	<u>8,952,633</u>		<u>8,952,633</u>

	The Group RMB'000 <i>Note 1</i>	Unaudited pro forma adjustments RMB'000	<i>Notes</i>	The Group RMB'000
Profit for the year attributable to:				
Equity holders of the Company				
- Shareholders	4,516,628	1,956,941	<i>Note 3</i>	6,473,569
- Perpetual capital instruments holders	<u>163,657</u>			<u>163,657</u>
	----- 4,680,285			----- 6,637,226
Non-controlling interests				
- Shareholders	2,942,171	(1,956,941)	<i>Note 3</i>	985,230
- Perpetual capital instruments holders	<u>1,069,638</u>			<u>1,069,638</u>
	----- 4,011,809			----- 2,054,868
	<u>8,692,094</u>			<u>8,692,094</u>
Total comprehensive income for the year attributable to:				
Equity holders of the Company				
- Shareholders	4,686,062	2,101,662	<i>Note 4</i>	6,787,724
- Perpetual capital instruments holders	<u>163,657</u>			<u>163,657</u>
	----- 4,849,719			----- 6,951,381
Non-controlling interests				
- Shareholders	3,033,276	(2,101,662)	<i>Note 4</i>	931,614
- Perpetual capital instruments holders	<u>1,069,638</u>			<u>1,069,638</u>
	----- 4,102,914			----- 2,001,252
	<u>8,952,633</u>			<u>8,952,633</u>

(3) Unaudited Pro Forma Consolidated Statement of Financial Position of the Group

	The Group <i>RMB'000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB'000</i>	<i>Notes</i>	The Group <i>RMB'000</i>
Non-current assets				
Property, plant and equipment	50,343,979			50,343,979
Investment properties	750,449			750,449
Intangible assets	52,689,188			52,689,188
Investments in joint ventures	7,450,187			7,450,187
Investments in associates	21,503,857			21,503,857
Goodwill	2,140,397			2,140,397
Deferred tax assets	2,276,429			2,276,429
Trade receivables	34,650,825			34,650,825
Prepayments, deposits and other receivables	1,602,839			1,602,839
Finance lease receivables	4,235,234			4,235,234
Financial assets at fair value through other comprehensive income	2,310,578			2,310,578
Financial assets at fair value through profit or loss	<u>6,686,063</u>			<u>6,686,063</u>
	<u>186,640,025</u>			<u>186,640,025</u>
Current assets				
Inventories	11,955,535			11,955,535
Properties under development for sale	44,937,703			44,937,703
Completed properties for sale	4,636,074			4,636,074
Contract assets	48,237,627			48,237,627
Trade and bills receivables	65,171,266			65,171,266
Prepayments, deposits and other receivables	49,784,026			49,784,026
Other loans	5,039,244			5,039,244
Financial assets at fair value through profit or loss	2,957,693			2,957,693
Finance lease receivables	257,808			257,808
Pledged deposits	5,836,505			5,836,505
Bank and cash balances	<u>50,598,406</u>			<u>50,598,406</u>
	<u>289,411,887</u>			<u>289,411,887</u>

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	The Group <i>RMB'000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB'000</i>	<i>Notes</i>	The Group <i>RMB'000</i>
Current liabilities				
Trade and bills payables	113,564,004			113,564,004
Contract liabilities	58,832,766			58,832,766
Other payables and accruals	31,434,480			31,434,480
Income tax payable	2,766,108			2,766,108
Bank and other borrowings	35,164,008			35,164,008
Defined benefit obligations	1,110,222			1,110,222
Corporate bonds	9,024,438			9,024,438
Lease liabilities	297,193			297,193
Provisions	909,103			909,103
	<u>253,102,322</u>			<u>253,102,322</u>
Net current assets	<u>36,309,565</u>			<u>36,309,565</u>
Total assets less current liabilities	<u>222,949,590</u>			<u>222,949,590</u>
Non-current liabilities				
Other payables and accruals	854,150			854,150
Bank and other borrowings	62,974,897			62,974,897
Corporate bonds	9,995,381			9,995,381
Lease liabilities	596,678			596,678
Defined benefit obligations	8,539,784			8,539,784
Deferred tax liabilities	1,344,089			1,344,089
Provisions	40,973			40,973
Deferred revenue	674,781			674,781
	<u>85,020,733</u>			<u>85,020,733</u>
NET ASSETS	<u>137,928,857</u>			<u>137,928,857</u>

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	The Group <i>RMB'000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB'000</i>	<i>Notes</i>	The Group <i>RMB'000</i>
CAPITAL AND RESERVES				
Issued share capital	30,020,396	11,645,761	<i>Note 5</i>	41,666,157
Perpetual capital instruments	9,500,000			9,500,000
Reserves	<u>28,896,522</u>	8,406,064	<i>Note 5</i>	<u>37,302,586</u>
Equity attributable to equity holders of the Company	68,416,918			88,468,743
Perpetual capital instruments	30,984,433			30,984,433
Non-controlling interests	<u>38,527,506</u>	(20,051,825)	<i>Note 5</i>	<u>18,475,681</u>
TOTAL EQUITY	<u><u>137,928,857</u></u>			<u><u>137,928,857</u></u>

(4) Unaudited Pro Forma Consolidated Statement of Cash Flows of the Group

	The Group <i>RMB'000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB'000</i>	<i>Notes</i>	The Group <i>RMB'000</i>
Operating activities				
Cash generated from operations	10,146,731			10,146,731
Income tax paid	<u>(3,656,631)</u>			<u>(3,656,631)</u>
Net cash generated from operating activities	<u>6,490,100</u>			<u>6,490,100</u>
Investing activities				
Interest received	382,892			382,892
Payments for addition to property, plant and equipment	(7,180,564)			(7,180,564)
Payments for addition to investment properties	(21,288)			(21,288)
Payments for addition to intangible assets	(7,778,635)			(7,778,635)
Capital contributions to joint ventures	(2,541,693)			(2,541,693)
Capital contributions to associates	(6,281,104)			(6,281,104)

	The Group <i>RMB'000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB'000</i>	<i>Notes</i>	The Group <i>RMB'000</i>
Investing activities (continued)				
Net cash proceeds from other investments	55,147			55,147
Purchase of financial assets at fair value through other comprehensive income	(158,988)			(158,988)
Purchase of financial assets at fair value through profit or loss	(5,954,915)			(5,954,915)
Proceeds from disposal of property, plant and equipment	855,681			855,681
Proceeds from disposal of intangible assets	48,268			48,268
Proceeds from disposal of investment properties	2,792			2,792
Proceeds from disposal of associates	851,850			851,850
Proceeds from disposal of joint ventures	4,000			4,000
Proceeds from disposal of financial assets at fair value through other comprehensive income	596,868			596,868
Proceeds from disposal of financial assets at fair value through profit or loss	5,065,671			5,065,671
Net increase in pledged deposits	(594,287)			(594,287)

	The Group <i>RMB'000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB'000</i>	<i>Notes</i>	The Group <i>RMB'000</i>
Investing activities (continued)				
Dividends received from associates	410,135			410,135
Dividends received from joint ventures	720,242			720,242
Dividends received from financial assets at fair value through other comprehensive income	122,414			122,414
Dividends received from financial assets at fair value through profit or loss	85,065			85,065
Net withdrawal of deposits with original maturity of over three months	530,767			530,767
Acquisition of subsidiaries, net of cash acquired	(1,102,855)			(1,102,855)
Disposal of subsidiaries, net of cash disposed	697,792			697,792
Net decrease in other loan and receivables	992,961			992,961
Net cash used in investing activities	(20,191,784)			(20,191,784)
Financing activities				
Capital injections from non-controlling interests	5,741,484			5,741,484
Issue of perpetual capital instruments	14,804,433			14,804,433
Interests paid on perpetual capital instruments	(1,163,559)			(1,163,559)
Acquisition of additional interests in subsidiaries	(6,477)			(6,477)
Interests paid on bank and other borrowings	(4,525,786)			(4,525,786)
Interests paid on corporate bonds	(795,028)			(795,028)
New bank and other borrowings	46,963,081			46,963,081
Repayments of bank and other borrowings	(31,861,881)			(31,861,881)
Repayments of corporate bonds	(750,000)			(750,000)
Repayment of perpetual capital instruments	(1,220,000)			(1,220,000)

	The Group <i>RMB'000</i> <i>Note 1</i>	Unaudited pro forma adjustments <i>RMB'000</i>	<i>Notes</i>	The Group <i>RMB'000</i>
Financing activities (continued)				
Capital elements of lease rentals paid	(513,383)			(513,383)
Interest elements of lease rentals paid	(71,451)			(71,451)
Net decrease in borrowings from related parties	(2,122,260)			(2,122,260)
Dividends paid to equity shareholders of the Company	(918,624)			(918,624)
Dividends paid to non-controlling interests	<u>(1,424,087)</u>		<i>Note 6</i>	<u>(1,424,087)</u>
Net cash generated from financing activities	<u>22,136,462</u>			<u>22,136,462</u>
Net increase in cash and cash equivalents	8,434,778			8,434,778
Cash and cash equivalents at the beginning of the year	42,624,579			42,624,579
Effects of exchange rate changes	<u>(1,198,113)</u>			<u>(1,198,113)</u>
Cash and cash equivalents at the end of the year	<u>49,861,244</u>			<u>49,861,244</u>

(5) Notes to the Unaudited Pro Forma Financial Information of the Group

- The figures are extracted the Company's annual results announcement for the year ended 31 December 2020, of which the financial information is extracted from the audited consolidated financial statements for the same period.
- The Company entered into a merger agreement with CGGC in relation to the possible absorption and merger of CGGC through share swap. The Merger, when fully implemented, will involve (among other things) the issuance of a total of 11,645,760,553 A Shares by the Company to the shareholders of the Target Company (other than CGGC Group, "Non-controlling shareholders") on the Registration Date of Implementation of the Merger, in exchange for all the Target Company's shares held by them and the Target Company will be wholly owned by the Group.

The Target Company is currently 42.84% owned by CGGC, which is a wholly-owned subsidiary of the Company. The Target Group's results, assets and liabilities have been consolidated into the Group's consolidated financial statements for the year ended 31 December 2020. The equity in the Target Group not attributable to directly or indirectly to the Company are presented as non-controlling interests in the Group's consolidated statement of financial position within equity. Profit or loss and total comprehensive income in respect of the Target Group is presented in the Group's consolidated statement of profit or loss and other comprehensive income as an allocation between the equity holders of the Company and non-controlling interests based on the Group and Non-controlling shareholders' respective interests in the Target Group. Upon the completion of the Merger, the Target Company will be directly and indirectly wholly owned by the Company and remain to be a subsidiary of the Group.

3. The pro forma adjustment represents the re-allocation of profit for the year between profit attributable to the non-controlling shareholders and profit attributable to equity holders of the Company, assuming that the Merger had taken place on 1 January 2020 and the Target Company had become a wholly-owned subsidiary since then. The amount of RMB1,957 million represents the profit attributable to Non-controlling shareholders in connection with the Target Company and recorded in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020. The adjustment is expected to have a continuing effect on the Group.
4. The pro forma adjustment represents the re-allocation of total comprehensive income for the year between total comprehensive income attributable to the non-controlling shareholders and total comprehensive income attributable to equity holders of the Company, assuming that the Merger had taken place on 1 January 2020 and the Target Company had become a wholly-owned subsidiary since then. The amount of RMB2,101 million represents the total comprehensive income attributable to Non-controlling shareholders in connection with the Target Company and recorded in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020. The adjustment is expected to have a continuing effect on the Group.
5. The pro forma adjustments are made in respect of the issuance of the Company's A shares in exchange for the Target Company's A shares held by the Non-controlling shareholders, assuming that the Merger had taken place on 31 December 2020 and the Target Company had become a wholly-owned subsidiary since then. A total number of 11,645,760,553 A Shares (par value of RMB1 each) will be issued by the Company at an issue price of RMB1.98 per A Share.

	<i>Note</i>	<i>(RMB'000)</i>
Share capital	(i)	11,645,761
Capital reserve	(ii)	<u>11,412,845</u>
Fair value of the consideration paid		23,058,606
Less: Equity attributable to Non-controlling shareholders acquired	(iii)	<u>(20,051,825)</u>
		<u><u>3,006,781</u></u>

Note

- (i) The amount represents the par value of the Company's A shares issued.
- (ii) The amount represents the difference between the par value and issue price of the Company's A shares issued.
- (iii) The amount represents the equity attributable to Non-controlling shareholders at 31 December 2020.
- (iv) The adjustment of RMB8,406,064,000 on capital reserve represents the net impact of (1) capital reserve of RMB11,412,845,000 arising from the issuance of the Company's A shares and (2) capital reserve of RMB3,006,781,000 arising from the difference between the fair value of the consideration paid and the equity attributable to Non-controlling shareholders acquired.
6. The Target Company approved and paid dividends of RMB718 million in 2020, among which RMB414 million was paid to Non-controlling shareholders. No pro forma adjustment is made in respect of such dividends paid to Non-controlling shareholders in the Unaudited Pro Forma Consolidated Statement of Cash Flows.
7. No adjustment has been made to the Unaudited Pro Forma Financial Information for the Merger related costs (including fees paid to legal advisers and the reporting accountants and other expense) as the Directors determined that such costs are insignificant.
8. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2020.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this circular

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON
THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF CHINA ENERGY ENGINEERING CORPORATION LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of China Energy Engineering Corporation Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2020 and the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020 and related notes as set out in Part A of Appendix III to the circular dated 25 March 2021 (the “**Circular**”) issued by the Company in connection with the proposed absorption and merger of China Gezhoubu Group Stock Company Limited (the “**Target Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Target Group**”). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed absorption and merger of the Target Group (the “**Merger**”) on the Group's financial position as at 31 December 2020 and the Group's financial performance and cash flows for the year ended 31 December 2020 as if the Merger had taken place at 31 December 2020 and 1 January 2020, respectively. As part of this process, information about the Group's financial position as at 31 December 2020 and financial performance and cash flows for the year ended 31 December 2020 has been extracted by the Directors from the Company's annual results announcement for the year ended 31 December 2020, of which the financial information is extracted from the audited consolidated financial statements of the Company for the same period.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“**HKSAE**”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 31 December 2020 or 1 January 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG

Certified Public Accountants

Hong Kong

25 March 2021

The following management discussion and analysis of the results of the Group is extracted from the annual reports of the Company for 2018 and 2019 and the annual result announcement of the Company for the year ended 31 December 2020. These information are originally published in Chinese and the English translated version is provided for information purposes only. In case of discrepancies between the two versions, the Chinese version shall prevail.

FOR THE YEAR ENDED 31 DECEMBER 2018:

1 OVERVIEW

In 2018, the Company achieved the revenue of RMB224,034.3 million, representing a year-on-year decrease of 4.41%; among which, revenue from international business was RMB38,985.4 million, representing a year-on-year decrease of 2.07%; revenue from domestic business was RMB185,048.9 million, representing a year-on-year decrease of 4.89%; revenue from power business was RMB126,575.5 million, representing a year-on-year decrease of 17.38%; revenue from non-power business was RMB97,458.8 million, representing a year-on-year increase of 20.07%. The total profit before tax was RMB11,676.8 million, representing a year-on-year decrease of 2.33%; net profit attributable to the equity holders of the Company was RMB4,570.7 million, representing a year-on-year decrease of 13.12%.

2 CONSOLIDATED OPERATING RESULTS

Items	For the year ended 31 December		
	2018	2017	Percentage of change
	<i>(RMB in million)</i>	<i>(RMB in million)</i>	<i>(%)</i>
Revenue	224,034.3	234,370.1	(4.41)
Cost of sales	(194,271.0)	(206,741.4)	(6.03)
Other income	2,406.1	3,095.9	(22.28)
Net impairment losses on financial assets and contract assets	(851.5)	–	–
Other net gains and losses	795.4	(245.5)	(423.99)
Selling expenses	(2,372.0)	(2,085.9)	13.72
Administrative expenses	(12,014.2)	(11,091.9)	8.32
Research and development expenses	(4,003.6)	(3,495.4)	14.54
Finance income	795.5	715.2	11.23
Finance costs	(3,827.0)	(3,077.7)	24.35
Share of profits of joint ventures	304.4	301.4	1.00
Share of profits of associates	680.5	210.5	223.28
Profit before tax	11,676.8	11,955.3	(2.33)
Income tax	(3,125.3)	(2,891.1)	8.10
Net profit	8,551.5	9,064.2	(5.66)

In 2018, the actual selling expenses of the Company amounted to RMB2,372.0 million, representing a year-on-year increase of 13.72%. Primarily due to the increase in sales agency of cement business and the selling and advertising activities of real estate business, the percentage of selling expenses to the revenue increased from 0.89% in 2017 to 1.06% in 2018.

In 2018, the actual administrative expenses of the Company amounted to RMB12,014.2 million, representing a year-on-year increase of 8.32%. Primarily due to the growth in salary, agency and institution fees as well as safety and environmental protection fees, the percentage of administrative expenses to the revenue increased from 4.73% in 2017 to 5.36% in 2018.

In 2018, the actual finance costs of the Company amounted to RMB3,827.0 million, representing a year-on-year increase of 24.35%; Primarily due to the increase in total debts, the percentage of finance costs to the revenue increased from 1.13% in 2017 to 1.71% in 2018.

3 OPERATING RESULTS BY SEGMENTS

Industry segments	Conditions of Industry Segments of Principal Businesses (For the year ended 31 December)								
	2018			2017			Change in percentage (%)/percentage points		
	Revenue	Cost of sales	Gross profit margin	Revenue	Cost of sales	Gross profit margin	Revenue	Cost of sales	Gross profit margin
	(RMB in million)	(%)	(RMB in million)	(%)	(%)			(%)	
Survey, design and consulting services	12,216.3	7,986.2	34.63	13,282.6	7,604.2	42.75	(8.03)	5.02	(8.12)
Construction and contracting	159,192.0	144,954.1	8.94	168,751.7	155,297.8	7.97	(5.66)	(6.66)	0.97
Industrial manufacturing	21,819.6	15,913.7	27.07	19,958.9	15,775.8	20.96	9.32	0.87	6.11
Clean energy, environmental protection and water utilities	20,826.1	19,715.5	5.33	23,982.5	23,683.2	1.25	(13.16)	(16.75)	4.08
Investment and other business	21,675.5	17,342.3	19.99	19,830.8	15,595.8	21.36	9.30	11.20	(1.37)
Inter-segment elimination ⁽¹⁾	(11,695.1)	(11,641.8)	-	(11,436.4)	(11,216.5)	-	-	-	-
Unallocated items ⁽²⁾	-	1.0	-	-	1.1	-	-	-	-
Total	224,034.3	194,271.0	13.29	234,370.1	206,741.4	11.79	(4.41)	(6.03)	1.50

Notes:

- (1) Inter-segment elimination mainly represents the provision of goods or services between business segments.
- (2) Unallocated items mainly represent the provisions for impairment of inventories, which could not be attributed to any business segment.

The revenue of the Company decreased by 4.41% from RMB234,370.1 million in 2017 to RMB224,034.3 million in 2018. The decrease was primarily attributable to the decrease in its survey, design and consulting services business, construction and contracting business as well as its clean energy, environmental protection and water utilities business.

The cost of sales of the Company decreased by 6.03% from RMB206,741.4 million in 2017 to RMB194,271.0 million in 2018. The decrease was primarily due to the decline in cost of construction and contracting business and in cost of environmental protection business of clean energy, environmental protection and water utilities.

The gross profit of the Company was RMB27,628.7 million and RMB29,763.4 million in 2017 and 2018, respectively, and the gross profit margin of the Company in the same period was 11.79% and 13.29%, respectively. The increase in the gross profit was primarily due to the increase in the gross profit of domestic non-power construction and contracting, sales of cement, sales of properties, power generation and expressway operation business.

3.1 Survey, Design and Consulting Services Business

This business generates revenue primarily from providing survey and design services for thermal, hydro, nuclear, wind power, solar power projects and power grid projects in China and overseas. The Company also generates revenue from providing a wide range of consulting services in respect of power industry policies, as well as power project testing, assessment and supervision services.

Revenue before inter-segment elimination of survey, design and consulting services business of the Company decreased by 8.03% from RMB13,282.6 million in 2017 to RMB12,216.3 million in 2018. The decrease was primarily attributable to the decrease in volume of thermal power business of this segment affected by the regulation policies on the coal-fired power in PRC.

Cost of sales before inter-segment elimination of survey, design and consulting services business of the Company increased by 5.02% from RMB7,604.2 million in 2017 to RMB7,986.2 million in 2018. The increase was primarily due to the increase in labour costs, etc.

The gross profit before inter-segment elimination of survey, design and consulting services business of the Company was RMB5,678.4 million and RMB4,230.1 million in 2017 and 2018, respectively, and gross profit margin in the same period was 42.75% and 34.63%, respectively. The decrease in the gross profit margin was primarily due to the following factors combined: (i) a decrease in revenue caused by an intensified competition within the industry, along with the influence of the regulation policies on the coal-fired power; (ii) an increase in labour costs to guarantee the reserve for professional technicians as the industry is technology-intensive.

3.2 Construction and Contracting Business

This business generates revenue primarily from providing construction services for projects in China and overseas.

Revenue before inter-segment elimination of the construction and contracting business of the Company decreased by 5.66% from RMB168,751.7 million in 2017 to RMB159,192.0 million in 2018. The decrease was primarily attributable to the decrease in thermal power business affected by the regulation policies on the coal-fired power in PRC.

Cost of sales before inter-segment elimination of construction and contracting business of the Company decreased by 6.66% from RMB155,297.8 million in 2017 to RMB144,954.1 million in 2018, slightly higher than that of revenue in the same period.

Gross profit before inter-segment elimination of construction and contracting business of the Company was RMB13,453.9 million and RMB14,237.9 million in 2017 and 2018, respectively, and gross profit margin was 7.97% and 8.94% in the same period, respectively. The increase of gross profit margin was mainly due to the higher proportion of revenue from non-power projects with higher profit margin for the current year.

3.3 Industrial Manufacturing Business

This business generates revenue primarily from the design, manufacture and sale of equipment for use in the power industry, including ancillary equipment for power plants, power grid equipment, steel structure, energy conservation and environmental protection equipment, manufacture and sale of civil explosives, cement products, and the provision of explosive service.

Revenue before inter-segment elimination of industrial manufacturing business of the Company increased by 9.32% from RMB19,958.9 million in 2017 to RMB21,819.6 million in 2018, mainly due to the rising of selling price of cement.

Cost of sales before inter-segment elimination of industrial manufacturing business of the Company increased by 0.87% from RMB15,775.8 million in 2017 to RMB15,913.7 million in 2018, which slightly increased.

Gross profit before inter-segment elimination of industrial manufacturing business of the Company was RMB4,183.1 million and RMB5,905.9 million in 2017 and 2018, respectively, and gross profit margin was 20.96% and 27.07% in the same period, respectively. The increase in gross profit margin was primarily due to the year-on-year increase in selling price of cement products.

3.4 Clean Energy, Environmental Protection and Water Utilities Business

The business generates revenue primarily from businesses including power generation business, environmental protection business and water plant construction and operation, etc.

Revenue before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company decreased by 13.16% from RMB23,982.5 million in 2017 to RMB20,826.1 million in 2018. The decrease was primarily attributable to the decline in revenue of environmental protection business.

Cost of sales before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company decreased by 16.75% from RMB23,683.2 million in 2017 to RMB19,715.5 million in 2018. The decrease was primarily attributable to the decline in cost of environmental protection and power generation business.

The gross profit before inter-segment elimination of the clean energy, environmental protection and water utilities business of the Company was RMB299.3 million and RMB1,110.6 million in 2017 and 2018, respectively, and gross profit margin was 1.25% and 5.33% in the same period, respectively. The increase was primarily due to the Company's adjustment on the structure of the recycling business for the renewable resources, causing a reduction in the sales of volume of recycling business for renewable resources that has a lower gross profit and the outsourcing patterns of sales.

3.5 Investment and Other Business

This business generates revenue primarily from real estate development, expressway operation, financial services and other businesses.

Revenue before inter-segment elimination of investment and other businesses of the Company increased by 9.30% from RMB19,830.8 million in 2017 to RMB21,675.5 million in 2018. The increase was primarily attributable to increase in revenue of real estate development business, expressway operation business and financial services.

Cost of sales before inter-segment elimination of investment and other businesses of the Company increased by 11.20% from RMB15,595.8 million in 2017 to RMB17,342.3 million in 2018. The increase was primarily due to the increase in the cost of real estate development business, resulted from policies on encouraging the sales of finely decorated rooms promulgated by the government in PRC.

Gross profit before inter-segment elimination of investment and other businesses of the Company was RMB4,235.0 million and RMB4,333.2 million in 2017 and 2018, respectively. Gross profit margin decreased from 21.36% in 2017 to 19.99% in 2018, primarily attributable to the decreased gross profit margin of real estate development business that had a larger contribution to the gross profit.

4 CASH FLOW

	For the year ended 31 December	
	2018	2017
	(RMB in million)	(RMB in million)
Net cash (used in)/generated from operating activities	5,059.0	5,632.5
Net cash (used in)/generated from investing activities	(20,358.4)	(13,252.7)
Net cash (used in)/generated from financing activities	14,283.7	9,497.4
Net (decrease)/increase in cash and cash equivalents	(1,015.7)	1,877.2
Cash and cash equivalents at the beginning of the year	47,699.8	46,774.1
Effects of exchange rate changes	959.0	(951.5)
Cash and cash equivalents at the end of the year	47,643.1	47,699.8

4.1 Cash Flow Generated from Operating Activities

The net cash generated from operating activities decreased from RMB5,632.5 million in 2017 to RMB5,059.0 million in 2018, representing a decrease of RMB573.5 million or 10.18%, primarily due to (i) the net profit of operating activities during the year amounting to RMB15,872.7 million, representing a decrease compared to the same period of last year; (ii) the increase in properties under development for sale of RMB9,826.0 million resulting from business expansion; (iii) prepaid amounts for construction contracts increased by RMB4,248.3 million; (iv) paid income tax of RMB3,106.7 million. The decrease was offset by the cash inflow of RMB1,482.5 million due to the combined effects of the increase in amount receivables and the extension of settlement cycle to suppliers accordingly following the increase of business volume; at the same time, the cash inflow of RMB4,685.5 million due to the corresponding increase of contract asset and the contract liability.

4.2 Cash Flow Used in Investing Activities

Net cash used in investing activities increased from the RMB13,252.7 million in 2017 to the RMB20,358.4 million in 2018. The increase of RMB7,105.7 million or 53.62%, was primarily due to: (i) payment of RMB15,790.8 million in the intangible assets and property, plant and equipment; (ii) the increase of RMB3,887.8 million of the capital contributions to associates and joint ventures; (iii) payment of RMB7,719.0 million in the acquisition of the financial assets; (iv) the consideration of acquisition of the subsidiaries of RMB1,093.6 million; (v) the increase of RMB2,295.4 million in pledged deposits. The cash outflow was offset by the decrease in the structured deposit of RMB2,140.0 million and the cash generated from disposal of financial asset of RMB8,073.6 million.

4.3 Cash Flow Generated from Financing Activities

The net cash generated from financing activities increased by RMB4,786.3 million or 50.40% from RMB9,497.4 million in 2017 to RMB14,283.7 million in 2018, primarily due to: (i) the total proceeds of RMB4,200.0 million from the issuance of the 5 year corporate bonds and green bonds; (ii) the proceeds of RMB1,180.0 million from the issuance of the 2018 debt financing plan; (iii) the newly increased bank borrowings and other borrowings of RMB61,345.1 million. The cash inflow was offset by the repayment of bank borrowings and other borrowings of RMB48,175.1 million and the payment of interests on borrowings and bonds of RMB4,551.5 million.

4.4 Capital Expenditure

In the past, the Company incurred capital expenditures primarily for expenditures on property, plant and equipment, as well as intangible assets (such as concession rights of toll roads). The following table sets forth the components of capital expenditures of the Company for the periods indicated:

	For the year ended 31 December	
	2018	2017
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Property, plant and equipment	6,916.6	4,007.6
Prepaid lease payments	1,324.9	231.7
Intangible assets	12,056.1	6,192.5
Investment properties	2.2	3.1
Total	20,299.8	10,434.9

5 CAPITAL AND FINANCIAL POLICIES

The Finance and Property Department of the Company is responsible for the capital and financial policies for the Company's overall business operations. The Company expected to jointly finance its management capital and other capital needs from a variety of sources, including but not limited to internal financing and external financing at a reasonable market interest rate. The Company continued to focus on improving return on equity and return on assets while maintaining prudent capital and financial policies.

6 INDEBTEDNESS

As at 31 December 2018, the Company's total liabilities amounted to RMB294,221.6 million and total assets amounted to RMB389,385.5 million, with a gearing ratio of 75.56%, representing a decrease of 1.22 percentage points from 76.78% for last year. The Company's total indebtedness amounted to RMB111,988.6 million. The following table sets forth the details of bank borrowings, other borrowings, corporate bonds and finance lease payables of the Company as at the dates indicated:

	As at 31 December	
	2018	2017
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Long-term		
Bank borrowings		
Unsecured	24,280.5	14,853.8
Secured	16,107.7	16,268.7
Other borrowings		
Secured	501.7	1,427.2
Corporate bonds ⁽¹⁾	15,141.8	15,140.0
Sub-total	56,031.7	47,689.7
Short-term		
Bank borrowings		
Unsecured	32,813.2	25,527.5
Secured	6,421.6	2,971.4
Other borrowings		
Unsecured	11,846.8	9,372.1
Secured	144.5	99.0
Corporate bonds ⁽¹⁾	4,730.8	11,231.8
Finance lease payables ⁽²⁾	–	0.9
Sub-total	55,956.9	49,202.7
Total	111,988.6	96,892.4

Notes:

- (1) The corporate bonds of the Company are unsecured medium-term notes, corporate bonds and assets-based security products.
- (2) The Company leased certain machinery for construction operations.

As at 31 December 2018, bank and other borrowings denominated in currencies other than the functional currencies of respective entities are set out as below:

	As at 31 December	
	2018	2017
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
USD	11,142.2	5,037.1
Japanese Yen	121.9	119.1
Total	11,264.1	5,156.2

The following table sets forth the guaranteed portion of bank borrowings and other borrowings of the Company:

	As at 31 December	
	2018	2017
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Guaranteed by:		
Third parties	128.9	119.1

The following table sets forth the maturity profile of indebtedness of the Company as at the dates indicated:

	As at 31 December	
	2018	2017
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Repayable within 1 year	51,959.9	49,202.7
Repayable after 1 year but within 2 years	8,870.8	10,233.6
Repayable after 2 years but within 3 years	18,278.0	6,049.3
Repayable after 3 years but within 4 years	2,880.5	11,567.4
Repayable after 4 years but within 5 years	7,023.0	3,372.6
Repayable after 5 years	22,976.4	16,466.8
Total	111,988.6	96,892.4

The following table sets forth the effective interest rate ranges of bank borrowings, other borrowings, corporate bonds and finance lease payables of the Company as at the dates indicated:

	As at 31 December	
	2018	2017
Bank borrowings	1.05-9.00	1.05-8.70
Other borrowings	3.92-4.61	4.66-8.00
Corporate bonds	3.14-5.37	3.14-5.37
Finance lease payables	–	6.77-7.56

The following table sets forth the fixed and floating rate of bank and other borrowings of the Company as of the dates indicated:

	As at 31 December			
	2018		2017	
	(RMB in million)	%	(RMB in million)	%
Fixed rate bank and other borrowings	36,988.8	1.05-8.00	30,879.1	1.05-8.00
Floating rate bank and other borrowings	55,127.2	1.20-9.00	39,640.6	1.20-8.70
Total	92,116.0		70,519.7	

Bank borrowings of the Company were incurred primarily for the purposes of working capital, property development and investment in fixed assets. Other borrowings mainly represented deposits of Energy China Group and its subsidiaries (excluding the Company) with China Energy Engineering Group Finance Co., Ltd.

Indebtedness of the Company increased by RMB15,096.2 million from 1 January 2018 to 31 December 2018, mainly due to the working capital requirement.

To supplement liquid capital, the Company issued corporate bonds on 20 April 2018 valuing RMB3 billion with a maturity of 5 years, appended with the Company's adjustment in coupon rate option, the redemption option, and the investor put-back option at the end of the third year, with the face value being RMB100 and annual interest rate being 4.65%.

To support the green industry projects, China Gezhouba Group Lvyuan Technology Co. Ltd, a subsidiary of the Company, issued corporate bonds in September 2018 valuing RMB1.2 billion with a maturity of 5 years, appended with the issuer's adjustment in coupon rate option and the investor put-back option at the end of the third year, with the face value being RMB100 and annual interest rate being 4.74%.

The Company did not have any material defaults in payment of bank borrowings or breaches of other debt financing obligations or breaches of any restrictive terms. In addition, as at 31 December 2018, the Company had RMB28.8 billion of authorized but unissued debt securities, namely the unsecured corporate bonds and perpetual bonds with guarantees.

As at 31 December 2018, the Company had RMB379.0 billion of unutilized and unrestricted bank facilities. As at the reporting date, the Company was not subject to any material restrictive terms in the borrowings.

7 PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

7.1 Pledges of Assets

As at 31 December 2018, the Company's assets with the following carrying amounts have been pledged to secure general banking facilities (including bank borrowings, bills payable and letter of credit):

	As at 31 December	
	2018	2017
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Property, plant and equipment	3,977.2	2,946.8
Prepaid lease payments	279.6	340.6
Intangible assets	12,988.9	7,484.8
Trade receivables	2022.8	410.4
Properties under development for sale	24,105.5	21,388.6
Completed properties for sale	–	32.3
Bank deposits	5,749.2	3,453.7
Total	49,123.2	36,057.2

7.2 Contingent Liabilities

The Company was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Company on those legal proceedings and claims when the management can reasonably estimate the outcome of the legal proceedings and claims taking into account the legal advice.

The following contingent liabilities arised from guarantees given to banks and other financial institutions in respect of certain bank loans and finance leases, as well as mortgage loan guarantees provided to banks in favor of the customers of the Company. Please refer to note 41 to the Consolidated Financial Statement of the annual report of 2018 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 11 April 2019 for details.

	As at 31 December	
	2018	2017
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Guarantees given to banks and other financial institutions in respect of bank loans and finance leases granted to ⁽¹⁾ :		
Joint ventures	736.9	938.8
Associates	3,594.4	3,405.1
Third party ⁽³⁾	258.9	258.9
Investee recognised as available-for-sale financial asset	–	33.6
Investee recognised as financial assets at FVOCI	24.5	–
	4,614.7	4,636.4
Mortgage loan guarantees provided by the Company to banks in favor of its customers ⁽²⁾	1,790.4	833.1
Total	6,405.1	5,469.5

Notes:

- (1) At initial recognition, the fair value of these guarantee contracts is insignificant. There has been no material change in contingent liabilities of the Company since 31 December 2018 to the date of 2018 annual report.
- (2) The Company has provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Company's properties. Pursuant to the terms of the guarantees, if there is a default of the mortgage payments by these purchasers, the Company is responsible for repaying the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Company is then entitled to take over the legal title of the related properties. The guarantee periods commence from the dates of grant of the relevant mortgage loans and end upon the buyer obtained the individual property ownership certificate. The fair values of these financial guarantee contracts of the Company are insignificant at initial recognition, and the possibility of default by the relevant buyers is remote and, in case of default in payments, the net realizable value of the related properties can recover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Accordingly, no provision has been made in these financial statements for these guarantees.
- (3) One subsidiary of the Company has provided guarantee in respect of a finance leasing contract with one financial institution to a third party.

8 SUBSEQUENT EVENTS

Please refer to note 48 to the Consolidated Financial Statement of the annual report of 2018 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 11 April 2019 for details of the subsequent events of the Company for the year ended 31 December 2018.

9 RISK

9.1 Business Risk

(1) *Policy risk*

In 2019, the domestic economic growth continues to fall, rendering macroeconomic policies and industry policies subject to the risk of change. This may lead to increasing difficulties in market exploring, narrowed financing channels, increasing financing costs, slower transformation and upgrading, and a synchronous increase in operational risks and financial risks. The Company will intensify industry policy research, consolidate the traditional market, strengthen business transformation and upgrading, expand non-power business areas and overseas markets, and exert the role of new business models to achieve sustainable and healthy development of enterprises.

(2) *International operation risk*

The international political, economic, and security situations are complex and dynamic, coupled with rising trade protectionism, increasingly fierce international competition, rapidly changing business models, and rising exchange rate, legal, compliance and security risks. The Company will refine its international operational management system, improve the international business market layout, and avoid disorderly internal competition and vicious external competition while strictly implementing international work procedures for market development, intensifying research on exchange rate, legal and compliance risks, and improving the overseas security risk prevention system to elevate overseas security and emergency response capabilities.

(3) *Construction project management risk*

The inadequate planning breadth and depth in the early stage of projects, the less-satisfactory contracting quality, the sub-standard subcontract management, the deficient construction resource allocation and other reasons jointly contributed to the unsmooth contract fulfillment of projects, leading to delayed schedules, non-compliant product performance and quality, and ultimately to a property loss and a damage of brand image. The Company will strengthen examination and assessment of execution ability of system, especially examination of subcontracting system execution, standardize subcontracting management and supervise strict execution of management system. The Company will continue to strengthen management

and check and special supervision on domestic and international construction projects and timely detect and solve existing problems. The Company will strengthen supervision and guidance on project planning and management and uplift project performance and profitability.

(4) *Legal dispute risk*

The number and value of legal dispute cases grew, and some cases were complicated. In the event of inappropriate response, they may directly lead to economic loss, and may even produce negative impact on the reputation, market development and production and operation of the Company. The Company will strengthen dispute case management, improve the handling performance of major cases, carry out legal research of PPP, investment and other businesses in depth to keep potential legal risks under control. The Company will consolidate the legal audits, prioritise risk prevention, so as to effectively serve production and operation.

(5) *Investment risk*

The Company is undergoing business transformation with its invested business constantly expanding, especially the constant rise of its PPP business. If risk element identification and analysis are not profound enough, implementation management is not in place, financing schemes fail to be launched or the cost is too high, problems such as budgetary overrun of construction cost, insufficient revenue, and difficult implementation may occur. The Company will establish and improve its full-process investment risk management system, strictly enforce the access criteria for investment projects, and forbid investment in non-economically efficient projects, enhance project supervision, inspection and appraisal and urge investing entity to rectify when discovered problems and weak links within a defined time period.

(6) *Cash flow risk*

Subject to factors of centralized investments, receivables, cost management and operation loss, some certain sub-enterprises are short of cash flows with the risk of debt default and declining credit. The Company will strengthen budget management, optimize debt structure, broaden financing channels, lower financial costs, strengthen management on inventory and receivables and supervision on capital operation, further strengthen capital concentration and commit to enhancing capital operation capability. The Company will enhance the management on centralized procurement, carry out task of cost deduction and fee control and steadily uplift the operating capacity of the enterprise.

(7) *Safety and environmental risk*

Construction and contracting is a high-risk sector. Subject to the impact of the nature of industry and environmental condition on the construction site, security and environmental protection are always exposed to risks. If the management is less adequately practised and not well arranged, safety and environmental accidents may occur, leading to loss of life or property or environmental destruction. The Company will clarify the subject of liability for safety and

environmental protection, strictly observe the redline of health and safety, augment resource input, enhance educational training and foundation work, strengthen investigation and rectification of hidden hazards and risk management to stay strictly on guard against accidents.

9.2 Exchange Rate Fluctuation Risk

Most businesses of the Company are operated in China, thus the functional currency applied in the financial statements of the Company is RMB. The Company plans to continue to expand the overseas business, and it is expected that the income and expenses denominated in foreign currencies will be increased accordingly. The exchange rate fluctuation may have influence on the service pricing and the cost of procurement of materials and equipment of the Company by foreign exchange and therefore influence the financial position and operating performance of the Company. The Company will carry out risk controls by means of contracts and financial instruments, make reasonable commercial arrangements and select suitable foreign currency and exchange rate for settlement or payment so as to prevent exchange rate fluctuation risk.

10 NUMBER OF EMPLOYEES, SHARE OPTION SCHEME AND TRAINING PROGRAM

As of the end of 2018, the Company has a total of 124,503 employees, and a legion of high-quality talents, including 36,140 management personnel, 39,815 professional technicians, and 29,426 skilled operators.

The Company has 11,344 talents with various national registered qualifications. Also, the Company has a team of top talents of China, including the 32 experts who enjoy the State Council governmental special subsidies, 5 national engineering survey and design masters, 2 national nuclear industry engineering survey and design masters, 4 national candidates of the “Millions of Talents of the New Century” project, 2 national young and middle-aged experts with outstanding contribution, and 25 national technical experts.

The Company did not implement any share option scheme during the reporting period except for other share incentive scheme. For details, please refer to the announcements of the Company dated 27 July 2016, 3 October 2016, 21 November 2016 and 16 November 2018 and the circular of the Company dated 6 October 2016.

The Company attaches high importance to the education and training of the employees. The Company increased the input of the education and training expenditure and enhanced the employee’s quality and professional skills continuously. The Company planned to train 460,400 employees in 2018 and actually trained 480,100 employees, including on-the-job training for 328,300 employees, continuing education training for 36,100 employees, and other training for 115,700 employees.

11 PLAN FOR SIGNIFICANT INVESTMENT OR PURCHASE OF CAPITAL ASSET OF THE COMPANY IN THE FUTURE

The Company has addressed the Company's investment direction and special investment business plans for the upcoming period of time.

- (1) Eyeing driving engineering business and facilitating transformation and upgrading, the Company, based on its resource endowment, seized the opportunities from the national effort to make up infrastructure short slabs and vigorously opened up domestic and overseas engineering contracting market by means of BOT, BOOT and PPP among others to drive its major engineering business. Besides, the Company also utilized the Group's advantages to promote the development of its system debugging, operation, maintenance and equipment businesses and push forward transformation and upgrading of enterprises.
- (2) Centering around the goal of building a "digital intelligent power station and information-based smart enterprise" with international competitiveness, the Company utilized multiple means such as mergers and acquisitions, and made functional investment in asset-light and intelligent target enterprises or target enterprises with high technical content, high added value, and sound market prospect both domestically and internationally, including waterworks and hydropower as well as non-power design and consulting enterprises, high-quality construction enterprises with high-grade qualifications for non-power businesses such as municipal administration, housing construction, highway construction and environmental protection, as well as high-end equipment manufacturers in clean energy, smart grids, energy-saving and environmental protection sectors, so as to improve the Company's industrial chain of the major engineering industry and enterprise functions, drive engineering business development and enhance international operation capabilities.

In 2018, the Company did not hold any significant investment projects exceeding the net assets of the Company by 10% and are required to be considered and approved by the Board.

12 GEARING RATIO

As at 31 December 2018, the gearing ratio of the Company was 117.7%, representing a decrease of 3.6 percentage points as compared to 121.3% for the same period of 2017. Gearing ratio represents interest-bearing debts divided by total equity at the end of the year.

13 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Please refer to note 44 to the Consolidated Financial Statement of the annual report of 2018 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 11 April 2019 for details of acquisition and disposal of subsidiaries by the Company for the year ended 31 December 2018.

14 SIGNIFICANT INTANGIBLE ASSETS

Please refer to note 15 to the Consolidated Financial Statement of the annual report of 2018 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 11 April 2019 for details of the significant intangible assets of the Company for the year ended 31 December 2018.

15 OTHER SIGNIFICANT EXPENDITURE

The Company saw no other significant expenditure in 2018.

FOR THE YEAR ENDED 31 DECEMBER 2019:**1 OVERVIEW**

In 2019, the Company achieved the revenue of RMB247,291.0 million, representing a year-on-year increase of 10.38%; the profit before taxation amounted to RMB13,307.9 million, representing a year-on-year increase of 13.97%; the net profit attributable to the equity holders of the Company was RMB5,078.5 million, representing a year-on-year increase of 11.11%. The revenue from domestic business was RMB206,711.7 million, representing a year-on-year increase of 11.71%; the revenue from power business was RMB140,448.8 million, representing a year-on-year increase of 10.96%; the revenue from non-power business was RMB106,842.2 million, representing a year-on-year increase of 9.63%.

2 CONSOLIDATED OPERATING RESULTS

Items	For the year ended 31 December		Percentage of change (%)
	2019 (RMB in million)	2018 (RMB in million)	
Revenue	247,291.0	224,034.3	10.38
Cost of sales	(214,953.7)	(194,271.0)	10.65
Other income	2,110.1	2,406.1	(12.30)
Net impairment losses on financial assets and contract assets	(1,118.4)	(851.5)	31.34
Other net gains and losses	2,420.9	795.4	204.36
Selling expenses	(2,383.9)	(2,372.0)	0.50
Administrative expenses	(12,126.2)	(12,014.2)	0.93
Research and development expenses	(5,511.6)	(4,003.6)	37.67
Finance income	1,055.1	795.5	32.63
Finance costs	(4,355.7)	(3,827.0)	13.81
Share of profits of joint ventures	169.0	304.4	(44.48)
Share of profits of associates	711.2	680.5	4.51
Profit before taxation	13,307.9	11,676.8	13.97
Income tax	(3,707.5)	(3,125.3)	18.63
Net profit	9,600.4	8,551.5	12.27

In 2019, the selling expenses of the Company amounted to RMB2,383.9 million, remaining steady on a year-on-year basis; the percentage of selling expenses to the revenue decreased from 1.06% in 2018 to 0.96% in 2019.

In 2019, the administrative expenses of the Company amounted to RMB12,126.2 million, remaining steady on a year-on-year basis; the percentage of administrative expenses to the revenue decreased from 5.36% in 2018 to 4.90% in 2019.

In 2019, the finance costs of the Company amounted to RMB4,355.7 million, increased by 13.81% year-on-year; primarily due to the increase in total long-term debts, the percentage of finance costs to the revenue increased from 1.71% in 2018 to 1.76% in 2019.

3 OPERATING RESULTS BY SEGMENTS

Industry segments	Conditions of Industry Segments of Principal Businesses (For the year ended 31 December)								
	2019			2018			Percentage of changes		
	Revenue	Cost of sales	Gross profit margin	Revenue	Cost of sales	Gross profit margin	(%)/percentage points		
							Revenue	Cost of sales	Gross profit margin
(RMB in million)			(RMB in million)			(%)			
Survey, design and consulting services	13,154.0	8,506.4	35.33	12,216.3	7,986.2	34.63	7.68	6.51	0.70
Construction and contracting	185,425.1	169,910.9	8.37	163,295.4	148,792.0	8.88	13.55	14.19	(0.51)
Industrial manufacturing	23,710.6	17,243.5	27.28	21,819.6	15,913.7	27.07	8.67	8.36	0.21
Clean energy, environmental protection and water utilities	16,173.2	15,676.8	3.07	20,826.1	19,715.5	5.33	(22.34)	(20.48)	(2.26)
Investment and other business	19,534.8	14,141.7	27.61	17,572.1	13,504.4	23.15	11.17	4.72	4.46
Inter-segment elimination ⁽¹⁾	(10,706.7)	(10,526.6)	-	(11,695.1)	(11,641.8)	-	-	-	-
Unallocated items ⁽²⁾	-	1.0	-	-	1.0	-	-	-	-
Total	247,291.0	214,953.7	13.08	224,034.3	194,271.0	13.29	10.38	10.65	(0.21)

Notes:

- (1) Inter-segment elimination mainly represents the provision of goods or services between business segments.
- (2) Unallocated items mainly represent the provisions for impairment of inventories which could not be attributed to any business segment.

The revenue of the Company increased by 10.38% from RMB224,034.3 million in 2018 to RMB247,291.0 million in 2019. The increase was mainly attributed to the rapid growth in business segments including the survey, design and consulting services segment, the construction and contracting segment, the industrial manufacturing segment, and the investment and other business segment.

The cost of sales of the Company increased by 10.65% from RMB194,271.0 million in 2018 to RMB214,953.7 million in 2019. The increase was generally in line with the increase in revenue during the same period.

The gross profit of the Company was RMB29,763.4 million and RMB32,337.2 million in 2018 and 2019, respectively, and gross profit margin of the Company remained stable at 13.29% and 13.08% during the same period, respectively.

3.1 Survey, Design and Consulting Services Business

This business generates revenue primarily from providing survey and design services for thermal, hydropower, nuclear power, wind power, solar power projects and power grid projects in China and overseas. The Company also generates revenue from providing a wide range of consulting services in respect of power industry policies, as well as power project testing, assessment and supervision services.

Revenue before inter-segment elimination of survey, design and consulting services business of the Company increased by 7.68% from RMB12,216.3 million in 2018 to RMB13,154.0 million in 2019, mainly due to the increase in power transmission and transformation business and non-power businesses such as municipal construction, etc.

Cost of Sales before inter-segment elimination of survey, design and consulting services business of the Company increased by 6.51% from RMB7,986.2 million in 2018 to RMB8,506.4 million in 2019, which was slightly lower than the growth rate of revenue in the corresponding period.

The gross profit before inter-segment elimination of survey, design and consulting services business of the Company was RMB4,230.1 million and RMB4,647.6 million in 2018 and 2019, respectively, and gross profit margin remained stable at 34.63% and 35.33% in the same period, respectively.

3.2 Construction and Contracting Business

This business generates revenue primarily from providing construction services for projects in China and overseas.

Revenue before inter-segment elimination of construction and contracting business of the Company increased by 13.55% from RMB163,295.4 million in 2018 to RMB185,425.1 million in 2019, mainly due to the growth in the revenue of non-power businesses as a result of the large-scale construction of PPP projects.

Cost of sales before inter-segment elimination of construction and contracting business of the Company increased by 14.19% from RMB148,792.0 million in 2018 to RMB169,910.9 million in 2019, which was generally in line with the changes in revenue.

The gross profit before inter-segment elimination of construction and contracting business of the Company was RMB14,503.4 million and RMB15,514.2 million in 2018 and 2019, respectively, and gross profit margin was 8.88% and 8.37% in the same period, respectively, remaining steady on a year-on-year basis.

3.3 Industrial Manufacturing Business

This business generates revenue primarily from the design, manufacture and sale of equipment for use in the power industry, including ancillary equipment for power plants, power grid equipment, steel structure and energy conservation and environmental protection equipment, manufacture and sale of civil explosives and cement products, and the provision of explosive service.

Revenue before inter-segment elimination of industrial manufacturing business of the Company increased by 8.67% from RMB21,819.6 million in 2018 to RMB23,710.6 million in 2019, mainly due to the increase in sales volume of cement business and the growth of civil explosives business.

Cost of sales before inter-segment elimination of industrial manufacturing business of the Company increased by 8.36% from RMB15,913.7 million in 2018 to RMB17,243.5 million in 2019, which was generally in line with the changes in revenue.

The gross profit before inter-segment elimination of industrial manufacturing business of the Company was RMB5,905.9 million and RMB6,467.1 million in 2018 and 2019, respectively, and gross profit margin was 27.07% and 27.28% in the same period, respectively, remaining steady on a year-on-year basis.

3.4 Clean Energy, Environmental Protection and Water Utilities Business

This business generates revenue primarily from businesses including power generation business, environmental protection business and water plant construction and operation, etc.

Revenue before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company decreased by 22.34% from RMB20,826.1 million in 2018 to RMB16,173.2 million in 2019, primarily due to the decrease in revenue of environmental protection segment business.

Cost of sales before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company decreased by 20.48% from RMB19,715.5 million in 2018 to RMB15,676.8 million in 2019, which was generally in line with the changes in revenue.

The gross profit before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company was RMB1,110.6 million and RMB496.4 million in 2018 and 2019, respectively, and gross profit margin was 5.33% and 3.07% in the same period, respectively, representing a slight year-on-year decrease. It was primarily due to the decline in profit margin of environmental protection business.

3.5 Investment and Other Business

This business generates revenue primarily from real estate development, expressway operation, financial services and other business.

Revenue before inter-segment elimination of investment and other business of the Company increased by 11.17% from RMB17,572.1 million in 2018 to RMB19,534.8 million in 2019, the increase was primarily due to the increase in revenue of real estate development business, expressway operation and financial services business.

Cost of sales before inter-segment elimination of investment and other business of the Company increased by 4.72% from RMB13,504.4 million in 2018 to RMB14,141.7 million in 2019, which was lower than the increase in revenue during the same period. It was primarily attributable to the fact that the growth rate of cost of real estate development and expressway operation, which are of higher proportion, was smaller than the growth rate of the revenue.

The gross profit before inter-segment elimination of investment and other business of the Company was RMB4,067.7 million and RMB5,393.1 million in 2018 and 2019, respectively. Gross profit margin increased from 23.15% in 2018 to 27.61% in 2019, primarily attributable to the increased gross profit margin of expressway operation business.

4 CASH FLOW

	For the year ended 31 December	
	2019	2018
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Net cash (used in)/generated from operating activities	10,963.6	5,059.0
Net cash (used in)/generated from investing activities	(14,513.3)	(20,358.4)
Net cash (used in)/generated from financing activities	(1,974.3)	14,283.7
Net decrease in cash and cash equivalents	(5,524.0)	(1,015.7)
Cash and cash equivalents at the beginning of the year	47,643.1	47,699.8
Effects of exchange rate changes	505.5	959.0
Cash and cash equivalents at the end of the year	42,624.6	47,643.1

4.1 Cash Flow Generated from Operating Activities

The net cash generated from operating activities increased from RMB5,059.0 million in 2018 to RMB10,963.6 million in 2019, representing an increase of RMB5,904.6 million or 116.71%, which was mainly attributable to: (i) the net profit of operating activities during the year amounted to RMB17,870.2 million, representing an increase as compared to the same period of last year; (ii) the cash inflow of RMB2,862.7 million due to the accelerated settlement for engineering projects with clients and the extension of settlement cycle to suppliers accordingly following the increase of business volume; (iii) at the same time, the cash inflow of RMB4,526.9 million due to the corresponding increase of contract assets and contract liabilities. These increases were offset by the cash outflows of RMB3,347.6 million as a result of the increase in prepayments for construction contracts, the cash outflow of RMB5,226.1 million as a result of tax increase such as prepaid value added tax and paid income tax, the cash outflow of RMB3,969.1 million as a result of the purchase of financial assets under resale agreements by subsidiaries, and the cash outflow of RMB1,094.1 million as a result of purchase of inventories and product development.

4.2 Cash Flow Used in Investing Activities

Net cash used in investing activities decreased from RMB20,358.4 million in 2018 to RMB14,513.3 million in 2019, representing a decrease of RMB5,845.1 million or 28.71%, which was mainly attributable to: (i) payment of RMB14,362.2 million in the intangible assets, property, plant and equipment; (ii) increased payment of RMB3,280.9 million of the capital contributions to associates and joint ventures; (iii) payment of RMB3,635.7 million for the purchase of financial assets. These cash outflows were offset by the cash generated from disposal of subsidiaries of RMB3,466.6 million, the cash generated from disposal of financial assets of RMB2,062.0 million, and the receipt of interest income from bank deposits and others of RMB1,050.6 million.

4.3 Cash Flow used in Financing Activities

The net cash used in financing activities amounted to RMB1,974.3 million, the net cash generated in 2018 amounted to RMB14,283.7 million, representing a decrease of RMB16,258.0 million or 113.82%, which was mainly attributable to: (i) repayment of bank borrowings, other borrowings and corporate bonds of RMB54,998.1 million; (ii) payment of interests on borrowings and bonds of RMB5,748.2 million; (iii) repayment of bonds of RMB5,500.0 million as the renewal option of renewable corporate bonds were not exercised; (iv) payment of dividends to equity holders and perpetual capital instruments holders of RMB1,757.3 million. These cash outflows were offset by the newly increased borrowings and bonds of RMB51,039.6 million, RMB13,000.0 million from the issuance of perpetual capital instruments, and the increase of capital injections from non-controlling interests of RMB3,519.6 million.

5 CAPITAL EXPENDITURE

In the past, the Company incurred capital expenditures primarily for expenditures on property, plant and equipment, as well as intangible assets (such as concession rights of toll roads). The following table sets forth the components of capital expenditures of the Company for the periods indicated:

	For the year ended 31 December	
	2019	2018
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Property, plant and equipment ⁽¹⁾	6,084.0	6,916.6
Prepaid lease payments ⁽¹⁾	–	1,324.9
Intangible assets	12,459.8	12,056.1
Investment properties	–	2.2
Total	18,543.8	20,299.8

Note:

- (1) The Group has initially applied IFRS 16 since 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Please refer to note 2 to the Consolidated Financial Statement of the annual report of 2019 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 15 April 2020 for details.

6 CAPITAL AND FINANCIAL POLICIES

The Finance and Property Department of the Company is responsible for the capital and financial policies for the Company's overall business operations. The Company expected to jointly finance its management capital and other capital needs from a variety of sources, including but not limited to internal financing and external financing at a reasonable market interest rate. The Company continued to focus on improving return on equity and assets while maintaining prudent capital and financial policies.

7 INDEBTEDNESS

As at 31 December 2019, the Company's total liabilities amounted to RMB308,379.9 million and total assets amounted to RMB421,670.3 million, with a gearing ratio of 73.13%, representing a decrease of 2.43 percentage points from 75.56% for last year. The Company's total indebtedness amounted to RMB106,040.3 million. The following table sets forth the details of bank borrowings, other borrowings and corporate bonds of the Company as at the dates indicated:

	As at 31 December	
	2019	2018
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Long-term		
Bank borrowings		
Unsecured	26,552.0	24,280.5
Secured	26,012.0	16,107.7
Other borrowings		
Secured	11.9	501.7
Corporate bonds ⁽¹⁾	18,393.6	15,141.8
Subtotal	70,969.5	56,031.7
Short-term		
Bank borrowings		
Unsecured	15,249.2	32,813.2
Secured	3,195.4	6,421.6
Other borrowings		
Unsecured	15,188.2	11,846.8
Secured	53.0	144.5
Corporate bonds ⁽¹⁾	1,385.0	4,730.8
Subtotal	35,070.8	55,956.9
Total	106,040.3	111,988.6

Note:

(1) The corporate bonds of the Company are unsecured medium-term notes and corporate bonds.

As at 31 December 2019, bank and other borrowings mainly denominated in currencies other than the functional currencies of respective entities are set out as below:

	As at 31 December	
	2019	2018
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
USD	14,147.7	11,142.2
Japanese Yen	120.1	121.9
BRL	3,947.2	4,115.4
Total	18,215.0	15,379.5

The following table sets forth the guaranteed portion of bank borrowings and other borrowings of the Company:

	As at 31 December	
	2019	2018
	(RMB in million)	(RMB in million)
Guaranteed by:		
Non-controlling interest holders	–	700.0
Third parties	120.1	128.9
Total	120.1	828.9

The following table sets forth the maturity profile of indebtedness of the Company as at the dates indicated:

	As at 31 December	
	2019	2018
	(RMB in million)	(RMB in million)
Repayable within 1 year	34,043.2	51,959.9
Repayable after 1 year but within 2 years	20,243.8	8,870.8
Repayable after 2 years but within 3 years	4,747.7	18,278.0
Repayable after 3 years but within 4 years	7,185.3	2,880.5
Repayable after 4 years but within 5 years	5,770.9	7,023.0
Repayable after 5 years	34,049.4	22,976.4
Total	106,040.3	111,988.6

The following table sets forth the effective interest rate ranges of bank borrowings, other borrowings and corporate bonds of the Company as at the dates indicated:

	As at 31 December	
	2019	2018
	%	%
Bank borrowings	1.05-8.00	1.05-9.00
Other borrowings	3.92-4.90	3.92-4.61
Corporate bonds	3.14-5.37	3.14-5.37

The following table sets forth the fixed and floating rate of bank and other borrowings of the Company as of the dates indicated:

	As at 31 December			
	2019	2018		
	(RMB in million)	%	(RMB in million)	%
Fixed rate bank and other borrowings	46,409.8	1.05-8.00	36,988.8	1.05-8.00
Floating rate bank and other borrowings	39,851.9	1.20-7.50	55,127.2	1.20-9.00
Total	86,261.7		92,116.0	

Bank borrowings of the Company were incurred primarily for the purposes of working capital, property development and investment in fixed assets. Other borrowings mainly represented deposits of Energy China Group and its subsidiaries (excluding the Company) with China Energy Engineering Group Finance Co. Ltd.

Indebtedness of the Company decreased by RMB5,948.3 million from 1 January 2019 to 31 December 2019, mainly due to the return of operating cash flow and repayment of some debts.

The Company did not have any material defaults in payment of bank borrowings or breaches of other debt financing obligations or breaches of any restrictive terms. In addition, as at 31 December 2019, the Company had RMB9 billion of authorized but unissued debt securities, namely the unsecured and unguaranteed corporate bonds and perpetual bonds.

As at 31 December 2019, the Company had RMB474.9 billion of unutilized and unrestricted bank facilities. As at the latest practicable date, the Company was not subject to any material restrictive terms in the borrowings.

8 PLEDGE OF ASSETS, CONTINGENCIES AND CONTINGENT LIABILITIES**8.1 Pledge of Assets**

As at 31 December 2019, the Company's assets with the following carrying amounts have been pledged to secure general banking facilities (including bank borrowings, bills payable and letter of credit):

	As at 31 December	
	2019	2018
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Property, plant and equipment ⁽¹⁾	1,248.2	3,977.2
Prepaid lease payments ⁽¹⁾	–	279.6
Intangible assets	26,464.9	12,988.9
Trade receivables	4,536.0	2,022.8
Properties under development for sale	18,690.3	24,105.5
Bank deposits	5,242.2	5,749.2
Total	56,181.6	49,123.2

Note:

- (1) The Group has initially applied IFRS 16 since 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Please refer to note 2 to the Consolidated Financial Statement of the annual report of 2019 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 15 April 2020 for details.

8.2 Contingencies and Contingent Liabilities

- (a) The Company was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Company on those legal proceedings and claims when the management can reasonably estimate the outcome of the legal proceedings and claims taking into account the legal advice. The Company made provision for estimated liabilities of RMB32.41 million, which specifically include the following:

RMB: Yuan

Case	Amount involved	Estimated liabilities included	Background
Construction project contract dispute arbitration case	52,735,645.83	23,520,877.40	Northeast Institute and Zhongke Gasification, the owner, entered into the Dongguan Zhongke coal gasification and supporting project general contracting contract, which was later changed to the project management contract, and the owner carried out subcontracting work such as civil engineering. The owner defaulted on the project payment payable to construction unit due to financial difficulties. The construction unit applied for arbitration and Northeast Institute was listed as the second respondent.
Construction project contract dispute case	40,000,000.00	2,887,363.86	On 1 June 2013, Gansu Institute and Jinchang Yuhua Photovoltaic Power Co., Ltd. (hereinafter referred to as Jinchang Yuhua Company) entered into the Jinchang Yuhua Photovoltaic Power Project General Contract. Gansu Institute undertook the construction of Jinchang Yuhua 15MW photovoltaic power generation project, and the total contracting price was RMB109.5 million. Since Jinchang Yuhua Company defaulted on the project payment, Gansu Institute filed a lawsuit in October 2015, claiming the payment of project fund of RMB47,095,591.4 with interest of RMB5,866,252.06, totalling RMB52,961,843.46. After the first instance and the second instance, according to the final judgment in August 2016, Gansu Institute shall be paid the project fund of RMB26,567,900 with interest of RMB110,493.35, totalling RMB26,678,393.35, which has been executed. However, Jinchang Yuhua Company sued to the court in December 2016 for damages caused by substandard engineering quality, claiming compensation of RMB40 million. The case has completed its first instance and second instance, and was remanded for retrial. The case currently enters the second stage of the second instance.

Case	Amount involved	Estimated liabilities included	Background
Creditor dispute case	17,629,601.66	6,000,000.00	Power Construction Company and Guangxi Keming Power Engineering Co., Ltd. entered into the Joint Bidding Agreement in May 2010, agreeing to contract the #1 and #2 unit maintenance project of f SDIC Qinzhou Power Limited Liability Company. After winning the bid, Power Construction Company and Qinzhou Power Generation Company entered into the Maintenance Contract, and Power Construction Company and Keming Company entered into the Subcontracting Contract. The maintenance and construction of all the projects were organized by Keming Company. On 11 August 2010, due to a fire accident during the inspection and repair work, the insurance company has compensated Qinzhou Power Generation Company with RMB17.63 million in accordance with the insurance contract. According to the Fire Accident Responsibility Letter issued by the Qinzhou City Fire Brigade, Power Construction Company is the party responsible for the fire accident. In this regard, the insurance company exercised the right of subrogation of Qinzhou Power Generation Company and filed a lawsuit against Power Construction Company for compensation of RMB17.63 million.

(b) Guarantees

The following contingent liabilities arise from guarantees given to banks and other financial institutions in respect of certain loan facilities, as well as mortgage loan guarantees provided to banks of this annual report in favor of the customers of the Company. Please refer to note 42 to the Consolidated Financial Statement of the annual report of 2019 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 15 April 2020 for details.

	As at 31 December	
	2019 (RMB in million)	2018 (RMB in million)
Guarantees given to banks and other financial institutions in respect of loan facilities granted to ⁽¹⁾ :		
Associates	1,532.2	3,594.4
Joint ventures	18.0	736.9
Third party ⁽²⁾	243.4	258.9

	As at 31 December	
	2019	2018
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Investee recognised as financial assets at FVOCI	21.4	24.5
	1,815.0	4,614.7
Mortgage loan guarantees provided by the Company to banks in favor of its customers ⁽³⁾	1,578.2	1,790.4
Total	3,393.2	6,405.1

Notes:

- (1) In the opinion of the Directors, the fair value of these guarantee contracts is insignificant at initial recognition.
- (2) One subsidiary of the Company has provided guarantee in respect of a lease contract with one financial institution to a third party.
- (3) The Company had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Company's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Company is responsible for repaying the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Company is then entitled to take over the legal title of the related properties. The guarantee periods commence from the dates of grant of the relevant mortgage loans and end after the buyer obtained the individual property ownership certificate.

In the opinion of the Directors, the fair values of these financial guarantee contracts of the Company are insignificant at initial recognition, and the Directors consider that the possibility of default by the relevant buyers is remote and, in case of default in payments, the net realisable value of the related properties can recover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Accordingly, no provision has been made in these financial statements for these guarantees.

(c) Contingent liabilities

During the year ended 31 December 2019, Gezhoubu Huanjia and some Huanjia Connected Suppliers (Please refer to note 23(ii) to the Consolidated Financial Statement of the annual report of 2019 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 15 April 2020) were involved as defendants in a number of legal proceedings with certain financial institutions and other lenders. Mr. Wang Jinping was also one of the defendants in certain above-mentioned legal proceedings. These financial institutions sued Gezhoubu Huanjia and other defendants for repayment of loans amounted to RMB1,362 million. Certain above-mentioned legal proceedings were rejected by relevant courts, as these courts were of the opinion that these legal proceedings, involved in suspected economic crimes, are subject to the conclusions of the Investigation (Please refer to note 23(ii))

to the Consolidated Financial Statement of the annual report of 2019 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 15 April 2020).

Based on legal advice, the Company believes that Gezhouba Huanjia will be possibly sued by these financial institutions and other lenders and involved in further related investigations after the completion of the Investigation. As at 31 December 2019, as the Investigation is yet to be completed, the Company cannot reliably estimate the amount of liabilities to be undertaken by Gezhouba Huanjia. No provision in this regard has therefore been made.

9 SUBSEQUENT EVENT

The outbreak of novel coronavirus (“**COVID-19 outbreak**”) since early 2020 has brought about additional uncertainties in the Group’s operating environment. In particular, some entities are located in Hubei Province, which may impact the Group’s operations and financial position.

The Group has been closely monitoring the impact from the COVID-19 outbreak on the Group’s businesses and has commenced to put in place various contingency measures. These contingency measures include but not limited to continuously monitoring and analysing domestic and overseas epidemic prevention policies, negotiating with project owners and customers on project schedules and delivery timetables, evaluating the sustainability of the existing subcontractors and suppliers and assessing major projects in progress. The Group will keep the contingency measures under review as the COVID-19 outbreak evolves.

As far as the Group’s businesses are concerned, the COVID-19 outbreak may result in decrease in revenue and gross profits. The Group has initiated the above contingency measures to respond. Based on the information currently available, the Directors estimated that the COVID-19 outbreak may impact 1) the repayment abilities of certain domestic and oversea project owners and customers and, as a result, may lead to additional provision for trade receivables and contract assets in the future periods; 2) total estimated contract costs arising from the unexpected regulatory requirements of epidemic prevention, which may lead to onerous contracts if the costs cannot be recovered from project owners; 3) timetable of on-going overseas construction contracts due to restriction of travelling abroad, as a result, may cause breach of contract and potential losses from legal proceedings and claims. All the above impacts have not been reflected in the financial statements as at 31 December 2019.

On the other hand, the Directors consider that the government’s policy of reducing taxes and fees and the decline in market interest rates will benefit the Company in further reducing costs and increasing efficiency, and such impacts could also be reduced by favourable policies regarding infrastructure construction to be introduced by the government to drive economic growth after the COVID-19 outbreak.

10 RISK**10.1 Business Risk**

- 1. Macroeconomic risk.** In 2020, the novel coronavirus pneumonia epidemic has had a relatively great influence on the production and operation of various industries in China, and the resumption of work and production of enterprises has been subject to conditions such as local epidemic prevention and control measures and health protection. Meanwhile, the domestic and international macroeconomic situations are also facing the risk of changes, and hence affecting the development of the industry, which may affect the performance of projects in progress, increase the difficulty of market development, slow down the pace of transformation and upgrades, and affect economic benefits. The Company will put more efforts in macroeconomic analysis and research on policies, make full use of favorable policies of all aspects, seize the opportunity when the country will increase investment after the epidemic, and strive to recover from the adverse effects of the epidemic; strengthen business transformation and upgrading, pay close attention to the layout of industrial investment in relevant fields, expand non-power business areas and overseas markets, and exert the role of new business models to achieve sustainable and healthy development of enterprises.
- 2. International operation risk.** The international political, economic, and security situations are complex and dynamic, coupled with rising trade protectionism, challenges encountered in the development of the multilateral trading system, increasingly fierce international competition, rapidly changing business models, and rising exchange rate, legal, compliance and security risks. In addition, the novel coronavirus pneumonia epidemic has spread worldwide, which has brought about negative impacts on the development and implementation of the international project market. The Company will refine its international operational management system and improve the international business market layout, while strictly implementing international work procedures for market development, intensifying research on legal, compliance and safety risks, and promptly issuing risk warnings to elevate overseas security and capabilities to respond to risks.
- 3. Construction project performance risk.** The inadequate planning breadth and depth in the early stage of projects, the less-satisfactory contracting quality, the deficient construction resource allocation, management and control of the novel coronavirus pneumonia epidemic, impacts on production in the upstream and downstream of industrial chain, and other reasons may result in the unsmooth performance of certain projects, leading to risks of delayed schedules, increased costs, losses and complaints. The Company will improve the supervision process, monitor major projects with higher performance or operating risks, and organize management and inspection of construction in progress; strengthen protection on resources to be used after resumption of work and production, adopt various measures at the same time and actively collect and prepare relevant production materials and anti-epidemic materials, as well as improve the efficiency in material distribution; strengthen communication and

coordination with the owners, proactively seek support and assistance, implement policies for different scenarios, and urge subsidiaries to facilitate resumption of work and production in an accurate and orderly manner according to the plan.

4. **Safe production risk.** Construction and contracting is a high-risk sector. Subject to the impact of the nature of industry and environmental condition on the construction site, safe production has always been exposed to higher risks. If the management, scanning and rectification of hidden dangers are less adequately practised and not well arranged, adverse consequences of safe production may occur, leading to loss of life or property, etc. At the same time, the novel coronavirus pneumonia epidemic has caused many impacts to enterprises, such as the postponement of resumption of work and production, and limitation on mobility of personnel. If the plan for resumption of work and production and safety measures are not in place, there will be certain health and safety risks. The Company will clarify the subject of liability for safe production, strictly observe the redline of safe production, augment resource input, enhance educational training and foundation work, strengthen investigation and rectification of hidden hazards and risk management to stay strictly on guard against accidents.
5. **Investment risk.** The Company is undergoing business transformation with its investment business constantly expanding. If risk factor identification and analysis are not sufficient enough, implementation is not in place, financing schemes fail to be launched or the cost is too high, problems such as budgetary overrun of construction cost, insufficient revenue and difficult execution of projects may occur. The Company will establish and improve its investment full-process risk management system, strictly enforce the access criteria for investment projects, and enhance project supervision, inspection and appraisal and urge investing entity to rectify within a defined time period when problems and weak links are discovered.

10.2 Exchange Rate Fluctuation Risk

Most businesses of the Company are operated in China, thus the functional currency applied in the financial statements of the Company is RMB. The Company plans to continue to expand the overseas business, and it is expected that, as a result, the incomes and expenses dominated in foreign currencies will increase significantly. The exchange rate fluctuation may have influence on the service pricing and the expenses of procurement of materials and equipment of the Company by foreign exchange and therefore influence the financial position and operating performance of the Company. Please refer to note 39 to the Consolidated Financial Statement of the annual report of 2019 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 15 April 2020 for details.

11 NUMBER OF EMPLOYEES, SHARE OPTION SCHEME AND TRAINING PROGRAM

As of the end of 2019, the Company has a total of 119,394 employees, and a legion of high-quality talents, including 35,928 management personnel, 39,013 professional technicians, and 26,769 skilled operators.

The Company has 13,464 talents with various national registered qualifications. Also, the Company has a team of top talents of China, including the 30 experts who enjoy the State Council governmental special subsidies, 6 national engineering survey and design masters, 2 national nuclear industry engineering survey and design masters, 5 national candidates of the “Millions of Talents of the New Century” project, 2 national young and middle-aged experts with outstanding contribution, and 24 national technical experts.

The Company attaches high importance to the education and training of the employees. The Company increased the input of the education and training expenditure and enhanced the employee’s quality and professional skills continuously. The Company planned to train 483,200 employees in 2019 and actually trained 534,000 employees, including on-the-job training for 359,600 employees, continuing education training for 30,700 employees, and other training for 143,700 employees.

The Company did not implement any share option scheme during the reporting period except for other share incentive scheme. For details, please refer to the announcements of the Company dated 27 July 2016, 3 October 2016, 21 November 2016, 16 November 2018 and 21 November 2019 and the circular of the Company dated 6 October 2016.

12 PLANS OF THE COMPANY FOR SIGNIFICANT INVESTMENT OR PURCHASE OF CAPITAL ASSET IN THE FUTURE

12.1 Orientation of Future Investment

The Company planned to utilize multiple means such as mergers and acquisitions, and make functional investment in domestic and overseas target enterprises with asset-light strategy, intelligence nature, high technical content, high added value, and sound market prospect, including non-power design and consulting enterprises, high-quality construction enterprises with high-grade qualifications for non-power businesses such as municipal administration, housing construction, highway construction and environmental protection, as well as clean energy enterprises, so as to improve the Company’s industrial chain of the core engineering business and enterprise functions, drive engineering business development and push forward transformation and upgrading of enterprises.

12.2 Progress of Mixed-ownership Reform

The overall plan for mixed-ownership reform and employee stock ownership plan of the two third-batch mixed-ownership reform pilot subsidiaries of the Company have been approved by the National Development and Reform Commission. Among which, the specific implementation plan of Hunan Electric Power Design Institute Co., Ltd. (湖南省電力設計院有限公司) and the comprehensive reform plan of “Double-hundred Action” have been considered and approved by Energy China Group, and four strategic investors have been successfully introduced for commencement of employee stock ownership at the same time. Jiangsu No. 1 Electric Power Construction Engineering Co., Ltd. (江蘇省電力建設第一工程有限公司) is actively conducting the introduction of prospective strategic investors.

12.3 Situation of Real Estate Projects

As of 31 December 2019, the Company held 27 operating real estate projects exceeding 5% of the Company's market value, including 24 existing projects and 3 new projects secured in 2019. Details are shown in the table below:

Table of Situation of Operating Real Estate Projects

No.	Name of projects	Location	Land area (square meters)	Construc- tion area (square meters)	The Company's shareholding percentage	Percentage of completion	Note
1	Beijing China Residence	Beijing	104,578	348,704	100.00%	64.73%	
2	Beijing Zijun Orchid Court	Beijing	74,773	241,764	100.00%	79.13%	
3	Shanghai Yulan Garden South	Shanghai	115,759	260,383	100.00%	86.25%	
4	Shanghai Yulan Garden North	Shanghai	119,426	253,403	100.00%	63.16%	
5	Shanghai Zijun Mansion	Shanghai	25,267	62,306	100.00%	93.36%	
6	20 Project in Suzhou	Suzhou	38,557	63,335	100.00%	70.03%	
7	Nanjing China Residence	Nanjing	26,380	114,033	100.00%	74.69%	
8	Nanjing Zijun Orchid Court	Nanjing	143,744	559,642	70.00%	58.91%	
9	Nanjing Zijun Residence	Nanjing	45,636	135,718	51.00%	72.68%	
10	Nanjing G30	Nanjing	42,783	232,925	33.90%	65.82%	Non- consolidated item
11	Nanjing Guyin Orchid Court	Nanjing	24,499	95,741	35.70%	76.11%	Non- consolidated item
12	Nanjing G49	Nanjing	43,708	122,400	100.00%	66.91%	
13	Hangzhou Jing Lin Longfor Mansion	Hangzhou	42,907	141,691	34.00%	84.00%	Non- consolidated item
14	Hangzhou China Residence	Hangzhou	56,755	229,319	70.00%	58.57%	
15	Hefei Zijun Residence	Hefei	42,901	111,027	100.00%	79.26%	
16	Hefei China Residence Projects – Phases I and III	Hefei	68,482	182,997	100.00%	76.04%	
17	Wuhan Zijun Orchid Court	Wuhan	58,304	267,732	100.00%	46.66%	
18	Wuhan Jiangyue Orchid Court	Wuhan	47,315	204,490	30.00%	49.53%	Non- consolidated item

Table of Situation of Operating Real Estate Projects

No.	Name of projects	Location	Land area (square meters)	Construc- tion area (square meters)	The Company's shareholding percentage	Percentage of completion	Note
19	Wuhan International Plaza South	Wuhan	42,570	370,228	50.00%	59.42%	Non- consolidated item
20	Wuhan Kunyu Residence	Wuhan	107,544	779,370	40.00%	67.77%	Non- consolidated item
21	Chongqing Expo City	Chongq- ing	618,622	1,615,764	49.00%	80.36%	Non- consolidated item
22	Chongqing European Garden	Chongq- ing	813,401	2,073,763	49.00%	61.16%	Non- consolidated item
23	Chongqing Bishan Project	Chongq- ing	120,838	241,700	100.00%	27.09%	
24	Chengdu Zijun Orchid Court	Chengdu	99,626	334,424	51.00%	82.57%	
25	Guangzhou Zijun Residence	Guangz- hou	35,272	207,476	100.00%	76.65%	
26	Guangzhou Nansha Project	Guangz- hou	139,229	553,200	61.82%	26.40%	
27	Hainan Blessed Bay	Hainan	374,200	303,079	100.00%	80.51%	

In 2019, the Company did not hold any significant investment projects required to be considered and approved by the Board as required by the Articles of Association.

13 GEARING RATIO

As at 31 December 2019, the gearing ratio of the Company was 93.6%, representing a decrease of 24.1 percentage points as compared to 117.7% for the same period of 2018. Gearing ratio represents interest-bearing debts divided by total equity at the end of the year.

14 SIGNIFICANT INTANGIBLE ASSETS

Please refer to note 15 to the Consolidated Financial Statement of the annual report of 2019 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 15 April 2020 for details of the significant intangible assets of the Company for the year ended 31 December 2019.

15 OTHER SIGNIFICANT EXPENDITURE

The Company had no other significant expenditure in 2019.

16 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Please refer to note 45 to the Consolidated Financial Statement of the annual report of 2019 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 15 April 2020 for details of acquisition and disposal of subsidiaries by the Company for the year ended 31 December 2019.

FOR THE YEAR ENDED 31 DECEMBER 2020:**1 OVERVIEW**

In 2020, the Company achieved the revenue of RMB270,327.7 million, representing a year-on-year increase of 9.32%; the total profit amounted to RMB12,754.8 million, representing a year-on-year decrease of 4.16%; the net profit attributable to the equity holders of the Company was RMB4,680.3 million, representing a year-on-year decrease of 7.84%. The revenue from domestic business was RMB238,177.3 million, representing a year-on-year increase of 15.22%; the revenue from power business was RMB151,850.6 million, representing a year-on-year increase of 8.12%; the revenue from non-power business was RMB118,477.1 million, representing a year-on-year increase of 10.89%.

2 CONSOLIDATED OPERATING RESULTS

Item	For the year ended 31 December		Percentage of change (%)
	2020 (RMB in million)	2019 (RMB in million)	
Revenue	270,327.7	247,291.0	9.32
Cost of sales	(234,226.7)	(214,953.7)	8.97
Other income	1,613.1	2,110.1	(23.55)
Net impairment losses on financial assets and contract assets	(1,610.5)	(1,118.4)	44.10
Other net gains and losses	132.8	2,420.9	(94.51)
Selling expenses	(1,940.7)	(2,383.9)	(18.58)
Administrative expenses	(11,905.0)	(12,126.2)	(1.82)
Research and development expenses	(6,784.8)	(5,511.6)	23.10
Finance income	388.5	1,055.1	(63.13)
Finance costs	(3,480.2)	(4,355.7)	(20.11)
Share of profits of joint ventures	208.1	169.0	23.08
Share of profits of associates	32.5	711.2	(95.50)
Profit before taxation	12,754.8	13,307.9	(4.16)
Income tax expense	(4,062.8)	(3,707.5)	9.57
Net profit	8,692.1	9,600.4	(9.46)

In 2020, the selling expenses of the Company amounted to RMB1,940.7 million, representing a year-on-year decrease of 18.58%, primarily due to the decrease in sales of CGGC's cement business due to the rainy season, and the decline in sales-related transportation expenses, and due to the impact of the epidemic, daily business activities were blocked, and sales-related service fees and other expenditures decreased. The percentage of selling expenses to the revenue decreased from 0.96% in 2019 to 0.72% in 2020.

In 2020, the administrative expenses of the Company amounted to RMB11,905.0 million, representing a year-on-year decrease of 1.82%, primarily due to the increase in online office working and the decrease in commuting due to the epidemic, which in turn reduced management-related travel expenses. The percentage of administrative expenses to the revenue decreased from 4.90% in 2019 to 4.40% in 2020.

In 2020, the finance costs of the Company amounted to RMB3,480.2 million, representing a year-on-year decrease of 20.11%, primarily due to the decline in the global economy and the decline in overall interest rates due to the impact of the epidemic in 2020 and the interest rate of new borrowings during the year was lower than the interest rate of previous years. The percentage of finance costs to the revenue decreased from 1.76% in 2019 to 1.29% in 2020.

In 2020, the research and development (“**R&D**”) expenses of the Company was RMB6,784.8 million, representing a year-on-year increase of 23.10%, primarily due to the increased R&D efforts of CGGC, China Energy Engineering Group Planning & Engineering Corporation Limited (“**CEEPE**”) and others, and the increased resource input for R&D projects such as the research and application of prefabricated electrical building construction technology, tunnel mechanization construction technology, high-efficiency lignite power generation technology and ultra-high voltage transmission technology. The percentage of R&D expenses to the revenue increased from 2.23% in 2019 to 2.51% in 2020.

3 OPERATING RESULTS BY SEGMENTS

Industry segments	Conditions of Industry Segments of Principal Businesses (For the year ended 31 December)						Percentage of changes (%)/percentage points		
	2020			2019			Revenue	Cost of sales	Gross profit margin
	Revenue	Cost of sales (%)	Gross profit margin (RMB in million)	Revenue	Cost of sales (%)	Gross profit margin			
(RMB in million)									
Survey, design and consulting services	14,095.1	9,306.6	33.97	13,154.0	8,506.4	35.33	7.15	9.41	(1.36)
Construction and contracting	211,539.0	193,372.2	8.59	185,425.1	169,910.9	8.37	14.08	13.81	0.22
Industrial manufacturing	24,084.9	17,604.8	26.91	23,710.6	17,243.5	27.28	1.58	2.10	(0.37)
Clean energy, environmental protection and water utilities	11,926.7	10,923.9	8.41	16,173.2	15,676.8	3.07	(26.26)	(30.32)	5.34
Investment and other businesses	21,726.7	16,257.0	25.18	19,534.8	14,141.7	27.61	11.22	14.96	(2.43)
Inter-segment elimination ⁽¹⁾	(13,044.7)	(13,237.9)	-	(10,706.7)	(10,526.6)	-	-	-	-
Unallocated items ⁽²⁾	-	0.1	-	-	1.0	-	-	-	-
Total	270,327.7	234,226.7	13.35	247,291.0	214,953.7	13.08	9.32	8.97	0.27

Notes:

- (1) Inter-segment elimination mainly represents the provision of goods or services between business segments.
- (2) Unallocated items mainly represent the provisions for impairment of inventories which could not be attributed to any business segment.

The revenue of the Company increased by 9.32% from RMB247,291.0 million in 2019 to RMB270,327.7 million in 2020. The increase was mainly attributable to the increase in business volume in the survey, design and consulting segment, engineering construction segment, industrial manufacturing segment, investment and other business segments.

The cost of sales of the Company increased by 8.97% from RMB214,953.7 million in 2019 to RMB234,226.7 million in 2020. The increase was generally in line with the increase in revenue during the same period.

The gross profit of the Company was RMB32,337.2 million and RMB36,101.0 million in 2019 and 2020, respectively, and gross profit margin of the Company remained stable at 13.08% and 13.35% during the same period, respectively.

3.1 Survey, Design and Consulting Services Business

This business generates revenue primarily from providing survey and design services for thermal, hydropower, nuclear power, wind power, solar power projects and power grid projects in China and overseas. The Company also generates revenue from providing a wide range of consulting services in respect of power industry policies, as well as power project testing, assessment and supervision services.

Revenue before inter-segment elimination of survey, design and consulting services business of the Company increased by 7.15% from RMB13,154.0 million in 2019 to RMB14,095.1 million in 2020. The increase was mainly due to the increase in the businesses such as new energy, power transmission and transformation business and municipal construction.

Cost of sales before inter-segment elimination of survey, design and consulting services business of the Company increased by 9.41% from RMB8,506.4 million in 2019 to RMB9,306.6 million in 2020. The increase was higher than revenue growth over the same period, which was mainly due to the increase rate in the cost of power transmission and transformation business and new energy business was higher than that of the revenue.

The gross profit before inter-segment elimination of survey, design and consulting services business of the Company was RMB4,647.6 million and RMB4,788.5 million in 2019 and 2020, respectively, and the gross profit margin of the segment during the same period was 35.33% and 33.97%, respectively, representing a slight year-on-year decrease.

3.2 Construction and Contracting Business

This business generates revenue primarily from providing construction services for construction projects in China and overseas.

Revenue before inter-segment elimination of construction and contracting business of the Company increased by 14.08% from RMB185,425.1 million in 2019 to RMB211,539.0 million in 2020. The increase was mainly due to the increase in income from non-power business driven by new energy general contracting business and PPP projects.

Cost of sales before inter-segment elimination of construction and contracting business of the Company increased by 13.81% from RMB169,910.9 million in 2019 to RMB193,372.2 million in 2020, which was generally in line with the increase in revenue.

The gross profit before inter-segment elimination of construction and contracting business of the Company was RMB15,514.2 million and RMB18,166.8 million in 2019 and 2020, respectively, and the gross profit margin of the segment for the same period was 8.37% and 8.59%, respectively, remaining steady on a year-on-year basis.

3.3 Industrial Manufacturing Business

This business generates revenue primarily from the design, manufacture and sale of equipment for use in the fields of power industry, including ancillary equipment for power plants, power grid equipment, steel structure and energy conservation and environmental protection equipment, manufacture and sale of civil explosives and cement products, and the provision of explosive service.

Revenue before inter-segment elimination of industrial manufacturing business of the Company increased by 1.58% from RMB23,710.6 million in 2019 to RMB24,084.9 million in 2020, remaining steady on a year-on-year basis.

Cost of sales before inter-segment elimination of industrial manufacturing business of the Company increased by 2.10% from RMB17,243.5 million in 2019 to RMB17,604.8 million in 2020, which was basically in line with the increase in revenue.

The gross profit before inter-segment elimination of industrial manufacturing business of the Company was RMB6,467.1 million and RMB6,480.1 million in 2019 and 2020, respectively, and the gross profit margin of the segment for the same period was 27.28% and 26.91%, respectively, remaining steady on a year-on-year basis.

3.4 Clean Energy, Environmental Protection and Water Utilities Business

This business generates revenue primarily from businesses including power generation business, environmental protection business and water plant construction and operation, etc.

Revenue before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company decreased by 26.26% from RMB16,173.2 million in 2019 to RMB11,926.7 million in 2020, the decrease was mainly due to the decline in revenue from the environmental protection business segment.

Cost of sales before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company decreased by 30.32% from RMB15,676.8 million in 2019 to RMB10,923.9 million in 2020, which was generally in line with the changes in revenue.

The gross profit before inter-segment elimination of clean energy, environmental protection and water utilities business of the Company was RMB496.4 million and RMB1,002.8 million in 2019 and 2020, respectively, while the gross profit margin of this segment during the same period was 3.07% and 8.41%, respectively, which was mainly due to the increase in the proportion of revenue and gross profit from the water utilities business and power generation business with higher gross profit margin.

3.5 Investment and Other Businesses

This business generates revenue primarily from real estate development, expressway operation, financial services and other businesses.

Revenue before inter-segment elimination of investment and other businesses of the Company increased by 11.22% from RMB19,534.8 million in 2019 to RMB21,726.7 million in 2020, the increase was primarily due to the increase in income from real estate development business and financial service business.

Cost of sales before inter-segment elimination of investment and other businesses of the Company increased by 14.96% from RMB14,141.7 million in 2019 to RMB16,257.0 million in 2020. This increase was slightly higher than the revenue growth over the same period, which was mainly due to the increase rate in the cost of real estate development business and financial services business, which accounted for a large proportion of revenue and gross profit, was greater than the increase in revenue.

The gross profit before inter-segment elimination of investment and other businesses of the Company was RMB5,393.1 million and RMB5,469.7 million in 2019 and 2020, respectively. Gross profit margin of the segment decreased from 27.61% in 2019 to 25.18% in 2020, which was mainly due to the decline in gross profit from real estate development business and financial service business.

4 CASH FLOW

	For the year ended 31 December	
	2020	2019
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Net cash (used in)/generated from operating activities	6,490.1	10,963.6
Net cash (used in)/generated from investing activities	(20,191.8)	(14,513.3)
Net cash (used in)/generated from financing activities	<u>22,136.5</u>	<u>(1,974.3)</u>
Net increase/(decrease) in cash and cash equivalents	8,434.8	(5,524.0)
Cash and cash equivalents at the beginning of the year	42,624.5	47,643.1
Effects of exchange rate changes	<u>(1,198.1)</u>	<u>505.5</u>
Cash and cash equivalents at the end of the year	<u><u>49,861.2</u></u>	<u><u>42,624.6</u></u>

4.1 Cash Flow Generated from Operating Activities

The net cash generated from operating activities decreased from RMB10,963.6 million in 2019 to RMB6,490.1 million in 2020, representing a decrease of RMB4,473.5 million or 40.80%, which was mainly attributable to: (i) the increase in taxes such as prepaid value-added tax and the payment of income tax, which affected the cash outflow of RMB5,018.8 million, and the increase in other

payables such as taxes and fees, which affected the cash outflow of RMB3,609.0 million; (ii) the corresponding increase in contract assets and contract liabilities, which comprehensively affected the cash outflow of RMB932.4 million. The decrease was partially offset by the increase in contract construction receivables, which affected the cash inflow of RMB13,935.9 million.

4.2 Cash Flow Used in Investing Activities

Net cash used in investing activities increased from RMB14,513.3 million in 2019 to RMB20,191.8 million in 2020, representing an increase of RMB5,678.5 million or 39.13%, which was mainly attributable to: (i) payment of RMB14,959.2 million for the purchase of intangible assets, property, plant and equipment; (ii) an increase of RMB9,892.5 million in capital injection to associates and joint ventures; (iii) an increase of RMB6,113.9 million in the purchase of financial assets. The cash outflows were partially offset by RMB5,658.8 million in cash obtained from the disposal of financial assets and RMB3,364.4 million obtained by the recovery of funds from related parties.

4.3 Cash Flow Generated from Financing Activities

The net cash generated from financing activities increased from RMB-1,974.3 million in 2019 to RMB22,136.5 million in 2020, representing an increase of RMB24,110.8 million, which was mainly attributable to: (i) new loans and bonds of RMB40,458.0 million; (ii) issuance of perpetual capital instruments of RMB14,804.4 million. The cash inflows were partially offset by the following items: repayment of bank borrowings, other borrowings and corporate bonds of RMB31,861.9 million; payment of borrowings and bond interest of RMB5,395.9 million, payment of dividends of RMB1,069.6 million to equity holders and holders of perpetual capital instruments.

5 CAPITAL EXPENDITURE

In the past, the Company incurred capital expenditures primarily for expenditures on property, plant and equipment, as well as intangible assets (such as concession rights of toll roads). The following table sets forth the components of capital expenditures of the Company for the years indicated:

	For the year ended 31 December	
	2020 (RMB in million)	2019 (RMB in million)
Property, plant and equipment	7,823.4	6,084.0
Intangible assets	10,744.3	12,459.8
Investment properties	21.3	—
Total	18,589.0	18,543.8

6 CAPITAL AND FINANCIAL POLICIES

The Finance and Property Department of the Company is responsible for the capital and financial policies for the Company's overall business operations. The Company expected to jointly finance its management capital and other capital needs from a variety of sources, including but not limited to internal financing and external financing at a reasonable market interest rate. The Group continued to focus on improving return on equity and assets while maintaining prudent capital and financial policies.

7 INDEBTEDNESS

As at 31 December 2020, the Company's total liabilities amounted to RMB338,123.1 million and total assets amounted to RMB476,052.0 million, with a gearing ratio of 71.03%, representing a decrease of 2.1 percentage points from 73.13% for last year. The Company's total indebtedness amounted to RMB117,158.8 million. The following table sets forth the details of bank borrowings, other borrowings and corporate bonds of the Company as at the dates indicated:

	As at 31 December	
	2020	2019
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Long-term		
Bank borrowings		
Unsecured	29,288.9	26,552.0
Secured	33,568.3	26,012.0
Other borrowings		
Secured	117.7	11.9
Corporate bonds ⁽¹⁾	9,995.4	18,393.6
Subtotal	72,970.3	70,969.5
Short-term		
Bank borrowings		
Unsecured	12,731.8	15,249.2
Secured	4,764.5	3,195.4
Other borrowings		
Unsecured	17,588.3	15,188.2
Secured	79.5	53.0
Corporate bonds ⁽¹⁾	9,024.4	1,385.0
Subtotal	44,188.5	35,070.8
Total	117,158.8	106,040.3

Note:

- (1) The corporate bonds of the Company are unsecured medium-term notes and corporate bonds.

The following table sets forth the bank and other borrowings mainly denominated in currencies other than the functional currencies of respective entities:

	As at 31 December	
	2020 (RMB in million)	2019 (RMB in million)
USD	13,142.1	14,147.7
EUR	537.7	–
JPY	113.4	120.1
Brazilian Real	2,785.0	3,947.2
Total	16,578.2	18,215.0

The following table sets forth the guaranteed portion of bank borrowings and other borrowings of the Company:

	As at 31 December	
	2020 (RMB in million)	2019 (RMB in million)
Guaranteed by:		
Third parties	113.4	120.1
Total	113.4	120.1

The following table sets forth the maturity profile of indebtedness of the Company as at the dates indicated:

	As at 31 December	
	2020 (RMB in million)	2019 (RMB in million)
Repayable within 1 year	44,188.5	34,043.2
Repayable after 1 year but within 2 years	6,672.9	20,243.8
Repayable after 2 years but within 3 years	19,318.5	4,747.7
Repayable after 3 years but within 4 years	5,451.7	7,185.3
Repayable after 4 years but within 5 years	1,336.4	5,770.9
Repayable after 5 years	40,190.8	34,049.4

	As at 31 December	
	2020	2019
	(RMB in million)	(RMB in million)
Total	<u>117,158.8</u>	<u>106,040.3</u>

The following table sets forth the effective interest rate ranges of bank borrowings, other borrowings and corporate bonds of the Company as at the dates indicated:

	As at 31 December	
	2020	2019
	%	%
Bank borrowings	1.05-7.50	1.05-8.00
Other borrowings	4.00-4.79	3.92-4.90
Corporate bonds	3.14-5.37	3.14-5.37

The following table sets forth the fixed and floating rate of bank and other borrowings of the Company as of the dates indicated:

	As at 31 December			
	2020		2019	
	(RMB in million)	%	(RMB in million)	%
Fixed rate bank and other borrowings	51,178.3	1.05-6.70	46,409.8	1.05-8.00
Floating rate bank and other borrowings	<u>46,960.6</u>	2.30-7.50	<u>39,851.9</u>	1.20-7.50
Total	<u>98,138.9</u>		<u>86,261.7</u>	

Bank borrowings of the Company were incurred primarily for the purposes of working capital and investment in fixed assets. Other borrowings mainly represented deposits of Energy China Group and its subsidiaries (excluding the Company) with China Energy Engineering Group Finance Co., Ltd.

Indebtedness of the Company increased by RMB11,118.5 million from 1 January 2020 to 31 December 2020, mainly due to: (i) the discount of certain banks and commercial acceptance bills did not meet the conditions for derecognition, resulted in an increase of RMB2.66 billion in borrowings; (ii) issuance of short-term financing bills of RMB3.00 billion by CGGC Group; (iii) increase in borrowings for PPP projects of RMB3.33 billion by certain subsidiaries during the year.

The Company did not have any material defaults in payment of bank borrowings or breaches of other debt financing obligations or breaches of any restrictive terms. In addition, as at 31 December 2020, the Company had RMB35.20 billion of authorized but unissued debt securities, namely the unsecured and unguaranteed corporate bonds and perpetual bonds.

As at 31 December 2020, the Company had RMB475.73 billion of unutilized and unrestricted bank facilities. As at the Latest Practicable Date, the Company was not subject to any material restrictive terms in the borrowings.

8 PLEDGE OF ASSETS, CONTINGENCIES AND CONTINGENT LIABILITIES

8.1 Pledge of Assets

As at 31 December 2020, the Company's assets with the following carrying amounts have been pledged to secure general banking facilities (including bank borrowings, bills payable and letter of credit):

	As at 31 December	
	2020	2019
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Property, plant and equipment	821.5	1,248.2
Intangible assets	31,357.3	26,464.9
Trade and bills receivables	18,101.2	5,090.3
Properties under development for sale	17,291.5	18,690.3
Bank deposits	5,836.5	5,242.2
Total	73,408.0	56,735.9

8.2 Contingencies

(a) The Company was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Company on those legal proceedings and claims when the management can reasonably estimate the outcome of the legal proceedings and claims taking into account the legal advice.

(b) Guarantees

The following contingent liabilities arise from guarantees given to banks and non-financial institutions in respect of certain facilities, as well as mortgage loan guarantees provided to banks in favor of the customers of the Company.

	As at 31 December	
	2020	2019
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Guarantees given to banks and other financial institutions in respect of loan facilities granted to:		
Associates	1,329.3	1,532.2
Joint ventures	18.0	18.0
Third parties	1,390.5	243.4
Investee recognised as financial assets at FVOCI	18.2	21.4
	2,756.0	1,815.0
Mortgage loan guarantees provided by the Company to banks in favor of its customers	4,681.1	1,578.2
Total	7,437.1	3,393.2

The Company had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Company's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Company is responsible for repaying the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Company is then entitled to take over the legal title of the related properties. The guarantee periods commence from the dates of grant of the relevant mortgage loans and end after the buyer obtained the individual property ownership certificate. The fair values of these financial guarantee contracts of the Company are insignificant at initial recognition, and the possibility of default by the relevant buyers is remote and, in case of default in payments, the net realizable value of the related properties can recover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Accordingly, no provision has been made in the consolidated financial data for these guarantees.

At initial recognition, the fair value of these guarantee contracts is insignificant. There has been no material change in contingent liabilities of the Company since 31 December 2020 and up to the Latest Practicable Date.

8.3 Contingent Liabilities

(I) Legal proceedings with financial institutions

During the year ended 31 December 2020 and the year ended 31 December 2019, Gezhouba Huanjia and Huanjia Connected Suppliers were involved as defendants in 20 legal proceedings with certain financial institutions. Mr. Wang Jinping was also one of the defendants in certain above-mentioned legal proceedings.

As of 31 December 2020, these financial institutions sued Gezhouba Huanjia and other defendants for repayment of loans amounted to RMB1,056 million in total (2019: RMB1,056 million). Most of the above-mentioned legal proceedings have been rejected by courts given these legal proceedings are subject to the conclusions of the Investigation as there are in duty related crimes and/or crimes involved. Based on the advice from the Company's legal counsel, the Directors believe that Gezhouba Huanjia will be possibly sued by these financial institutions and subject to further investigations after the completion of the Investigation and that Gezhouba Huanjia may lose these proceedings under further investigations. As at 31 December 2020, given the Investigation is yet to be concluded, the Company cannot reasonably estimate the outcome and potential financial impact, if any, of the above-mentioned legal proceedings.

(II) Legal proceedings with lenders other than the financial institutions ("other lenders")

During the year ended 31 December 2020 and the year ended 31 December 2019, Gezhouba Huanjia and Huanjia Connected Suppliers were involved as defendants in 4 legal proceedings with 3 other lenders. Mr. Wang Jinping was also one of the defendants in certain above-mentioned legal proceedings.

As at 31 December 2020, the Group made full provision for estimated liabilities of RMB119 million (2019: RMB0) for the 3 legal proceedings with other lenders that were likely to cause losses to the Group in the above legal proceedings based on the rulings of the court. The remaining one legal proceeding with amount sued of RMB268 million was rejected by the court, given the legal proceeding is subject to the conclusion of the Investigation. Based on the advice from the Company's legal counsel, the Directors believe that Gezhouba Huanjia will be possibly sued by the other lenders after the completion of the Investigation. Subject to further investigations, Gezhouba Huanjia may lose the proceeding. As at 31 December 2020, given the Investigation is yet to be concluded, the Company cannot reasonably estimate the outcome and potential financial impact, if any, of the above-mentioned legal proceedings.

(III) Legal proceedings with Huanjia Connected Suppliers

Gezhouba Huanjia was involved as defendants in 3 legal proceedings with Huanjia Connected Suppliers. As at 31 December 2020, the Group has made full provision for estimated liabilities of RMB148 million (2019: RMB0) for the above 3 legal proceedings that were likely to cause losses to the Group based on the rulings of the court.

(IV) Legal proceedings with other parties

Gezhouba Huanjia was also involved as defendant in 27 legal proceedings with other parties in the ordinary course of business. CGGC Green Technology was also one of the defendants in above-mentioned legal proceedings. As at 31 December 2020, the Group has made full provision for estimated liabilities of RMB46 million (2019: RMB0) for the 10 legal proceedings that were likely to cause losses to the Group in the above legal proceedings based on the rulings of the court. 17 legal proceedings with amount sued of RMB102 million was still in process. Based on the advice from the Company's legal counsel, the Company is of the opinion that the likelihood of an outflow of economic benefits in relation to the above-mentioned outstanding legal proceedings is remote.

9 IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's overseas operating environment and has impacted the Group's operations and financial position.

As far as the Group's businesses are concerned, the COVID-19 pandemic has resulted in a decrease in revenue from its overseas operations in 2020. The exact timing and extent of recovery of the Group's overseas business are still uncertain and subject to the development of the COVID-19 pandemic. Nonetheless, the Directors of the Company is optimistic that the COVID-19 pandemic will eventually be under full control, and the Group will continue to closely monitor the situation and implement contingency measures, where necessary in a view to reduce the impacts from the COVID-19 pandemic.

10 RISK**10.1 Business Risk***1. Macroeconomic risk*

Great changes that have not been seen in the world in a century are currently accelerating. Changes in the global strategic pattern, vaccine research and development progress as well as economic openness have a profound impact on overall economic transformation and upgrading, industry development and company reform and development in the PRC. Although the domestic pandemic has been effectively controlled and the economic situation is improving, the downward pressure is still relatively high. 2021 is the first year of the "14th Five-Year Plan", it is expected that the new fiscal and monetary policies, regional coordinated development policies and industrial policies will play a joint role, especially the "carbon peak and carbon neutral" strategy of China, will bring positive energy to the power market.

Countermeasures: The Company will strengthen the analysis of the macroeconomic situation, closely follow the development trend of the industry, and prevent the risk of policy mutation; actively carry out relevant industrial policy research, seize opportunities

to carry out the top-level design and layout of the development of related industries; strengthen the sharing of internal information, and improve the Company's overall sensitivity to policy changes and the ability to link up and down.

2. *International operation risk*

Affected by the overall global political and economic environment, it is still difficult to expand overseas markets for us. The rebound of the overseas pandemic has led to the continued risk of disruption of the global industrial chain and supply chain, and also restricted the flow of personnel, and it is generally difficult to perform international projects. Continued spread of unilateralism and extremism and political changes in some countries or regions have brought threats to the Company's property and our employees' personal safety. The chaos of elections in some countries or regions, the continuous adjustment of policies and laws and regulations, the lack of national governance capabilities, the shortage of funds for infrastructure construction and the large fluctuations in exchange rates have caused us to face the risk of financial losses.

Countermeasures: The Company will use the overall advantages of the Group to promote the coordinated development of business segments and enhance the competitiveness in the international market; continue to improve the layout of the international business market, strengthen risk tracking and early warning of key projects and key countries; actively and steadily carry out the prevention and control of overseas pandemics, and promote the normal performance of international projects.

3. *Safe production risk*

Risks such as safety production risks in the traditional construction field, safety risks in new businesses and new areas and safety risks in overseas businesses are intertwined. In addition, affected by factors such as the need to strengthen the foundation of production safety and the uneven quality of employees, production safety accidents are prone to occur, resulting in loss of life and property. Once a company has been identified as an untrustworthy subject for safety production violations, it will be included in the "blacklist" for joint punishment by relevant authorities, which will bring major risks to the Company's reform and development.

Countermeasures: The Company will fully implement the safety production requirements of "twelve in place", including (among others) risk identification and control in place, system in place, measures in place, rigid training in place, resource allocation in place and reward and punishment mechanism in place, and resolutely prevent systemic and disruptive safety production risks.

4. *Investment risk*

With the continuous expansion of investment business and the continuous expansion of its field, the scale of investment may grow rapidly, and investments may face the risk of scientific decision-making; investment projects in new business areas may face the risk that

projects cannot achieve the expected return due to the insufficient feasibility studies, sudden changes in industry development policies and poor management. In addition, in the post-pandemic era, economic growth will slow and financial supervision will become increasingly stringent. Therefore, there may be various risks such as financing difficulties, increased costs and reduced benefits or the failure of the project.

Countermeasures: The Company will continue to strengthen investment policy research, grasp the development trend of the industry, and improve the investment management system; systematically plan the investment industry layout, adhere to the principles of pre-calculation and selection of the best, focus on risk management and control, and solidly carry out investment business; strengthen the investment process management to ensure continuous improvement of project quality and efficiency.

5. *Project performance risk*

Since the outbreak of the COVID-19 pandemic, the resources and organization of projects have been affected by the prevention and control measures for the pandemic, and there have been problems such as poor contract performance and project delays in engineering projects. In order to speed up the progress of the contract performance and achieve the target milestone on time, there may be problems with inadequate subcontracting supervision, which may lead to problems in construction quality. The increase in labor costs caused by the pandemic, the capital investment for pandemic prevention measures and the increase in the costs of resources and organization, resulted in increased project implementation costs, and the project's operating benefits may be greatly affected.

Countermeasures: Under the premise of effective pandemic prevention and control, the Company will increase resource and organization, strengthen internal coordinated operations, effectively integrate internal and external resources, further optimize construction organization and technical plans, and take all effective measures to promote normal project performance; at the same time, we will comprehensively strengthen the project management infrastructure, increase supervision and inspection efforts, strengthen subcontracting management throughout the process, strengthen cost control and change and claims management, continuously improve the level of refined management, prevent project performance and operating risks, and ensure that the project achieves expected business objectives.

10.2 Exchange Rate Fluctuation Risk

Most businesses of the Company are operated in China, thus the functional currency applied in the financial statements of the Company is RMB. The Company plans to continue to expand the overseas business, and it is expected that, as a result, the incomes and expenses dominated in foreign currencies will increase significantly. The exchange rate fluctuation may have influence on the service pricing and the expenses of procurement of materials and equipment by the Company in foreign exchange and therefore influence the financial position and operating performance of the Company.

Countermeasures: The Company will use contracts, financial tools and others to prevent and control risks, make reasonable commercial arrangements, and select appropriate foreign currencies and exchange rates for foreign exchange settlement or payment to prevent exchange rate fluctuation risk.

11 NUMBER OF EMPLOYEES, SHARE OPTION SCHEME AND TRAINING PROGRAM

At the end of 2020, the Company has a total of 117,830 employees, and a legion of high-quality talents, including 37,398 management personnel, 39,510 professional technicians and 24,980 skilled operators.

The Company has 15,402 talents with various national registered qualifications. Also, the Company has a team of top talents of China, including 33 experts who enjoy the State Council governmental special subsidies, 6 national engineering survey and design masters, 2 national nuclear industry engineering survey and design masters, 5 national candidates of the “Millions of Talents of the New Century” project, 2 national young and middle-aged experts with outstanding contribution and 24 national technical experts.

The Company attaches high importance to the education and training of the employees. The Company increased the input of the education and training expenditure and enhanced the employee’s quality and professional skills continuously. The Company planned to train 552,400 employees in 2020 and actually trained 659,400 employees, including on-the-job trainings for 451,300 employees, continuing education trainings for 32,200 employees and other trainings for 175,900 employees.

12 PLANS OF THE COMPANY FOR SIGNIFICANT INVESTMENT OR PURCHASE OF CAPITAL ASSET

(I) Situation of Real Estate Projects

As of 31 December 2020, the Company held 31 operating real estate projects exceeding 5% of the Company’s market value, all of which are existing projects. Details are shown in the table below.

No.	Name of projects	Location	Land area (square meters)	GFA (square meters)	The Company’s shareholding percentage	Percentage of completion	Note
1	Beijing China Residence	Beijing	104,578	347,037	100%	76.93%	
2	Beijing Zijun Orchid Court	Beijing	74,773	241,764	100%	92.04%	
3	Shanghai Yulan Garden South	Shanghai	115,759	258,228	100%	99.76%	
4	Shanghai Yulan Garden North	Shanghai	119,426	175,624	100%	69.72%	

Table of Situation of Operating Real Estate Projects

No.	Name of projects	Location	Land area (square meters)	GFA (square meters)	The Company's		Note
					shareholding percentage	Percentage of completion	
5	Shanghai Zijun Mansion	Shanghai	25,267	62,287	100%	97.46%	
6	Shanghai Rose Mansion	Shanghai	15,086	31,346	51%	99.14%	
7	Suzhou Zijun Orchid Court	Suzhou	74,775	263,160	22%	74.93%	Non-consolidated item
8	Project 20 in Suzhou	Suzhou	38,557	63,300	100%	75.27%	
9	Nanjing China Residence	Nanjing	26,380	114,033	100%	89.78%	
10	Nanjing Zijun Orchid Court	Nanjing	143,744	559,642	35.70%	73.17%	
11	Nanjing Zijun Residence	Nanjing	45,636	135,718	51%	92.26%	
12	Nanjing G30 Project	Nanjing	42,783	232,925	33.90%	67.12%	Non-consolidated item
13	Nanjing Guyin Orchid Court	Nanjing	24,499	95,741	35.70%	85.69%	Non-consolidated item
14	Nanjing G49 Project	Nanjing	43,708	173,306	100%	75.24%	
15	Hangzhou Jing Lin Longfor Mansion	Hangzhou	42,907	141,691	34%	94.15%	Non-consolidated item
16	Hangzhou China Residence	Hangzhou	56,755	229,319	70%	60.88%	
17	Hefei Zijun Residence	Hefei	42,901	111,027	100%	93.97%	
18	Heifei China Residence – Phase I and III	Hefei	68,482	182,997	100%	86.35%	
19	Wuhan Zijun Orchid Court	Wuhan	58,304	267,732	100%	61.55%	
20	Wuhan Jiangyue Orchid Court	Wuhan	47,315	204,490	30%	60.90%	Non-consolidated item
21	Wuhan International Plaza South	Wuhan	42,570	364,000	50%	69.29%	Non-consolidated item

Table of Situation of Operating Real Estate Projects

No.	Name of projects	Location	Land area (square meters)	GFA (square meters)	The Company's		Note
					shareholding percentage	Percentage of completion	
22	Wuhan International Plaza North	Wuhan	59,171	311,258	100%	99.62%	
23	Wuhan Kunyu Residence	Wuhan	107,544	779,370	40%	73.68%	Non-consolidated item
24	Wuhan City Garden Phase II	Wuhan	40,319	219,632	100%	99.33%	
25	Chongqing Expo City	Chongqing	618,622	1,615,764	49%	83.81%	Non-consolidated item
26	Chongqing European Garden	Chongqing	813,401	2,073,763	49%	68.13%	Non-consolidated item
27	Chongqing Bishan Project	Chongqing	120,838	353,211	100%	44.34%	
28	Chengdu Zijun Orchid Court	Chengdu	99,626	334,424	51%	93.57%	
29	Guangzhou Zijun Residence	Guangzhou	35,272	207,579	100%	88.40%	
30	Guangzhou Nansha Project	Guangzhou	342,754	1,048,426	61.82%	27.96%	
31	Hainan Haitang Blessed Bay	Sanya	374,200	298,617	100%	81.30%	

(II) Future Investment Orientation

The Company will adhere to the principles of “value investment, full life cycle investment, rational investment and high-quality investment”, build a multi-level investment development system, vigorously increase the proportion of investment in upgrade projects of traditional energy and new energy projects, and optimize the layout of industries, regions and resources. The Company will actively carry out mergers and acquisitions and reorganization of high-quality assets in the PRC and abroad. In accordance with the principles of making up for shortcomings, strengthening weaknesses, promoting advantages and increasing strength, we will quickly cut into emerging industries and regions such as new urbanization and prefabricated buildings, and accelerate the establishment of the Company’s new competitive advantages in the fields of hydrogen energy, comprehensive water environment management, rail transit, airports, etc., and play the leading role of investment mergers and acquisitions to forge a better and new development pattern.

The Company will continue to optimize financing strategies, reduce financing costs, coordinate the use of multi-channel financing such as mixed reforms, funds and insurance funds, increase the proportion of equity financing, and strengthen the ability to obtain bank loans, bond issuance and other debt funds; and to revitalize the stock investment assets and enhance the depth and efficiency of industry-finance integration through equity transfers, asset securitization, REITs and other channels.

On 27 October 2020, the Company entered into the merger agreement with CGGC regarding the possible absorption of CGGC through share swap. Upon the full implementation of the merger, the Company will (among other things) issue a total of 11,645,760,553 A shares to shareholders of CGGC (except CGGC Group) who are registered on the equity registration date of Implementation of the merger, in exchange for the shares of CGGC held by these shareholders. The board of directors of both parties to the merger will separately announce the share registration date of Implementation of the merger after the merger being approved by the China Securities Regulatory Commission. Upon the completion of the merger, CGGC will terminate its listing on the Shanghai Stock Exchange. As its surviving company, the Company will inherit and undertake all the assets, liabilities, business, contracts, qualifications, personnel and all other rights and obligations of CGGC through the receiving party, CGGC Group. CGGC will eventually cancel its legal personality. The Company will apply for listing of the A shares issued by the Company as a result of the merger on the main board of the Shanghai Stock Exchange. The Company's original domestic shares will be converted into A shares and be applied for listing on the main board of the Shanghai Stock Exchange. For details, please refer to the Company's announcement dated 27 October 2020. As of the date of this announcement, no general meeting of shareholders has been held to review and approve the merger. The Company will continue to pay attention to the matter and promptly make disclosure. In 2020, except for the above projects, the Company does not hold major investment projects which must be reviewed and approved by the Board meeting according to the Articles of Association.

(III) Progress of Mixed Ownership Reform

As of the end of 2020, one subsidiary under the Company that has completed the mixed ownership reform is Hunan Institute. Through the mixed ownership reform, the subsidiary took improved governance as its guidance, further clarified the power and responsibility boundaries of each governance bodies, and improved the upstream and downstream industrial chain. The subsidiary is currently operating well, and its operating data for 2020 has been significantly improved as compared to 2019.

In the next step, the Company will closely follow the national policy, and in accordance with the requirements of improving governance, strengthening incentives, highlighting the main business and improving efficiency, starting with "promoting advantages and supplementing deficiencies" as well as improving the expansion of the industrial chain, the Company will actively and steadily deepen the reform of mixed ownership in its subsidiaries at all levels based on their actual situations, as well as emancipate their mind, innovate boldly, and enhance their vitality and efficiency.

13 GEARING RATIO

As at 31 December 2020, the gearing ratio of the Company was 84.9%, representing a decrease of 8.7 percentage points as compared to 93.6% for the same period of 2019. Gearing ratio represents interest-bearing debts divided by total equity at the end of the year.

14 OUTLOOK

According to the prediction of the Center for Forecasting Science of Chinese Academy of Sciences, due to the low economic growth base in 2020, and taking into account the cross-cyclical design and adjustment of macro control, China's economic growth rate is expected to be around 8.5% in 2021, representing a significant increase from 2020. The economic trend throughout the year will show a trend of being high at the beginning and declining afterwards, with the growth rates of approximately 16.3%, 7.3%, 6.3% and 5.9% in the first, second, third and fourth quarter, respectively. In particular, the value-added growth rates of the primary industry, secondary industry and tertiary industry are to be 3.2%, 9.5% and 8.4%, respectively. The contribution of consumption, investment and net exports to GDP growth rate will be 4.9, 3.3 and 0.3 percentage points, respectively.

(I) Domestic Power Market

Looking forward to 2021 and the period of "14th Five-Year Plan", the power industry will remain to be one of the foundations supporting China's economic development. It is expected that energy conservation and emission reduction of the **coal-fired power** will accelerate and expand; the **natural gas power** will continue to maintain a steady development momentum since the "13th Five-Year Plan"; the new conventional **hydropower** will mainly focus in Sichuan province and Yunnan province; the investment and development in the **wind power** industry will become more rational, and all wind power grid-connected subsidies will be ended at the end of 2021, with a large number of wind power projects connected to the grid, which may squeeze a certain room of growth of the PV power. Together with the reduction in subsidies and the narrowing of profit from the development side of the PV power, the growth of the scale of the PV power will slow down. In the future, the major new **nuclear power** projects of China will be concentrated in Tianwan, Hongyanhe, Fuqing, Fangchenggang and Shidaowan nuclear power plants, etc. It is expected that the overall annual average new installed capacity of biomass power generation during the "14th Five-Year Plan" will achieve 2.5 million KW focusing on waste incineration power generation.

(II) Domestic Non-power Market

In general, infrastructure construction will remain an important means of stabilizing economic growth of China, and there shows a significant trend of recovery in the non-power infrastructure construction market, particularly:

- (1) Hydropower projects: In 2021, China will accelerate the construction of 150 major hydropower projects, including flood control and calamity reduction, optimization of water resources allocation and water ecological protection and restoration, and will gradually focus on water resources deployment and safety (urban and rural water

environment). The strategical major hydropower projects comprise of the subsequent projects of eastern and middle lines and the west line project of the South-to-North Water Diversion Project.

- (2) Transport projects: In 2021, the transportation development of China will be in a period of recovery and growth in general, and focus on optimizing the comprehensive three-dimensional transportation network, developing modern logistics, perfecting business environment, accelerating the promotion of development of smart transportation and vigorously developing green transportation.
- (3) Urban infrastructure: In 2021, China will build an urban system with central cities, metropolitan areas and urban communities as the main body, and coordinated development of large, medium and small cities and small towns. China will carry out the urban ecological restoration and functional improvement project, and comprehensively promote the transformation of old communities in cities and towns. China will systematically promote the construction of sponge cities across the country, coordinate the promotion of urban waterlogging treatment, and consolidate the effectiveness of urban black and odorous water treatment.
- (4) Housing construction: In 2021, China will steadily implement the real estate long-term mechanism and plan, strengthen the responsibilities of the city as the main body, improve policy coordination, control and linkage, monitoring and early warning, public sentiment guidance, market supervision and other mechanisms so as to maintain the stable operation of the real estate market. China will steadily promote the transformation of shanty towns.

(III) International Market

According to the prediction of the Chinese Academy of Social Sciences, the growth rate of the world economy scale in 2021 will be 5.5% in terms of purchasing power parity and 5.2% in terms of market exchange rates, both up by 9.9 percentage points from 2020. In 2020, China and 15 countries signed the “Regional Comprehensive Economic Partnership”, continuously deepening the “Belt and Road” initiative and other international cooperation, constantly promoting “Made in China” to the world. The infrastructure construction, as one of the primary means for counter-cyclical adjustment of all countries and regions during the epidemic, will bring huge market space.

- (1) In the medium and long run, the international market will remain in a period of development opportunities. In 2020, the COVID-19 epidemic spread globally. Various countries have successively launched unprecedented stimulus plans. After the global epidemic is gradually under control and under the quantitative easing environment, increasing infrastructure investment and improving livelihood will become important means for countries to stimulate economy. The Company will exert the advantages of global layout and proactively grasp opportunities in the international project construction market. Meanwhile, during the course of the global anti-pandemic, bilateral economic and trade and third-party market cooperation between China and the

European Union, Japan, South Korea and Middle Eastern countries will usher in better “opportunities of window”. The Company will strengthen foreign cooperation in the international market and promote project development and effective financing.

- (2) The global power construction market is picking up. According to the “Power Market Report” issued by the International Energy Agency (IEA), the global power demand is expected to increase by approximately 3% in 2021, the power generation of renewable energy will continue to grow by more than 6%. In the future, the Company will strengthen cooperation with financial and insurance institutions while consolidating its traditional power business, continue to explore in depth the international market, and expand investment, construction and operation services in the fields of new energy and new businesses of energy.
- (3) There is huge potential of the international non-power infrastructure construction. According to the “Country Guidelines for Infrastructures (基礎設施國別指南)” issued by the Global Infrastructure Hub (GIH) in 2020, it is expected that the global infrastructure investment gap will be approximately USD15 trillion in the next 20 years. The Company will continue to promote the transformation of non-power business, improve qualifications and enrich performance, enhance the construction and operation service level of non-power infrastructure, perfect the diversified development structure with the power sector as the core and non-power infrastructure sector as the focus, and push ahead high-quality development of international business.

(IV) The Company’s Development Measures and Prospects in 2021

In accordance with the new trend, new tasks and new requirements, as for production and operation, the Company will strive to achieve faster growth of key indicators, higher operational quality and efficiency and better management level in 2021. Specifically, the Company will uphold the concepts of “market being the lifeline of the enterprise” and “customer-oriented, order first”, deepen the important strategic markets in China, profoundly reshape the Company’s marketing system, and coordinate the promotion of market development in the “whole power, whole city, whole transportation and whole water transport” and other whole fields.

(V) Development Outlook of the Company during the “14th Five-Year Plan”

During the “14th Five-Year Plan” and a certain period in the future, the Company will strengthen the high-end layout in upstream of industrial chains and value chains in compliance with the principle of vertical integration, horizontal diversification and highlighting professionalism, and build a new layout of business development with outstanding main business supporting by diversified supplementary businesses, professional uniqueness and multi-polarity, gradually forming an industrial system with focus on both engineering and construction as well as investment and operation, integration of main industries and principle businesses with capital and finance, and mutual promotion and coordinated development of multiple fields, thereby optimizing the productivity and industrial layout.

1. Focus on three major increments and optimize business layout.

Firstly, the Company will focus on the increment of optimized development and integrated development of traditional businesses. The Company will extend, expand and strengthen the whole industrial chain in the traditional power field, focus on new industrial cities, comprehensive urban development and new urbanization businesses, and optimize the development of real estate business. The Company will merge with and acquire high-quality civil explosive entities, vigorously implement the strategy of going out as for cement business. The Company will expand the supply, mixing of urban aggregates, mining gravel business, as well as optimize the development of high-end equipment manufacturing business. **Secondly**, the Company will focus on the increment in new energy and comprehensive energy and other emerging energy fields. The Company will vigorously develop the new energy project market, conduct investment in the new energy industry, actively step into the energy storage and other related industries and perform research on transaction mechanisms. The Company will continue to improve the competitiveness of geothermal business and proactively participate in high-quality geothermal project investment. The Company will accumulate energy Internet planning and design technical strengths and project construction experience. The Company will enter into the field of charging piles for new energy automobiles, track and study the development trend of hydrogen energy, and grasp the development opportunities in the hydrogen energy industry. **Thirdly**, the Company will focus on the increment in the field of non-power infrastructure and urban construction. The Company will seize the opportunity of construction of major national water conservancy projects for grasping the market. The Company will accumulate project performance, improve qualification capabilities, actively explore highway business and participate in railway and airport investment and construction. The Company will concentrate in urban rail transits, municipal roadways, integrated pipeline corridors, sponge cities and smart cities, energetically develop the municipal business and urban construction market. The Company will concentrate in watershed treatment, water environment treatment, sewage treatment and garbage treatment (including solid waste treatment), and vigorously develop ecological environmental protection business.

2. Consolidate and strengthen the whole industrial chain and improve the integrated development level.

Firstly, the Company will consolidate and strengthen the planning and consulting business. The Company will strengthen the deficiency in research capabilities in non-power industry, give full play to the coordinated and leading role of planning and consulting for survey and design and project construction businesses, thereby driving and incubating large-scale high-quality power investment projects. **Secondly**, the Company will consolidate and strengthen the survey and design business. The Company will enhance the industrial concentration and scale competitiveness of design enterprises by virtue of strategic reorganization, speed up the supplementing shortcomings in water conservancy and non-power survey and design, exert the leading role of survey and design for general contracting and investment businesses, and expand the whole-process consulting business. **Thirdly**, the Company will consolidate and strengthen the investment business. The Company will balance the resource allocation between the investment-leading business and investment-driven operation, constantly optimize the

investment structure, intensify the industrial investment, build an investment industry platform in accordance with professional concept, and promote functional supplementing shortcomings through investment, mergers and acquisitions. **Fourthly**, the Company will consolidate and strengthen the construction and contracting business. The Company will enhance the industrial concentration and scale competitiveness of construction enterprises by virtue of strategic reorganization, vigorously carry out general contracting business of projects, persistently make efforts in the field of non-power infrastructure projects, and play the leading role of new business model of financing and construction in the field of non-power engineering. **Fifthly**, the Company will consolidate and strengthen the operation service business. The Company will strengthen the operation service management of self-investment projects, actively carry out market-oriented and professional operations, and deeply expand the external operation service market.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On 19 June 2020, the Company issued "20 CEEC Y1" three-year corporate bonds of RMB1 billion on the Shanghai Stock Exchange; on 16 October 2020, the Company issued "20 CEEC Y2" one-year corporate bonds of RMB3.5 billion. As of 31 December 2020, the Company has issued outstanding bonds of RMB13.5 billion (excluding subsidiaries) on the Shanghai Stock Exchange.

No.	Name of the bond	Amount (RMB0'000)	Issuance Date	Expire Date	Year of Term	Interest Rate (%)
1	13 CEEC MTN1	300,000	2013-1-18	2023-1-18	10.0	5.37
2	18 CEEC 01	300,000	2018-4-23	2023-4-23	5.0	4.65
3	19 CEEC Y1	300,000	2019-12-13	2022-12-13	3.0	3.90
4	20 CEEC Y1	100,000	2020-6-19	2023-6-19	3.0	3.50
5	20 CEEC Y2	350,000	2020-10-16	2021-10-16	1.0	3.67

Except for the above disclosures, as of 31 December 2020, the Company or any of its subsidiaries did not purchase, sell or redeem the listed securities of the Company.

Set out below is the management discussion and analysis on CGGC for the three years ended 31 December 2018, 2019 and 2020 (the “Track Record Period”), which is prepared based on the financial information as set out in Appendix II to this circular.

BUSINESS REVIEW

CGGC, whose shares are listed on the SSE (stock code: 600068), is a subsidiary indirectly held by the Company as to 42.84%. During the Track Record Period, its business scope covers (i) engineering construction including PPP, EPC and general construction contracting; (ii) industrial manufacturing including cement production, civil explosives, environmental protection and high-end equipment manufacturing; (iii) investment operations including real estate, roads operation and water affairs; and (iv) comprehensive services including finance leasing.

FINANCIAL REVIEW

Revenue

During the Track Record Period, CGGC derived its revenue mainly from the provision of engineering construction, industrial manufacturing, investment operations and comprehensive services. For the years ended 31 December 2018, 2019 and 2020, CGGC’s revenue amounted to approximately RMB100.6 billion, RMB109.9 billion, and RMB112.6 billion, respectively. The increase in revenue from 2019 to 2020 was primarily attributed to an increase in the amount of completed real-estate projects and PPP projects for expressways. The increase in revenue from 2018 to 2019 was attributable to (i) increase in engineering construction business due to an increase of completed construction projects, and (ii) increase in investment operation business due to an increase of completed and delivered real estate projects.

Operating Cost

CGGC’s operating cost remained relatively stable for the years ended 31 December 2019 and 2020, being approximately RMB104.7 billion and RMB105.2 billion, respectively. The operating cost increased from RMB95.5 billion for the year ended 31 December 2018 to RMB104.7 billion for the year ended 31 December 2019, primarily due to an increase in costs of raw materials, remuneration, and manufacturing expenses resulted from an increase of construction, real estate and other projects.

Selling and Distribution Expenses

CGGC’s selling and distribution expenses decreased from RMB1.4 billion for the year ended 31 December 2019 to RMB1.0 billion for the year ended 31 December 2020, primarily due to a decrease in the transportation expenses as a result of a decrease of industrial manufacturing business. The selling and distribution expenses remained relatively stable for the years ended 31 December 2018 and 2019, being RMB1.3 billion and RMB1.4 billion, respectively. The selling and distribution expenses consist of employee benefits expenses of sales department, packaging expenses, transportation and loading and unloading expenses, sales service expenses and others.

Administrative Expenses

For the years ended 31 December 2018, 2019 and 2020, CGGC incurred administrative expenses of approximately RMB4.5 billion, RMB4.7 billion, and RMB4.7 billion, respectively, and remained relatively stable. The administrative expenses consist of employee benefits, depreciation and amortization expenses, office and travel expenses and others.

Research and Development Expenses

For the years ended 31 December 2018, 2019 and 2020, CGGC incurred research and development expenses of approximately RMB2.0 billion, RMB2.8 billion, and RMB3.4 billion, respectively. The increase was primarily due to increased investment in materials and facilities for research purpose as well as increased remuneration as a result of an increase number of employees of research and development department.

Finance Costs

For the years ended 31 December 2018, 2019 and 2020, CGGC incurred finance costs of approximately RMB2.5 billion, RMB2.8 billion, and RMB2.3 billion, respectively. CGGC incurred these costs for the financing of its business operations.

Other Income

For the years ended 31 December 2018, 2019 and 2020, CGGC's other income amounted to approximately RMB1.6 billion, RMB1.1 billion, and RMB0.6 billion, respectively. The general decrease in other income was primarily due to a decrease in government subsidies and tax refunds provided by the government as a result of a decrease in income generated from industrial manufacturing business. The other income primarily consist of government subsidies and tax refunds provided by the government in the corresponding periods.

Investment Income

For the years ended 31 December 2018, 2019 and 2020, CGGC's investment income amounted to approximately RMB1.1 billion, RMB3.2 billion, and RMB0.2 billion, respectively. The significant increase in investment income from 2018 to 2019 was primarily due to the disposal of 100% equity interests of Hubei Daguangbei Expressway Co., Ltd. (湖北大廣北高速公路有限責任公司) in 2019.

Total Profit and Margin

For the years ended 31 December 2018, 2019 and 2020, CGGC's total profit amounted to approximately RMB7.7 billion, RMB8.8 billion, and RMB7.9 billion, respectively; and the overall gross profit margin amounted to 16.3%, 16.4% and 17.8%.

Income Tax Expenses

Income tax expenses of CGGC is comprised of PRC corporate income tax and other surtaxes. For the years ended 31 December 2018, 2019 and 2020, CGGC incurred income tax expenses of approximately RMB1.8 billion, RMB2.2 billion, and RMB2.4 billion, respectively, which is in line with the increase in CGGC's revenue in the same periods.

Net Profits

As a result of foregoing, for the years ended 31 December 2018, 2019 and 2020, CGGC's net profits amounted to approximately RMB6.0 billion, RMB6.6 billion, and RMB5.3 billion, respectively.

Liquidity, Financial Resources and Capital Structure

CGGC's business operation proceeds and bank loan raised have been its primary sources of liquidity, which have been applied in business operations and investment in development projects. As of 31 December 2018, 2019 and 2020, cash at bank and on hand of CGGC amounted to approximately RMB19.5 billion, RMB22.1 billion, and RMB25.9 billion, respectively, which were denominated in RMB. As of 31 December 2018, 2019 and 2020, CGGC had short-term borrowings of approximately RMB29.6 billion, RMB17.2 billion, and RMB18.3 billion, respectively, and long-term borrowings of approximately RMB31.8 billion, RMB39.3 billion, and RMB40.7 billion, respectively.

As of 31 December 2018, 2019 and 2020, CGGC's total assets amounted to approximately RMB218.2 billion, RMB234.5 billion and RMB259.4 billion, respectively; its total liabilities amounted to approximately RMB163.1 billion, RMB168.2 billion and RMB180.1 billion, respectively; and its total owners' equity amounted to approximately RMB55.1 billion, RMB66.2 billion and RMB79.3 billion, respectively.

Significant Investments, Material Acquisitions and Disposals

Details of investments, acquisitions and disposals of CGGC during the Track Record Period are set out in note 11 of CGGC's accountant report of 2018 and 2019 and note 12 of CGGC's accountant report of 2020 as set out in Appendix II to this circular.

Future Plans for Material Investments and Acquisition of Capital Assets

CGGC had no plans for material investments and acquisition as of 31 December 2020.

Gearing Ratio and the Basis of Calculation

As of 31 December 2018, 2019 and 2020, the gearing ratio of CGGC was approximately 74.8%, 71.8%, and 69.4%, respectively. The gearing ratio is calculated by dividing total liabilities against total assets.

CGGC's gearing ratio demonstrates a constant decreasing trend primarily due to CGGC's operational performance and healthy cash flow, which enable CGGC to continue to repay its existing debts during the Track Record Period.

Charges

As of 31 December 2018, 2019 and 2020, CGGC had pledged assets with a carrying amount of approximately RMB42.3 billion, RMB49.0 billion and RMB57.8 billion, respectively to secure, among others, general banking facilities and bank loans granted to CGGC.

Contingent Liabilities

The contingent liabilities of CGGC include potential liabilities arising from pending litigation or arbitration, provision of guarantees and pledged facilities to secure repayment obligations of short-term and long-term borrowings by CGGC and other entities, amounting to approximately RMB30.5 billion, RMB37.5 billion and RMB39.6 billion, respectively as of 31 December 2018, 2019 and 2020.

Foreign Exchange Exposure

During the Track Record Period, the principal activities of CGGC were conducted in the PRC and its income and expenses were denominated in RMB. In light of this, CGGC was not exposed to material risks in relation to foreign exchange rate fluctuation and has not entered into any contracts to hedge its exposure to foreign currency risks.

Employees and Remuneration Policy

As of 31 December 2018, 2019 and 2020, CGGC had approximately 40,539, 39,463 and 39,071 employees, respectively; and the total remuneration, including social security contributions amounted to approximately RMB6.9 billion, RMB7.8 billion, and RMB7.8 billion, respectively. CGGC's employee remuneration plan is in line with PRC industry standards, which includes basic salary and other stipends. CGGC also contributes to the employees' social security benefits plan in compliance with the labor laws of the PRC and local governments. These social security contributions include retirement benefits, healthcare insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident fund. In addition, CGGC also carried out regular employee training sessions to improve their skills.

For other information of CGGC's operation results and financial position for the years ended 31 December 2018, 2019 and 2020 respectively, please refer to the following announcements published on the website of each of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ceec.net.cn>):

- Summary of the annual report for the year ended 31 December 2018 of CGGC at <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0329/ltn201903292014.pdf>;

- Summary of the annual report for the year ended 31 December 2019 of CGGC at <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0331/2020033102432.pdf>;
- Summary of the annual report for the year ended 31 December 2020 of CGGC at <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0319/2021031900847.pdf>

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

2. DISCLOSURE OF INTERESTS

- (1) Except for the Supervisor of the Company, Mr. He Jiansheng, has an interest in the Company's 264,000 H Shares through the restricted stock incentive plan, as at the Latest Practicable Date, none of the Directors, supervisors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors, supervisors or chief executives or their respective associates were deemed or taken to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules.
- (2) As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 December 2020 (being the date on which the latest published audited consolidated accounts of the Company were prepared) been acquired, disposed of or leased by the Company or any of its subsidiaries, or are proposed to be acquired, disposed of or leased by the Company or any of its subsidiaries.
- (3) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries, which was subsisting and was significant in relation to the business of the Group.
- (4) As at the Latest Practicable Date, the following Directors are directors or employees of the other company having an interest or short position in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name	Positions in the entity disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO
Song Hailiang	Chairman of Energy China Group
Sun Hongshui	Director and general manager of Energy China Group

3. COMPETING INTERESTS

Saved as disclosed in the is circular, as at the Latest Practicable Date, so far as the Directors were aware of, none of the Directors and their respective associates had any interest in a business which competes or is likely to compete with the business of the Group.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, after the reasonable enquiry by the Directors of the Company, the persons below (other than the Directors, supervisors and chief executives of the Company) have interests or short positions in the Shares or underlying Shares which have to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and which are recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholders	Class of Shares	Capacity/Nature of interest	Number of Shares interested*	Approximate percentage of shareholding in the Company's total issued share capital (%) ⁽¹⁾	Approximate percentage of shareholding in the Company's total issued Domestic Shares (%) ⁽¹⁾	Approximate percentage of shareholding in the Company's total issued H Shares (%) ⁽¹⁾
Energy China Group ⁽²⁾	Domestic Shares	Beneficial owner	18,107,684,022(L)	60.32	87.23	-
		Interest of controlled corporation	98,542,651(L)	0.33	0.47	-
	H Shares	Beneficial owner	578,884,000(L)	1.93	-	6.25
China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) ⁽³⁾	Domestic Shares	Beneficial owner	2,029,378,794(L)	6.76	9.78	-
	H Shares	Interest of controlled corporation	633,704,000(L)	2.11	-	6.84
China Huaxing Group Company (中國華星集團公司) ⁽³⁾	H Shares	Interest of controlled corporation	633,704,000(L)	2.11	-	6.84
China Huaxing (Hong Kong) International Co., Ltd. (中國華星(香港)國際有限公司) ⁽³⁾	H Shares	Beneficial owner	633,704,000(L)	2.11	-	6.84
Buttonwood Investment Holding Company Ltd. ⁽⁴⁾	H Shares	Interest of controlled corporation	1,462,338,000(L)	4.87	-	15.79
Silk Road Fund Co., Ltd. (絲路基金有限責任公司) ⁽⁴⁾	H Shares	Beneficial owner	1,462,338,000(L)	4.87	-	15.79

Name of Shareholders	Class of Shares	Capacity/Nature of interest	Number of Shares interested [*]	Approximate percentage of shareholding in the Company's total issued share capital (%) ⁽¹⁾	Approximate percentage of shareholding in the Company's total issued Domestic Shares (%) ⁽¹⁾	Approximate percentage of shareholding in the Company's total issued H Shares (%) ⁽¹⁾
Central Huijin Investment Ltd. ⁽⁵⁾	H Shares	Interest of controlled corporation	961,300,000(L)	3.20	-	10.38
China Construction Bank Corporation ⁽⁵⁾	H Shares	Investment manager	961,300,000(L)	3.20	-	10.38
State Grid Corporation of China ⁽⁶⁾	H Shares	Interest of controlled corporation	974,892,000(L)	3.25	-	10.53
State Grid International Development Co., Ltd. ⁽⁶⁾	H Shares	Interest of controlled corporation	974,892,000(L)	3.25	-	10.53
State Grid International Development Limited ⁽⁶⁾	H Shares	Beneficial owner	974,892,000(L)	3.25	-	10.53
E Fund Management Co., Ltd (易方達基金管理有限公司)	H Shares	Investment manager	961,300,000(L)	3.20	-	10.38

Notes: Letter "L" means long position in the securities and letter "S" means short position in the securities.

- (1) The calculation is based on the shareholding in the Company's 9,262,436,000 issued H Shares, 20,757,960,364 issued Domestic Shares and 30,020,396,364 shares of the total issued share capital as at the Latest Practicable Date.
- (2) EPPE Company is a wholly-owned subsidiary of Energy China Group and is interested in the 98,542,651 Domestic Shares, representing 0.47% of the domestic share capital of the Company. Therefore, Energy China Group is deemed to be interested in the Domestic Shares held by EPPE Company.
- (3) These shares are directly held by China Huaxing (Hong Kong) International Co., Ltd. (中國華星(香港)國際有限公司). China Huaxing (Hong Kong) International Co., Ltd. (中國華星(香港)國際有限公司) is wholly owned by China Huaxing Group Company (中國華星集團公司); and China Huaxing Group Company (中國華星集團公司) is wholly owned by China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司). Therefore, China Huaxing Group Company (中國華星集團公司) and China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) are deemed to be interested in shares held by China Huaxing (Hong Kong) International Co., Ltd. (中國華星(香港)國際有限公司).
- (4) These shares are directly held by Silk Road Fund Co., Ltd. (絲路基金有限責任公司) Buttonwood Investment Holding Company Ltd. holds 65% equity interests in Silk Road Fund Co., Ltd. Therefore, Buttonwood Investment Holding Company Ltd. (絲路基金有限責任公司) is deemed to be interested in shares held by Silk Road Fund Co., Ltd. (絲路基金有限責任公司)

- (5) Central Huijin Investment Ltd. holds 57.31% equity interests in China Construction Bank Corporation. Therefore, Central Huijin Investment Ltd. is deemed to be interested in shares held by China Construction Bank Corporation.
- (6) These shares are directly held by State Grid International Development Limited. State Grid International Development Limited is wholly-owned by State Grid International Development Co., Ltd.; while the latter is wholly-owned by State Grid Corporation of China. Therefore, State Grid International Development Co., Ltd. and State Grid Corporation of China are deemed to be interested in the shares held by State Grid International Development Limited.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Directors, there were no other persons who had interests or short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or was proposing to enter into any service contracts with the Company or any of its subsidiaries, excluding contracts expiring or terminable within one year without payment of compensation (other than statutory compensation).

6. MATERIAL CONTRACTS

No contract (not being contracts entered into outside the ordinary course of business carried on by the Group) had been entered into by the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date.

7. MATERIAL LEGAL PROCEEDINGS

As at the Latest Practicable Date, as far as the Directors are aware, the Company has not been involved in any material litigation or arbitration and there were no material litigations or claims known to the Directors to be pending or threatened against the Company.

8. EXPERT'S DISCLOSURE OF INTERESTS AND CONSENT

The following are the qualifications of Experts who provide opinions contained in this circular:

Name (collectively called "Experts")	Qualification
Gram Capital Limited ("Gram Capital")	A licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO
KPMG ("KPMG")	Certified Public Accountants

- (1) As at the Latest Practicable Date, Experts did not have any direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (2) As at the Latest Practicable Date, Experts did not have any direct or indirect interests in any assets which have been acquired or disposed of or leased to or which were proposed to be acquired, disposed of or leased by any member of the Group since 31 December 2020, being the date to which the latest published audited consolidated accounts of the Company were made up.
- (3) Gram Capital issued a letter dated 25 March 2021 for the purpose of incorporation in this circular in connection with its recommendation to the Independent Board Committee and the Independent Shareholders.
- (4) Experts have has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of recommendation and reference to its name in the form and context in which they appear.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any working day (except for public holidays) at the Company's principal place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong from the date of this circular up to and including the date of the EGM:

- (1) Articles of Association;
- (2) The Merger Agreement;
- (3) The annual reports of the Company for the two years ended 31 December 2018 and 2019, and the annual results of the Company for the year ended 31 December 2020;
- (4) The annual reports of CGGC for the three years ended 31 December 2018, 2019 and 2020;
- (5) Unaudited pro forma financial information report of the Enlarged Group;

- (6) the letter from the Independent Board Committee to the Independent Shareholders as set out on page 82 of this circular;
- (7) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders as set out on pages 83 to 100 of this circular;
- (8) the written consent of Experts referred to in paragraph 8 of this appendix; and
- (9) this circular.

10. GENERAL INFORMATION

- (1) As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the Group's financial or trading position since 31 December 2020, being the date on which the latest published audited consolidated accounts of the Company were prepared.
- (2) The registered office of the Company is Room 01-2706, 1-24/F, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC.
- (3) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (4) The joint company secretaries of the Company are Mr. Duan Qiurong and Ms. Leung Suet Wing. Ms. Leung Suet Wing is a manager of TMF Hong Kong Limited. She has over 9 years of professional company secretarial experience. She is a member of the Hong Kong Institute of Chartered Secretaries and the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the United Kingdom.

Comparison Table of Amendments to Articles of Association

Original article	Content of original article	Amended article	Content of amended article
Article 1	<p>The Articles of Association of China Energy Engineering Corporation Limited (hereinafter referred to as the “Articles”) are formulated in accordance with the <i>Company Law of the People’s Republic of China</i> (hereinafter referred to as the “<i>Company Law</i>”), the <i>Special Provisions of the State Council on the Offshore Offering of Shares and Listing of Companies Limited By Shares</i> (hereinafter referred to as the “Special Provisions”), the <i>Mandatory Provisions for Articles of Association of Companies to be Listed Overseas</i>, the <i>Letter Regarding Opinion on Supplementary Amendments to the Articles of Association of Companies to be Listed in Hong Kong</i>, the <i>Guidelines on Articles of Association of Listed Companies</i>, the <i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i> (hereinafter referred to as the “Hong Kong Listing Rules”), the Constitution of the Communist Party of China and other relevant regulations, for the purpose of protecting the legitimate rights and interests of China Energy Engineering Corporation Limited (hereinafter referred to as the “Company”), its shareholders and creditors, and regulating the organization and activities of the Company.</p>	Article 1	<p>The Articles of Association of China Energy Engineering Corporation Limited (hereinafter referred to as the “Articles”) are formulated in accordance with the <i>Company Law of the People’s Republic of China</i> (hereinafter referred to as the “<i>Company Law</i>”), the <i>Special Provisions of the State Council on the Offshore Offering of Shares and Listing of Companies Limited By Shares</i> (hereinafter referred to as the “Special Provisions”), the <i>Mandatory Provisions for Articles of Association of Companies to be Listed Overseas</i> (hereinafter referred to as the “Mandatory Provisions”), the <i>Letter Regarding Opinion on Supplementary Amendments to the Articles of Association of Companies to be Listed in Hong Kong</i>, the <i>Guidelines on Articles of Association of Listed Companies (as amended in 2014)</i>, the <i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”)</i>, the Constitution of the Communist Party of China and other relevant regulations, for the purpose of protecting the legitimate rights and interests of China Energy Engineering Corporation Limited (hereinafter referred to as the “Company”), its shareholders and creditors, and regulating the organization and activities of the Company.</p>
Article 2	<p>The Company is a joint stock limited company established in accordance with the requirements of the <i>Company Law</i> and other relevant laws and regulations.</p> <p>The Company was established by way of promotion with the approval document (Guo Zi Gai Ge [2014] No. 1150) issued by State-owned Assets Supervision and Administration Commission under the State Council. The Company was registered with the State Administration for Industry and Commerce and was granted the corporate legal person’s business license on 19 December 2014.</p> <p>The promoters of the Company are China Energy Engineering Group Co., Ltd. (中國能源建設集團有限公司) (hereinafter referred to as “Energy China Group”) and Electric Power Planning & Engineering Institute Co., Ltd. (電力規劃總院有限公司).</p>	Article 2	<p>The Company is a joint stock limited company established in accordance with the requirements of the <i>Company Law</i> and other relevant laws and regulations.</p> <p>The Company was established by way of promotion with the approval document (Guo Zi Gai Ge [2014] No. 1150) issued by State-owned Assets Supervision and Administration Commission under the State Council. The Company was registered with the State Administration for Industry and Commerce and was granted the corporate legal person’s business license on 19 December 2014.</p> <p>The promoters of the Company are China Energy Engineering Group Co., Ltd. (中國能源建設集團有限公司) and Electric Power Planning & Engineering Institute Co., Ltd. (電力規劃總院有限公司).</p>

Original article	Content of original article	Amended article	Content of amended article
Article 7	These Articles shall be passed at the general meeting of the Company by special resolution <u>before becoming effective from the date on which the overseas listed foreign shares of the Company are listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”)</u> and shall supersede the existing articles of association of the Company filed with the Administration for Industry and Commerce.	Article 7	These Articles shall be passed at the general meeting of the Company by special resolution.
Article 9	The Company may invest in other enterprises. However, the Company shall not be a capital contributor who is jointly and severally liable for the debt of any enterprise in which the Company invests in, unless otherwise provided by laws.	Article 9	The Company may invest in other enterprises <u>and assume responsibilities of the invested entity to the extent of its contribution amount.</u> However, the Company shall not be a capital contributor who is jointly and severally liable for the debt of any enterprise in which the Company invests in, <u>and the Company shall not be a shareholder of unlimited liability of any other economic organization,</u> unless otherwise provided by laws <u>and administrative regulations.</u>
Article 10	The Company shall establish an organization of the Communist Party of China in accordance with the Constitution of the Communist Party of China. The Party Committee shall play a leadership role, providing direction, managing the overall situation and <u>ensuring implementation.</u> The Company shall also establish the working organ of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.	Article 10	The Company shall establish an organization of the Communist Party of China in accordance with the Constitution of the Communist Party of China. The Party Committee shall play a leadership role, providing direction, managing the overall situation and <u>promoting implementation, and discussing major company issues in accordance with relevant regulations.</u> The Company shall also establish the working organ of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.
Article 11	The business objectives of the Company are: shouldering the mission of “undertaking global energy projects as a Chinese partner” and adhering to the vision of “becoming an industry leader and ranking top in the world”, we will strive to establish a modern enterprise that is advanced in the organizational structure, flexible in mechanism, standard in operations and scientific in management, cultivate a first-class enterprise that is strong in overall strength, outstanding in competitiveness, profound in brand influence and rich in cultural connotations, and create a harmonious enterprise that enjoys recognition from the government, satisfaction from clients, preferences from investors and happiness from	Article 11	The business objectives of the Company are: shouldering the mission of “undertaking global energy projects as a Chinese partner” and adhering to the vision of “becoming an industry leader and ranking top in the world”, we will strive to establish a modern enterprise that is advanced in the organizational structure, flexible in mechanism, standard in operations and scientific in management, cultivate a first-class enterprise that is strong in overall strength, outstanding in competitiveness, profound in brand influence and rich in cultural connotations, and create a harmonious enterprise that enjoys recognition from the government, satisfaction from clients, preferences from investors and happiness from

Original article	Content of original article	Amended article	Content of amended article
	employees, so as to achieve our development goal of <u>“becoming an internationally competitive engineering company”</u> and make due contributions to the scientific development of the energy industry in China and around the globe.		employees, so as to achieve our development goal of <u>“becoming a globally competitive and world-class company”</u> and make due contributions to the scientific development of the energy industry in China and around the globe.
Article 12	<u>After due registration according to the laws,</u> the scope of business of the Company covers the following: investment, consulting, planning, evaluation, assessment, bidding agency and construction in respect of hydro, thermal, nuclear, wind and solar power generation, new energies, power transmission and transformation, and water conservancy, water affairs, mines, highways, railways, ports and waterway, airports, housing, civic works, urban railway transportation, environmental protection, smelting and petrochemical infrastructural projects; engineering survey and design, general construction contracting and specialized construction contracting; general contracting; engineering project management, engineering supervision, commissioning and maintenance of power plants, technical consulting, technical development, technical services, import and export business, planning and researching in respect of power industry development, manufacturing, selling and leasing of mechanical and electronic equipment, development of proprietary power technologies and product sales; production and sales of building materials; <u>property development and operations,</u> as well as industrial investment. (Market entities shall select operating projects and conduct operating activities at its discretion in accordance with the laws; for projects subject to approval from relevant authorities according to the laws, the Company is required to obtain relevant approval first before commencement of operating activities; operating activities prohibited and restricted by the state and industrial policies of the city shall not be engaged in.)	Article 12	<u>The business scope of the Company is subject to the items approved by the company registration authority. The</u> scope of business of the Company covers the following: investment, consulting, planning, evaluation, assessment, bidding agency and construction in respect of hydro, thermal, nuclear, wind and solar power generation, new energies, power transmission and transformation, and water conservancy, water affairs, mines, highways, railways, ports and waterway, airports, housing, civic works, urban railway transportation, environmental protection, smelting and petrochemical infrastructural projects; engineering survey and design, general construction contracting and specialized construction contracting; general contracting; engineering project management, engineering supervision, commissioning and maintenance of power plants, technical consulting, technical development, technical services, import and export business, planning and researching in respect of power industry development, manufacturing, selling and leasing of mechanical and electronic equipment, development of proprietary power technologies and product sales; production and sales of building materials; as well as industrial investment. (Market entities shall select operating projects and conduct operating activities at its discretion in accordance with the laws; for projects subject to approval from relevant authorities according to the laws, the Company is required to obtain relevant approval first before commencement of operating activities; operating activities prohibited and restricted by the state and industrial policies of the city shall not be engaged in.)

Original article	Content of original article	Amended article	Content of amended article
Article 17	<p>Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares.</p> <p>The “foreign currency” referred to in the preceding paragraph is a legal currency (other than RMB) of other countries or regions which is recognized by the foreign exchange administration authority of China and can be used for payment of the Company’s shares.</p> <p>Overseas listed foreign shares issued by the Company and listed in Hong Kong shall be referred to as H shares. H shares refer to the shares approved to be listed on <u>the Hong Kong Stock Exchange</u>, the par value of which is denominated in RMB, and are subscribed for and traded in Hong Kong dollars.</p> <p><u>Upon approval of the securities regulatory authorities of the State Council, holders of domestic shares of the Company may transfer their shares to overseas investors for listing and dealing on overseas stock exchanges. The listing and dealing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. The listing and dealing of the transferred shares on overseas stock exchanges is not subject to the approval of class shareholders’ meetings.</u></p>	Article 17	<p>Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares.</p> <p>The “foreign currency” referred to in the preceding paragraph is a legal currency (other than RMB) of other countries or regions which is recognized by the foreign exchange administration authority of China and can be used for payment of the Company’s shares.</p> <p>Overseas listed foreign shares issued by the Company and listed in Hong Kong shall be referred to as H shares. H shares refer to the shares approved to be listed on <u>The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”)</u>, the par value of which is denominated in RMB, and are subscribed for and traded in Hong Kong dollars.</p>
Article 19	<p>Upon approval of the securities regulatory authority of the State Council, the Company will issue 8,420,396,364 new overseas listed foreign shares (H shares). The state-owned shareholders will transfer stated-owned shares to the National Council for Social Security Fund for holding in accordance with relevant requirements for reduction in holding, and the 842,039,636 shares will be converted into H shares upon approval and entrusted for sale. The Company has a total of 9,262,436,000 H shares.</p> <p>Upon completion of the issue of overseas listed foreign shares, the share capital structure of the Company shall comprise 30,020,396,364 ordinary shares,</p>	Article 19	<p><u>After the establishment of the Company,</u> upon approval of the securities regulatory authority of the State Council, the Company will issue 8,420,396,364 new overseas listed foreign shares (H shares). The state-owned shareholders will transfer stated-owned shares to the National Council for Social Security Fund for holding in accordance with relevant requirements for reduction in holding, and the 842,039,636 shares will be converted into H shares upon approval and entrusted for sale. The Company has a total of 9,262,436,000 H shares.</p> <p>Upon completion of the issue of overseas listed foreign shares, the share capital structure of the Company shall comprise 30,020,396,364 ordinary shares,</p>

Original article	Content of original article	Amended article	Content of amended article
	20,757,960,364 shares of which are held by domestic shareholders and 9,262,436,000 shares held by H shareholders.		20,757,960,364 shares of which are held by domestic shareholders and 9,262,436,000 shares held by H shareholders. <u>Upon approval of the securities regulatory authority of the State Council on basis of [], the Company publicly issued [] A shares. Upon the issuance of A shares, the share capital structure of the Company shall be as follows: the total share capital of the Company shall be [] shares, including [] A shares, representing [] of the total share capital of the Company, and [] H shares, representing [] of the total share capital of the Company.</u>
		Article 22	<u>The domestic shares issued by the Company shall be collectively deposited with China Securities Depository and Clearing Corporation Limited. The overseas listed foreign shares issued by the Company are deposited according to the provisions of Article 42 of these Articles.</u>
Article 22	<u>The registered share capital of the Company is RMB21,600,000,000 before the issue of H shares. Upon completion of the issue of H shares, the registered share capital of the Company shall be RMB30,020,396,364.</u>	Article 23	The registered share capital of the Company shall be RMB30,020,396,364.
Article 24	Unless otherwise provided by laws and regulations, or required by <u>the Hong Kong Stock Exchange</u> , shares of the Company are freely transferable and are not subject to any lien.	Article 25	Unless otherwise provided by laws and regulations, or required by <u>the regulations of the securities regulatory authority or stock exchange of the place where shares of the Company are listed</u> , shares of the Company are freely transferable and are not subject to any lien.
Article 25	The Company shall not accept its own shares as the subject matter of a pledge.	Article 26	The Company shall not accept its own shares as the subject matter of a pledge.
Article 27	If the directors, supervisors, senior management and shareholder holding 5% or more of the total shares of the Company sell his shares in the Company within six months of the purchase, or purchase the shares again within six months of the sale, the profit thus made shall be attributable to the Company and the board of directors shall collect all such profits. The transfer restriction on H shares shall also be subject to the relevant requirements of the Listing Rules of Hong Kong. If a securities company purchases unsold shares as an underwriter and becomes a holder of more than 5% of the shares, it shall not be subject to the six months' selling restriction.	Article 28	If the directors, supervisors, senior management and shareholder holding 5% or more of the total shares of the Company sell his shares <u>or other securities with the nature of equity interests</u> in the Company within six months of the purchase, or purchase the shares again within six months of the sale, the profit thus made shall be attributable to the Company and the board of directors shall collect all such profits. The transfer restriction on H shares shall also be subject to the relevant requirements of the Listing Rules of Hong Kong. If a securities company purchases unsold shares as an underwriter and becomes a holder of more than 5% of the shares, it shall not be subject to the six months' selling restriction.

Original article	Content of original article	Amended article	Content of amended article
	<p>If the board of directors fails to comply with the provisions of the preceding paragraph, the shareholders are entitled to demand the board of directors to do so within thirty days. The shareholders are entitled to file litigation at court in their own names for the interests of the Company if the board of directors fails to comply with the provisions within the said period.</p> <p>If the board of directors fails to comply with paragraph (1) of this Article, the directors at fault shall assume joint and several liabilities in accordance with the laws.</p>		<p><u>The shares or other securities with the nature of equity interests held by directors, supervisors, senior management and individual shareholders as referred to in the preceding paragraph include the shares or other securities with the nature of equity interests held by their spouse, parents and children in their own name and under others' accounts.</u></p> <p>If the board of directors fails to comply with the provisions of the preceding paragraph, the shareholders are entitled to demand the board of directors to do so within thirty days. The shareholders are entitled to file litigation at court in their own names for the interests of the Company if the board of directors fails to comply with the provisions within the said period.</p> <p>If the board of directors fails to comply with paragraph (1) of this Article, the directors at fault shall assume joint and several liabilities in accordance with the laws.</p>
Article 31	<p>The Company may purchase its own shares through public and centralized trading, or other methods in accordance with laws and regulations or approved by the China Securities Regulatory Commission.</p> <p>When the Company purchases its own shares under the circumstances in (3), (5) and (6) of Article 30 of these Articles, it shall be carried out through public and centralized trading.</p>	Article 32	<p>The Company may purchase its own shares through public and centralized trading, or other methods in accordance with laws and regulations or approved by the China Securities Regulatory Commission.</p> <p>When the Company purchases its own shares under the circumstances in (3), (5) and (6) of Article 31 of these Articles, it shall be carried out through public and centralized trading.</p>
Article 35	<p>The Company or its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly incurs any obligations due to the acquisition of shares of the Company.</p> <p>The Company or its subsidiaries shall not, by any other means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by such person.</p> <p>This provision does not apply to the circumstances stated in Article 37 of these Articles.</p>	Article 36	<p>The Company or its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly incurs any obligations due to the acquisition of shares of the Company.</p> <p>The Company or its subsidiaries shall not, by any other means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by such person.</p> <p>This provision does not apply to the circumstances stated in Article 38 of these Articles.</p>
Article 37	The following activities shall not be deemed to be activities as prohibited in Article 35 :	Article 38	The following activities shall not be deemed to be activities as prohibited in Article 36 :

Original article	Content of original article	Amended article	Content of amended article
	<p>(1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;</p> <p>(2) the lawful distribution of the Company's assets by way of dividend;</p> <p>(3) the allotment of bonus shares as dividends;</p> <p>(4) a reduction in registered capital, a repurchase of shares or a reorganization of the share capital structure of the Company effected in accordance with these Articles;</p> <p>(5) the provision of loans by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);</p> <p>(6) the provision of money by the Company for contributions to employee share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).</p>		<p>(1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;</p> <p>(2) the lawful distribution of the Company's assets by way of dividend;</p> <p>(3) the allotment of bonus shares as dividends;</p> <p>(4) a reduction in registered capital, a repurchase of shares or a reorganization of the share capital structure of the Company effected in accordance with these Articles;</p> <p>(5) the provision of loans by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);</p> <p>(6) the provision of money by the Company for contributions to employee share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).</p>
Article 38	<p>The shares of the Company shall be in registered form. In addition to the information required by the <i>Company Law</i> and the Special Provisions, the share certificates of the Company shall also contain other information required by the stock exchange(s) on which its shares are listed.</p> <p>During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that all of the title documents relating to the securities listed on the Hong Kong Stock Exchange (including the H share certificates) contain the following statements, and shall instruct and procure the share registrars not to register any subscription, purchase or transfer of share in the name of any</p>	Article 39	<p>The shares of the Company shall be in registered form.</p> <p>In addition to the information required by the <i>Company Law</i>, the share certificates of the Company shall also contain other information required by the stock exchange(s) on which its shares are listed.</p> <p>During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that all of the title documents relating to the securities listed on the Hong Kong Stock Exchange (including the H share certificates) contain the following statements, and shall instruct and procure the share registrars not to register any subscription, purchase or transfer of share in the name of any</p>

Original article	Content of original article	Amended article	Content of amended article
	<p>individual holder unless and until he submits such properly executed forms to the share registrars which shall include the following statements:</p> <p>(1) the purchaser of the shares agrees with the Company and each shareholder, and the Company agrees with each shareholder, to observe and comply with the <i>Company Law</i>, the Special Provisions and other relevant laws, regulations and these Articles;</p> <p>(2) the purchaser of the shares agrees with the Company, each of the shareholders, directors, supervisors, general manager and other senior management of the Company, and the Company (for itself and on behalf of each of the directors, supervisors, general manager and other senior management) agrees with each shareholder, to refer all disputes and claims arising from these Articles or any rights and obligations conferred or imposed by the <i>Company Law</i> and other relevant laws and regulations of China applicable to the Company relating to the affairs of the Company to arbitration in accordance with these Articles. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such award shall be final and conclusive;</p> <p>(3) the purchaser of the shares agrees with the Company and each of the shareholders that the shares of the Company are freely transferable by the holder thereof;</p> <p>(4) the purchaser of the shares authorizes the Company to enter into a contract on his behalf with each of the directors, general manager and other senior management whereby such directors, general manager and senior management undertake to observe and comply with their obligations to the shareholders as stipulated in these Articles.</p>		<p>individual holder unless and until he submits such properly executed forms to the share registrars which shall include the following statements:</p> <p>(1) the purchaser of the shares agrees with the Company and each shareholder, and the Company agrees with each shareholder, to observe and comply with the <i>Company Law</i>, the Special Provisions and other relevant laws, regulations and these Articles;</p> <p>(2) the purchaser of the shares agrees with the Company, each of the shareholders, directors, supervisors, general manager and other senior management of the Company, and the Company (for itself and on behalf of each of the directors, supervisors, general manager and other senior management) agrees with each shareholder, to refer all disputes and claims arising from these Articles or any rights and obligations conferred or imposed by the <i>Company Law</i> and other relevant laws and regulations of China applicable to the Company relating to the affairs of the Company to arbitration in accordance with these Articles. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such award shall be final and conclusive;</p> <p>(3) the purchaser of the shares agrees with the Company and each of the shareholders that the shares of the Company are freely transferable by the holder thereof;</p> <p>(4) the purchaser of the shares authorizes the Company to enter into a contract on his behalf with each of the directors, general manager and other senior management whereby such directors, general manager and senior management undertake to observe and comply with their obligations to the shareholders as stipulated in these Articles.</p>
Article 45	All transfers of H shares shall be effected with a written instrument of transfer in general or ordinary format or such other format as acceptable to the board of directors (including the standard format of transfer or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time), and such	Article 46	All transfers of H shares shall be effected with a written instrument of transfer in general or ordinary format or such other format as acceptable to the board of directors (including the standard format of transfer or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time), and such

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	<p>instrument of transfer may only be signed by hand or (in case the transferor or the transferee is a company) affixed with the company's seal. If the transferor or transferee is a recognized clearing house as defined by relevant laws of Hong Kong in force from time to time ("Recognized Clearing House") or its agent, the instrument of transfer may be signed by hand or in mechanically-printed form.</p> <p>All instruments of transfer shall be kept at the legal address of the Company or other addresses designated by the board of directors from time to time.</p>		<p>instrument of transfer may only be signed by hand or (in case the transferor or the transferee is a company) affixed with the company's seal. If the transferor or transferee is a recognized clearing house as defined by relevant laws of Hong Kong in force from time to time (hereinafter referred to as the "Recognized Clearing House") or its agent, the instrument of transfer may be signed by hand or in mechanically-printed form.</p> <p>All instruments of transfer shall be kept at the legal address of the Company or other addresses designated by the board of directors from time to time.</p>
Article 46	<p><u>Transfers may not be entered in the register of shareholders within thirty days prior to the date of a general meeting or within five days prior to the record date set by the Company for the purpose of distribution of dividends. Transfers entered in the register of shareholders prior to the date of a general meeting shall comply with the relevant laws, regulations, rules of authorities, directives and rules of relevant regulatory authorities of stock exchanges where the shares of the Company are listed.</u></p>	Article 47	<p><u>Where laws, regulations and the regulatory authority of the place where the Company's shares are listed stipulate on the period of closure of the register of members prior to the convening of a general meeting or the record date of the Company for determination of dividend distribution, such provisions shall prevail.</u></p>
Article 53	<p>The ordinary shareholders of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none"> (1) to obtain dividends and other distributions in proportion to the shareholdings; (2) to request, convene, preside, attend or appoint a proxy to attend general meetings and to vote thereat in accordance with laws; (3) to carry out supervisory management over business operations of the Company, and to present proposals or to raise enquires; (4) to transfer, grant or pledge shares held by him/her in accordance with laws, regulations and provisions of these Articles; (5) to obtain relevant information in accordance with the provisions of these Articles, including: <ol style="list-style-type: none"> 1. to obtain a copy of these Articles, subject to payment of the cost of such copy; 	Article 54	<p>The ordinary shareholders of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none"> (1) to obtain dividends and other distributions in proportion to the shareholdings; (2) to request, convene, preside, attend or appoint a proxy to attend general meetings and to vote thereat in accordance with laws; (3) to carry out supervisory management over business operations of the Company, and to present proposals or to raise enquires; (4) to transfer, grant or pledge shares held by him/her in accordance with laws, regulations and provisions of these Articles; (5) to obtain relevant information in accordance with the provisions of these Articles, including: <ol style="list-style-type: none"> 1. to obtain a copy of these Articles, subject to payment of the cost of such copy; 2. to inspect for free or copy, subject to payment of a reasonable charge;

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	<p>2. to inspect for free or copy, subject to payment of a reasonable charge:</p> <p>(i) all parts of the register of shareholders;</p> <p>(ii) personal particulars of each of our directors, supervisors, general manager and other senior management members, including:</p> <p>(a) present name and alias and any former name and alias;</p> <p>(b) principal residential address (domicile);</p> <p>(c) nationality;</p> <p>(d) primary and all other part-time occupations and positions;</p> <p>(e) identification document and its number.</p> <p>(iii) reports on the state of the issued share capital of the Company;</p> <p>(iv) latest audited financial statements of the Company and reports of the board of directors, auditors and board of supervisors;</p> <p><u>(v) special resolutions of general meetings of the Company;</u></p> <p>(vi) reports showing the aggregate par value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate costs incurred by the Company for this purpose;</p> <p>(vii) copy of the latest annual report filed with the State Administration for Industry & Commerce of the People's Republic of China or other authorities;</p> <p>(viii) minutes of general meetings.</p>		<p>(i) all parts of the register of shareholders;</p> <p>(ii) personal particulars of each of our directors, supervisors, general manager and other senior management members, including:</p> <p>(a) present name and alias and any former name and alias;</p> <p>(b) principal residential address (domicile);</p> <p>(c) nationality;</p> <p>(d) primary and all other part-time occupations and positions;</p> <p>(e) identification document and its number.</p> <p>(iii) reports on the state of the issued share capital of the Company;</p> <p>(iv) latest audited financial statements of the Company and reports of the board of directors, auditors and board of supervisors;</p> <p><u>(v) resolutions of general meetings, the board of directors and board of supervisors</u> of the Company;</p> <p>(vi) reports showing the aggregate par value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate costs incurred by the Company for this purpose;</p> <p>(vii) copy of the latest annual report filed with the State Administration for Industry & Commerce of the People's Republic of China or other authorities;</p> <p>(viii) minutes of general meetings;</p> <p><u>(ix) counterfoils of bonds and financial reports of the Company.</u></p>

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	<p>The Company shall lodge documents (i) to (vii) aforementioned and any other applicable documents with the Company's Hong Kong address under the requirements of the Hong Kong Listing Rules, for the purpose of inspection by the public and holders of overseas-listed foreign Shares free of charge. Item (viii) shall be available to shareholders only.</p> <p>Shareholders demanding inspection of the relevant information or obtaining of the materials mentioned above shall provide the Company with written documents indicating the class and number of shares they hold in the Company. After confirmation of the shareholder's identity, the Company shall provide such information based on the request of the shareholder.</p> <p>(6) to participate in the distribution of the residual assets of the Company in proportion to the number of shares held in the event of termination or liquidation of the Company;</p> <p>(7) to request the Company to repurchase its shares held by the dissident shareholders when they cast votes against the proposal for merger or division at the general meeting of the Company;</p> <p>(8) other rights conferred by laws, regulations and these Articles.</p>		<p>The Company shall lodge documents (i) to (vii) (other than (ii)) aforementioned with the Company's Hong Kong address under the requirements of the Hong Kong Listing Rules, for the purpose of inspection by the public and holders of overseas-listed foreign Shares free of charge. Item (viii) shall be available to shareholders only.</p> <p>Shareholders demanding inspection of the relevant information or obtaining of the materials mentioned above shall provide the Company with written documents indicating the class and number of shares they hold in the Company. After confirmation of the shareholder's identity, the Company shall provide such information based on the request of the shareholder.</p> <p>(6) to participate in the distribution of the residual assets of the Company in proportion to the number of shares held in the event of termination or liquidation of the Company;</p> <p>(7) to request the Company to repurchase its shares held by the dissident shareholders when they cast votes against the proposal for merger or division at the general meeting of the Company;</p> <p>(8) other rights conferred by laws, regulations and these Articles.</p>
Article 63	<p>The general meeting exercises the following functions and powers:</p> <p>(1) to decide on operational policies and investment plans of the Company;</p> <p>(2) to elect or remove the directors and supervisors who are not representatives of the employees, and to decide on matters relevant to remuneration of directors and supervisors;</p> <p>(3) to consider and approve reports of the board of directors;</p> <p>(4) to consider and approve reports of the board of supervisors;</p> <p>(5) to consider and approve annual financial budgets and financial accounts of the Company;</p>	Article 64	<p>The general meeting exercises the following functions and powers:</p> <p>(1) to decide on operational policies and investment plans of the Company;</p> <p>(2) to elect or remove the directors and supervisors who are not representatives of the employees, and to decide on matters relevant to remuneration of directors and supervisors;</p> <p>(3) to consider and approve reports of the board of directors;</p> <p>(4) to consider and approve reports of the board of supervisors;</p> <p>(5) to consider and approve annual financial budgets and financial accounts of the Company;</p>

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	<p>(6) to consider and approve proposals for profit distribution and for recovery of losses of the Company;</p> <p>(7) to decide on increase and reduction of the registered capital of the Company;</p> <p>(8) to decide on bond issuances of the Company;</p> <p>(9) to decide on merger, division, dissolution and liquidation of the Company and changes in the form of the Company;</p> <p>(10) to amend these Articles;</p> <p>(11) to decide on the appointment and dismissal of accounting firms;</p> <p>(12) to consider and approve the guarantees as provided in Article 65;</p> <p>(13) to consider and approve the acquisition or disposals of material assets of the Company within a year exceeding 30% of the latest audited total assets for the year;</p> <p>(14) to consider and approve share incentive plans;</p> <p>(15) to consider and approve pledge of assets, investments and entrusted wealth management of assets exceeding 50% of the latest audited net assets of the Company;</p> <p>(16) to consider and approve the proposals submitted by shareholders holding 3% or more of the voting shares of the Company;</p> <p>(17) to consider and approve other matters required to be resolved by the general meeting by the laws, regulations, departmental rules or these Articles.</p>		<p>(6) to consider and approve proposals for profit distribution and for recovery of losses of the Company;</p> <p>(7) to decide on increase and reduction of the registered capital of the Company;</p> <p>(8) to decide on bond issuances of the Company;</p> <p>(9) to decide on merger, division, dissolution and liquidation of the Company and changes in the form of the Company;</p> <p>(10) to amend these Articles;</p> <p>(11) to decide on the appointment and dismissal of accounting firms;</p> <p>(12) to consider and approve the guarantees as provided in Article 66;</p> <p>(13) to consider and approve the acquisition or disposals of material assets of the Company within a year exceeding 30% of the latest audited total assets for the year;</p> <p>(14) to consider and approve <u>the change of use of proceeds</u>;</p> <p>(15) to consider and approve share incentive plans;</p> <p>(16) to consider and approve pledge of assets, investments and entrusted wealth management of assets exceeding 50% of the latest audited net assets of the Company;</p> <p>(17) to consider and approve the proposals submitted by shareholders holding 3% or more of the voting shares of the Company;</p> <p>(18) <u>to consider and approve the matters in relation to connected transactions or other transactions, which should be resolved at general meetings in accordance with the requirements of the listing rules of the place where shares of the Company are listed</u>;</p> <p>(19) to consider and approve other matters required to be resolved by the general meeting by the laws, regulations, departmental rules or these Articles.</p>

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Article 65	<p>The provision of guarantees for a third party by the Company in the following circumstances shall be subject to the approval of the general meeting.</p> <p>(1) any provision of guarantees where the total amount of external guarantees provided by the Company and its subsidiaries exceeds 50% of the latest audited net assets of the Company;</p> <p>(2) any provision of guarantees where the total amount of external guarantees provided the Company exceeds 30% of the latest audited total assets of the Company;</p> <p>(3) provision of guarantees to anyone whose debt-to-asset ratio exceeds 70%;</p> <p>(4) provision of a single guarantee with an amount exceeding 10% of the latest audited net assets;</p> <p>(5) provision of guarantees to any shareholder, de facto controller and their affiliated parties.</p>	Article 66	<p>The provision of guarantees for a third party by the Company in the following circumstances shall be subject to the approval of the general meeting.</p> <p>(1) any provision of guarantees where the total amount of external guarantees provided by the Company and its subsidiaries exceeds 50% of the latest audited net assets of the Company;</p> <p>(2) any provision of guarantees where the total amount of external guarantees provided the Company exceeds 30% of the latest audited total assets of the Company;</p> <p>(3) provision of guarantees to anyone whose debt-to-asset ratio exceeds 70%;</p> <p>(4) provision of a single guarantee with an amount exceeding 10% of the latest audited net assets;</p> <p>(5) provision of guarantees to any shareholder, de facto controller and their affiliated parties.</p>
Article 66	<p>A general meeting shall either be an annual general meeting or an extraordinary general meeting. General meetings shall be convened by the board of directors. Annual general meetings are held once every year within six months from the end of the preceding financial year.</p> <p>The board of directors shall convene an extraordinary general meeting within two months of the occurrence of any one of the followings:</p> <p>(1) where the number of directors is less than the number stipulated in the <i>Company Law</i> or two-thirds of the number specified in these Articles;</p> <p>(2) where the unrecovered losses of the Company amount to one-third of its total share capital;</p> <p>(3) where shareholders who individually or jointly hold 10% or more of the issued and outstanding voting shares of the Company request in writing for the convening of an extraordinary general meeting;</p> <p>(4) whenever the board of directors deems necessary;</p> <p>(5) whenever the board of supervisors so requests;</p>	Article 67	<p>A general meeting shall either be an annual general meeting or an extraordinary general meeting. General meetings shall be convened by the board of directors. Annual general meetings are held once every year within six months from the end of the preceding financial year.</p> <p>The board of directors shall convene an extraordinary general meeting within two months of the occurrence of any one of the followings:</p> <p>(1) where the number of directors is less than the number stipulated in the <i>Company Law</i> or two-thirds of the number specified in these Articles;</p> <p>(2) where the unrecovered losses of the Company amount to one-third of its total share capital;</p> <p>(3) where shareholders who individually or jointly hold 10% or more of the issued and outstanding voting shares of the Company request in writing for the convening of an extraordinary general meeting;</p> <p>(4) whenever the board of directors deems necessary;</p> <p>(5) whenever the board of supervisors so requests;</p>

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	(6) other circumstances specified in laws, regulations, departmental regulations or these Articles.		(6) other circumstances specified in laws, regulations, departmental regulations or these Articles. <u>The calculation of shareholding ratio regulated in aforesaid item (3) shall take the date when the shareholders propose written request as the record date.</u>
Article 67	The location for holding a general meeting of the Company shall be the domicile of the Company in general. A venue shall be set aside for the convening of a physical general meeting. The Company will also enable shareholders to have access to the general meeting by other means as permitted by the listing rules of the place where the shares of the Company are listed. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.	Article 68	The location for holding a general meeting of the Company shall be the domicile of the Company in general <u>or such other place as notified by the general meeting convener.</u> A venue shall be set aside for the convening of a physical general meeting. The Company will also enable shareholders to have access to the general meeting by other means as permitted by the listing rules of the place where the shares of the Company are listed. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.
Article 68	When the Company convenes an annual general meeting, it shall issue a written notice within twenty business days prior to the meeting to the registered shareholders. When the Company convenes an extraordinary general meeting, it shall issue a written notice within fifteen days or ten business days (whichever is longer) prior to the meeting informing all the registered shareholders of the matters to be considered at the meeting as well as the time and venue of the meeting. <u>Shareholders who intend to attend the general meeting shall serve on the Company written replies of their intention to attend within the time stated in the meeting notice.</u> Regarding the calculation of the notice period, the date of the meeting shall not be included. Business day refers to a day on which the Hong Kong Stock Exchange is open for the business of trading in securities. For notices given under this article, the date posted shall be the date of delivering the relevant notice to post office by the Company or the share registrar appointed by the Company.	Article 69	When the Company convenes an annual general meeting, it shall issue a written notice within twenty business days prior to the meeting to the registered shareholders. When the Company convenes an extraordinary general meeting, it shall issue a written notice within fifteen days or ten business days (whichever is longer) prior to the meeting informing all the registered shareholders of the matters to be considered at the meeting as well as the time and venue of the meeting. Regarding the calculation of the notice period, the date of the meeting shall not be included. Business day refers to a day on which the Hong Kong Stock Exchange is open for the business of trading in securities. For notices given under this article, the date posted shall be the date of delivering the relevant notice to post office by the Company or the share registrar appointed by the Company.

Original article	Content of original article	Amended article	Content of amended article
Article 71	<p>The notice of a general meeting shall meet the following criteria:</p> <ol style="list-style-type: none"> (1) it shall be made in writing; (2) it shall specify the venue, date and time of the meeting; (3) it shall set out the matters to be considered at the meeting; (4) it shall provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the terms of the proposed transaction shall be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of the such proposal shall be properly explained; (5) it shall disclose the nature and degree of the material interest of any director, supervisor, the general manager and other senior management members in the matters to be considered. In case that the impact of the matters to be considered on such director, supervisor, general manager and other senior management members as a shareholder is different from that on other holders of the same class of shares, the difference shall be explained; (6) it shall set out the full text of any special resolution to be proposed at the meeting; (7) it shall contain a prominent written statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy need not be a shareholder; (8) it shall specify the delivery time and place of the authorization letter for proxy voting of the meeting. 	Article 72	<p>The notice of a general meeting shall meet the following criteria:</p> <ol style="list-style-type: none"> (1) it shall be made in writing; (2) it shall specify the venue, date and time of the meeting; (3) it shall set out the matters to be considered at the meeting; (4) <u>it shall set out the equity registration date of shareholders who are entitled to attend the general meeting;</u> (5) it shall provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the terms of the proposed transaction shall be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of the such proposal shall be properly explained; (6) it shall disclose the nature and degree of the material interest of any director, supervisor, the general manager and other senior management members in the matters to be considered. In case that the impact of the matters to be considered on such director, supervisor, general manager and other senior management members as a shareholder is different from that on other holders of the same class of shares, the difference shall be explained; (7) it shall set out the full text of any special resolution to be proposed at the meeting; (8) it shall contain a prominent written statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy need not be a shareholder;

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			<p>(9) it shall specify the delivery time and place of the authorization letter for proxy voting of the meeting;</p> <p><u>(10) it shall specify the name and telephone number of the contact person for the meeting.</u></p> <p><u>Details of all proposals shall be disclosed on a full and complete basis in the notice and supplementary notice of general meeting. Where opinions from independent directors are required on any matters to be discussed, such opinions and reasons from independent directors shall be disclosed in the notice or supplementary notice of general meeting.</u></p> <p><u>The interval between the shareholding record date of a general meeting and the date of the meeting shall not be more than 7 working days. The shareholding record date shall not be changed once confirmed.</u></p>
Article 72	<p>Where the elections of director and supervisor will be discussed at the general meeting, the notices of the general meeting shall contain the details of the candidates of directors and supervisors including the following particulars:</p> <ol style="list-style-type: none"> (1) personal particulars such as education background, working experience and any part-time positions; (2) whether there is any connected relationship with the Company or the controlling shareholders and de facto controller of the Company; (3) their shareholding in the Company; (4) whether there are any penalties or punishments imposed by the China Securities Regulatory Commission and other related authorities or stock exchanges. 	Article 73	<p>Where the elections of director and supervisor will be discussed at the general meeting, the notices of the general meeting shall contain the details of the candidates of directors and supervisors including the following particulars:</p> <ol style="list-style-type: none"> (1) personal particulars such as education background, working experience and any part-time positions; (2) whether there is any connected relationship with the Company or the controlling shareholders and de facto controller of the Company; (3) their shareholding in the Company; (4) whether there are any penalties or punishments imposed by the China Securities Regulatory Commission and other related authorities or stock exchanges. <p><u>Except the election of directors and supervisors by means of cumulative voting, the election of each candidate of the director and supervisor shall be put forward by separate resolution.</u></p>
Article 74	Notice of a general meeting shall be served on shareholders (whether or not entitled to vote at the general meeting) by personal delivery or prepaid mail to their addresses as shown in the register of	Article 74	Notice of a general meeting shall be served on shareholders (whether or not entitled to vote at the general meeting) by personal delivery or prepaid mail to their addresses as shown in the register of

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	<p>shareholders. For the holders of domestic shares of the Company, notice of the meeting may be issued by way of public notice.</p> <p>For holders of H shares, subject to the compliance with the laws, regulations, the listing rules of the place where the shares of the Company are listed and these Articles, the notice of a general meeting, circular of shareholders and relevant documents may be published on the website of the Company and the Hong Kong Stock Exchange.</p>		<p>shareholders. For the holders of domestic shares of the Company, notice of the meeting may be issued by way of public notice.</p> <p><u>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council subject to the requirements of laws, regulations regulatory documents, the listing rule of the place where the shares of the Company and these articles. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the general meeting.</u> For holders of H shares, subject to the compliance with the laws, regulations, the listing rules of the place where the shares of the Company are listed and these Articles, the notice of a general meeting, circular of shareholders and relevant documents may be published on the website of the Company and the Hong Kong Stock Exchange.</p>
Article 76	<p>Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her agent so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its director or agent so officially authorized. <u>Such instrument shall state clearly the number of shares represented by the proxy or, in case that more than one proxy is appointed, the instruments shall state clearly the number of shares represented by each of the proxies.</u></p>	Article 77	<p>Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her proxy so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its director or agent so officially authorized. Such instrument shall state clearly <u>the following:</u></p> <ol style="list-style-type: none"> <li data-bbox="960 1293 1390 1364">(1) <u>the name of the principal and the name of the proxy;</u> <li data-bbox="960 1385 1390 1555">(2) <u>the number of shares represented by the proxy on behalf of the principal. If several proxies are appointed, the letter of proxy shall state the number of shares represented by each proxy;</u> <li data-bbox="960 1576 1390 1608">(3) <u>whether the proxy has voting rights;</u> <li data-bbox="960 1630 1390 1768">(4) <u>the instructions on whether to vote for or against or abstain from voting on each matter included in the agenda of the shareholders' meeting;</u> <li data-bbox="960 1789 1390 1879">(5) <u>whether the proxy has voting rights in respect of the temporary proposal as might be included in the agenda of the</u>

Original article	Content of original article	Amended article	Content of amended article
			<p><u>shareholders' meeting, and, if yes, the instructions on how to exercise the voting rights;</u></p> <p><u>(6) the date of issue and effective period of the letter of proxy.</u></p>
		Article 81	<p><u>The attendance register shall be prepared by the Company, which shall state the names (or names of the corporations), identification document numbers and the addresses of the attendees, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on.</u></p>
		Article 82	<p><u>In convening a shareholders' meeting, the convener and the lawyer appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for the meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total amount of their voting shares.</u></p>
		Article 83	<p><u>When a shareholder's meeting is held, all the directors, supervisors and secretary of the board of directors should attend the meeting. The managers and other senior management personnel without cogent reasons should be present at the meeting.</u></p>
		Article 84	<p><u>The Company shall formulate the Rules of Procedure of the General Meeting regulating the convening and voting procedure of general meetings, including notice, registration, consideration of resolutions, voting, counting of ballots, announcement of voting result, formation of resolution, meeting minutes and signing thereof and announcement, and the principles for authorization to the board of directors by general meetings, the authorization should be clear and specific. The Rules of Procedure of the General Meeting shall be an appendix to these Articles and shall be formulated by the board of directors and approved by the general meeting.</u></p>

Original article	Content of original article	Amended article	Content of amended article
		Article 85	<u>The board of directors and the supervisory committee shall report their work in the preceding year at the annual general meeting. Every independent non-executive director shall also make his/her work reports.</u>
		Article 86	<u>Directors, supervisors and senior management shall make explanations in relation to the inquiries and suggestions made by shareholders at shareholders' meetings.</u>
		Article 88	<u>The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting and the total number of voting shares represented by them, but the figures recorded in the attendance records will prevail.</u>
Article 82	<p>A shareholder (including proxy), when voting at a general meeting, may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one vote. The shares of the Company held by itself shall have no voting rights, and shall be excluded from the total number of voting votes at general meeting.</p> <p>When a connected transaction is being considered at a general meeting, the connected shareholders shall abstain from voting and the number of voting shares represented by them shall be excluded from the total number of effective votes according to the listing rules of the stock exchange(s) on which the shares of the Company are listed.</p> <p><u>Where any shareholder is required to abstain from voting on any particular resolution or restricted to vote only for or only against any particular resolution according the applicable laws and regulations and the listing rules of the stock exchange(s) on which the shares of the Company are listed, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</u></p>	Article 90	<p>A shareholder (including proxy), when voting at a general meeting, may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one vote. The shares of the Company held by itself shall have no voting rights, and shall be excluded from the total number of voting votes at general meeting.</p> <p>When a connected transaction is being considered at a general meeting, the connected shareholders shall abstain from voting and the number of voting shares represented by them shall be excluded from the total number of effective votes according to the listing rules of the stock exchange(s) on which the shares of the Company are listed; <u>the announcement on the resolutions shall fully disclose the voting of the non-related shareholders.</u></p> <p><u>The board of the Company, independent non-executive directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the requirements of the securities regulatory authorities of the State Council may act as collectors to publicly request by themselves or entrust securities companies and securities service institutions to publicly request the shareholders of the Company to appoint them as proxies to attend the general meeting of shareholders and exercise the proposal rights, voting rights and other shareholders' rights on their behalf. Information including the specific voting preference shall be</u></p>

Original article	Content of original article	Amended article	Content of amended article
			<u>fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.</u>
		Article 91	<u>In order to assure the legality and validity of the shareholders' general meeting, the Company will provide convenience for shareholders to attend shareholders' general meetings through various means and approaches and will provide priority to modern information technology methods such as online voting platform.</u>
Article 88	<p>Special resolutions shall be passed with respect to the following matters at a general meeting:</p> <ol style="list-style-type: none"> (1) increase or decrease of share capital of the Company, repurchase of shares of the Company and issue of any types of shares, warrants and other similar securities; (2) the issue of corporate bonds; (3) company demerger, merger, dissolution and liquidation or changing the form of the Company; (4) amendments to the Articles of Association; (5) any acquisition or disposal of material assets by the Company or the amount of guarantees exceeding 30% of the total assets of the Company within one year; (6) share incentive plans; (7) other matters considered to have a material impact on the Company that by an ordinary resolution at the general meeting is required to be passed by a special resolution. 	Article 97	<p>Special resolutions shall be passed with respect to the following matters at a general meeting:</p> <ol style="list-style-type: none"> (1) increase or decrease of share capital of the Company, repurchase of shares of the Company and issue of any types of shares, warrants and other similar securities; (2) the issue of corporate bonds; (3) company demerger, merger, dissolution and liquidation or changing the form of the Company; (4) amendments to the Articles of Association; (5) any acquisition or disposal of material assets by the Company or the amount of guarantees exceeding 30% of the total assets of the Company within one year; (6) share incentive plans; (7) other matters <u>required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or these Articles to be</u> considered to have a material impact on the Company that by an ordinary resolution at the general meeting is required to be passed by a special resolution.
Article 89	An extraordinary general meeting may be convened upon the proposal of <u>more than two</u> of the independent non-executive directors submitted to the board of directors. The board of directors shall, in accordance with the laws, regulations and these Articles, furnish a written reply stating its agreement	Article 98	An extraordinary general meeting may be convened upon the proposal of the independent non-executive directors submitted to the board of directors. The board of directors shall, in accordance with the laws, regulations and these Articles, furnish a written reply

Original article	Content of original article	Amended article	Content of amended article
	<p>or disagreement to the convening of the extraordinary general meeting within ten business days upon receipt of such proposal.</p> <p>If the board of directors agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after adopting the relevant resolution by the board of directors. If the board of directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given.</p>		<p>stating its agreement or disagreement to the convening of the extraordinary general meeting within ten business days upon receipt of such proposal.</p> <p>If the board of directors agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after adopting the relevant resolution by the board of directors. If the board of directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given.</p>
Article 90	<p>An extraordinary general meeting may be convened upon the proposal of the board of supervisors submitted to the board of directors. The board of directors shall, in accordance with the laws, regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed and <u>the Articles of Association</u>, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten business days upon receipt of such proposal.</p> <p>If the board of directors agrees to convene an extraordinary general meeting, a notice of the meeting shall be issued within five days after adopting the relevant resolution by the board of directors. Any amendments to the original proposal in the notice are subject to approval of the board of supervisors.</p> <p>If the board of directors does not agree to convene an extraordinary general meeting, or fails to furnish a written reply within ten days after receipt of the proposal, the Board is deemed to be unable or unwilling to perform the duty of convening a general meeting, in which case the board of supervisors may convene and preside over such meeting by itself.</p>	Article 99	<p>An extraordinary general meeting may be convened upon the proposal of the board of supervisors submitted to the board of directors. The board of directors shall, in accordance with the laws, regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed and <u>these Articles</u>, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten business days upon receipt of such proposal.</p> <p>If the board of directors agrees to convene an extraordinary general meeting, a notice of the meeting shall be issued within five days after adopting the relevant resolution by the board of directors. Any amendments to the original proposal in the notice are subject to approval of the board of supervisors.</p> <p>If the board of directors does not agree to convene an extraordinary general meeting, or fails to furnish a written reply within ten days after receipt of the proposal, the Board is deemed to be unable or unwilling to perform the duty of convening a general meeting, in which case the board of supervisors may convene and preside over such meeting by itself.</p>
Article 91	<p>When shareholders request for the convening of an extraordinary general meeting or any class meeting, the following procedures shall be followed:</p> <p>(1) Shareholder(s) who individually or jointly hold 10% or more of the shares carrying the right to vote at the meeting or the board of supervisors can request the board of directors to convene an extraordinary general meeting or class meeting by signing one or several copies of written request(s) in the same form and content, and</p>	Article 100	<p>When shareholders request for the convening of an extraordinary general meeting or any class meeting, the following procedures shall be followed:</p> <p>(1) Shareholder(s) who individually or jointly hold 10% or more of the shares carrying the right to vote at the meeting or the board of supervisors can request the board of directors to convene an extraordinary general meeting or class meeting by signing one or several copies of written request(s) in the same form and content, and</p>

Original article	Content of original article	Amended article	Content of amended article
	<p>stating the motions proposed. <u>The board of directors shall convene the extraordinary general meeting or class meeting as specified in the request.</u> The amount of shares referred to above shall be calculated as at the date of making the request.</p> <p>(2) <u>If no notice of convening a general meeting was issued within thirty days after the board of directors receiving the abovementioned written request(s), the shareholders making the request(s) can convene a meeting by itself within 4 months after the board of directors receiving the abovementioned written request(s). The procedures for convening such meeting shall follow the procedures of the general meeting convened by the board of directors as closely as possible.</u></p> <p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the board of directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors.</p>		<p>stating the motions proposed. The amount of shares referred to above shall be calculated as at the date of making the request. <u>The board of directors shall, in accordance with the laws, regulations and these Articles, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten business days upon receipt of such request.</u></p> <p><u>If the board agrees to convene the extraordinary general meeting or the class meeting, it shall issue a notice to convene shareholders' general meeting or class meeting within 5 days of its decision, and any changes to the original request in the notice shall be made only with the consent of the relevant shareholder(s).</u></p> <p>(2) <u>If the board decides against convening the extraordinary general meeting or the class meeting, or if it has failed to provide its feedback within 10 days after receiving the request, shareholders individually or jointly holding more than 10% of the shares carrying the right to vote at the meeting proposed to be held are entitled to propose to convene an extraordinary general meeting or a class meeting to the supervisory committee in writing.</u></p> <p>(3) <u>If the supervisory committee agrees to convene the extraordinary general meeting or the class meeting, it shall issue a notice to convene shareholders' general meeting or class meeting within 5 days of receipt of the request, and any changes to the original request in the notice shall be made only with the consent of the relevant shareholder(s).</u></p> <p><u>If the supervisory committee fails to issue a notice of meeting within the prescribed period, the supervisory committee shall be deemed not convening or chairing a shareholders' general meeting or class meeting. Shareholders individually or jointly holding more than 10% of the shares of the Company for ninety (90) consecutive days may convene and chair the meeting on their own.</u></p>

Original article	Content of original article	Amended article	Content of amended article
			All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the board of directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors.
		Article 101	<p><u>Where the board of supervisors or shareholders decide to convene a general meeting, it/they shall give a written notice to the board of directors and shall report it to the local office of China Securities Regulatory Commission in the region where the Company operates and the stock exchange for record.</u></p> <p><u>Prior to the announcement of the resolution of the general meeting, the shareholding by the shareholders who convene the meeting shall be not less than 10%.</u></p> <p><u>The board of supervisors or shareholders who convene the meeting shall submit relevant certification materials to the local office of China Securities Regulatory Commission in the region where the Company operates and the stock exchange, while sending out a notice of general meeting and making the announcement of the resolution of the general meeting.</u></p>
		Article 102	<u>With respect to a general meeting convened by the board of supervisors or shareholders, the board of directors and the secretary of the board shall give cooperation. The board of directors shall offer the members registration list on the equity registration date.</u>
Article 93	The rules of procedures of general meetings shall be formulated by the board of directors and approved by the general meeting.		<u>Delete</u>
Article 94	The chairman of the meeting shall be responsible for deciding whether a resolution has been adopted. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.		<u>Delete</u>
Article 95	The Company shall, on the premise of ensuring the lawfulness and validity of the general meeting, enable the shareholders to attend general meetings by various means.		<u>Delete</u>
		Article 104	<u>The convener shall ensure that the shareholders' general meeting is held continuously until final resolutions are arrived at. In the event that the</u>

Original article	Content of original article	Amended article	Content of amended article
			<u>shareholders' general meeting is terminated or fails to reach any resolution owing to force majeure or for other special reasons, immediate action shall be taken to resume the shareholders' general meeting as soon as possible or the shareholders' general meeting shall be directly terminated, and relevant announcement shall be made timely. Meanwhile, the convener shall report to the authorities delegated by the local office of China Securities Regulatory Commission in the place where the Company is located and the stock exchange.</u>
Article 96	The list of <u>candidates</u> for directors and <u>shareholders' representative</u> supervisors shall be submitted to the general meeting for voting in form of <u>a resolution</u> .	Article 105	The list of candidates for directors and supervisors shall be <u>proposed in writing</u> at a general meeting for voting. <u>When the general meeting votes for election of directors or supervisors, according to the provisions of the Articles of Association or the resolution of the general meeting, and where a single shareholder and parties acting in concert with him hold equity interests of 30% or above and when the general meeting intends to elect more than two directors and supervisors, the cumulative voting system shall be adopted.</u>
Article 98	The general meeting shall vote on all resolutions individually. If there are various resolutions for a single matter, they shall be voted in the chronological order of the proposals being proposed. Except under special circumstance such as force majeure leading to the suspension of or inability to adopt resolutions at a general meeting, no resolution shall be set aside or left undecided at the general meeting.	Article 107	<u>Except for cumulative voting system</u> , the general meeting shall vote on all resolutions individually. If there are various resolutions for a single matter, they shall be voted in the chronological order of the proposals being proposed. Except under special circumstance such as force majeure leading to the suspension of or inability to adopt resolutions at a general meeting, no resolution shall be set aside or left undecided at the general meeting.
Article 101	Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter to be considered shall not participate in vote counting or scrutinising. When the shareholders are voting on the resolutions, <u>auditors</u> , H-Share registrar or external accountants qualified to service as auditors, and supervisors of the Company <u>shall be the scrutinisers</u> . Voting result shall be announced forthwith by the chairman of the meeting, and shall be recorded in the minutes of meeting.	Article 110	Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter to be considered shall not participate in vote counting or scrutinising. When the shareholders are voting on the resolutions, <u>solicitors, shareholder representative and</u> auditors, H-Share registrar or external accountants qualified to service as auditors, and supervisors of the Company shall count and <u>scrutinize the votes jointly</u> . Voting result shall be announced forthwith by the chairman of the meeting, and shall be recorded in the minutes of meeting.

Original article	Content of original article	Amended article	Content of amended article
			<u>According to the relevant requirements of regulatory rules of the place where the Company's shares are listed, shareholders of the Company or their proxies who cast votes via network or other means shall be entitled to review their own voting result through the relevant voting system.</u>
		Article 111	<u>The on-site voting shall not end earlier than the network voting or any other method of voting at the shareholders' general meeting. The chairperson of the meeting shall announce details of voting in connection with each proposed resolution, the voting result and whether the proposed resolution is passed in accordance with the voting result.</u> <u>Before the formal announcement of the voting result, the related parties including companies, vote counters, scrutineers, substantial shareholders and network service providers at the meeting or participating in on-site voting, network voting or other methods of voting, shall bear the duty of confidentiality of the voting.</u>
Article 106	Where a resolution for the election of directors or supervisors is adopted at the general meeting, the term of office of the newly-elected directors and supervisors shall commence at the time when such resolution is adopted. <u>When a poll is demanded for the election of directors or supervisors at the general meeting, a cumulative voting may be adopted in accordance with the requirements of the Articles and the resolution of the general meeting.</u> <u>The cumulative voting mentioned above represents each share carrying voting rights corresponding to the number of directors or supervisors when they are elected at the general meeting, and the shareholders may exercise such voting rights collectively.</u>	Article 116	Where a resolution for the election of directors or supervisors is adopted at the general meeting, the term of office of the newly-elected directors and supervisors shall commence at the time when such resolution is adopted.
		Article 117	<u>Resolutions of the general meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company,</u>

Original article	Content of original article	Amended article	Content of amended article
			<u>the voting method, the voting result for every motion and the details of each of the resolutions passed.</u>
		Article 118	<u>In the event a proposal is not adopted, or the general meeting makes any modification to any resolution adopted at the previous meeting, a specific indication shall be made in the announcement on resolutions of the general meeting.</u>
		Article 119	<u>Where any proposal on cash dividends, bonus shares or capital surplus into share capital is adopted at the general meeting, the Company shall implement the specific scheme within two months upon the conclusion of the general meeting.</u>
		Article 120	<u>The Company shall engage lawyers to issue legal opinions and make announcement in respect of the following issues when convening a general meeting:</u> <u>(1) Whether the convening and convening procedures of the general meeting is in compliance with the laws, administrative regulations and these Articles;</u> <u>(2) Whether the qualification of the person attending the general meeting and the person convening the general meeting are valid;</u> <u>(3) Whether the voting procedures and voting results are valid;</u> <u>(4) Legal advice on other matters as required by the Company.</u>
Article 108	Any variation or abrogation of the rights of any class shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected class shareholders at a separate meeting convened in accordance with <u>Articles 110 to 114.</u>	Article 122	Any variation or abrogation of the rights of any class shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected class shareholders at a separate meeting convened in accordance with <u>Articles 124 to 128.</u>
Article 110	Shareholders of the affected class, whether or not having the right to vote at general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of <u>Article 109</u> , but interested shareholder(s) shall not be entitled to vote at class meetings.	Article 124	Shareholders of the affected class, whether or not having the right to vote at general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of <u>Article 123</u> , but interested shareholder(s) shall not be entitled to vote at class meetings.

Original article	Content of original article	Amended article	Content of amended article
	<p>The interested shareholders referred to in the preceding paragraph have the following meanings:</p> <p>(1) In the case of a repurchase of its own shares by the Company by making offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 31 of these Articles, “interested shareholder” shall refer to the controlling shareholder as defined in Article 61 of these Articles;</p> <p>(2) In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 31 of these Articles, “interested shareholder” shall refer to the shareholder to which the proposed agreement relates;</p> <p>(3) In the case of a restructuring of the Company, “interested shareholder” shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.</p>		<p>The interested shareholders referred to in the preceding paragraph have the following meanings:</p> <p>(1) In the case of a repurchase of its own shares by the Company by making offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 33 of these Articles, “interested shareholder” shall refer to the controlling shareholder as defined in Article 62 of these Articles;</p> <p>(2) In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 33 of these Articles, “interested shareholder” shall refer to the shareholder to which the proposed agreement relates;</p> <p>(3) In the case of a restructuring of the Company, “interested shareholder” shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.</p>
Article 111	A resolution of a class meeting shall only be passed in accordance with Article 110 by shareholders present at the class meeting who represent two-thirds or more of voting rights.	Article 125	A resolution of a class meeting shall only be passed in accordance with Article 124 by shareholders present at the class meeting who represent two-thirds or more of voting rights.
Article 116	<p>Directors shall be elected at general meeting with a term of office of 3 years each. Upon maturity of the term of office, a director shall be eligible to offer himself for re-election.</p> <p>The chairman and vice chairman of the board of directors shall be elected and removed by more than one-half of all directors. The term of office of the chairman and vice chairman shall be 3 years, renewable upon re-election. Directors are not required to hold shares of the Company.</p>	Article 130	<p>Directors shall be elected at general meeting with a term of office of 3 years each. Upon maturity of the term of office, a director shall be eligible to offer himself for re-election.</p> <p>The chairman and vice chairman of the board of directors shall be elected and removed by more than one-half of all directors. The term of office of the chairman and vice chairman shall be 3 years, renewable upon re-election. Directors are not required to hold shares of the Company.</p> <p><u>The term of office of a director shall commence on the date when he takes up the position until the expiry of the current term of the board of directors of which he is a member. If new directors fail to be elected in a timely manner upon expiry of the term of directors, the original directors shall continue to perform the duty of directors in accordance with</u></p>

Original article	Content of original article	Amended article	Content of amended article
			<p><u>laws, administrative regulations, department rules and these Articles before the newly elected directors take up the position.</u></p> <p><u>The general manager or other senior management may concurrently serve as directors. However, the number of directors who serve concurrently as the manager or other senior management and the number of directors who are the staff representatives shall not in aggregate exceed 50% of the total number of the directors of the Company.</u></p>
		Article 137	<p><u>If a director fails to attend meeting of the board of directors in person and fails to appoint any other director to attend on his behalf for two consecutive times, he shall be deemed to be unable to perform his duties, and the board of directors shall propose to the general meeting for replacement.</u></p>
Article 123	<p>The board of directors shall be accountable to the general meetings, and exercise the following powers:</p> <ol style="list-style-type: none"> (1) to convene the shareholder meetings and report its work to the general meetings; (2) to implement resolutions of the general meeting; (3) to decide on the business plans and investment plans of the Company; (4) to formulate the plans for annual financial budgets and final accounts of the Company; (5) to formulate the plans for profit distribution and making up losses of the Company; (6) to formulate proposals for the increase or reduction of registered capital and the issue of shares, debentures or other securities and the listing project of the Company; (7) to formulate plans for major acquisition, repurchase of the shares of the Company or the merger, division, dissolution or change of the nature of incorporation of the Company; (8) to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantee, debt financing, entrusted wealth management and connected transactions, except those which 	Article 138	<p>The board of directors shall be accountable to the general meetings, and exercise the following powers:</p> <ol style="list-style-type: none"> (1) to convene the shareholder meetings and report its work to the general meetings; (2) to implement resolutions of the general meeting; (3) to decide on the business plans and investment plans of the Company; (4) to formulate the plans for annual financial budgets and final accounts of the Company; (5) to formulate the plans for profit distribution and making up losses of the Company; (6) to formulate proposals for the increase or reduction of registered capital and the issue of shares, debentures or other securities and the listing project of the Company; (7) to formulate plans for major acquisition, repurchase of the shares of the Company or the merger, division, dissolution or change of the nature of incorporation of the Company; (8) to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantee, debt financing, entrusted wealth management and connected transactions, except those which

Original article	Content of original article	Amended article	Content of amended article
	<p>shall be approved by the general meeting of the Company as prescribed by laws, regulations, departmental regulations or these Articles;</p> <p>(9) to decide on the establishment of the internal management organization of the Company;</p> <p>(10) to appoint or remove the general manager and secretary of the board of directors of the Company; to appoint or remove the senior management, such as the vice general manager, of the Company pursuant to the nominations of the general manager and decide on their remuneration as well as reward and punishment;</p> <p>(11) to formulate the basic management system of the Company;</p> <p>(12) to prepare plans for amending these Articles;</p> <p>(13) to manage information disclosure matters of the Company;</p> <p>(14) to propose to the general meetings as to the appointment or change of the accounting firm for the auditing of the Company;</p> <p>(15) to receive the work reports of the general manager of the Company and to review the work of the general manager;</p> <p>(16) to decide the establishment of special committees and their compositions;</p> <p>(17) to exercise other functions and powers conferred by the laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, at general meetings and these Articles.</p> <p>Resolutions relating to the above, with the exception of items (6), (7) and (12) above which shall be approved by not less than two-thirds of the directors, shall be approved by not less than half of the directors.</p> <p>Prior to making decisions on material issues of the Company, the Board shall first seek advice from the Party Committee of the Company.</p>		<p>shall be approved by the general meeting of the Company as prescribed by laws, regulations, departmental regulations or these Articles;</p> <p>(9) to decide on the establishment of the internal management organization of the Company;</p> <p>(10) to appoint or remove the general manager and secretary of the board of directors of the Company; to appoint or remove the senior management, such as the vice general manager, of the Company pursuant to the nominations of the general manager and decide on their remuneration as well as reward and punishment;</p> <p>(11) to formulate the basic management system of the Company;</p> <p>(12) to prepare plans for amending these Articles;</p> <p>(13) to manage information disclosure matters of the Company;</p> <p>(14) to propose to the general meetings as to the appointment or change of the accounting firm for the auditing of the Company;</p> <p>(15) to receive the work reports of the general manager of the Company and to review the work of the general manager;</p> <p>(16) to decide the establishment of special committees and their compositions;</p> <p>(17) to exercise other functions and powers conferred by the laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, at general meetings and these Articles.</p> <p>Resolutions relating to the above, with the exception of items (6), (7) and (12) above which shall be approved by not less than two-thirds of the directors, shall be approved by not less than half of the directors.</p> <p>Prior to making decisions on material issues of the Company, the Board shall first seek advice from the Party Committee of the Company.</p>
Article 127		Article 142	

Original article	Content of original article	Amended article	Content of amended article
	<p>Subject to the provisions of Articles 63 and 123, the following issues shall be considered and approved by the board of directors:</p> <ol style="list-style-type: none"> (1) any pledge of assets, external investment and entrusted wealth management with a transaction amount being more than 10% but less than 50% of the latest audited net assets of the Company; (2) external guarantees other than those required to be approved by the general meeting as provided in Article 65; (3) acquisition and disposal of significant assets of the Company within a year accounting for less than 30% of the latest audited total assets of the Company. 		<p>Subject to the provisions of Articles 64 and 138, the following issues shall be considered and approved by the board of directors:</p> <ol style="list-style-type: none"> (1) any pledge of assets, external investment and entrusted wealth management with a transaction amount being more than 10% but less than 50% of the latest audited net assets of the Company; (2) external guarantees other than those required to be approved by the general meeting as provided in Article 66; (3) acquisition and disposal of significant assets of the Company within a year accounting for less than 30% of the latest audited total assets of the Company.
Article 129	<p>The chairman of the board of directors shall exercise the following powers:</p> <ol style="list-style-type: none"> (1) to preside over general meetings and convene and preside over meetings of the board of directors; (2) to supervise and check on the implementation of the resolutions of the general meetings and the board of directors; (3) to sign the significant documents of the board of directors and other documents required to be signed by the legal representative of the Company; (4) to exercise certain powers of the board of directors in accordance with authorization of the board of directors during adjournment of the board meeting; (5) to sign the share certificates issued by the Company; (6) to organise the formulation of relevant systems and to coordinate the operation of the board of directors; (7) to exercise special powers of discretion and disposal regarding the Company's affairs in compliance with the laws and regulations and in the interests of the Company in the event of emergency caused by force majeure such as 	Article 144	<p>The chairman of the board of directors shall exercise the following powers:</p> <ol style="list-style-type: none"> (1) to preside over general meetings and convene and preside over meetings of the board of directors; (2) to supervise and check on the implementation of the resolutions of the general meetings and the board of directors; (3) to sign the significant documents of the board of directors and other documents required to be signed by the legal representative of the Company; (4) to exercise certain powers of the board of directors in accordance with authorization of the board of directors during adjournment of the board meeting; (5) to sign the share certificates issued by the Company; (6) to organise the formulation of relevant systems and to coordinate the operation of the board of directors; (7) to exercise special powers of discretion and disposal regarding the Company's affairs in compliance with the laws and regulations and in the interests of the Company in the event of emergency caused by force majeure such as

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	<p>wars and natural disasters, and to report to the board of directors and general meetings after exercising such powers;</p> <p>(8) to receive the work reports of the general manager, other senior management of the Company and the persons-in-charge of the invested enterprises of the Company;</p> <p>(9) the board of directors authorises the chairman of the board of directors to decide on the following issues:</p> <ol style="list-style-type: none"> 1. any investment in fixed assets and equity interests with a transaction amount being not more than 10% of the latest audited net assets of the Company; 2. any financing construction project or commercial property development projects with a transaction amount being not more than 50% of the latest audited net assets of the Company; 3. <u>any disposal of assets with a transaction amount less than 10% of the latest audited net assets of the Company;</u> 4. any entrusted wealth management with a transaction amount being not more than 10% of the latest audited net assets of the Company; 5. any donation with a single amount being less than RMB1 million and the total amount within a year being less than <u>RMB10 million</u>, and the total amount to the same receiver in the same year being less than RMB2 million. <p>The chairman of the board of directors can authorize other persons to decide on the issues within the above scope of authorization.</p> <p>(10) to approve resolutions or matters proposed by the general manager except those required to be approved by the board of directors or general meeting;</p>		<p>wars and natural disasters, and to report to the board of directors and general meetings after exercising such powers;</p> <p>(8) to receive the work reports of the general manager, other senior management of the Company and the persons-in-charge of the invested enterprises of the Company;</p> <p>(9) the board of directors authorises the chairman of the board of directors to decide on the following issues:</p> <ol style="list-style-type: none"> 1. any investment in fixed assets and equity interests <u>and disposal of assets</u> with a transaction amount being not more than 10% of the latest audited net assets of the Company; 2. any financing construction project or commercial property development projects with a transaction amount being not more than 50% of the latest audited net assets of the Company; 3. any entrusted wealth management with a transaction amount being not more than 10% of the latest audited net assets of the Company; 4. any donation with a single amount being less than RMB1 million and the total amount within a year being less than <u>RMB30 million</u>, and the total amount to the same receiver in the same year being less than RMB2 million. <p>The chairman of the board of directors can authorize other persons to decide on the issues within the above scope of authorization.</p> <p>(10) to approve resolutions or matters proposed by the general manager except those required to be approved by the board of directors or general meeting;</p> <p>(11) to exercise other functions and powers conferred by the law, regulations, <u>these Articles</u> or the board of directors.</p>

Original article	Content of original article	Amended article	Content of amended article
	(11) to exercise other functions and powers conferred by the law, regulations, <u>Articles of Association</u> or the board of directors.		
Article 132	The notice of board meeting shall be served to all directors, supervisors and general manager by means of facsimile or email fourteen days before the date of the meeting (for regular meeting) or by means of written notice five days before the date of the meeting (for extraordinary meeting). In case of emergency, such notice may be waived from the time and content requirement for the notice of an extraordinary board meeting set out in these Articles, provided that an explanation shall be made at the meeting by the convener. In avoidance of doubt, the notice of the extraordinary board meeting under emergency conditions shall be in compliance with the matters set out in clauses (1), (2) and (4) of <u>Article 133</u> and contain reasonable and necessary information such as reason and resolutions of the relevant meeting.	Article 147	The notice of board meeting shall be served to all directors, supervisors and general manager by means of facsimile or email fourteen days before the date of the meeting (for regular meeting) or by means of written notice five days before the date of the meeting (for extraordinary meeting). In case of emergency, such notice may be waived from the time and content requirement for the notice of an extraordinary board meeting set out in these Articles, provided that an explanation shall be made at the meeting by the convener. In avoidance of doubt, the notice of the extraordinary board meeting under emergency conditions shall be in compliance with the matters set out in clauses (1), (2) and (4) of <u>Article 148</u> and contain reasonable and necessary information such as reason and resolutions of the relevant meeting.
Article 135	When a director and the enterprises involved in the resolutions of the board meeting have <u>connected</u> relations, such director shall not exercise his/her voting rights on such proposal nor can he/she exercise any voting rights on behalf of others directors. The meeting may be held if it is quorate by more than half of the <u>unconnected</u> directors. The resolutions of the board meeting shall be passed by more than half of <u>unconnected</u> directors. If the number of <u>unconnected</u> directors attending the board meeting is less than three, such matter shall be put forward to the general meeting for consideration.	Article 150	When a director and the enterprises involved in the resolutions of the board meeting have <u>connected</u> relations, such director shall not exercise his/her voting rights on such proposal nor can he/she exercise any voting rights on behalf of others directors. The meeting may be held if it is quorate by more than half of the <u>unconnected</u> directors. The resolutions of the board meeting shall be passed by more than half of <u>unconnected</u> directors. If the number of <u>unconnected</u> directors attending the board meeting is less than three, such matter shall be put forward to the general meeting for consideration.
Article 139	The minutes of the board of directors shall consist of the following: <ul style="list-style-type: none"> (1) the date and venue for the convention of meeting and name of person summoning the meeting; (2) the name of the director <u>present</u> and name of director being appointed to attend on the other's behalf; (3) the agenda; (4) the main point of director's speech; (5) the voting method of each agenda and the result (the result shall state the number of votes for and against). 	Article 154	The minutes of the board of directors shall consist of the following: <ul style="list-style-type: none"> (1) the <u>method</u>, date and venue for the convention of meeting and name of person summoning the meeting; (2) the name of the director present and name of director being appointed to attend on the other's behalf; (3) the agenda; (4) the main point of director's speech; (5) the voting method of each agenda and the result (the result shall state the number of votes for and against).

Original article	Content of original article	Amended article	Content of amended article
Article 142	<p><u>Where necessary</u>, the board of directors may establish relevant special committees such as the strategy committee, remuneration and appraisal committee, <u>audit committee</u> and nomination committee to provide advice and suggestions for the material decisions of the board of directors. The board of directors shall formulate separate terms of reference for each of the special committees of the board of directors to determine the composition, duties and procedures of meetings of such special committees.</p>	Article 157	<p>The board of directors <u>of listed companies shall</u> establish relevant special committees such as the audit committee, remuneration and appraisal committee, nomination <u>committee and strategy committee as necessary</u>, to provide advice and suggestions for the material decisions of the board of directors. The board of directors shall formulate separate terms of reference for each of the special committees of the board of directors to determine the composition, duties and procedures of meetings of such special committees. <u>The special committees are accountable to the board of directors, and perform their duties in accordance with the Articles of Association and the board's authorisation.</u></p>
Article 148	<p>The secretary to the board of directors of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. His/her primary responsibilities are as follows:</p> <ol style="list-style-type: none"> (1) to prepare and deliver reports and documents issued by the board of directors and general meetings as required by competent authorities; (2) to organize board meetings and general meetings, be responsible for recording of the meetings and keep meeting documents and records; (3) to ensure that individuals who are entitled to obtain relevant records and documents may access to them in time; (4) <u>other duties as provided in these Articles.</u> <p>The secretary to the board of directors shall be present at board meetings.</p>	Article 163	<p>The secretary to the board of directors of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. His/her primary responsibilities are as follows:</p> <ol style="list-style-type: none"> (1) to prepare and deliver reports and documents issued by the board of directors and general meetings as required by competent authorities; (2) to organize board meetings and general meetings, be responsible for recording of the meetings and keep meeting documents and records; (3) to ensure that individuals who are entitled to obtain relevant records and documents may access to them in time; (4) <u>other duties as provided in laws, regulations, normative documents and relevant requirements of the place where the shares of the Company are listed and these Articles.</u> <p>The secretary to the board of directors shall be present at board meetings.</p>
		Article 166	<p><u>Senior management of the Company shall not take up administration positions in the controlling shareholder other than director and supervisor. If the senior management members of the controlling shareholders concurrently act as the Directors or Supervisors of the listed company, they shall guarantee that they have enough time and energy to undertake the work of the listed company.</u></p>

Original article	Content of original article	Amended article	Content of amended article
Article 152	<p>The general manager shall be accountable to the board of directors and shall perform the following duties:</p> <ol style="list-style-type: none"> (1) to be in charge of the production, operation and management of the Company and report to the board of directors; (2) to organize the implementation of resolutions of the board of directors, and annual business plans and investment plans of the Company; (3) to draft the plan for establishment of the internal management structure of the Company; (4) to draft the general management system of the Company; (5) to formulate the detailed rules and regulations of the Company; (6) to propose to the board of directors the appointment or dismissal of the vice general managers and chief accountant of the Company; (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors; (8) other duties conferred by the board of directors to the general manager. 	Article 168	<p>The general manager shall be accountable to the board of directors and shall perform the following duties:</p> <ol style="list-style-type: none"> (1) to be in charge of the production, operation and management of the Company and report to the board of directors; (2) to organize the implementation of resolutions of the board of directors, and annual business plans and investment plans of the Company; (3) to draft the plan for establishment of the internal management structure of the Company; (4) to draft the general management system, <u>business plan (draft)</u> of the Company; (5) to formulate the detailed rules and regulations of the Company; (6) to propose to the board of directors the appointment or dismissal of the vice general managers and chief accountant of the Company; (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors; (8) <u>to decide the connected transaction (excluding provision of guarantees and the donated cash assets) with a transaction amount not reaching the level for disclosure as required under the listing rules of where the shares of the Company are listed;</u> (9) other duties conferred by the board of directors to the general manager.
		Article 171	<p><u>The general manager and other senior management members may resign prior to the expiry of his term of office. The specific procedures and methods of resignation of the general manager and other senior management members shall be governed by their employment contracts with the Company, save as otherwise provided in laws, administrative regulations and rules in the jurisdiction where the shares of the Company are listed.</u></p>
		Article 172	<p><u>Where the Company incurs losses as a result of general manager and senior management members violating the regulation of the laws, administrative regulations, departmental rules or the Articles of</u></p>

Original article	Content of original article	Amended article	Content of amended article
			<u>Association in the course of performing their duties with the Company, they shall be liable for the losses.</u>
Article 156	The general manager may resign prior to the expiry of his/her term of office. The specific procedures and methods of resignation of the general manager shall be governed by his/her contract with the Company.		<u>Delete</u>
Article 159	<p>The board of supervisors shall comprise three to seven supervisors. Non-employee representative supervisors of the board of supervisors shall be elected and removed at the general meeting, while employee representative supervisors shall be elected by the employees of the Company through the meeting of employee representatives, meeting of employees or other forms of democratic election.</p> <p>The terms of office of supervisors shall be three years, renewable upon re-election. The board of supervisors shall have one chairman, the election and removal of whom shall be passed by at least two-thirds of the members of the board of supervisors. The chairman of the board of supervisors shall convene and preside meetings of the board of supervisors. Where the chairman of the board of supervisors is incapable of performing or fails to perform his/her duties, a supervisor elected by at least half of the supervisors shall convene and preside over the meeting of the board of supervisors.</p>	Article 176	<p>The board of supervisors shall comprise three to seven supervisors, <u>among them, the proportion of employee representative supervisors shall not less than 1/3.</u> Non-employee representative supervisors of the board of supervisors shall be elected and removed at the general meeting, while employee representative supervisors shall be elected by the employees of the Company through the meeting of employee representatives, meeting of employees or other forms of democratic election.</p> <p>The terms of office of supervisors shall be three years, renewable upon re-election. The board of supervisors shall have one chairman, the election and removal of whom shall be passed by at least two-thirds of the members of the board of supervisors. The chairman of the board of supervisors shall convene and preside meetings of the board of supervisors. Where the chairman of the board of supervisors is incapable of performing or fails to perform his/her duties, a supervisor elected by at least half of the supervisors shall convene and preside over the meeting of the board of supervisors.</p>
Article 162	The supervisors shall not use their <u>connected</u> relationship to prejudice the interests of the Company and shall be liable for indemnity to any loss caused to the Company.	Article 179	The supervisors shall not use their <u>connected</u> relationship to prejudice the interests of the Company and shall be liable for indemnity to any loss caused to the Company.
Article 165	<p>The board of supervisors shall hold at least two meetings each year, with at least one meeting held every six months, <u>which are convened and presided over by the chairman of the board of supervisors.</u></p> <p>The supervisors may propose to convene extraordinary meetings of the board of supervisors. <u>Where the chairman of the board of supervisors is incapable of performing or fails to perform his/her duties, a supervisor elected by not less than half of the supervisors shall convene and preside over the meeting of the board of supervisors.</u></p>	Article 182	The board of supervisors shall hold at least two meetings each year, with at least one meeting held every six months. The supervisors may propose to convene extraordinary meetings of the board of supervisors.

Original article	Content of original article	Amended article	Content of amended article
Article 172	<p>A person may not serve as a director, supervisor, general manager, or any other senior management of the Company if any of the following circumstances applies:</p> <p>(1) a person without legal or with restricted legal capacity;</p> <p>(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence, or who has been deprived of his political rights due to offences committed, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation;</p> <p>(3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;</p> <p>(4) a person who is a former legal representative of a company or enterprise which had its business licence revoked and had been ordered to close down due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed since the date of the revocation of the business license;</p> <p>(5) a person who has a relatively large number of debts due and outstanding;</p> <p>(6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;</p> <p><u>(7) a person who is not eligible for enterprise leadership according to laws and regulations;</u></p> <p><u>(8) a non-natural person;</u></p>	Article 189	<p>A person may not serve as a director, supervisor, general manager, or any other senior management of the Company if any of the following circumstances applies:</p> <p>(1) a person without legal or with restricted legal capacity;</p> <p>(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence, or who has been deprived of his political rights due to offences committed, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation;</p> <p>(3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;</p> <p>(4) a person who is a former legal representative of a company or enterprise which had its business license revoked and had been ordered to close down due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed since the date of the revocation of the business license;</p> <p>(5) a person who has a relatively large number of debts due and outstanding;</p> <p>(6) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;</p> <p>(7) a person who is convicted of the contravention of relevant securities regulations by a relevant competent authority, and such conviction</p>

Original article	Content of original article	Amended article	Content of amended article
	<p>(9) a person who is convicted of the contravention of relevant securities regulations by a relevant competent authority, and such conviction involves fraud or dishonest behavior, where less than 5 years has elapsed since the date of the conviction;</p> <p>(10) any other circumstances as prescribed by the relevant laws and regulations of the place where the Company's shares are listed.</p> <p>Any person who serves as any roles apart from a director in the controlling shareholders or de facto controllers of the Company shall not act as a senior management of the Company.</p>		<p>involves fraud or dishonest behavior, where less than 5 years has elapsed since the date of the conviction;</p> <p>(8) <u>A person who is punished by the securities regulatory authority under the State Council and prohibited from entering the securities market, where the period of punishment has not yet expired;</u></p> <p>(9) any other circumstances as prescribed by the relevant laws and regulations of the place where the Company's shares are listed.</p> <p>Any person who serves as any roles apart from a director in the controlling shareholders or de facto controllers of the Company shall not act as a senior management of the Company.</p>
Article 181	Where a director, supervisor, general manager, and other senior management of the Company gives to the board of directors a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of Article 180 of these Articles to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the issue of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.	Article 198	Where a director, supervisor, general manager, and other senior management of the Company gives to the board of directors a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of Article 198 of these Articles to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the issue of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.
Article 185	<p>A loan guarantee provided by the Company in breach of clause 1 of Article 183 shall be unenforceable against the Company, except in the following circumstances:</p> <p>(1) a loan advanced to an associate of any of the directors, supervisors, general manager, and other senior management of the Company or of the Company's parent company where the lender was not aware of the situation when the loan was made;</p> <p>(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</p>	Article 202	<p>A loan guarantee provided by the Company in breach of clause 1 of Article 201 shall be unenforceable against the Company, except in the following circumstances:</p> <p>(1) a loan advanced to an associate of any of the directors, supervisors, general manager, and other senior management of the Company or of the Company's parent company where the lender was not aware of the situation when the loan was made;</p> <p>(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</p>

Original article	Content of original article	Amended article	Content of amended article
Article 188	<p>The Company shall enter into a contract in writing with each director, supervisor and senior management of the Company, which shall at least contain the following provisions:</p> <p>(1) the directors, supervisors and senior management shall undertake to the Company that they will comply with the <i>Company Law</i>, the <i>Special Regulations</i>, the <i>Takeover Code</i>, the <i>Share Repurchase Code</i>, these Articles of the Company and other rules formulated by Hong Kong Stock Exchange, and agree that the Company shall have the right to take the remedial actions provided in these Articles, and that neither such contracts nor the positions of the directors, supervisors and senior management shall be transferred;</p> <p>(2) the directors, supervisors and senior management shall undertake to the Company that they will observe and fulfill their obligations to the shareholders provided in these Articles;</p> <p>(3) the arbitration clause provided under Article 232 of these Articles.</p>	Article 205	<p>The Company shall enter into a contract in writing with each director, supervisor and senior management of the Company, which shall at least contain the following provisions:</p> <p>(1) the directors, supervisors and senior management shall undertake to the Company that they will comply with the <i>Company Law</i>, the <i>Special Regulations</i>, the <i>Takeover Code</i>, the <i>Share Repurchase Code</i>, these Articles of the Company and other rules formulated by Hong Kong Stock Exchange, and agree that the Company shall have the right to take the remedial actions provided in these Articles, and that neither such contracts nor the positions of the directors, supervisors and senior management shall be transferred;</p> <p>(2) the directors, supervisors and senior management shall undertake to the Company that they will observe and fulfill their obligations to the shareholders provided in these Articles;</p> <p>(3) the arbitration clause provided under Article 262 of these Articles.</p>
Article 190	<p>The contract for emoluments entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to receive compensation or other payment for loss of office or retirement.</p> <p>A takeover of the Company as referred to above means:</p> <p>(1) a takeover offer made by any person to all shareholders;</p> <p>(2) an offer made by any person with a view to becoming a controlling shareholder within the meaning of Article 61 of these Article.</p> <p>If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the said offer made. The expenses incurred in</p>	Article 207	<p>The contract for emoluments entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to receive compensation or other payment for loss of office or retirement.</p> <p>A takeover of the Company as referred to above means:</p> <p>(1) a takeover offer made by any person to all shareholders;</p> <p>(2) an offer made by any person with a view to becoming a controlling shareholder within the meaning of Article 62 of these Article.</p> <p>If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the said offer made. The expenses incurred in</p>

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	distributing that sum pro rata amongst those persons shall be borne by the relevant director or supervisor and shall not be paid out of that sum.		distributing that sum pro rata amongst those persons shall be borne by the relevant director or supervisor and shall not be paid out of that sum.
		Article 221	<p><u>Basic principles for the profit distribution policy of the Company:</u></p> <p>(1) <u>The Company shall take into full account of the returns for investors, the accumulated profit distributed in cash in the last three years shall be not less than 30% of the annual average distributable profit realized in the last three years;</u></p> <p>(2) <u>The profit distribution policy of the Company shall be consistent and stable, while taking into account the long-term interests of the Company, the entire interests of shareholders as a whole, and the sustainable development of the Company;</u></p> <p>(3) <u>The Company shall give priority to the method of profit distribution in cash dividends.</u></p>
		Article 222	<p><u>The details of the profit distribution policy of the Company are as follows:</u></p> <p>(1) <u>The Company may distribute profit in cash, in shares or in a combination of both cash and shares or other methods permitted under the laws, regulations and regulatory documents;</u></p> <p>(2) <u>Dividends may be distributed in cash if the Company records profit for the year and its accumulated undistributed profit is positive, and the auditor has issued a standard auditor's report without qualifying opinions on the Company's financial report for the year. The total profit distributed in cash by the Company in the last three years shall not be less than 30% of the distributable profit of the Company for the last three years. The distributable profit that has not been distributed for the year can be carried forward for distribution in subsequent years. The profit distribution by the</u></p>

Original article	Content of original article	Amended article	Content of amended article
			<p><u>Company shall not exceed the total distributable profit or affect the Company's sustainable operation ability;</u></p> <p>(3) <u>If the conditions for cash dividends set out in the Articles of Association are met, the Company shall actively distribute dividends in cash and shall distribute dividends in cash once each year in principle. The board of directors may propose the distribution of interim dividends in view of the profitability and capital needs of the Company;</u></p> <p>(4) <u>In order to maintain the expansion of share capital in line with business growth, the Company may distribute profits through dividends in view of its total distributable profit, capital reserve and cash flow position while meeting the minimum cash dividend percentage and the aforesaid conditions for cash dividends.</u></p>
		Article 223	<p><u>Procedures for reviewing the profit distribution proposal of the Company:</u></p> <p>(1) <u>The profit distribution plan of the Company is proposed and formulated by the management of the Company based on the requirements, profitability and funding requirements plan of the Articles of Association, and it is proposed to the Board of the Company for consideration. The Board of the Company shall fully discuss the reasonableness of the profit distribution plan, and it is submitted to the general meeting for consideration after forming special resolution.</u></p> <p><u>When determining specific profit distribution proposal of the Company, the board of directors shall study and discuss on, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of decision procedures. The independent non-executive directors shall express their opinions clearly. Independent non-executive directors may solicit opinion of minority shareholders, put forth profit distribution proposal and submit it directly to the board of directors for</u></p>

Original article	Content of original article	Amended article	Content of amended article
			<p><u>consideration. The Company shall communicate and exchange ideas through multiple channels with shareholders (minority shareholders in particular), fully listen to the opinions and demands of minority shareholders on specific cash dividend proposal, and give timely replies to issues that concern minority shareholders.</u></p> <p>(2) <u>In considering the profit distribution proposal at the shareholders' meeting, the Company shall provide shareholders with the channel for online voting, or the board of directors, independent non-executive directors and shareholders meeting the relevant conditions may solicit voting rights from shareholders, in particular the minority shareholders, in respect of the voting on the profit distribution proposal during the period from the date of registration of shareholding of the shareholders' meeting to the date of the shareholders' meeting;</u></p> <p>(3) <u>Subject to the conditions for cash dividends set out in the Articles of Association, if the Company is under special circumstances such as material investment opportunity, great prospects for investment and significant capital needs, and the Company intends not to implement the cash dividend proposal in the immediate future, the board of directors shall explain the specific reason for no cash dividends, the actual and planned uses of proceeds not distributed as dividends, which shall be proposed at the shareholders' meeting for consideration after the independent non-executive directors have expressed their opinions and shall be disclosed on the media designated by the Company;</u></p> <p>(4) <u>If any adjustment or change to the policy for cash dividends of the Company is indeed necessary, they shall be made in order to protect the interests of the shareholders. The board of directors shall thoroughly discuss the reasonableness of the adjustment or change to the profit distribution proposal</u></p>

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			<u>and pass it as a resolution before submission to the shareholders' meeting for consideration. When being considered at the shareholders' meeting, it shall be passed by shareholders holding more than 2/3 voting rights of all shareholders attending the shareholders' meeting.</u>
		Article 224	<p><u>The Company may adjust the profit distribution policy in the event of the following:</u></p> <ol style="list-style-type: none"> <u>(1) where there is war, natural disasters and other force majeure;</u> <u>(2) where there are new laws, regulations or regulatory documents issued by relevant state authorities in respect of the profit distribution policy of listed companies;</u> <u>(3) where there are changes in the external operational environment of the Company, resulting in material impact on the production and operation of the Company;</u> <u>(4) where there are relatively significant changes in the Company's operational position, which requires the Company to adjust its profit distribution policy;</u> <u>(5) where it is necessary to adjust the profit distribution policy of the Company in the principle of protecting shareholders' rights or maintaining the sustainable development of the Company.</u>
		Article 225	<u>After the profit distribution plan has been resolved at a general meeting, the Board shall complete the dividend (or share) distribution within two months after the same is considered and passed at the general meeting.</u>
Article 199	The Company shall announce its financial reports twice in each fiscal year. Within three months following the end of the first six months of the fiscal year, the Company shall announce its interim financial report, and within four months following the fiscal year end, the annual financial report for the year shall be announced.	Article 226	The Company <u>shall submit its annual financial reports to the securities regulatory authority of the State Council and the stock exchange within four months of the end of</u> each financial year, <u>submit its interim financial reports to the local office of the securities regulatory authority of the State Council and the stock exchange within two months of the end of</u> the first six months of each financial year, <u>and submit its quarterly financial reports to the local office of the securities regulatory authority of the State Council and the stock exchange within one</u>

Original article	Content of original article	Amended article	Content of amended article
	<p>Within two months following the end of the first six months of the fiscal year, the Company shall announce its interim results, and within three months following the fiscal year end, the annual results for the year shall be announced.</p>		<p><u>month of the end of the first three and nine months of each financial year. These financial reports shall be prepared in accordance with the provisions of relevant laws, regulations and departmental rules and published in accordance with the relevant rules of the securities regulatory authorities and the stock exchange of the places where the shares of the Company are listed.</u></p> <p><u>Where the securities regulatory authorities and the stock exchange of the places where the shares of the Company are listed provide otherwise, such provisions shall prevail.</u></p>
		Article 228	<p><u>The Company shall implement its internal audit system with its own audit personnel to audit and supervise the income and expenditure and financial activities of the Company.</u></p>
Article 206	<p>The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the annual financial reports and other financial reports of the Company.</p> <p>The first accounting firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting of shareholders and <u>the accounting firm appointed shall hold office until the conclusion of the first annual general meeting.</u></p> <p><u>If the inaugural meeting fails to exercise its aforesaid powers, those powers shall be exercised by the board of directors.</u></p>	Article 230	<p>The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the annual financial reports and other financial reports of the Company.</p> <p>The <u>appointment</u> of the accounting firm of the Company shall be decided at <u>general meeting, the Board shall not appoint</u> the Company’s accounting firm <u>prior to obtaining approval at general meeting.</u></p>
Article 212	<p>The Company’s appointment, removal and non-reappointment of an accounting firm shall be resolved by shareholders in general meeting. <u>The resolution of the general meeting shall be filed with the securities regulatory authority of the State Council.</u></p> <p>.....</p>	Article 234	<p><u>The Company guarantees that the accounting documents, account books, financial and accounting reports and other information related to accounting which are provided to the accountants by the Company are true and complete. The Company must neither reject to provide information, nor hide it, nor lie about it.</u></p>

Original article	Content of original article	Amended article	Content of amended article
		Article 237	The Company's appointment, removal and non-reappointment of an accounting firm shall be resolved by shareholders in general meeting.
Article 218	<p>The Company shall be dissolved and liquidation should be made in accordance with governing laws upon the occurrence of any of the following:</p> <p>(1) a resolution on dissolution is passed by shareholders at general meeting;</p> <p>(2) dissolution is necessary due to a merger or division of the Company;</p> <p><u>(3) the Company is declared bankrupt because of inability to repay debts due;</u></p> <p>(4) the business license of the Company is revoked, or the Company is ordered to close down or to be terminated;</p> <p>(5) where the Company is in serious operation or management difficulties, and its continual existence will lead to substantial losses to the benefits of the shareholders and there are no other solutions to resolve the matters, the shareholders holding 10% or above of the total voting rights of the Company may seek the dissolution of the Company from the People's Court;</p> <p>(6) other situations where the Company shall be dissolved in accordance with laws and regulations.</p>	Article 243	<p>The Company shall be dissolved and liquidation should be made in accordance with governing laws upon the occurrence of any of the following:</p> <p><u>(1) the term of its operations set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;</u></p> <p>(2) a resolution on dissolution is passed by shareholders at general meeting;</p> <p>(3) dissolution is necessary due to a merger or division of the Company;</p> <p>(4) the business license of the Company is revoked, or the Company is ordered to close down or to be terminated;</p> <p>(5) where the Company is in serious operation or management difficulties, and its continual existence will lead to substantial losses to the benefits of the shareholders and there are no other solutions to resolve the matters, the shareholders holding 10% or above of the total voting rights of the Company may seek the dissolution of the Company from the People's Court;</p> <p>(6) other situations where the Company shall be dissolved in accordance with laws and regulations.</p> <p><u>The Company may survive by amending the Articles of Association in the event of the circumstance as set forth in sub-paragraph (1) and the amendment to which shall be passed by two-third of the voting rights held by the shareholders present in the shareholders' general meeting.</u></p>

Original article	Content of original article	Amended article	Content of amended article
Article 219	<p>Where the Company is dissolved under paragraph (1) of the preceding Article, a liquidation committee shall be set up within fifteen days, <u>and its members shall be determined by ordinary resolution at a general meeting.</u></p> <p>Where the Company is dissolved under paragraph (3) or (5) of the preceding Article, the People's Court shall in accordance with the provisions of relevant laws organize the shareholders, relevant organizations and relevant professionals to establish a liquidation committee to proceed with the liquidation.</p> <p>Where the Company is dissolved under paragraph (4) of the preceding Article, the relevant competent authority shall organize the shareholders, relevant organizations and professionals to establish a liquidation committee to proceed with the liquidation.</p>	Article 244	<p>Where the Company is dissolved under paragraph (1), <u>(2), (4) and (5)</u> of the preceding Article, a liquidation committee shall be set up within fifteen days. <u>The members of the liquidation committee shall be determined by the directors or the shareholders' general meeting. In case no liquidation committee is established within the specified period to commence liquidation, the creditors may apply to the People's Court to designate relevant persons to form a liquidation committee and commence liquidation.</u></p> <p>Where the Company is dissolved under paragraph (3) or (5) of the preceding Article, the People's Court shall in accordance with the provisions of relevant laws organize the shareholders, relevant organizations and relevant professionals to establish a liquidation committee to proceed with the liquidation.</p> <p>Where the Company is dissolved under paragraph (4) of the preceding Article, the relevant competent authority shall organize the shareholders, relevant organizations and professionals to establish a liquidation committee to proceed with the liquidation.</p>
		Article 251	<p><u>The members of the liquidation team shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.</u></p> <p><u>None of the members of the liquidation team may take any bribe or any other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate any of the properties of the Company.</u></p> <p><u>Where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to gross negligence, he/she shall be liable to make compensation.</u></p>
		Article 252	<p><u>Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprise.</u></p>
Article 230	<p><u>Amendments to these Articles</u> shall be disclosed if so required by laws, regulations or the listing rules of the place on which the Company's shares are listed.</p>	Article 257	<p><u>Amendments to these Articles</u> shall be disclosed if so required by <u>laws</u>, regulations or the listing rules of the place on which the Company's shares are listed.</p>

Original article	Content of original article	Amended article	Content of amended article
		Article 259	<u>When a notice from the Company is sent out in person, the recipient of the notice shall sign (or seal) on the return receipt of delivery. The date of the recipient's signature shall be deemed to be the delivery date. When a notice of the Company is sent out via mail, the delivery date shall be the third business day after such notice is delivered to the post office; when a notice of the Company is sent out by public announcement, the delivery date shall be the first date of publication of such announcement.</u>
		Article 260	<u>The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting or any resolution adopted at that meeting.</u>
Article 232	<p>The Company shall settle disputes in the following manners:</p> <p>(1) Disputes or claims between (i) holders of the overseas listed foreign shares and the Company, (ii) holders of the overseas listed foreign shares and the Company's directors, supervisors, general manager or other senior management, (iii) holders of the overseas listed foreign shares and holders of domestic shares, (iv) in relation to the rights or obligations concerning the affairs of the Company conferred or imposed by these Articles, the <i>Company Law</i> or any other relevant laws and regulations shall be settled by the relevant parties through arbitration.</p> <p>Where a dispute or claim is submitted for arbitration, the entire claim or dispute shall be submitted for arbitration and any person (being the Company or its shareholder, director, supervisor, general manager or other senior management) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim shall abide by the arbitration.</p> <p>Disputes in relation to the identification of shareholders and the register of shareholders need not be referred to arbitration.</p>	Article 261	<p><u>Unless otherwise agreed</u>, the Company shall settle disputes in the following manners:</p> <p>(1) Disputes or claims between (i) holders of the overseas listed foreign shares and the Company, (ii) holders of the overseas listed foreign shares and the Company's directors, supervisors, general manager or other senior management, (iii) holders of the overseas listed foreign shares and holders of domestic shares, (iv) in relation to the rights or obligations concerning the affairs of the Company conferred or imposed by these Articles, the <i>Company Law</i> or any other relevant laws and regulations shall be settled by the relevant parties through arbitration.</p> <p>Where a dispute or claim is submitted for arbitration, the entire claim or dispute shall be submitted for arbitration and any person (being the Company or its shareholder, director, supervisor, general manager or other senior management) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim shall abide by the arbitration.</p>

Original article	Content of original article	Amended article	Content of amended article
	<p>(2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.</p> <p>(3) If any disputes or claims prescribed in clause (1) above are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and regulations.</p> <p>(4) The award of an arbitration body shall be final and conclusive and binding on all parties.</p> <p>(5) The said arbitration agreement is reached between the directors or senior management and the Company, with the Company representing both itself and its shareholders.</p> <p>(6) Any arbitration submitted shall be deemed as authorizing the arbitration tribunal to conduct public hearing and announce the arbitration award.</p>		<p>Disputes in relation to the identification of shareholders and the register of shareholders need not be referred to arbitration.</p> <p>(2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.</p> <p>(3) If any disputes or claims prescribed in clause (1) above are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and regulations.</p> <p>(4) The award of an arbitration body shall be final and conclusive and binding on all parties.</p> <p>(5) The said arbitration agreement is reached between the directors or senior management and the Company, with the Company representing both itself and its shareholders.</p> <p>(6) Any arbitration submitted shall be deemed as authorizing the arbitration tribunal to conduct public hearing and announce the arbitration award.</p>
Article 233	<p>Definitions:</p> <p>(1) A controlling shareholder refers to any shareholder specified in Article 61 of these Articles.</p> <p>(2) A de facto controller refers to the person who is not a shareholder of the Company but is able to exercise control over the acts of the Company through an investment relationship, agreement or other arrangement.</p>	Article 262	<p>Definitions:</p> <p>(1) A controlling shareholder refers to any shareholder specified in Article 61 of these Articles.</p> <p>(2) A de facto controller refers to the person who is not a shareholder of the Company but is able to exercise control over the acts of the Company through an investment relationship, agreement or other arrangement.</p>

Original article	Content of original article	Amended article	Content of amended article
	<p>(3) Connected relationship refers to the relationship between the controlling shareholders, de facto controllers, directors, supervisors or senior management and enterprises under their direct or indirect control, and any other relationship that may lead to the transfer of any interests in the Company under the <u>Listing Rules of the Hong Kong Stock Exchange</u>. However, relationship between state-owned enterprises shall not be deemed as connected relationship solely because they are under common control of the government.</p> <p>(4) Connected transaction shall have the meaning ascribed to it under the <u>Listing Rules of the Hong Kong Stock Exchange</u>.</p> <p>(5) A Business Day refers to a business day in both Hong Kong and China. A business day in Hong Kong refers to any day on which the Hong Kong Stock Exchange is open for the dealing in securities. A business day in China refers to any day on which banks in China are open for business to public and which is not a Saturday, Sunday or any other statutory public holidays set by the PRC government.</p>		<p>(3) Connected relationship refers to the relationship between the controlling shareholders, de facto controllers, directors, supervisors or senior management and enterprises under their direct or indirect control, and any other relationship that may lead to the transfer of any interests in the Company under <u>relevant rules of the place where the shares of the Company are listed</u>. However, relationship between state-owned enterprises shall not be deemed as connected relationship solely because they are under common control of the government.</p> <p>(4) Connected transaction shall have the meaning ascribed to it under <u>relevant rules of the place where the shares of the Company are listed</u>.</p> <p>(5) A Business Day refers to a business day in both Hong Kong and China. A business day in Hong Kong refers to any day on which the Hong Kong Stock Exchange is open for the dealing in securities. A business day in China refers to any day on which banks in China are open for business to public and which is not a Saturday, Sunday or any other statutory public holidays set by the PRC government.</p>
Article 235	“Accounting firm” in these Articles shall have the same meaning as <u>“auditors”</u> .	Article 264	The definition of <u>“Accounting firm”, “connection” and “connected person”</u> in these Articles is the same with <u>that in the Hong Kong Listing Rules</u> .
Article 238	<u>The interpretation of these Articles shall be vested in the board of the Company.</u>	Article 267	<u>Appendix to these Articles shall include the Rules of Procedures of the General Meeting of Shareholders, the Rules of Procedures of the Board and the Rules of Procedures of the supervisory committee of the Company.</u>
		Article 268	<u>For matters not covered in these Articles, or for matters in these Articles that conflict with relevant laws, regulations and regulatory documents, and relevant rules of the place where the company’s shares are listed, the relevant laws, regulations and regulatory documents, and relevant rules of the place where the company’s stocks are listed shall prevail. Where there are different requirements in the regulatory rules of the place where the Company’s shares are listed, the relevant rules of the place where the Company’s shares are listed shall prevail.</u>

Original article	Content of original article	Amended article	Content of amended article
		Article 269	<p><u>The board of directors of the Company is responsible for the formulation, interpretation and modification of these Articles. It is proposed by the board of directors and submitted to the general meeting of shareholders for resolution.</u></p> <p><u>After the approval of the general meeting of shareholders, the Articles of Association shall be implemented from the day when the Company's A shares are listed on the main board of the Shanghai Stock Exchange.</u></p>

Comparison Table of Amendments to Rules of Procedures of the Shareholders' General Meeting

Original article	Content of original article	Amended article	Content of amended article
Article 1	<p>These rules <u>are formulated</u> in accordance with the laws and regulations including the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of People's Republic of China, Mandatory Provisions for the Articles of Association of Companies Listed Overseas, Guidelines of the Articles of Association of Listed Companies, Rules and Procedures of the Shareholders' General Meeting of Listed Companies, <u>the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules")</u>, and other laws, regulations and <u>the Articles of Association of China Energy Engineering Corporation Limited</u> (hereinafter referred to as the "Articles of Association") <u>as well as other relevant regulations</u>, in order to protect the legitimate rights of China Energy Engineering Corporation Limited (hereinafter referred to as the "Company") its shareholders and creditors, to specify the responsibilities and authorities of the shareholders' general meetings, to ensure the proper, efficient and smooth operation of the shareholders' general meetings and to ensure the shareholders' general meeting to perform functions and powers under the laws.</p>	Article 1	<p>These rules <u>are formulated</u> in accordance with the laws and regulations including the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of People's Republic of China, Mandatory Provisions for the Articles of Association of Companies Listed Overseas, Guidelines of the Articles of Association of Listed Companies, Rules and Procedures of the Shareholders' General Meeting of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, <u>the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, and other laws, regulations, other normative documents and the Articles of Association of China Energy Engineering Corporation Limited</u> (hereinafter referred to as the "Articles of Association"), in order to protect the legitimate rights of China Energy Engineering Corporation Limited (hereinafter referred to as the "Company") its shareholders and creditors, to specify the responsibilities and authorities of the shareholders' general meetings, to ensure the proper, efficient and smooth operation of the shareholders' general meetings and to ensure the shareholders' general meeting to perform functions and powers under the laws.</p>
Article 3	<p>A general meeting shall either be an annual general meeting or an extraordinary general meeting. General meetings shall be convened by the board of directors. Annual general meetings are held once every year within six months from the end of the preceding financial year. Extraordinary general meetings which are convened irregularly shall be convened within 2 months in case that the meeting shall be convened as required by the Company Law and Articles of Association.</p> <p>Should the Company cannot convene a general meeting within the period mentioned in the preceding paragraph, it shall report to the <u>listing stock exchange(s) where the shares of the Company are listed</u>, explain the reason and determining whether to publish announcements according to the requirements of the stock exchanges.</p>	Article 3	<p>A general meeting shall either be an annual general meeting or an extraordinary general meeting. General meetings shall be convened by the board of directors. Annual general meetings are held once every year within six months from the end of the preceding financial year. Extraordinary general meetings which are convened irregularly shall be convened within 2 months in case that the meeting shall be convened as required by the Company Law and Articles of Association.</p> <p>Should the Company cannot convene a general meeting within the period mentioned in the preceding paragraph, it shall report to the <u>securities regulatory authority and listing stock exchange(s) where the shares of the Company are listed</u>, explain the reason and determining whether to publish announcements according to the requirements of the stock exchanges.</p>

APPENDIX VIII

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
Article 4	<p><u>The Board</u> of the Company shall duly perform its duties and organize general meetings earnestly and timely in strict compliance with the Company Law, other laws, regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed, Articles of Association and <u>regulations on the convening of the general meeting</u>. All the directors of the Company shall perform their due diligence obligations to ensure that the general meeting can be held due and its powers can be exercised in accordance with the laws.</p>	Article 4	<p>The Company shall duly perform its duties and organize general meetings earnestly and timely in strict compliance with the Company Law, other laws, regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed, Articles of Association and <u>regulations on the convening of the general meeting, and shall ensure that shareholders can exercise their rights according to law</u>. All the directors of the Company shall perform their due diligence obligations to ensure that the general meeting can be held due and its powers can be exercised in accordance with the laws.</p>
		Article 5	<p><u>The Company shall hold an extraordinary general meeting within two months after the occurrence of one of the following events:</u></p> <p>(I) <u>The number of directors falls short of the quorum stipulated in the Company Law or is less than two-thirds of the number specified in the Articles of Association;</u></p> <p>(II) <u>The unrecovered losses of the Company amount to one-third of the total amount of its share capital;</u></p> <p>(III) <u>Shareholders individually or jointly holding 10% or more of the Company's shares request;</u></p> <p>(IV) <u>The board of directors considers it necessary;</u></p> <p>(V) <u>The supervisory committee proposes to convene such meeting;</u></p> <p>(VI) <u>Such other circumstances as specified by the laws, administrative regulations, departmental rules or the Articles of Association.</u></p> <p><u>The calculation of the proportion of the shares in the preceding paragraph (III) shall be calculated as the date on which the shareholder(s) submit(s) a written request.</u></p>

APPENDIX VIII

COMPARISON TABLE OF AMENDMENTS TO
 RULES OF PROCEDURES OF THE SHAREHOLDERS'
 GENERAL MEETING

Original article	Content of original article	Amended article	Content of amended article
		Article 6	<p><u>In convening a general meeting, the Company shall engage a lawyer to provide legal opinions and publish an announcement on the following issues:</u></p> <p>(I) <u>Whether the convening and convening procedure of the meeting comply with laws, administrative regulations and the Articles of Association;</u></p> <p>(II) <u>Whether the attendees and convener of the meeting are eligible;</u></p> <p>(III) <u>Whether the voting procedures and results of the meeting are lawful and valid;</u></p> <p>(IV) <u>Legal opinions on other relevant matters upon request by the Company.</u></p>
Article 9	<p>Shareholders who request to convene an extraordinary general meeting or class general meeting shall follow the procedures below:</p> <p>(I) two or more shareholders who hold in aggregate more than 10% (inclusive) shares with the rights to vote at such proposed meeting may, upon signing one or several written requests with the same content and format, request the board of directors to convene an extraordinary general meeting or class general meeting and state the subject of the meeting. <u>The board of directors shall convene the extraordinary general meeting or class general meeting as soon as possible upon receipt of the aforesaid written request.</u> Shares held by the above shareholders shall be calculated as at the date of submitting the written request.</p> <p>(II) <u>if the board of directors fails to issue a notice of convening meeting within 30 days upon receipt of the aforesaid written request, shareholders making such request may convene meeting by themselves within four months upon receipt of such request by the board of directors and the procedures shall be as same as possible to those of the board of directors convening a shareholders' general meeting.</u></p>	Article 11	<p>Shareholders who request to convene an extraordinary general meeting or class general meeting shall follow the procedures below:</p> <p>(I) shareholders who hold individually or in aggregate more than 10% (inclusive) shares with the rights to vote at such proposed meeting may, upon signing one or several written requests with the same content and format, request the board of directors to convene an extraordinary general meeting or class general meeting and state the subject of the meeting. Shares held by the above shareholders shall be calculated as at the date of submitting the written request. <u>The board of directors shall, according to provisions of the laws, regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or class meeting within 10 days after receipt of the request.</u></p> <p><u>If the Board agrees to convene an extraordinary general meeting or a class meeting, it will issue a notice of meeting within 5 days after the resolution is made by the Board. Any change to the original request in the notice shall be subject to the consent from relevant shareholders.</u></p>

APPENDIX VIII

COMPARISON TABLE OF AMENDMENTS TO
 RULES OF PROCEDURES OF THE SHAREHOLDERS'
 GENERAL MEETING

Original article	Content of original article	Amended article	Content of amended article
	<p>In the case of shareholders organizing the convening of a meeting as a result of the failure of the board of directors to convene a meeting as requested above, reasonable expenses incurred on the meeting shall be borne by the Company and shall be deducted from the bank funds of those directors who were negligent in the performance of their duties.</p>		<p><u>(II) if the Board does not agree to convene an extraordinary general meeting or a class meeting, or does not reply within ten (10) days upon the receipt of the request, shareholders individually or jointly holding 10% or more of the shares carrying the right to vote at the proposed meeting shall have the right to propose to the supervisory committee on convening an extraordinary general meeting or a class meeting and such proposal shall be made in the form of written request to the supervisory committee.</u></p> <p><u>(III) if the supervisory committee agrees to convene an extraordinary meeting or a class meeting, it shall issue a notice of meeting within 5 days upon the receipt of the request. Any change to the original proposal in the notice shall be subject to the consent from relevant shareholders.</u></p> <p><u>If the supervisory committee does not issue the notice of meeting within the prescribed period, this is treated as the supervisory committee not convening and not holding the shareholders' meeting. Then shareholders individually or together holding more than 10% of the shares for more than 90 consecutive days can convene and hold the meeting by themselves.</u></p> <p>In the case of shareholders <u>or the supervisory committee</u> organizing the convening of a meeting as a result of the failure of the board of directors to convene a meeting as requested above, reasonable expenses incurred on the meeting shall be borne by the Company and shall be deducted from the bank funds of those directors who were negligent in the performance of their duties.</p>
Article 10	<p>Where the supervisory committee or Shareholder(s) decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall send out a written notice to the Board, and shall put on the records on the <u>stock exchange(s)</u>.</p> <p>The shareholding of the convening shareholder(s) shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. The</p>	Article 12	<p>Where the supervisory committee or Shareholder(s) decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall send out a written notice to the Board, and shall put on the records on the <u>local office of China Securities Regulatory Commission at the place where the Company is located</u> and the stock exchange(s) <u>where the Company's shares are listed</u>.</p>

APPENDIX VIII

COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING

Original article	Content of original article	Amended article	Content of amended article
	Supervisory committee or the convening shareholder(s) shall submit relevant evidence to the <u>stock exchange(s)</u> upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.		The shareholding of the convening shareholder(s) shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. The supervisory committee or the convening shareholder(s) shall submit relevant evidence to the <u>local office of China Securities Regulatory Commission at the place where the Company is located and</u> the stock exchange(s) where the Company's shares are listed upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.
Article 12	<u>Expenses arising from convening of a general meeting by the supervisory committee or shareholder(s) shall be borne by the Company.</u> A general meeting shall be convened and presided over by the Chairman of the Board; where the Chairman of the Board fails to attend the meeting, Vice Chairman of the Board shall convene and preside over the meeting; where both of Chairman and Vice Chairman of the Board fail to attend the meeting, one Director of the Company elected by more than one half of the Directors shall convene and preside over the meeting on their behalf; where the Board fails to designate the Director to preside over the meeting, one person shall be elected by the shareholders present to preside over the meeting; where the shareholders fail to elect such person, the shareholder (including the proxy) who holds the shares carrying the most voting rights shall preside over the meeting.	Article 14	A general meeting shall be convened and presided over by the Chairman of the Board; where the Chairman of the Board fails to attend the meeting, Vice Chairman of the Board shall convene and preside over the meeting; where both of Chairman and Vice Chairman of the Board fail to attend the meeting, one Director of the Company elected by more than one half of the Directors shall convene and preside over the meeting on their behalf; where the Board fails to designate the Director to preside over the meeting, one person shall be elected by the shareholders present to preside over the meeting; where the shareholders fail to elect such person, the shareholder (including the proxy) who holds the shares carrying the most voting rights shall preside over the meeting.
		Article 20	<u>The notice and supplementary notice of the general meeting shall fully and completely disclose all the specific contents of the proposal. Where the independent directors are required to express their opinions on the matters to be discussed on the general meeting, the notice or the supplementary notice of the meeting shall also disclose the views and reasons of the independent directors at the same time.</u>

APPENDIX VIII

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
Article 18	<p>For the matter relating to the election of directors and supervisors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors and other information required by the listing rules of the place where Company shares are listed, which should at least include the following:</p> <p>(I) Personal information including educational background, working experience, and any part-time job;</p> <p>(II) Whether there is any <u>connected</u> relationship between them and the Company or its controlling shareholder(s) and actual controlling person(s);</p> <p>(III) Disclosure of their shareholdings in the Company;</p> <p>(IV) Whether they have been subject to any punishment by Securities Regulatory Authority or other related authorities or stock exchange(s).</p> <p>In addition to the adoption of the accumulative voting system to elect directors and supervisors, each of the candidates for directors or supervisors shall be proposed in a separate proposal.</p>	Article 21	<p>For the matter relating to the election of directors and supervisors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors and other information required by the listing rules of the place where Company shares are listed, which should at least include the following:</p> <p>(I) Personal information including educational background, working experience, and any part-time job;</p> <p>(II) Whether there is any <u>related</u> relationship between them and the Company or its controlling shareholder(s) and actual controlling person(s);</p> <p>(III) Disclosure of their shareholdings in the Company;</p> <p>(IV) Whether they have been subject to any punishment by Securities Regulatory Authority or other related authorities or stock exchange(s).</p> <p>In addition to the adoption of the accumulative voting system to elect directors and supervisors, each of the candidates for directors or supervisors shall be proposed in a separate proposal.</p>
		Article 22	<p><u>For the purposes of convening general meetings, the board of directors or the convener of a general meeting shall fix a record date for such confirmation of the title to the shares (the Record Date). Upon the expiry of such record date (the Record Date), the shareholders whose names appear on the register of shareholders shall be the Company's shareholders.</u></p> <p><u>The interval between the shareholding record date of a general meeting and the date of the meeting shall not be more than 7 working days. The shareholding record date shall not be changed once confirmed.</u></p> <p><u>Where laws, regulations and the regulatory authority of the place where the Company's shares are listed stipulate on the period of closure of the register of members prior to the convening of</u></p>

APPENDIX VIII

COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING

Original article	Content of original article	Amended article	Content of amended article
			<u>a general meeting or the record date of the Company for determination of dividend distribution, such provisions shall prevail.</u>
Article 21	The location for holding a general meeting of the Company shall be the domicile of the Company in general or such other place as notified by the general meeting convener. A venue shall be set aside for the convening of a physical general meeting. The Company will also enable shareholders to have access to the general meeting by other means as permitted by the listing rules of the place where the shares of the Company are listed. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.	Article 25	The location for holding a general meeting of the Company shall be the domicile of the Company in general or such other place as notified by the general meeting convener. A venue shall be set aside for the convening of a physical general meeting. The Company will also enable shareholders to have access to the general meeting by other means as permitted by the listing rules of the place where the shares of the Company are listed. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting. <u>Voting online and by other means shall not be earlier than 3:00 p.m. of a day before the general meeting and shall not be later than 9:30 a.m. of the day on which the on-site general meeting is convened, and end no earlier than 3:00 p.m. of the day on which the on-site general meeting ends.</u>
Article 24	All shareholders whose names appear on the register of members as at the record date or their proxies shall be entitled to attend the general meetings and exercise their voting rights in accordance with relevant laws, regulations and these Articles. Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf. According to the appointment of the shareholder, a proxy so appointed shall: (1) have the same right as the shareholder to speak at the meeting; (2) have right to individually or jointly in demanding a poll; (3) have the right to vote by hand or on a poll, but when more than one proxy has been appointed, the proxies only have the right to vote on a poll. If the shareholder is an authorized clearing house or its agent as defined in the Securities and Futures (Clearing Houses) Ordinance of Hong Kong (Chapter	Article 28	All shareholders whose names appear on the register of members as at the record date or their proxies shall be entitled to attend the general meetings and exercise their voting rights in accordance with relevant laws, regulations, <u>normative documents</u> and these Articles. Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf. According to the appointment of the shareholder, a proxy so appointed shall: (1) have the same right as the shareholder to speak at the meeting; (2) have right to individually or jointly in demanding a poll; (3) have the right to vote by hand or on a poll, but when more than one proxy has been appointed, the proxies only have the right to vote on a poll. If the shareholder is an authorized clearing house or its agent as defined in the Securities and Futures (Clearing Houses) Ordinance of Hong Kong (Chapter

APPENDIX VIII

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
	<p>420 of the Laws of Hong Kong), such shareholder is entitled to appoint one or more persons as his proxy at any general meeting or any class meeting. If more than one person is appointed as proxy, the proxy forms shall state clearly the number of shares and the class of shares represented by each of the proxies. The proxy appointed may represent the authorized clearing house or its agent to exercise its rights as if such person is an individual shareholder of the Company.</p>		<p>420 of the Laws of Hong Kong), such shareholder is entitled to appoint one or more persons as his proxy at any general meeting or any class meeting. If more than one person is appointed as proxy, the proxy forms shall state clearly the number of shares and the class of shares represented by each of the proxies. The proxy appointed may represent the authorized clearing house or its agent to exercise its rights as if such person is an individual shareholder of the Company.</p>
<p>Article 26</p>	<p>Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her proxy so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its director or agent so officially authorized.</p> <p>Such instrument of appointment by which a shareholder appoints another person to attend a general meeting shall state clearly the following:</p> <ol style="list-style-type: none"> (1) the name of the proxy; (2) whether the proxy has voting rights; (3) the instructions on whether to vote for or against or abstain from voting on each matter included in the agenda of the shareholders' meeting; (4) the date of issue and effective period of the letter of proxy; (5) <u>the signature (or seal) of the principal. If the principal is a legal person shareholder, the power of attorney shall bear the seal of the legal person;</u> (6) <u>the number of shares represented by the proxy on behalf of the principal;</u> (7) <u>If several proxies are appointed, the letter of proxy shall state the number of shares represented by each proxy.</u> 	<p>Article 30</p>	<p>Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her proxy so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its director or agent so officially authorized.</p> <p>Such instrument of appointment by which a shareholder appoints another person to attend a general meeting shall state clearly the following:</p> <ol style="list-style-type: none"> (1) <u>the name of the principal and</u> the name of the proxy; (2) <u>the number of shares represented by the proxy on behalf of the principal. If several proxies are appointed, the letter of proxy shall state the number of shares represented by each proxy;</u> (3) whether the proxy has voting rights; (4) the instructions on whether to vote for or against or abstain from voting on each matter included in the agenda of the shareholders' meeting; (5) <u>whether the proxy has voting rights in respect of the temporary proposal as might be included in the agenda of the shareholders' meeting, and, if yes, the instructions on how to exercise the voting rights;</u> (6) the date of issue and effective period of the letter of proxy.

APPENDIX VIII

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
Article 31	In convening a shareholders' meeting, the convener shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for the meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total amount of their voting shares.	Article 35	In convening a shareholders' meeting, the convener and the lawyer appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for the meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total amount of their voting shares.
Article 32	When a shareholder's meeting is held, all the directors, supervisors and secretary of the board of directors should attend the meeting. Other senior management personnel without cogent reasons should be present at the meeting.	Article 36	When a shareholder's meeting is held, all the directors, supervisors and secretary of the board of directors should attend the meeting. Other senior management personnel should be present at the meeting.
Article 33	<p><u>The general meeting shall be presided over by the chairman of the board of directors. In event that the chairman of the board of directors is unable or fails to perform his/her duties, a vice-chairman shall preside over the meeting. Should the vice-chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director elected by more than half of the directors.</u></p> <p>The chairman of the board of supervisors shall preside over the general meetings convened by the board of supervisors at its sole discretion. In the event that the chairman of the board of supervisors is unable to or fails to fulfill the required obligations, a supervisor selected by not less than half of the supervisors shall preside over the meeting.</p> <p>For the general meetings convened by shareholders, the conveners shall nominate a representative to preside over the meeting.</p> <p>In the event that the chairman of the meeting violates the rules of procedures which results in the general meeting being unable to continue, upon approval by the shareholders representing not less than half of the voting rights present at the meeting, a person may be elected to chair the general meeting and the meeting shall continue. If, for any reason, the shareholders are unable to elect someone to be the chairman, the attending shareholder (or his proxy) who holds the most voting shares shall preside over the meeting.</p>	Article 37	<p>The chairman of the board of supervisors shall preside over the general meetings convened by the board of supervisors at its sole discretion. In the event that the chairman of the board of supervisors is unable to or fails to fulfill the required obligations, a supervisor selected by not less than half of the supervisors shall preside over the meeting.</p> <p>For the general meetings convened by shareholders, the conveners shall nominate a representative to preside over the meeting.</p> <p>In the event that the chairman of the meeting violates the rules of procedures which results in the general meeting being unable to continue, upon approval by the shareholders representing not less than half of the voting rights present at the meeting, a person may be elected to chair the general meeting and the meeting shall continue. If, for any reason, the shareholders are unable to elect someone to be the chairman, the attending shareholder (or his proxy) who holds the most voting shares shall preside over the meeting.</p>

APPENDIX VIII

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
Article 34	At the annual general meeting, the board of directors and the supervisory committee shall report to the general meeting for their work over the previous year.	Article 38	At the annual general meeting, the board of directors and the supervisory committee shall report to the general meeting for their work over the previous year, <u>and each of the independent directors shall also submit his/her work report.</u>
Article 43	<p>The chairman shall, based on the voting results, determine whether a resolution is passed. His/her decision is final and conclusive and shall be announced at the meeting and recorded in the minutes.</p> <p>For connected transactions to be considered at a shareholders' general meeting, if required by the listing rules of <u>the exchange</u> where the Company's shares are listed, connected shareholders shall abstain from voting on such connected transactions, and the number of shares they represent carrying voting rights shall not be counted into the valid quorum to vote; the announcements of resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders.</p>	Article 47	<p>The chairman shall, based on the voting results, determine whether a resolution is passed. His/her decision is final and conclusive and shall be announced at the meeting and recorded in the minutes.</p> <p>For connected transactions to be considered at a shareholders' general meeting, if required by the listing rules of the place where the Company's shares are listed, connected shareholders shall abstain from voting on such connected transactions, and the number of shares they represent carrying voting rights shall not be counted into the valid quorum to vote; the announcements of resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders.</p>
		Article 48	<p><u>Where material issues affecting the interests of minority shareholders are being considered at the shareholders' general meeting, the votes by minority shareholders shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.</u></p> <p><u>The board of directors, independent non-executive directors, shareholders holding more than 1% of voting shares, or investor protection institutions established according to laws, administrative regulations or provisions of the securities regulatory authorities of the State Council may, as collectors, personally or authorize a securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the shareholders' general meeting and exercise the shareholders' rights such as right of making motions and voting right on their behalf. While collecting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the public</u></p>

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
			<p><u>collection of shareholders' rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the collection of shareholders' rights.</u></p>
		<p>Article 49</p>	<p>When election of the directors and supervisors is voted at the general meeting, in accordance with the provisions of the Articles of Association or the resolution of the general meeting, <u>if a single shareholder and its persons acting in concert are interested in 30% or more of the shares of the Company and the shareholders' general meeting plans to elect more than two directors or supervisors</u>, the cumulative voting system <u>is required</u>.</p> <p>The cumulative voting system as mentioned in the preceding paragraph means that when the directors or supervisors are elected at the general meeting, each share shall have the same number of votes as the number of directors or supervisors candidates, and the voting right owned by the shareholders may be cumulatively used. The Board shall provide shareholders with the profiles and background information of the director or supervisor candidates.</p> <p><u>The implementation of cumulative voting system shall comply with the following rules:</u></p> <p><u>1. The election of independent non-executive directors, non-independent non-executive directors and non-employee representative supervisors shall be voted separately.</u></p> <p><u>(1) in the election of independent non-executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of independent non-executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for independent non-executive directors of the Company.</u></p>

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
			<p>(2) <u>in the election of non-independent non-executive directors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of non-independent non-executive director to be elected in that general meeting. That portion of voting rights may only be cast on candidates for non-independent non-executive directors of the Company.</u></p> <p>(3) <u>in the election of supervisors, the number of votes which each attending shareholder is entitled to cast is equal to the number of shares held by them, multiplied by the number of supervisors to be elected in that general meeting. That portion of voting rights may only be cast on candidates for supervisors of the Company.</u></p> <p><u>When electing directors and/or supervisors at the shareholders' general meeting, each candidate of director and/or supervisor shall be voted separately and individually. A shareholder can exercise its voting rights either collectively to one candidate or separately to several different candidates for the same type of position, provided that the total number of votes exercised by a shareholder shall not exceed the total number of votes entitled to it for such type of candidate.</u></p> <p>2. <u>The election of directors and supervisors shall depend on the number of votes obtained, which shall be no less than half of the total voting rights entitled to the shareholders present at the shareholders' general meeting.</u></p>

APPENDIX VIII

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
			<p><u>3. Before voting for the candidates of directors and/or supervisors at the shareholders' general meeting, the chairman of the meeting shall expressly inform the shareholders present at the meeting of the adoption of cumulative voting system for the candidates of directors and supervisors. The board of directors shall prepare ballot tickets that are suitable for cumulative voting system. The secretary to the board of directors shall explain the methods of cumulative voting system and approaches on filling of ballot tickets.</u></p>
Article 49	<p>Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter to be considered shall not participate in vote counting or scrutinising.</p> <p>When the shareholders are voting on the resolutions, auditors, H-Share registrar or external accountants qualified to service as auditors, and supervisors of the Company <u>shall be the scrutinisers</u>. Voting result shall be announced forthwith by the chairman of the meeting, and shall be recorded in the minutes of meeting.</p> <p>Shareholders of the Company or their proxies who cast votes via other means shall be entitled to review their own voting result through the relevant voting system.</p>	Article 53	<p>Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter to be considered shall not participate in vote counting or scrutinising.</p> <p>When the shareholders are voting on the resolutions, <u>solicitors, shareholder representative and</u> auditors, H-Share registrar or external accountants qualified to service as auditors, and supervisors of the Company</p>

APPENDIX VIII

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
			<p>shall count and scrutinize the votes jointly. Voting result shall be announced forthwith by the chairman of the meeting, and shall be recorded in the minutes of meeting.</p> <p>Shareholders of the Company or their proxies who cast votes via other means shall be entitled to review their own voting result through the relevant voting system.</p>
Article 50	<p>The chairperson of the meeting shall announce details of voting in connection with each proposed resolution, the voting result and whether the proposed resolution is passed in accordance with the voting result.</p> <p>Before the formal announcement of the voting result, the related parties including companies, vote counters, scrutineers, substantial shareholders and network service providers at the meeting or participating in on-site voting, network voting or other methods of voting, shall bear the duty of confidentiality of the voting.</p>	Article 54	<p><u>The on-site voting shall not end earlier than the network voting or any other method of voting at the shareholders' general meeting.</u> The chairperson of the meeting shall announce details of voting in connection with each proposed resolution, the voting result and whether the proposed resolution is passed in accordance with the voting result.</p> <p>Before the formal announcement of the voting result, the related parties including companies, vote counters, scrutineers, substantial shareholders and network service providers at the meeting or participating in on-site voting, network voting or other methods of voting, shall bear the duty of confidentiality of the voting.</p>
Article 53	<p>The secretary of the board of directors shall be in charge of the minutes of the shareholders' general meeting, including the following contents:</p> <ol style="list-style-type: none"> (1) Time, venue, agenda, name or title of the convener of the meeting; (2) Name of the meeting presider and directors, supervisors, secretary of the board of directors, general manager and other senior management personnel present at the meeting or attending the meeting; (3) The number of shareholders and proxies present at the meeting, total voting shares held by them and the proportion of the total shares of the Company; (4) The examination procedure, key points of the speech and voting result of each proposal; (5) Inquiries or suggestions of the shareholders and corresponding answers or explanations; (6) Name of the vote counter and counting witness; 	Article 57	<p>The secretary of the board of directors shall be in charge of the minutes of the shareholders' general meeting, including the following contents:</p> <ol style="list-style-type: none"> (1) Time, venue, agenda, name or title of the convener of the meeting; (2) Name of the meeting presider and directors, supervisors, secretary of the board of directors, general manager and other senior management personnel present at the meeting or attending the meeting; (3) The number of shareholders and proxies present at the meeting, total voting shares held by them and the proportion of the total shares of the Company; (4) The examination procedure, key points of the speech and voting result of each proposal; (5) Inquiries or suggestions of the shareholders and corresponding answers or explanations;

APPENDIX VIII

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
	<p>(7) Other content that should be recorded into the meeting minutes specified by the Articles of Association.</p> <p>The directors, secretary of the board of directors, convener of the meeting or its representative, the presiding person of the meeting attending the meeting shall sign the minutes, and shall ensure the truthfulness, accuracy and completeness of the minutes of such meeting. The minutes shall be kept together with the register of attendance, proxy forms and other valid record on voting via internet or other means, and shall be kept for at least 10 years.</p>		<p>(6) Name of the <u>lawyer</u>, vote counter and counting witness;</p> <p>(7) Other content that should be recorded into the meeting minutes specified by the Articles of Association.</p> <p>The directors, secretary of the board of directors, convener of the meeting or its representative, the presiding person of the meeting attending the meeting shall sign the minutes, and shall ensure the truthfulness, accuracy and completeness of the minutes of such meeting. The minutes shall be kept together with the register of attendance, proxy forms and other valid record on voting via internet or other means, and shall be kept for at least 10 years.</p>
Article 54	The convener of a shareholders' general meeting shall ensure the continual running of the shareholders' general meeting until resolutions are adopted. Where such particular causes as force majeure events have resulted in the suspension of the meeting or failure to adopt relevant resolutions, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or directly adjourn the meeting and make a timely announcement in this regard.	Article 58	<p>The convener of a shareholders' general meeting shall ensure the continual running of the shareholders' general meeting until resolutions are adopted. Where such particular causes as force majeure events have resulted in the suspension of the meeting or failure to adopt relevant resolutions, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or directly adjourn the meeting and make a timely announcement in this regard.</p> <p><u>Meanwhile, the convener shall report to the local office of China Securities Regulatory Commission in the place of the Company's domicile and the securities exchange(s).</u></p>
		Article 60	<p><u>Where a shareholders' general meeting passes the resolutions relating to bonus distribution in cash, bonus issue or increase of share capital by converting the capital reserve fund, the Company shall implement relevant detailed plans within two months after the conclusion of such shareholders' general meeting.</u></p>

APPENDIX VIII

COMPARISON TABLE OF AMENDMENTS TO
 RULES OF PROCEDURES OF THE SHAREHOLDERS'
 GENERAL MEETING

Original article	Content of original article	Amended article	Content of amended article
Article 56	<p>The resolutions of a shareholders' general meeting which violate laws or administrative regulations, shareholders shall be void. Where the convening or voting procedures of a shareholders' general meeting violates laws, administrative regulations or the Articles of Association, or the resolutions of such meeting violate the Articles of Association, shareholders are entitled to make a petition to the people's court to revoke the resolutions adopted in such meeting within 60 days from the date when such resolutions are adopted.</p>	Article 61	<p>The resolutions of a shareholders' general meeting which violate laws or administrative regulations, shareholders shall be void.</p> <p><u>The controlling shareholders and de facto controllers of the Company shall not restrict or interfere with the small and medium investors to exercise their rights to vote in accordance with the law, or impair the Company's and the small and medium investors' legitimate rights and interests.</u></p> <p>Where the convening or voting procedures of a shareholders' general meeting violates laws, administrative regulations or the Articles of Association, or the resolutions of such meeting violate the Articles of Association, shareholders are entitled to make a petition to the people's court to revoke the resolutions adopted in such meeting within 60 days from the date when such resolutions are adopted.</p>
Article 69	<p>Matters which, in accordance with the provisions of the laws, administrative regulations, listing rules of the place which the shares are listed and the Articles of Association, are required to be approved by the shareholders' general meeting, shall be considered at the shareholders' general meeting. Under necessary and reasonable circumstances, the shareholders' general meeting may authorize the board of directors to determine specific issues relating to matters which shall be resolved but cannot or need not be decided upon immediately at such shareholders' general meeting.</p> <p>An authorization to the board of directors by the shareholders' general meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders (including their proxies) representing more than half of the voting rights present at the shareholders' general meeting; an authorization to the board of directors in relation to matters to be decided by special resolutions shall be passed by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the shareholders' general meeting. The contents of the authorization shall be clear and specific.</p>	Article 74	<p>Matters which, in accordance with the provisions of the laws, administrative regulations, <u>normative documents</u>, listing rules of the place which the shares are listed and the Articles of Association, are required to be approved by the shareholders' general meeting, shall be considered at the shareholders' general meeting. Under necessary and reasonable circumstances, the shareholders' general meeting may authorize the board of directors to determine specific issues relating to matters which shall be resolved but cannot or need not be decided upon immediately at such shareholders' general meeting.</p> <p>An authorization to the board of directors by the shareholders' general meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders (including their proxies) representing more than half of the voting rights present at the shareholders' general meeting; an authorization to the board of directors in relation to matters to be decided by special resolutions shall be passed by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the shareholders' general meeting. The contents of the authorization shall be clear and specific.</p>

APPENDIX VIII

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SHAREHOLDERS'
GENERAL MEETING**

Original article	Content of original article	Amended article	Content of amended article
Article 71	Matters not covered herein or conflicts with the requirements of the laws, regulations, listing rules of the place which the shares are listed or the Articles of Association promulgated or amended after these Rules have taken effect shall be governed by the applicable laws and regulations, listing rules of the place which the shares are listed and the Articles of Association.	Article 76	Matters not covered herein or conflicts with the requirements of the laws, regulations, <u>normative documents</u> , listing rules of the place which the shares are listed or the Articles of Association promulgated or amended after these Rules have taken effect shall be governed by the applicable laws and regulations, <u>normative documents</u> , listing rules of the place which the shares are listed and the Articles of Association.
		Article 79	<u>Matters not covered herein or conflicts with the requirements of the laws, regulations, normative documents, listing rules of the place which the shares are listed or the Articles of Association shall be governed by the applicable laws and regulations, normative documents, listing rules of the place which the shares are listed and the Articles of Association. Where there are different requirements in the regulatory rules of the place where the Company's shares are listed, the relevant rules of the place where the Company's shares are listed shall prevail.</u>
Article 74	<u>These Rules and amendments thereto shall take effect upon adoption through a resolution at the shareholders' general meeting, and shall be an appendix to the Articles of Association.</u>	Article 80	These Rules, <u>as an appendix to the Articles of Association, are approved by</u> the shareholders' general meeting <u>of Company, and will be implemented from the day the Company's A shares are listed on the main board of the Shanghai Stock Exchange.</u>

Comparison Table of Amendments to Rules of Procedures of the Board of Directors

Original article	Content of original article	Amended article	Content of amended article
Article 1	In order to further regulate the discussion methods and decision-making procedures of China Energy Engineering Corporation Limited (hereinafter referred to as the " Company "), ensure directors and the board of directors to effectively perform their duties, and to improve the standard operations and scientific decision-making levels of the Board, these Rules have been formulated in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Mandatory Provisions for Articles of Association of Companies Listed Overseas, the Standards for Corporate Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other regulations , and the Articles of Association of China Energy Engineering Corporation Limited (hereinafter referred to as the "Articles of Association").	Article 1	In order to further regulate the discussion methods and decision-making procedures of China Energy Engineering Corporation Limited (hereinafter referred to as the " Company "), ensure directors and the board of directors to effectively perform their duties, and to improve the standard operations and scientific decision-making levels of the Board, these Rules have been formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China, the Mandatory Provisions for Articles of Association of Companies Listed Overseas, the Standards for Corporate Governance of Listed Companies, the Rules Governing the Listing of Shares on Shanghai Stock Exchange , the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other laws, regulations, rules, normative documents, and the Articles of Association of China Energy Engineering Corporation Limited (hereinafter referred to as the " Articles of Association ").
Article 2	The board of directors shall, in accordance with the functions and powers granted by the shareholders' general meeting and the Articles of Association, manage the Company according to the law, and be responsible for and report to the shareholders' general meeting.	Article 2	The board of directors shall, in accordance with the functions and powers granted by the shareholders' general meeting and the Articles of Association, manage the Company according to the law, and be responsible for and report to the shareholders' general meeting.
Article 3	The board of directors establishes the office of the board of directors as the permanent working body of the board of directors.	Article 3	The board of directors establishes the office of the board of directors as the permanent working body of the board of directors. The secretary of the board of directors or securities affair representative may serve concurrently as the officer in charge of the board office, keep the seals of the board of directors and the board office.
Article 4	These Rules apply to the board of directors of the Company , special committees under the board of directors and directors and relevant departments and personnel involved in these Rules.	Article 4	These Rules apply to the board of directors of the Company , special committees under the board of directors and directors and relevant departments and personnel involved in these Rules.

APPENDIX IX

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS**

Original article	Content of original article	Amended article	Content of amended article
Article 5	<p>The board shall hold at least four regular meetings each year, which shall be convened by the chairman of the board and all the directors, supervisors and general managers who attend the meeting shall be notified in writing 14 days before the meeting is held.</p> <p>Before issuing the notice convening the board meeting in accordance with the provisions of the preceding paragraph, the office of the board shall fully solicit the opinions of the directors, and initially form the meeting proposal and submit it to the chairman. The proposal shall be submitted to the board after performing relevant procedures in accordance with the relevant provisions of <u>the Company</u>.</p> <p>The chairman of the board of directors shall solicit the opinions of the general manager and other senior management personnel as necessary before drafting proposals.</p>	Article 5	<p>The board shall hold at least four regular meetings each year, which shall be convened by the chairman of the board and all the directors, supervisors and general managers who attend the meeting shall be notified in writing 14 days before the meeting is held.</p> <p>Before issuing the notice convening the board meeting in accordance with the provisions of the preceding paragraph, the office of the board shall fully solicit the opinions of the directors, and initially form the meeting proposal and submit it to the chairman. The proposal shall be submitted to the board after performing relevant procedures in accordance with the relevant provisions of <u>the Company</u>.</p> <p>The chairman of the board of directors shall solicit the opinions of the general manager and other senior management personnel as necessary before drafting proposals.</p>
Article 7	<p>A proposal for convening a provisional board meeting as specified in the preceding article (except as proposed by the chairman) shall be in written form and affixed with the signature or seal of the proposer and submitted through the office of the board or directly to the chairman. A written proposal shall specify:</p> <ol style="list-style-type: none"> (1) name of the proposer; (2) reason or objective circumstance for the proposal; (3) well-defined and specific motions; and (4) means to contact the proposer, date of proposal, etc. <p>The contents of the written proposal shall be within the terms of reference of the board specified in the Articles of Association or these Rules, and the documents relating to the proposal shall be submitted together with the proposal itself.</p> <p>The Board office shall transfer to the chairman the aforesaid proposal and related documents promptly after receipt of the same. Where the chairman deems the contents of the proposal as not well-defined, specific or complete, the chairman may require the proposer to modify or supplement the proposal and</p>	Article 7	<p>A proposal for convening a provisional board meeting as specified in the preceding article (except as proposed by the chairman) shall be in written form and affixed with the signature or seal of the proposer and submitted through the office of the board or directly to the chairman. A written proposal shall specify:</p> <ol style="list-style-type: none"> (1) name of the proposer; (2) reason or objective circumstance for the proposal; (3) <u>time or duration, venue and form of the meeting proposed;</u> (4) well-defined and specific motions; and (5) means to contact the proposer, date of proposal, etc. <p>The contents of the written proposal shall be within the terms of reference of the board specified in the Articles of Association or these Rules, and the documents relating to the proposal shall be submitted together with the proposal itself.</p> <p>The Board office shall transfer to the chairman the aforesaid proposal and related documents promptly after receipt of the same. Where the chairman deems the contents of the proposal as not well-defined, specific or complete, the chairman may require the</p>

APPENDIX IX

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS**

Original article	Content of original article	Amended article	Content of amended article
	shall convene and preside over a meeting within 10 days after receipt of the modified or supplemented proposal.		proposer to modify or supplement the proposal and shall convene and preside over a meeting within 10 days after receipt of the modified or supplemented proposal.
Article 11	<p>A written notice of board meeting shall at least include:</p> <ul style="list-style-type: none"> (1) date and venue of the meeting; (2) duration of the meeting; (3) reasons and topics for discussion; (4) date on which the notice is sent; (5) the form of the meeting. 	Article 11	<p>A written notice of board meeting shall at least include:</p> <ul style="list-style-type: none"> (1) date and venue of the meeting; (2) duration of the meeting; (3) reasons and topics for discussion; (4) date on which the notice is sent; (5) the form of the meeting; <u>(6) convener and presider of the meeting, proposer of and written proposal for the provisional meeting;</u> <u>(7) documents needed for voting of directors;</u> <u>(8) requirements for the directors to attend the meeting in person or by proxy;</u> <u>(9) contact person and means of contact.</u> <p><u>The oral notice for meeting shall at least include the above item (1) and (5), as well as the description for convening the extraordinary meeting in case of the urgent situation.</u></p>
Article 12	After the notice for the meeting of the Board of Directors is issued, if the time and place to convene the meeting shall be changed or the meeting proposal shall be added, changed and cancelled, the recognition of all the participating directors shall be obtained and the record shall be made accordingly.	Article 12	After the <u>written</u> notice for the <u>regular meeting</u> of the Board of Directors is issued, if the time and place to convene the meeting shall be changed or the meeting proposal shall be added, changed and cancelled, the recognition of all the participating directors shall be obtained and the record shall be made accordingly, <u>and the written change notice shall be issued three days before the originally scheduled meeting date, specifying the situation and relevant contents and materials about the new proposal. If failed to issue the written notice three days in advance, the meeting shall be postponed accordingly or held on scheduled with the recognition of all the participating directors.</u>

APPENDIX IX

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS**

Original article	Content of original article	Amended article	Content of amended article
Article 13	<p>The Board meeting shall be convened with attendance of over one half of Directors. If relevant Directors refuse to attend the meeting or ignore the participation, which results in the number of participating Directors falling below the quorum, the Chairman and Secretary to the Board shall report to the general meeting and the regulatory authorities in time.</p> <p>Supervisors have the right to attend the Board meeting as non-voting participants. The general manager and Secretary to the Board shall attend the Board meeting as non-voting participants. The convener can notify other relevant persons to attend the Board meeting if he/she thinks necessary.</p>	Article 13	<p>The Board meeting shall be convened with attendance of over one half of Directors. If relevant Directors refuse to attend the meeting or ignore the participation, which results in the number of participating Directors falling below the quorum, the Chairman and Secretary to the Board shall report to the general meeting and the regulatory authorities in time.</p> <p>Supervisors <u>and the secretary to the Discipline Inspection Committee</u> have the right to attend the Board meeting as non-voting participants. The general manager and Secretary to the Board shall attend the Board meeting as non-voting participants. The convener can notify other relevant persons to attend the Board meeting if he/she thinks necessary.</p>
Article 16	<p>The following principles shall be followed to appoint directors or accept the appointment to attend the meetings of the Board of Directors:</p> <ol style="list-style-type: none"> (1) In consideration of the <u>connected</u> transactions, the <u>non-connected</u> directors shall not appoint the <u>connected</u> directors to attend the meetings on behalf of them; the <u>connected</u> directors shall not accept the <u>non-connected</u> directors' appointment; (2) The independent non-executive directors shall not appoint the non-independent non-executive directors to attend the meetings on behalf of them; the non-independent non-executive directors shall not accept the independent non-executive directors' appointment; (3) Directors shall not fully appoint other directors to attend the meetings under the condition that their personal opinions and voting intentions on the proposals are not described; relevant directors shall not accept the appointment with full powers and the appointment with unclear authorization; (4) Any director shall not be appointed as the proxy to attend the same board meeting by more than two directors; any director shall not appoint the directors who have been appointed by more than two directors to attend the meeting. 	Article 16	<p>The following principles shall be followed to appoint directors or accept the appointment to attend the meetings of the Board of Directors:</p> <ol style="list-style-type: none"> (1) In consideration of the <u>related</u> transactions, the <u>non-related</u> directors shall not appoint the <u>related</u> directors to attend the meetings on behalf of them; the <u>related</u> directors shall not accept the <u>non-related</u> directors' appointment; (2) The independent non-executive directors shall not appoint the non-independent non-executive directors to attend the meetings on behalf of them; the non-independent non-executive directors shall not accept the independent non-executive directors' appointment; (3) Directors shall not fully appoint other directors to attend the meetings under the condition that their personal opinions and voting intentions on the proposals are not described; relevant directors shall not accept the appointment with full powers and the appointment with unclear authorization; (4) Any director shall not be appointed as the proxy to attend the same board meeting by more than two directors; any director shall not appoint the directors who have been appointed by more than two directors to attend the meeting.
Article 17	Board meetings shall generally be held onsite.	Article 17	Board meetings shall generally be held onsite. <u>If a substantial shareholder or a director is deemed to have material conflict of interests in the matter to</u>

APPENDIX IX

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS**

Original article	Content of original article	Amended article	Content of amended article
	<p>Regular board meetings cannot make resolutions by circulating written proposals.</p> <p>Resolutions of extraordinary meeting of the Board may be made by means of telecommunication signed by participating Directors in case of emergencies on the basis of ensuring each Director fully expressing his opinions and with the consent of the Chairman of the Board.</p>		<p><u>be considered by the Board of Directors, the matter shall be reviewed in a Board meeting held onsite rather than by a written resolution.</u></p> <p>Regular board meetings cannot make resolutions by circulating written proposals.</p> <p>Extraordinary meeting of the Board may be <u>held and</u> resolutions may be made by means of telecommunication <u>such as telephone conferences and video conference, if necessary,</u> on the basis of ensuring each Director <u>attending the meeting in person and</u> fully expressing his opinions and with the <u>consent of the convener (but the convener has to reasonably refuse to agree).</u></p>
Article 26	<p>A resolution on a proposal considered and passed at the Board meeting shall be voted for approval by more than half of all the Directors. Each Director has a ballot for voting. If the approval of more Directors shall be obtained in the process of the Board's reaching the resolutions as required by laws, regulations and the Articles of Association, the relevant provisions shall be complied with.</p> <p>If different resolutions conflicts on the content and meanings, the resolution reached later shall prevail.</p>	Article 26	<p>A resolution on a proposal considered and passed at the Board meeting shall be voted for approval by more than half of all the Directors. Each Director has a ballot for voting. If the approval of more Directors shall be obtained in the process of the Board's reaching the resolutions as required by laws, regulations and the Articles of Association, the relevant provisions shall be complied with. <u>In accordance with requirements of the Articles of Association, the Board shall make a resolution on the guarantees within its scope of power and shall obtain the approval of more than two thirds of the Directors present at the meeting, in addition to the approval of over half of all the Directors.</u></p> <p>If different resolutions conflicts on the content and meanings, the resolution reached later shall prevail.</p>
Article 27	<p>In any of the following circumstances, the directors shall abstain from voting on the relevant resolutions:</p> <p>(I) listing rules of the place(s) in which the shares of the <u>Listed Company</u> are listed provides that the relevant directors shall abstain from voting;</p> <p>(II) Where the Director himself considers he should abstain from voting;</p> <p>(III) other circumstances required by the Articles of Association of the Company to abstain from voting by reason of such director being <u>related</u> to or has significant interests in the enterprises mentioned in the proposed resolution.</p>	Article 27	<p>In any of the following circumstances, the directors shall abstain from voting on the relevant resolutions:</p> <p>(I) listing rules of the place(s) in which the shares of the <u>Company</u> are listed provides that the relevant directors shall abstain from voting;</p> <p>(II) Where the Director himself considers he should abstain from voting;</p> <p>(III) other circumstances required by the Articles of Association of the Company to abstain from voting by reason of such director being <u>connected</u> to or has significant interests in the enterprises mentioned in the proposed resolution.</p>

APPENDIX IX

COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

Original article	Content of original article	Amended article	Content of amended article
	<p>In case that the Directors abstain from voting, Directors shall abstain from voting on such resolution for himself or on behalf of any other director. Such Board meeting may be convened with attendance of more than half of non-<u>related</u> directors, and resolutions shall be passed by more than half of non-<u>related</u> Directors at the Board meeting. If the number of non-<u>related</u> Directors attending the Board meetings is less than three (3), relevant proposals shall not be voted, and such matters shall be submitted to the general meeting for consideration.</p>		<p>In case that the Directors abstain from voting, Directors shall abstain from voting on such resolution for himself or on behalf of any other director. Such Board meeting may be convened with attendance of more than half of non-<u>connected</u> directors, and resolutions shall be passed by more than half of non-<u>connected</u> Directors at the Board meeting. If the number of non-<u>connected</u> Directors attending the Board meetings is less than three (3), relevant proposals shall not be voted, and such matters shall be submitted to the general meeting for consideration.</p>
Article 29	<p>About the matters of profit distribution and capital fund capitalization of <u>the Company</u> should be resolved at the Board meeting, but if the CPAs have not issued the formal audit report yet, the Board meeting should firstly resolve those decisions based on the draft audit report (all financial data except those involving profit distribution and capital fund capitalization have been determined) submitted by CPAs, other matters can be resolved after CPAs submit their formal audit report.</p>	Article 29	<p>About the matters of profit distribution and capital fund capitalization of <u>the Company</u> should be resolved at the Board meeting, but if the CPAs have not issued the formal audit report yet, the Board meeting should firstly resolve those decisions based on the draft audit report (all financial data except those involving profit distribution and capital fund capitalization have been determined) submitted by CPAs, other matters can be resolved after CPAs submit their formal audit report.</p>
		Article 31	<p><u>The whole process of the Board meeting convened on site or by means of video or telephone shall be recorded if necessary.</u></p>
Article 31	<p>The secretary to the Board shall arrange the personnel of the Board Office to make records for the Board meeting. Minutes shall be signed by all attending directors, secretary to the Board and the recorder. The minutes shall consist of the following:</p> <ol style="list-style-type: none"> (1) the manner, date and venue for the convention of meeting and name of <u>the convener</u>; (2) <u>the attendance, absence and attendance by proxy of the meeting</u>; (3) <u>the name and position of the attendees</u>; (4) <u>the subject of the meeting</u>; (5) chief comments of the directors; (6) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions and names of voters). 	Article 32	<p>The secretary to the Board shall arrange the personnel of the Board Office to make records for the Board meeting. Minutes shall be signed by all attending directors, secretary to the Board and the recorder. The minutes shall consist of the following:</p> <ol style="list-style-type: none"> (1) the manner, date and venue for the convention of meeting and name of <u>the convener</u>; (2) <u>the names of the attending directors and the directors (proxies) attending the meeting on behalf of others</u>; (3) <u>the agenda</u>; (4) the chief comments of the directors (<u>including any doubts or objections raised by the directors</u>); (5) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions and names of voters).

APPENDIX IX

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS**

Original article	Content of original article	Amended article	Content of amended article
			<u>Minutes of the meeting should be open for inspection at any reasonable time on reasonable notice by any director.</u>
Article 35	<p>The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, regulations or the Articles of <u>the Company</u> and results in <u>the Company</u> sustaining serious losses, the directors participating in the resolution shall be liable to compensate <u>the Company</u>. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such director may be released from such liability. Abstention from voting does not exempt the relevant director from his responsibility to the resolution of the Board.</p> <p>If any director does not attend a Board meeting either in person or by proxy or lodge a written objection to the matters to be discussed on or before the day on which the meeting is held, the said director shall be deemed as having abstained from voting and shall not be exempt from liability.</p>	Article 36	<p>The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, regulations or the Articles of <u>the Company</u> and results in <u>the Company</u> sustaining serious losses, the directors participating in the resolution shall be liable to compensate <u>the Company</u>. However, if it can be proved that a director <u>expressly objected to the resolution</u> when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such director may be released from such liability. Abstention from voting does not exempt the relevant director from his responsibility to the resolution of the Board.</p> <p>If any director does not attend a Board meeting either in person or by proxy or lodge a written objection to the matters to be discussed on or before the day on which the meeting is held, the said director shall be deemed as having abstained from voting and shall not be exempt from liability.</p>
Article 36	The secretary to the Board shall organize Board office to prepare and deliver the minutes of the Board meeting according to the resolutions of the Board meeting to the directors, the board of supervisors, the secretary to the Board and relevant departments and units of <u>the Company</u> .	Article 37	The secretary to the Board shall organize Board office to prepare and deliver the minutes of the Board meeting according to the resolutions of the Board meeting to the directors, the board of supervisors, the secretary to the Board and relevant departments and units of <u>the Company</u> .
Article 42	<u>The Company</u> provides an expenditure budget for the Board. The secretary to the Board is responsible for formulating the annual expenditure budget for the Board, which shall be included in the annual expenditure budget of <u>the Company</u> as management expense upon approval.	Article 43	<u>The Company</u> provides an expenditure budget for the Board. The secretary to the Board is responsible for formulating the annual expenditure budget for the Board, which shall be included in the annual expenditure budget of <u>the Company</u> as management expense upon approval.

APPENDIX IX

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE BOARD OF DIRECTORS**

Original article	Content of original article	Amended article	Content of amended article
Article 46	Any matters not covered in these Rules or any conflicts between these Rules and laws, regulations, the listing rules of the place(s) where the Company's shares are listed or the Articles that promulgated or amended after the effective date of these Rules, shall be dealt with in accordance with <u>the provisions of</u> such laws, regulations, the listing rules of the place(s) where the Company's shares are listed and the Articles.	Article 47	Any matters not covered in these Rules or any conflicts between these Rules and laws, regulations, <u>and regulatory documents,</u> the listing rules of the place(s) <u>where the Company's shares are listed</u> or the Articles that promulgated or amended after the effective date of these Rules, shall be dealt with in accordance with such laws, regulations, <u>and regulatory documents,</u> the listing rules of the place(s) <u>where the Company's shares are listed</u> <u>and</u> the Articles.
Article 47	<u>These Rules</u> shall be effective after approved at a general meeting, and shall be appended to the Articles.	Article 48	These Rules, <u>which shall be appended to the Articles,</u> and after being approved at a general meeting, <u>shall be implemented from the date on which A shares of the Company are listed on the main board of the Shanghai Stock Exchange.</u>
		Article 49	<u>Any amendment hereto shall be proposed by the Board and approved at a general meeting.</u>
		Article 50	<u>These Rules shall be formulated by and subject to the interpretation of the Board.</u>

Comparison Table of Amendments to Rules of Procedures of the Supervisory Committee

Original article	Content of original article	Revised article	Content of revised article
Article 1	To further regulate the rules of procedure and decision-making of the Supervisory Committee of China Energy Engineering Corporation Limited (the "Company"), make procure the supervisors and the Supervisory Committee to effectively perform their supervisory duties, and to improve the governance structure of the Company, these rules are hereby formulated in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas and the Articles of Association of China Energy Engineering Corporation Limited (hereinafter referred to as the "Articles of Association").	Article 1	To further regulate the rules of procedure and decision-making of the Supervisory Committee of China Energy Engineering Corporation Limited (the "Company"), make procure the supervisors and the Supervisory Committee to effectively perform their supervisory duties, and to improve the governance structure of the Company, these rules are hereby formulated in accordance with laws, regulations and regulatory documents including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas and the Articles of Association of China Energy Engineering Corporation Limited (hereinafter referred to as the "Articles of Association").
Article 4	<p>The Supervisory Committee shall hold at least two meetings every year and shall hold one meeting every six months. <u>A meeting of the Supervisory Committee shall be convened by the chairman of the Supervisory Committee. Notice of the meeting shall be sent to all supervisors in writing 10 days before convening the meeting.</u> Supervisors may propose the convening of an extraordinary meeting of the Supervisory Committee.</p> <p>Before issuing the notice of convening the regular meeting of the Supervisory Committee in accordance with the provisions of the preceding paragraph, the office of the Supervisory Committee shall collect the meeting proposal from all Supervisors and seek advice from all employees of the Company for at least 2 days. During the period of collecting proposals and seeking opinions, the office of the Supervisory Committee shall reiterate the main concerns of the Supervisory Committee on supervising the regulated operation of the Company and the performance of duties of the directors and senior management rather than the decision making on the operation and management of the Company.</p>	Article 4	<p><u>Meetings of the Supervisory Committee include regular meetings and extraordinary meetings.</u> The Supervisory Committee shall hold at least two <u>regular</u> meetings every year and shall hold one <u>regular</u> meeting every six months. Supervisors may propose the convening of an extraordinary meeting of the Supervisory Committee.</p> <p>Before issuing the notice of convening the regular meeting of the Supervisory Committee in accordance with the provisions of the preceding paragraph, the office of the Supervisory Committee shall collect the meeting proposal from all Supervisors and seek advice from all employees of the Company for at least 2 days. During the period of collecting proposals and seeking opinions, the office of the Supervisory Committee shall reiterate the main concerns of the Supervisory Committee on supervising the regulated operation of the Company and the performance of duties of the directors and senior management rather than the decision making on the operation and management of the Company.</p>

APPENDIX X

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SUPERVISORY COMMITTEE**

Original article	Content of original article	Revised article	Content of revised article
Article 7	The office of the Supervisory Committee shall issue the notice of extraordinary meeting of the Supervisory Committee within 3 days after the chairman of the Supervisor Committee receives the written proposal of the Supervisor.	Article 7	<u>The office of the Supervisory Committee or the chairman of the Supervisory Committee shall issue the notice of extraordinary meeting of the Supervisory Committee within 3 days after the chairman of the Supervisor Committee receives the written proposal of the Supervisor. Where the office of the Supervisory Committee fails to issue the notice of meeting, the proposing Supervisor shall report to the regulatory department in due time.</u>
Article 9	A notice of meeting of the supervisory committee shall include at least the following details: (1) time, place and duration of the meeting; (2) issues (proposals) to be deliberated; (3) convener and presider of the meeting, proposer of and written proposal for the extraordinary meeting; (4) documents needed for voting of supervisors; (5) the requirement for the supervisor to attend the meeting in person; (6) coordinator and means of contact; (7) date of issuing the notice.	Article 10	A notice of meeting of the supervisory committee shall include at least the following details: (1) time, place and duration of the meeting; (2) issues (proposals) to be deliberated; (3) convener and presider of the meeting, proposer of and written proposal for the extraordinary meeting; (4) documents needed for voting of supervisors; (5) the requirement for the supervisor to attend the meeting in person; (6) coordinator and means of contact; (7) date of issuing the notice. <u>A verbal notice of meeting shall at least include (1) and (2) above, and explanation for an extraordinary meeting of the supervisory committee in emergency.</u>

Original article	Content of original article	Revised article	Content of revised article
Article 11	<p>A meeting of the Supervisory Committee shall be attended by more than two thirds of the supervisors. Where any relevant supervisor refuses or fails to attend the meeting so that the number of attendees falls short of the quorum required for convening the meeting, other supervisors shall responsively report to the regulatory authority.</p> <p>The secretary of the board of directors shall be present at meetings of the supervisory committee.</p>	Article 12	<p>A meeting of the Supervisory Committee shall be attended by more than two thirds of the supervisors. Where any relevant supervisor refuses or fails to attend the meeting so that the number of attendees falls short of the quorum required for convening the meeting, other supervisors shall responsively report to the regulatory authority.</p> <p>The secretary of the Board <u>and the securities affair representative</u> shall be present at meetings of the supervisory committee.</p> <p><u>Supervisors shall attend the meetings of the supervisory committee in person. If any supervisor cannot attend the meeting for any reason, he may authorize in writing another supervisor to act on his/her behalf.</u></p> <p><u>The power of attorney shall specify the name of proxy, matters, authority and valid period on each proposal and shall be executed by the principal.</u></p> <p><u>The supervisors attending the meeting on behalf of others shall exercise the rights of supervisor within the scope of authorization.</u></p>
Article 17	<p>Office clerks of the supervisory committee shall keep minutes of onsite meetings. The minutes shall include the following information:</p> <ol style="list-style-type: none"> (1) the form, date, venue and the name of presider of the meeting; (2) attendance and absence and entrusted attendance; (3) the names and titles of the personnel attending the meeting; (4) the agenda of the meeting; (5) key points of supervisors’ speeches; (6) the voting method and result for each proposal (the voting result shall set out the respective numbers and names of voters of pros, cons and abstentions). <p>For a meeting of the supervisory committee held by correspondence, the office of the supervisory committee shall sort out the meeting minutes as per the preceding provision.</p>	Article 18	<p>Office clerks of the supervisory committee shall keep minutes of onsite meetings. The minutes shall include the following information:</p> <ol style="list-style-type: none"> (1) the <u>time</u>, form, date, venue and the name of presider of the meeting; <u>(2) sending of the notice of meeting;</u> (3) attendance and absence and entrusted attendance; (4) the names and titles of the personnel attending the meeting; (5) the agenda of the meeting; (6) key points of supervisors’ speeches; (7) the voting method and result for each proposal (the voting result shall set out the respective numbers and names of voters of pros, cons and abstentions); <u>(8) other issues that the attending supervisors think should be included into the minutes.</u>

APPENDIX X

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SUPERVISORY COMMITTEE**

Original article	Content of original article	Revised article	Content of revised article
			For a meeting of the supervisory committee held by correspondence, the office of the supervisory committee shall sort out the meeting minutes as per the preceding provision.
Article 20	<p>Supervisors may not sign on the minutes and resolutions if they have any opinion or disagree with them, but shall send their written explanations to the Supervisory Committee Office within three (3) days. When necessary, supervisors shall report to the regulatory authorities and may also make public statements.</p> <p>If mistakes and omissions made by staff of the Supervisory Committee Office in the meeting minutes, the recording staff shall make correction accordingly, and supervisors shall sign on the corrected meeting minutes and resolutions.</p> <p>Where a supervisor neither confirms with signature as stipulated by the preceding two paragraphs nor give the written explanation for his different opinions or report to the supervisory authorities or give public statement, it shall be deemed that the supervisor agrees with the minutes and resolutions.</p>	Article 21	<p><u>Where the supervisors disagree over the minutes of the meeting, they may attach written remarks when signing the said minutes.</u> Supervisors may not sign on the minutes and resolutions if they have any opinion or disagree with them, but shall send their written explanations to the Supervisory Committee Office within three (3) days. When necessary, supervisors shall report to the regulatory authorities and may also make public statements.</p> <p>If mistakes and omissions made by staff of the Supervisory Committee Office in the meeting minutes, the recording staff shall make correction accordingly, and supervisors shall sign on the corrected meeting minutes and resolutions.</p> <p>Where a supervisor neither confirms with signature as stipulated by the preceding two paragraphs nor give the written explanation for his different opinions or report to the supervisory authorities or give public statement, it shall be deemed that the supervisor agrees with the minutes and resolutions.</p>
Article 21	If the resolutions of the Supervisory Committee involve matters requiring announcement, the Company shall handle the matter according to the relevant regulations of the exchanges in the place of listing.	Article 22	<p><u>The announcement of the resolutions of the Supervisory Committee</u> shall be handled by the Company according to the relevant regulations of the exchanges in the place of listing.</p>
Article 23	Archives of the meeting of the Supervisory Committee, including meeting notice and meeting materials, meeting attendance book, voting ballot, as well as minutes, meeting summary and resolution record signed and confirmed by the present supervisors, shall be kept by the Supervisory Committee Office.	Article 24	Archives of the meeting of the Supervisory Committee, including meeting notice and meeting materials, meeting attendance book, voting ballot, as well as minutes, meeting summary, resolution record <u>and resolution announcement</u> signed and confirmed by the present supervisors, shall be kept by the Supervisory Committee Office.

APPENDIX X

**COMPARISON TABLE OF AMENDMENTS TO
RULES OF PROCEDURES OF THE SUPERVISORY COMMITTEE**

Original article	Content of original article	Revised article	Content of revised article
		Article 27	<u>For matters not covered by these Rules, or conflicts with relevant laws, regulations and regulatory documents, the relevant rules of the Company's shares listing place, and the Articles of Association, the relevant laws, regulations and regulatory documents, the relevant rules of the Company's shares listing place, and the Articles of Association shall prevail.</u>
Article 26	These rules <u>and its amendments are the appendix to the Articles of Association</u> and were considered and approved by the general meeting and shall become effective on the date of <u>the listing and dealing of the overseas listed foreign shares issued by the Company on The Stock Exchange of Hong Kong Limited.</u>	Article 28	These rules <u>are the appendix to the Articles of Association</u> and were considered and approved by the general meeting and shall become effective on the date of <u>the listing of the A shares issued by the Company on the</u> main board of the Shanghai Stock Exchange.
		Article 29	<u>To amend the Rules, the Supervisory Committee shall propose amendments and submit them to the general meeting for consideration and approval.</u>
Article 27	These Rules are <u>formulated and</u> interpreted by the Supervisory Committee.	Article 30	These Rules shall be interpreted by the Supervisory Committee of the Company.

Comparison Table of Amendments to Rules of Administrative Measures

Original Measures	New Measures	Explanation
<p>Article 1 In order to standardize the external guarantee behavior of China Energy Engineering Corporation Limited (hereinafter referred to as the “Company”) and protect the interests of the investors, these Measures is specifically formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Circular on Regularizing External Guarantees of Listed Company and the Articles of Association of China Energy Engineering Corporation Limited and based on the actual condition of the Company.</p>	<p>Article 1 In order to standardize the external guarantee behavior of China Energy Engineering Corporation Limited (hereinafter referred to as the “Company”) and protect the interests of the investors, these Measures is specifically formulated according to the laws, regulations, rules, and regulatory documents such as the Civil Code of the People’s Republic of China, the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Circular on Regularizing External Guarantees of Listed Company, the Rules Governing the Listing of Securities on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) as well as the Articles of Association of China Energy Engineering Corporation Limited and based on the actual condition of the Company.</p>	<p>The Civil Code of the People’s Republic of China and the Rules Governing the Listing of Securities on Shanghai Stock Exchange are added as the basis of preparation.</p>
	<p>Article 2 These Measures is applicable to the Company, its wholly-owned and controlling subsidiaries (hereinafter referred to as the subsidiaries).</p>	<p>The original Article 4 is adjusted to the Article 2.</p>
<p>Article 2 The external guarantee mentioned in these Measures refers to the guarantee provided by the Company and its affiliated companies for third parties including its subsidiaries, and does not include the guarantee provided for its own debt or financing purposes. By type of guarantee, it includes guarantee, mortgage, pledge, lien and deposit; and by type of guarantee obligation, it includes financing guarantee and non-financing guarantee.</p> <p>Financing guarantee refers to the guarantee provided by the guarantor for financing payment obligations. This type of payment obligation originates from related transactions with the general characteristics of financing contracts, including but not limited to general loans, bonds, financial leases, and binding facilities, etc.</p> <p>Non-financing guarantee refers to the guarantee provided by the guarantor for non-financing payment obligations. This type of payment obligation originates from transactions that do not have the general characteristics of financing contracts, including but not limited to bidding guarantees, advance payment</p>	<p>Article 3 The external guarantee mentioned in these Measures refers to the guarantee provided by the Company and its subsidiaries for third parties including its subsidiaries, and does not include the guarantee provided for its own debt or financing purposes. By type of guarantee, it includes guarantee, mortgage and pledge; and by type of guarantee obligation, it includes financing guarantee and non-financing guarantee.</p> <p>Financing guarantee refers to the guarantee provided by the guarantor for financing payment obligations. This type of payment obligation originates from related transactions with the general characteristics of financing contracts, including but not limited to general loans, bonds, financial leases, and binding facilities.</p> <p>Non-financing guarantee comprises of parent company guarantees, performance guarantees and completion guarantees required to be provided for construction projects, etc.</p>	<p>Lien and deposit are deleted for type of guarantee; and for non-financing guarantee, it refers to the construction industry of the PRC and is interpreted by example.</p>

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
	that do not meet the standards for consideration at the shareholders' general meeting in addition to the annual plan.	newly added administrative measures for external guarantee of other listed companies.
	<p>Article 7 The office of the board of directors of the Company is the executive body of the Company's annual guarantee plan. Under the authorization of the board of directors or the shareholders' general meeting, within the planned quota, it shall perform the following duties:</p> <p>(I) to approve the specific guarantee business of the headquarter of the Company.</p> <p>(II) to authorize subsidiaries to approve the specific guarantee business of their wholly-owned and holding subsidiaries within their respective annual guarantee plan.</p> <p>(III) to approve the specific guarantee business of the Company and its subsidiaries to their investees.</p> <p>(IV) if the Company's guarantee plan for wholly-owned or holding subsidiaries is adjusted, it shall be adjusted and used within the Company's annual plan.</p>	It is newly added with reference to the administrative measures for external guarantee of Gezhoubu and based on the actual condition of the Company.
<p>Article 5 The financial management department is the centralized management department for financing guarantee business and performs the following duties:</p> <p>(I) to organize the preparation and approval of financing guarantee plans;</p> <p>(II) to participate in or organize the review, risk assessment and approval of matters related to the guarantee business;</p> <p>(III) to deal with guarantee business and be responsible for daily management, including execution of guarantee contracts, filing guarantee accounts, maintaining guarantee materials, following up the financial condition of the guaranteed party, the use of guaranteed loan funds, and the implementation of the master contracts;</p> <p>(IV) to guide, supervise and inspect the guarantee business of subsidiaries.</p>	<p>Article 8 The financial management department is the centralized management department for financing guarantee business and performs the following duties:</p> <p>(I) to organize the preparation and approval of financing guarantee plans;</p> <p>(II) to participate in or organize the review, risk assessment and approval of matters related to the guarantee business;</p> <p>(III) to deal with guarantee business and be responsible for daily management, including execution of guarantee contracts, filing guarantee accounts, maintaining guarantee materials, following up the financial condition of the guaranteed party, the use of guaranteed loan funds, and the implementation of the master contracts;</p> <p>(IV) to guide, supervise and inspect the guarantee business of subsidiaries.</p>	Unadjusted

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
<p>Article 6 The legal management department is responsible for the review of guarantee contracts, and other business departments shall participate in the review and risk assessment of related matters of financing guarantee business according to their duties.</p>	<p>Article 9 The legal management department is responsible for the review of guarantee contracts, and other business departments shall participate in the review and risk assessment of related matters of financing guarantee business according to their duties.</p>	<p>Unadjusted</p>
<p>Article 7 The financing guarantee business is subject to plan management. The guarantee plan shall be implemented after the approval of the board of directors and the shareholders' general meeting of the Company; the authorized financing guarantee business within the plan is implemented upon approval by the office (or corresponding decision-making body).</p>	<p>Article 10 The financing guarantee business is subject to plan management. The annual guarantee plan of the Company shall be reviewed by the office of the chairman prior to being submitted to the board of directors for review and shareholders' general meeting for approval. If a specific secured transaction or agreement constitutes a major transaction or connected transaction under the Hong Kong Listing Rules, the specific transaction and agreement shall be also subject to corresponding approval procedures in accordance with the requirements of the Hong Kong Listing Rules.</p>	<p>Minor adjustment is made for statements.</p>
<p>Article 8 The Company and its subsidiaries shall not provide guarantees for entities without title relations, and shall not provide guarantees for entities with title relations in excess of the equity ratio.</p>	<p>Article 11 The Company and its subsidiaries shall not provide guarantees for entities without title relations, and shall not provide guarantees for entities with title relations in excess of the equity ratio.</p> <p>In order to promote market development and management of receivables, for the construction projects undertaken by the subsidiaries of the Company, the construction unit (or its governing unit at upper level) will provide guarantees for the project owner's financing with the Company's internal financial institutions, and the financing funds will be directly paid to the construction unit, and the project owner provides a sufficient amount of dual or multiple guarantees, the financing risk of the internal financial institution is controllable, and the project owner's financing recovery is guaranteed. The guarantee provided by the construction unit (or its governing unit at upper level) for the project owner's financing with the Company's internal financial institution, is regarded as a guarantee to entities with title relations.</p>	<p>Exceptional matters for provision guarantees to the entities without title relations are added.</p>
<p>Article 9 In the equity cooperation of a PPP project, no guarantee shall be provided for the equity contribution of other parties; if credit enhancement is required for the debt financing of a PPP project, in principle, it shall be guaranteed by the project's own rights and interests and assets; if guarantee by shareholders is required, it shall be provided in their respective proportion of capital contribution.</p>		<p>This article is deleted since Article 11 covers the content of this article.</p>

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
<p>Article 10 Except for real estate enterprises in the process of property sales, since the processing of the real estate certificate lags behind the signing of the sales contract, they are not allowed to provide guarantees to other individuals except for the phased guarantees provided to assist customers in handling mortgage loans.</p> <p>The real estate enterprise shall promptly release the phased guarantee within 10 working days after the issuance of the real estate certificate.</p>	<p>Article 12 Except for real estate enterprises in the process of property sales, since the processing of the real estate certificate lags behind the signing of the sales contract, they are not allowed to provide guarantees to other individuals except for the phased guarantees provided to assist customers in handling mortgage loans.</p> <p>The real estate enterprise shall promptly release the phased guarantee after the issuance of the real estate certificate.</p>	<p>Minor adjustment is made for statements.</p>
<p>Article 11 In principle, the Company only provides guarantees to directly owned subsidiaries.</p>	<p>Article 13 In principle, the Company only provides guarantees to directly controlling subsidiaries (hereinafter referred to as the directly owned subsidiaries).</p>	<p>No adjustment</p>
<p>Article 12 The guarantee contract shall be executed after being reviewed by the legal management department.</p>	<p>Article 14 The guarantee contract shall be executed after being reviewed by the legal management department, and other relevant departments shall participate in.</p>	<p>Adjustment is made for statements.</p>
<p>Article 13 The preparation, approval and authorization of financing guarantee plans:</p> <p>(1) The financial management department is responsible for the preparation and compilation of financing guarantee plans.</p> <p>(2) Financing guarantee plans (including guarantees from previous years that have not yet expired within the validity period of the plan and planned new guarantees) shall be first reviewed by the office of the Company and then submitted to the board of directors and to the shareholders' general meeting for approval.</p> <p>(3) According to the plan application, the shareholders' general meeting shall pass a resolution to authorize the board of directors, and agree that the board of directors to further authorize the management of the Company to decide on specific matters related to the financing guarantee business within the validity period and quota of the plan.</p>	<p>Article 15 The preparation, approval and authorization of financing guarantee plans:</p> <p>(1) The financial management department is responsible for the preparation and compilation of financing guarantee plans.</p> <p>(2) The annual financing guarantee plan shall include guarantees from previous years that have not yet expired within the validity period of the plan and planned new guarantees.</p>	<p>The content of annual guarantee plan is maintained, and the content of approval and authorization for guarantee plan is included in Articles 5, 6 and 7.</p>

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
<p>Article 14 During the validity period of the plan, the adjustment on the financing guarantee plan:</p> <p>(I) If the sum of the total amount of financing guarantees of the Company and its subsidiaries reaches or exceeds the total amount of the guarantee plan, and it is necessary to increase the amount of the guarantee plan, it shall be reported to the board of directors of the Company for review and approval, and then submitted to the shareholders general meeting for approval.</p> <p>(II) Within the total amount of the guarantee plan, if the total amount of financing guarantees of the directly-owned subsidiaries reaches or exceeds its guarantee plan, and it is necessary to increase the amount of the guarantee plan, it shall be approved by the office of the Company.</p> <p>(III) Within the amount of the financing guarantee plan of the directly-owned subsidiaries, the total amount of the financing guarantee of the subsidiaries of the directly-owned subsidiaries reaches or exceeds its guarantee plan, and it is necessary to increase the amount of the guarantee plan, it shall be approved by the office of the directly-owned subsidiaries (or corresponding decision-making body).</p>		<p>This article is deleted; the authorization of adjustment on guarantee plan is reflected in Article 7.</p>
<p>Article 15 According to the authorization of the resolution at the shareholders’ general meeting of the Company, the management of the Company will determine the specific matters related to the guarantee business within the validity period and quota of the plan, including but not limited to the guarantee method, guarantee object, guarantee amount, guarantee period, etc..</p> <p>(I) The new guarantee business of the Company shall be considered and approved by the office of the Company.</p> <p>(II) The Company shall authorize the general manager to consider and approve the renewal of the guarantee business.</p> <p>(III) Renewal of guarantee business refers to the guarantee business for which the guarantee is required to continue to provide due to that the master contract has not expired after the</p>	<p>Article 16 According to the authorization of the resolution at the shareholders’ general meeting of the Company, the management of the Company will determine the specific matters related to the guarantee business within the validity period and quota of the plan, including but not limited to the guarantee method, guarantee object, guarantee amount, guarantee period, etc..</p> <p>(I) The new guarantee business of the headquarter of the Company shall be considered and approved by the chairman of the board of directors after being considered and approved by the chairman’s office of the Company; the chairman has a veto power over the guarantee business approved by the chairman’s office.</p> <p>(II) The headquarter of the Company shall authorize the chairman to consider and approve the renewal of the guarantee business.</p>	<p>It is further clarified that authorization is required for the approval of specific guarantee of subsidiaries and delegation by the directly-owned subsidiaries is not allowed, and the approval of guarantee for invested entities shall be all approved by the office of the board of directors.</p>

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
<p>guarantees of previous years being expired, or the master contract has been changed provided that the amount remains unchanged or reduced.</p> <p>(IV) Directly-owned subsidiaries shall set up the guarantee management system and standardize the approval process. The guarantee business of directly-owned subsidiaries and their subsidiaries shall perform the consideration and approval procedures in accordance with the provisions of the guarantee management system of the directly-owned subsidiaries.</p>	<p>Renewal of guarantee business refers to the guarantee business for which the guarantee is required to continue to provide due to that the master contract has not expired after the guarantees of previous years being expired, or the master contract has been changed provided that it still belongs to the same economic matter, the guarantee person remains unchanged and the amount remains unchanged or reduced.</p> <p>(III) Each subsidiary shall formulate its articles of associations and guarantee management system that comply with the Company Law of the People’s Republic of China, the Civil Code of the People’s Republic of China and other laws and regulations and the listing rules of the stock exchange where the Company’s shares are listed. The approval of the subsidiaries against the specific guarantee business of its wholly-owned, controlling subsidiaries shall be authorized by the Company, and the approval procedures shall be performed within the scope of authorization in accordance with the provisions of the internal guarantee management system. The specific matters of the guarantee business of the Company’s directly-owned subsidiaries and its subsidiaries shall be considered and approved by the directly-owned subsidiaries within the scope of authorization, and the directly-owned subsidiaries shall not delegate the guarantee approval authority.</p> <p>(IV) The specific guarantee business of the Company and its subsidiaries to the invested entities shall be considered and approved by the office of the chairman of the Company.</p>	
<p>Article 16 Guarantees provided by the Company to its subsidiaries shall be conducted in accordance with the following procedures:</p> <p>(I) When the directly-owned subsidiaries submit the guarantee application, the application materials shall state the reasons for the guarantee, the return and risk analysis of the guarantee, and the following information shall be submitted, including but not limited to:</p> <p>1. Master debt contract or loan intent and other related documents;</p>	<p>Article 17 Guarantees provided by the Company to its subsidiaries shall be conducted in accordance with the following procedures:</p> <p>(I) When the directly-owned subsidiaries submit the guarantee application, the application materials shall state the reasons for the guarantee, the return and risk analysis of the guarantee.</p> <p>(II) The financial management department shall organize relevant departments including the legal management department to conduct risk assessment on the guarantee business.</p>	<p>It is deleted that information is required to be submitted by directly-owned subsidiaries for guarantee application to the Company; and the information that is required to be submitted by the guarantee person to the guarantor is considered as a separate article.</p>

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
<p>2. Plan of use and repayment plan of borrowed funds. For project loans, investment decision-making documents, agreements and progress of the project should also be provided;</p> <p>3. Counter-guarantee resolution or letter of undertakings;</p> <p>4. Approval documents for loan matters.</p> <p>(II) The financial management department shall organize relevant departments to conduct risk assessment on the guarantee business.</p> <p>(III) The office or the general manager of the Company shall consider and approve the guarantee business.</p> <p>(IV) The financial management department shall conduct guarantee procedures.</p>	<p>(III) The office of the board of directors or the chairman of the Company shall consider and approve the guarantee business.</p> <p>(IV) The financial management department shall prepare materials for approval, and conduct guarantee procedures including approval and sealing of guarantee contract.</p>	
	<p>Article 18 When the guaranteed party applies to the guarantor for the guarantee, or the subsidiary applies to provide guarantee for the shareholding company, the following materials shall be submitted, including but not limited to:</p> <p>(I) Main debt contract or loan intent and other relevant documents;</p> <p>(II) The applicant’s credit status certification files, including but not limited to its three-year audit report and a copy of the financial report (financial report);</p> <p>(III) Plans for the use of borrowed funds and plans for return. For project loans, the project investment decision files, agreements and progress must also be provided;</p> <p>(IV) Calculation and explanation of the risk exposure of the guarantee;</p> <p>(V) Counter-guarantee measures and resolutions or commitments;</p> <p>(VI) Examination and approval files for loan matters;</p> <p>(VII) Legal opinion (if necessary);</p> <p>(VIII) Risk assessment report (if necessary).</p>	<p>A new article is added, specifying the information that the guaranteed person needs to submit when applying for guarantee.</p>

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
<p>Article 17 In the case of cross-border guarantee business, after fulfilling the decision-making procedures, the foreign exchange administration shall go through the approval or registration procedures in accordance with relevant regulations.</p>	<p>Article 19 In the case of cross-border guarantee business, the foreign exchange administration shall go through the approval or registration procedures in accordance with relevant regulations.</p>	<p>No adjustment</p>
<p>Article 18 The financing guarantee business shall be handled and managed by a special person from the financial management department, and no other department or individual has the right to provide external financing guarantee on behalf of the enterprise without authorization.</p>	<p>Article 20 The financing guarantee business shall be handled and managed by a special person from the financial management department, and no other department or individual has the right to provide external financing guarantee on behalf of the enterprise without authorization.</p>	<p>No adjustment</p>
<p>Article 19 The financial management department shall establish a guarantee account for the enterprise and properly keep the guarantee materials.</p>	<p>Article 21 The financial management department shall establish a guarantee account for the enterprise and properly keep the guarantee materials.</p>	<p>No adjustment</p>
<p>Article 20 Risk management:</p> <p>(I) Risk assessment shall be carried out before the guarantee business is handled, to ensure compliance with national laws and regulations and prevent guarantee risks. The following evaluation procedures shall be carried out for the guarantees of shareholding companies:</p> <ol style="list-style-type: none"> 1. Relevant functional departments evaluate the compliance and effectiveness of economic matters. 2. The legal management department evaluates the legality and compliance of economic matters and the prevention of legal risks. 3. The financial management department evaluates the performance capability and financial risks of the guaranteed party. 4. For guarantees with large amounts and high risks, an intermediary agency may be entrusted to evaluate the asset quality, solvency, financial credit, and legality of the guarantee application of the guaranteed party, and prepare a written evaluation report. <p>(II) The financial management department shall continue to track the financial status of the guaranteed party, the use of guaranteed loan</p>	<p>Article 22 The Company and its subsidiaries shall strengthen the risk identification, evaluation and risk control of the guarantee business.</p> <p>(I) Risk assessment shall be carried out before the guarantee business is handled, to ensure compliance with national laws and regulations and prevent guarantee risks.</p> <ol style="list-style-type: none"> 1. Relevant functional departments evaluate the compliance and effectiveness of economic matters. 2. The legal management department evaluates the legality and compliance of economic matters and the prevention of legal risks. 3. The financial management department evaluates the performance capability and financial risks of the guaranteed party. 4. For guarantees with large amounts and high risks, an intermediary agency may be entrusted to evaluate the asset quality, solvency, financial credit, and legality of the guarantee application of the guaranteed party, and prepare a written evaluation report. <p>(II) The financial management department shall organize relevant departments continue to track the financial status of the guaranteed party, the</p>	<p>The expression is slightly adjusted.</p>

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
<p>funds, and the execution of the main contract. The guaranteed party is required to perform the following obligations:</p> <ol style="list-style-type: none"> 1. Submit the relevant documents to the guarantor for record within 15 working days after the signing of the guarantee contract, counter-guarantee contract, and master debt contract. 2. Within 10 days after the execution of the main debt contract, a copy of the relevant vouchers and other materials of the secured loan should be returned and submitted to the guarantor for record. 3. When the guarantor is unable to perform its obligations in accordance with the main debt contract, it shall notify the guarantor by letter 30 days in advance. 4. In the event of a major event affecting the performance of the contract or a major civil lawsuit due to a guarantee, the guarantor shall be notified within 5 working days. <p>(III) Where a shareholding company and its affiliated companies provide guarantees to the shareholding company in proportion to their equity, the guaranteed party must provide a counter-guarantee; if a shareholding company provides guarantees to their affiliated companies, they may require the guaranteed party to provide a counter-guarantee.</p> <p>(IV) The economic losses caused to the guarantor by the guarantor’s failure to perform the contract or agreement on time shall be borne by the guarantor, and the guarantor shall have the right to take necessary measures to recover and impose penalties on the guarantor.</p> <p>(V) Subsidiary companies shall conduct special control over the domestic guarantee and foreign loan business.</p> <ol style="list-style-type: none"> 1. Domestic guarantee and foreign loan business shall be filed with the stock company one by one; 	<p>use of guaranteed loan funds, and the execution of the main contract. The guaranteed party is required to perform the following obligations:</p> <ol style="list-style-type: none"> 1. Submit the relevant documents to the guarantor for record within 15 working days after the signing of the guarantee contract, counter-guarantee contract, and master debt contract. 2. Within 10 days after the execution of the main debt contract, a copy of the relevant vouchers and other materials of the secured loan should be returned and submitted to the guarantor for record. 3. When the guarantor is unable to perform its obligations in accordance with the main debt contract, it shall notify the guarantor by letter 30 days in advance. 4. In the event of a major event affecting the performance of the contract or a major civil lawsuit due to a guarantee, the guarantor shall be notified within 5 working days. <p>(III) Where the Company and its subsidiaries provide guarantees to the shareholding companies in proportion to their equity, the guaranteed party must provide counter-guarantee; if the Company and its subsidiaries provide guarantees to its subsidiaries, they may require the guaranteed party to provide counter-guarantees.</p> <p>(IV) The economic losses caused to the guarantor by the guarantor’s failure to perform the contract or agreement on time shall be borne by the guarantor, and the guarantor shall have the right to take necessary measures to recover from the guarantor and deal with it in accordance with the company’s relevant internal management system.</p> <p>(V) The Company shall conduct special management and control of the onshore guarantee and overseas loan business, and prohibit embezzling the funds from domestic guarantee and foreign loan business for high-risk financial investment. Subsidiaries must file with the Company for the</p>	

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
<p>2. It is forbidden to embezzle the funds from domestic guarantee and foreign loan business for high-risk financial investments;</p> <p>3. Establish a monitoring and early warning mechanism for domestic guarantees and foreign loans;</p> <p>4. The occurrence of the guarantee performance project shall be reported to the shareholding companies within 2 working days.</p>	<p>domestic guarantee and foreign loan business one by one, and guarantee performance should be the first time Report to the Company.</p>	
<p>Article 21 The guarantor shall charge a guarantee handling fee in accordance with the principle of marketization, and the guarantee handling fee may be charged at an annual rate of 3‰ to 5‰ for guarantees between affiliated companies of the shareholding company.</p>	<p>Article 23 The guarantor shall charge a guarantee handling fee in accordance with the principle of marketization, and the guarantee fee may be charged at an annual rate of 3‰ to 5‰ for the guarantee of a wholly-owned or holding subsidiary.</p>	<p>The expression is slightly adjusted.</p>
<p>Article 22 The information disclosure of guarantee business shall be implemented in accordance with the Information Disclosure Affairs Management Regulations of China Energy Engineering Corporation Limited.</p>		<p>Adjusted to Article 27 and further clarified.</p>
<p>Article 23 The international business management department is the centralized management department for non-financial guarantee business of overseas projects; the market development department is the centralized management department for non-financial guarantee business of domestic projects. These departments perform duties including but not limited to the following obligations: organizing review, submitting for approval, registering accounts, tracking and inspecting the financial status of the guaranteed party and the execution of the main contract.</p>	<p>Article 24 The financial management department is the centralized management department for non-financial guarantee business. It performs duties including but not limited to the following obligations: organizing review, reporting for approval, registering accounts, tracking and inspecting the financial status of the guaranteed party and the execution of the main contract.</p> <p>The international business management department, the market development management department, the project construction and operation management department and the legal management department perform management duties such as joint review and evaluation of non-financing guarantees in accordance with their responsibilities.</p>	<p>The centralized management department for non-financial guarantees was adjusted to the financial management department.</p>
	<p>Article 25 The non-financial guarantee business is subject to plan management, and the financial management department is responsible for the preparation and summary of non-financial guarantee plans. The non-financial guarantee plan shall be implemented in accordance with the listing rules of the stock exchange where the Company's shares are</p>	<p>Increase the content of non-financing guarantees to implement plan management and specific business approval rights.</p>

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
	listed, and shall be implemented after approval by the Company's general meeting of shareholders; the non-financial guarantee business within the plan and authorized shall be processed after approval by the chairman's office.	
<p>Article 24 Except for the following circumstances, non-financial guarantees provided by shareholding companies for its subsidiaries shall be examined and approved by the shareholding company's office; the non-financial guarantee provided by directly affiliated enterprises for its subsidiaries shall be determined by the office of the directly affiliated enterprise (or corresponding decision department) for approval.</p> <p>(I) Providing guarantees for shareholders or actual controllers of shareholding companies and their related parties must be approved by the shareholders' meeting of the shareholding company.</p> <p>(II) Other guarantees required by the general meeting of shareholders as required by laws and regulations and the regulatory authority or the stock exchange of the place where the company's shares are listed.</p>		Delete the content of the original non-financing guarantee approval permission.

APPENDIX XI

COMPARISON TABLE OF AMENDMENTS TO ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

Original Measures	New Measures	Explanation
	Article 26 If the total amount of non-financial guarantees of the Company and its subsidiaries reaches or exceeds the total amount of non-financial guarantee plans, and the amount needs to be increased, it shall be submitted to the board of directors or general meeting of shareholders for review and approval in accordance with the listing rules of the stock exchange where the company's shares are listed.	Increase the permission to adjust the approval of non-financial guarantee plans.
	Article 27 When a Company's external guarantee meets the disclosure standards set by the relevant rules of the place where the company's shares are listed, it shall make disclosure in accordance with the relevant rules of the securities regulatory authority and stock exchange where the shares are listed, the Articles of Association or Information Disclosure Affairs Management Regulations of China Energy Engineering Corporation Limited.	The original Article 22, and further clarified.
	Article 28 If any person of the Company violates laws and regulations or the provisions of the measure to provide external guarantees without causing any loss, the Company will impose disciplinary sanctions on the responsible person; if any loss is caused, the Company will pursue legal liabilities according to law.	Increase the content of accountability.
	Article 29 Each subsidiary shall formulate a corresponding guarantee management system in accordance with the measure and its own actual conditions, and report to the Company for the record.	The original Article 26 was adjusted to Article 29.
Article 25 Unless otherwise specified, other terms used in the measure have the same meaning as those in the Articles of Association of the stock company.	Article 30 Unless otherwise specified, other terms used in the measure have the same meaning as those in the Articles of Association of the stock company.	No adjustment
Article 26 Enterprises directly under a stock company shall formulate corresponding management systems in accordance with the measure and their actual conditions, and report to the stock company for the record.		Adjusted to Article 29.
Article 27 The measure shall take effect and shall be implemented on the date of promulgation, and the original Measures for the Administration of External Guarantees of China Energy Engineering Corporation Limited (China Energy Engineering Gu Fa Caiwu [2016] No. 83) shall be repealed.	Article 31 The measures shall be implemented after the approval of the Company's shareholders' meeting and the date when the Company's A shares are listed on the Shanghai Stock Exchange. The original Measures for the Administration of External Guarantees of China Energy Engineering Corporation Limited (China Energy Engineering Gu Fa Caiwu [2019] No. 115) shall be repealed at the same time.	The effective conditions of the measure have been adjusted.
Article 28 The measure shall be interpreted by the board of directors of the stock company.	Article 32 The measure shall be interpreted and revised by the board of directors of the Company.	Further clarified the power of interpretation and revision of the measure.

A SHARE PRICE STABILIZATION PLAN OF CHINA ENERGY ENGINEERING CORPORATION LIMITED

China Energy Engineering Corporation Limited (中國能源建設股份有限公司) (hereinafter referred to as the “**Company**”), proposes to issue of A shares to the shareholders of China Gezhouba Group Stock Company Limited* (中國葛洲壩集團股份有限公司) (hereinafter referred to as the “**CGGC**”, collectively referred to as the “**Parties to the Merger**” with the Company) (other than China Gezhouba Group Company Limited (中國葛洲壩集團有限公司) (hereinafter referred to as the “**CGGC Group**”) so to absorb and merger of CGGC through Share Swap (hereinafter referred to as the “**Merger**”). To reinforce the obligations of honesty and integrity of shareholders and the management and protect the interest of public shareholders, particularly minority shareholders, the Company has prepared a plan for stabilizing the A share price of the Company (the “**Plan**”) as follows:

I. CONDITIONS FOR INITIATING SHARE PRICE STABILIZING MEASURES

Within three years (36 months) from the official listing date of the A shares of the Company, if the closing prices of the A shares of the Company for 20 consecutive trading days (except for trading days on which A shares of the Company have been suspended trading for full day, the same for below) are lower than the latest audited net asset per share of the Company (if changes in the net assets or the total number of shares of the Company have occurred due to, among other things, profit distribution, conversion of capital reserve into share capital, placement and rights issue after the audit date of the latest period, the net asset per share shall be adjusted accordingly), and the conditions of the Company have also satisfied the requirements of the securities regulatory authorities of the PRC, such as the CSRC, on actions for variation of shares such as repurchase or increase in shareholding, the controlling shareholder, the Company, the directors and the senior management will initiate share price stabilizing measures to protect the interests of shareholders at large, enhance the confidence of investors and maintain stable A share prices of the Company.

II. SPECIFIC MEASURES AND IMPLEMENTATION PROCEDURES FOR STABILIZING SHARE PRICES

When the Company needs to adopt share price stabilizing measures, it may implement the share price stabilizing measures in the following sequence depending on the actual circumstances of the Company and the conditions of the stock market. After implementation of the share price stabilizing measures, the shareholding structure of the Company shall comply with the listing requirements of the place where the Company’s shares are listed.

(I) Proposed measures to be taken by controlling shareholder

Within 20 trading days after the conditions for initiating share price stabilizing measure have been triggered, the controlling shareholder shall notify the Company whether there is any specific plan of increasing the shareholding in A shares of the Company, and that an announcement will be made by the Company accordingly. If there is a specific plan, disclosure of information on, inter alia, the intended size of increase in quantity, price range and completion time shall be made, and the total incremental amount of such plan must not be less than RMB50 million.

(II) Proposed measures to be taken by the Company

If the controlling shareholder is unable to duly announce the aforesaid A share increase specific plan, or expressly indicates the non-existence of such plan to increase shareholding in A share, the Board of Directors of the Company shall make an announcement on whether there is any specific share repurchase plan within 30 trading days after the conditions for initiating share price stabilizing measure have been triggered for the first time. If such specific plan exists, disclosure of information on, inter alia, the intended size of share repurchase in quantity, price range and completion time shall be made, and the total amount of such repurchase must not be less than RMB50 million. The Company shall implement measures to stabilize the share price after fulfilling the relevant procedures required by relevant laws, regulations and regulatory documents and obtaining the required approvals.

(III) Proposed measures to be taken by directors (excluding independent non-executive directors and directors who do not receive remuneration from the Company, the same for below) and senior management

If the Board of Directors of the Company is unable to duly announce the aforesaid A share repurchase plan, or the aforesaid A share repurchase plan fails to obtain approval from the shareholders' general meeting due to various reasons, the prevailing directors and senior management of the Company shall unconditionally increase shareholding in the A shares of the Company within 30 trading days after the conditions for initiating share price stabilizing measures have been triggered for the first time (or within 30+N trading days after the obligation to increase shareholding has been triggered for the first time if the directors and senior management have been restricted from trading shares within N trading days during the period) or within 10 trading days after the aforesaid A share repurchase plan fails to obtain approval from the shareholders' general meeting (or within 10+N trading days after the aforesaid repurchase plan fails to obtain approval from the shareholders' general meeting), and notify the Company in writing of the specific plan to increase shareholding of the Company's A shares. The Company shall make an announcement, which sets out (among others) the planned increase in the number of shares, price range, completion time and other information. The aggregate amount of their respective increase in shareholding shall not be less than 10% of the total amount of remuneration (after tax) received by them from the Company during the previous year.

(IV) Since the conditions for initiating share price stabilization measures are triggered, if the closing price of the Company's A shares for 5 consecutive trading days is not lower than the latest audited net assets per share, and the share price stabilization plan has not been announced, it can be regarded as no need to compulsorily initiate share price stabilization measures, and no longer announce the share price stabilization plan. If the share price stabilization plan has been announced, it can be regarded as the completion of implementation of the share price stabilization measure and fulfillment of undertakings, and the share price stabilization plan is terminated.

The obligation to implement the mandatory measures for share price stabilization is limited to one time per financial year.

- (V) In performing their obligations of increasing shareholding or repurchase, the controlling shareholders, the Company, the directors and senior management shall perform the corresponding obligations of information disclosure pursuant to the listing rules of the listing place of the Shares of the Company and other applicable regulatory requirements, and shall comply with the requirements in relation to the supervision of the state-owned assets.

III. RELEVANT SAFEGUARD MEASURES

- (I) In respect of controlling shareholder, if specific plan to increase shareholding in A shares has been announced but cannot be implemented practically due to subjective reasons, the Company shall withhold the cash dividends payable to the controlling shareholder of an amount equivalent to the obligation to increase shareholding by such controlling shareholder until the obligation to increase shareholding in A shares has been performed by the controlling shareholder. If the obligation to increase shareholding in A shares has been triggered twice consecutively and the controlling shareholder has failed to propose any specific plan to increase shareholding in A shares, the Company may withhold the cash dividends payable to the controlling shareholder of an amount equivalent to the obligation to increase shareholding in A shares by such controlling shareholder for use in the share repurchase plan, and the controlling shareholder will lose the right of recourse in the corresponding amount of cash dividends. If the controlling shareholder abstains from voting or has voted against the A share repurchase plan proposed by the Board of Directors of the Company to stabilize share price, the Company may withhold the cash dividends payable to the controlling shareholder of an amount equivalent to the obligation to increase shareholding in A shares by such controlling shareholder for use in the next share repurchase plan, and the controlling shareholder will lose the right of recourse in the corresponding amount of cash dividends.
- (II) If the Company has announced the A shares repurchase plan of the Company but fails to actually implement it due to subjective reasons, the Company shall bear corresponding responsibilities according to the relevant laws, regulations, normative documents as well as the provisions of the listing rules of the place(s) where shares of the Company are listed and the requirements of regulatory authorities.
- (III) The directors and senior management of the Company should voluntarily fulfill their obligations to increase their shareholdings in A shares. If any individual fails to fulfill his obligations to increase his shareholdings in A shares as agreed in the Plan due to subjective reasons during his tenure, the Company shall fulfill his obligations on his behalf to increase his shareholdings in A shares with his salary and emolument at the amount equal to fulfill his obligations to increase his shareholdings in A shares; if any individual fails to fulfill his obligations to increase his shareholdings in A shares for two consecutive times, a proposal will be proposed by the controlling shareholders or the Board of Directors at the shareholders' general meeting for approval of change of relevant directors, and relevant senior management members will be proposed to be removed by the Board of Directors of the Company.
- (IV) If the controlling shareholders, the Company, the directors and senior management cannot fulfill their obligations of shareholding increase in A shares or share repurchase within a certain period of time due to the minimum shareholding ratio of A shares by public

shareholders stipulated in the securities regulatory regulations such as the listing rules of the place(s) where the Company's shares are listed, the relevant responsible subjects may be exempted from the aforementioned punishment, but other measures shall be actively taken to stabilize the price of the A shares.

IV. OTHERS STATEMENTS

During the validity period of the Plan, the newly appointed directors and senior management of the Company shall perform the obligations of directors and senior management stipulated in the Plan and other obligations undertaken by the directors and senior management of the Company for the listing of A shares according to the same standards. For the directors and senior management to be appointed by the Company, they shall agree in writing to fulfill the aforementioned undertakings and obligations before being nominated.

V. VALIDITY PERIOD OF THE PLAN

The Plan shall, subject to the consideration and approval at general meeting of the Company, take effect from the date of listing of A shares of the Company on the main board of the Shanghai Stock Exchange, and shall be valid for a term of three years (36 months).

APPENDIX XIII DIVIDEND DISTRIBUTION PLAN FOR THE THREE YEARS AFTER THE ABSORPTION AND MERGER OF CGGC THROUGH SHARE SWAP BY THE ISSUANCE OF A SHARES BY THE COMPANY

DIVIDEND DISTRIBUTION PLAN FOR THE THREE YEARS AFTER THE ABSORPTION AND MERGER OF CHINA GEZHOUBA GROUP STOCK COMPANY LIMITED THROUGH SHARE SWAP BY THE ISSUANCE OF A SHARES BY CHINA ENERGY ENGINEERING CORPORATION LIMITED

To improve and regulate the dividend mechanism of China Energy Engineering Corporation Limited (hereinafter referred to as the “**Company**”), enhance the transparency and operability of dividend distribution decision making and ensure the reasonable return on investment of shareholders and other rights, in accordance with the Decisions on Amending Certain Provisions on Cash Dividends by Listed Companies issued by China Securities Regulatory Commission, the Notice on Further Implementing Matters Relevant to the Cash Dividend Distribution by Listed Companies, the Guideline No.3 on Supervision and Administration of Listed Companies – Cash Dividends of Listed Companies and the requirements of other laws, administrative regulations and regulatory documents and the Articles of Association of China Energy Engineering Corporation Limited (hereinafter referred to as the “**Articles of Association**”) and taking into account the actual situation of the Company. The Company has formulated the plan as follows:

I. FACTORS CONSIDERED IN FORMULATING THE DIVIDEND RETURN PLAN

The Company will focus on its long-term and sustainable development. Taking into overall consideration on factors such as the Company’s actual situation and development goals, shareholders’ wills, cost of social capital and external financing environment, and giving full consideration to the Company’s current and future profit scale, cash flow position, stage of development, project investment capital needs, bank credit and debt financing environment. The Company has established a sustained, stable and scientific return plan and mechanism for investors.

II. PRINCIPLES ON FORMULATION OF THE DIVIDEND RETURN PLAN

The Company’s profit distribution shall attach importance to providing reasonable returns on investment for investors. Continuity and stability shall be maintained for profit distribution. The Company’s dividend return plan shall give full consideration to the opinions of shareholders, especially minority shareholders and independent directors. Provided that the capital requirements for the normal production and operation of the Company are met, the Company shall insist on the basic principle of giving priority to cash dividend distribution.

III. DIVIDEND DISTRIBUTION PLAN FOR THE THREE YEARS AFTER THE LISTING OF A SHARES OF THE COMPANY

(I) The basic principles of the Company’s profit distribution

The Company shall take the investment return for investors into full account, and the accumulated profit distributed in cash in the last three years shall not be less than 30% of the annual distributable profit realized in the last three years;

**APPENDIX XIII DIVIDEND DISTRIBUTION PLAN FOR THE THREE
YEARS AFTER THE ABSORPTION AND MERGER OF
CGGC THROUGH SHARE SWAP BY THE ISSUANCE
OF A SHARES BY THE COMPANY**

The Company shall maintain a sustainable and steady profit distribution policy and at the same time take into consideration the Company's long-term interest, general interest of all the shareholders and the sustainable development of the Company;

The Company shall give priority to cash dividends as its profit distribution manner.

(II) Specific policy on the Company's profit distribution

The Company may distribute profits in the form of cash or shares or a combination of cash and shares or other forms permitted under the laws and regulations and regulatory document;

The Company may distribute its dividend in cash under the condition that the Company is profitable in the current year and its accumulated undistributed profit is positive, and the audit institution has issued a standard audit report with unqualified opinions towards the Company's annual financial report. The accumulated profit of the Company distributed in cash for the latest three years shall be no less than 30% of the annual average distributable profit for the latest three years. The undistributed distributable profit of the year may be retained for distribution for future years. The distribution of the Company's profit shall not exceed its accumulated distributable profit nor damage the Company's sustainable operation ability;

While satisfying the requirements of cash dividend stipulated in the Articles of Association, the Company will proactively distribute dividend in cash. In principle, the cash dividend is distributed once a year. The Board will make the proposal of conducting mid-term profit distribution according to the Company's profitability and capital demand;

To keep equity expansion in line with performance growth, the Company may distribute profit in stock dividend according to the situation of accumulated distributable profit, capital reserves and cash flow and under the premise that the conditions of the minimum cash dividend ratio and the above-mentioned cash dividend have been satisfied.

(III) The Company may adjust the profit distribution policy in the event of the following

1. where there is war, natural disasters and other force majeure;
2. where there are new laws, regulations or regulatory documents issued by relevant state authorities in respect of the profit distribution policy of listed companies;
3. there is a change in the external business environment, which has a significant impact on the production and operation of the Company;
4. where there are relatively significant changes in the Company's operational position, which requires the Company to adjust its profit distribution policy;

**APPENDIX XIII DIVIDEND DISTRIBUTION PLAN FOR THE THREE
YEARS AFTER THE ABSORPTION AND MERGER OF
CGGC THROUGH SHARE SWAP BY THE ISSUANCE
OF A SHARES BY THE COMPANY**

5. where it is necessary to adjust the profit distribution policy of the Company in the principle of protecting shareholders' rights or maintaining the sustainable development of the Company.

(IV) When proposing distribution of dividends, the Board shall take into account, among other things, features of the industries where the Company operates, its development stage, business model, profit level and whether it has any significant capital expenditure arrangements and formulate differentiating profits distribution proposals in accordance with the provisions set out below and procedures provided in the Articles of Association

1. If the Company is at the mature stage of development and has no significant capital expenditure arrangement, the ratio of cash dividends shall be at least 80% in this profit distribution;
2. If the Company is at the mature stage of development and has a significant capital expenditure arrangement, the ratio of cash dividends shall be at least 40% in this profit distribution;
3. If the Company is at the growing stage of development and has a significant capital expenditure arrangement, the ratio of cash dividends shall be at least 20% in this profit distribution;

If it is difficult to determine the Company's stage of development while it has a significant capital expenditure plan, the profit distribution may be dealt with pursuant to the rules applied in the previous distribution.

IV. FUTURE DIVIDEND RETURN PLAN FORMULATION CYCLE AND PROCEDURES FOR CONSIDERATION

The Board of the Company shall formulate the dividend return plan at least once every three years, based on the profit distribution policy formulated or revised by the general meeting, taking into account the opinions of shareholders (especially minority shareholders) and independent non-executive Directors, and propose to the Board and the Board of Supervisors of the Company for consideration.

The consideration procedures of profit distribution plan of the Company are as follows:

1. The profit distribution plan of the Company is proposed and formulated by the management of the Company based on the requirements, profitability and funding requirements plan of the Articles of Association, and it is proposed to the Board of the Company for consideration. The Board of the Company shall fully discuss the reasonableness of the profit distribution plan, and submit to the general meeting for consideration after forming special resolution.

**APPENDIX XIII DIVIDEND DISTRIBUTION PLAN FOR THE THREE
YEARS AFTER THE ABSORPTION AND MERGER OF
CGGC THROUGH SHARE SWAP BY THE ISSUANCE
OF A SHARES BY THE COMPANY**

When determining specific profit distribution plan, the Board of Directors shall study and discuss on, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of decision procedures. The independent non-executive Directors shall express their opinions clearly. Independent non-executive Directors may solicit opinion of minority shareholders, put forth profit distribution proposal and submit it directly to the Board of Directors for consideration. The Company shall communicate and exchange ideas through multiple channels with shareholders (minority shareholders in particular), fully listen to the opinions and demands of minority shareholders on specific cash dividend proposal, and give timely replies to issues that concerned by minority shareholders.

2. The Company shall provide the access to online voting for shareholders when the profit distribution plan is considered at the general meeting, or the Board, independent non-executive Directors and shareholders which meeting the relevant required conditions collect voting rights from shareholders, particular the minority shareholders, for the voting of profit distribution plan between the share record date of the general meeting and the date of general meeting.
3. Subject to the conditions of cash dividend required by the Articles of Association, when the Company proposes to not perform cash dividend plan under special conditions such as material investment opportunity, promising investment and material funding requirements of the Company, the Board of the Company shall specifically explain the specific reason for not proceeding cash dividend distribution, the plan of use of fund not to distribute and set aside, which shall be submitted to the general meeting for consideration after opinions expressed by independent non-executive Directors and disclosed in the designated media of the Company.
4. Protection of interest of shareholders shall be highly regarded while adjustment to or change in the cash dividend policy required by the Articles of Association when necessary. The Board shall fully discuss the reasonableness of adjustment to or change in the profit distribution plan, and it is submitted to the general meeting for consideration after forming special resolution. It shall be approved by more than two-thirds of the votes of the shareholders attending the general meeting when considering at the general meeting.

V. THE PLAN SHALL TAKE EFFECT AFTER IT IS CONSIDERED AND ADOPTED AT THE GENERAL MEETING OF THE COMPANY AND SHALL BE IMPLEMENTED FOLLOWING THE LISTING OF A SHARES OF THE COMPANY ON THE MAIN BOARD OF THE SHANGHAI STOCK EXCHANGE.

**DILUTION OF IMMEDIATE RETURNS BY THE ABSORPTION AND
MERGER OF CHINA GEZHOUBA GROUP STOCK COMPANY LIMITED BY
CHINA ENERGY ENGINEERING CORPORATION LIMITED THROUGH
SHARE SWAP AND PROPOSED REMEDIAL MEASURES**

China Energy Engineering Corporation Limited (hereinafter referred to as “CEEC”) intended absorption and merger of China Gezhouba Group Stock Company Limited* (中國葛洲壩集團股份有限公司) (hereinafter referred to as “CGGC”) through share swap by the issuance of A Shares to all shareholders of CGGC other than China Gezhouba Group Company Limited* (中國葛洲壩集團有限公司) (hereinafter referred to as the “Merger”).

In accordance with the requirements of the Several Opinions of the State Council on Further Promoting the Sound Development of Capital Markets (Guo Fa [2014] No. 17), the Notice of the General Office of the State Council on Further Strengthening Protection of the Lawful Rights of Small Investors in Capital Markets (Guo Ban Fa [2013] No. 110) and the Guiding Opinions on the Matters relating to the Dilution of Immediate Returns in Initial Public Offering, Refinancing and Material Asset Reorganization (China Securities Regulatory Commission Announcement [2015] No. 31) and other laws, regulations, normative documents, CEEC conducted an analysis on the impact of diluted immediate return of the Merger in a conscientious, careful and objective manner and implemented the relevant requirements as stated in the abovementioned regulations:

I. GENERAL INFORMATION OF THE MERGER

CEEC intended absorption and merger of CGGC through share swap by the issuance of A Shares to all shareholders of CGGC other than CGGC Group. Upon the completion of the Merger, CGGC will cease to be listed, the recipient will inherit and undertake all the assets, liabilities, undertakings, contracts, qualifications, staff and all other rights and obligations of CGGC, and the qualification of legal person of CGGC will eventually be cancelled. An application will be made for the A Shares to be issued by CEEC as a result of the Merger for listing on the main board of the Shanghai Stock Exchange. The original domestic shares of CEEC will be converted into A Shares and applied for listing on the main board of the Shanghai Stock Exchange.

The Issue Price of A shares of CEEC is RMB1.98 per share. The Issue Price of CEEC is based on the principle of taking into account the interests of the Shareholders of both parties to the Merger, and comprehensively considering factors such as the overall business conditions, profitability and growth prospects, anti-risk capabilities of both parties to the Merger as well as and valuation levels of comparable companies in the industry. Taking into account the risk of stock price fluctuations and the risk compensation to the CGGC Conversion Shareholders, the CGGC Conversion Price is based on the average price of RMB6.04 per share for the 20 trading days immediately preceding the Pricing Benchmark Date, with a 45% premium rate, which is RMB8.76 per share. In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by CEEC/CGGC from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the above Issue Price/Conversion Price shall be adjusted accordingly; under other circumstances, the Issue Price/Conversion Price will no longer be adjusted.

Conversion Ratio for the absorption and merger through Share Swap of CGGC by CEEC is 1:4.4242, that is, each CGGC share held by the CGGC Conversion Shareholders can be converted for 4.4242 A shares issued by CEEC.

In case of any ex-right or ex-dividend event such as distribution of cash dividends, stock dividends, capital reserve converted into share capital, allotment of shares, etc. occurred by either party to the Merger from the Pricing Benchmark Date to the Conversion Date (both days inclusive), the above Conversion Ratio shall be adjusted accordingly. Under other circumstances, the Conversion Ratio will no longer be adjusted.

II. ANALYSIS ON DILUTION OF IMMEDIATE RETURNS AS A RESULT OF THE ABSORPTION AND MERGER

According to Audit Report on the Pro forma Consolidated Financial Statement of 2020 of CEEC and Audit Report on the Annual Financial Statements of 2018, 2019 and 2020 of CEEC issued by KPMG Huazhen LLP, as well as the Audit Report on Annual Financial Statements of 2020 of CGGC issued by Zhongxinghua, upon the completion of the Share Swap, the earnings per share of CEEC and CGGC before and after the deduction of non-recurring gains and losses are as follows:

Unit: RMB/Share

Name of company	Item	2020	
		Before the Merger	After the Merger (pro forma)
The Company	Basic earnings per Share attributable to ordinary shareholders	0.15	0.16
CGGC	Basic earnings per Share attributable to ordinary shareholders	0.73	0.71
The Company	Basic earnings per Share attributable to ordinary shareholders after deduction of non-recurring profit or loss	0.12	0.12
CGGC	Basic earnings per Share attributable to ordinary shareholders after deduction of non-recurring profit or loss	0.61	0.53

Note: The above earnings per share are calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Computation and Disclosure of Return on Net Assets and Earnings per Share (Revision in 2010) issued by the CSRC. The basic earnings per share attributable to ordinary shareholders of CGGC after the Merger is calculated based on the conversion ratio of 1:4.4242 for the Merger and the basic earnings per share attributable to ordinary shareholders of CEEC.

After the completion of the Merger, the basic earnings per share of the Company attributable to the shareholders of parent company increased slightly, and the basic earnings per share of CGGC attributable to the shareholders of parent company may be exposed to the risks of dilution.

III. NECESSITY AND RATIONALITY OF THE MERGER**1. Being conducive to eliminate potential peer competition and connected transactions and effectively exert the advantageous of the full industry chain**

When forming China Energy Engineering Group Co., Ltd. (hereinafter referred to as “**Energy China Group**”), several enterprises with same or similar businesses with the business scope of CGGC joined Energy China Group, relevant assets thereafter were brought into CEEC through overall reform, and have potential peer competition with CGGC. In order to avoid potential peer competition with CGGC, Energy China Group undertook that by 31 December 2020, it will eliminate the potential peer competition with CGGC by way of overall listing plan. After the completion of the Merger, all assets, liabilities, businesses, contracts, qualifications, employees and all other rights and obligations of CGGC will be inherited by the Receiving Party designated by CEEC, and CGGC will be finally disqualified as a legal person. The issues of peer competition and connected transactions between CGGC and CEEC will be totally eliminated. By virtue of the Merger, the Company’s business structure and resources in survey and design, equipment manufacturing, operating maintenance and other segments may be effectively integrated with that of CGGC in international operation, construction and contracting, investment and operation and other segments, which will improve the efficiency of resource allocation and business synergy, really achieving vertical integration of the industry chain and exerting the service role of the full industry chain and the value chain integration advantages.

2. Being conducive to shortening management chain, optimizing the resources allocation and improving the management efficiency

Prior to the transaction, CEEC indirectly held approximately 42.84% equity interests in CGGC through CGGC Group and was thus the indirect controlling shareholder of CGGC, and both parties have independent management, their incentive mechanisms and interest objectives may not be completely unanimous, which might affect management efficiency and management operation efficiency to a certain extent. The Merger will effectively improve the governance structure and decision-making mechanism, which will in turn enable CEEC to further optimize resources allocation, improve management efficiency and enhance its profitability.

3. Being conducive to developing and expanding the pillar and important business clusters and promoting business transformation and upgrade and continuous development

The cement, civil explosives, highway investment and operation, water conservancy and other businesses of CEEC are currently under operation by CGGC internally, the level of legal person is relatively lower and a certain deficiency exists with respect to policy support, resource investment and market recognition, and their development and expansion are therefore certainly limited which, to a certain extent, affect the speeds of CEEC’s business transformation and structural adjustment. After the completion of the Merger, CEEC will give more efficient support to the abovementioned business segments, promote their sustainable development and provide strong driving power to CEEC’s transformation and development.

4. Being conducive to better protecting the interests of the Shareholders of both parties and enhancing the investment return of minority shareholders

According to the Share Swap and Merger plan, all shareholders of CGGC except for CGGC Group may choose to convert their CGGC shares into A shares of CEEC and become the Shareholders of CEEC. CEEC is a large comprehensive group company that provides overall solutions and full industry chain services to industries such as energy and power and infrastructure in China as well as over the world. It has a full industry chain integrating planning, consulting, appraisal and assessment, survey and design, construction and contracting and management, operation and maintenance, as well as investment and operation, technical services, equipment manufacturing, construction materials. The return to A shares will bring better and more long-term returns to the minority shareholders of CGGC who participate in the Share Swap. Furthermore, after the completion of the Merger, CEEC will return to the A share market, which will be conducive to further enhancement of CEEC's brand influence, the effective interaction between business development and capital market, and the long-term development of CEEC in the future and the protection of the interests of all Shareholders as a whole.

5. Being conducive to broadening financing channels and enhancing competitive advantages

Upon the completion of the transaction, CEEC, as the Surviving Company, will realize the A + H listing and can conduct capital operation activities in the H share market and A share market at the same time. As the investment and financing instruments in the A share market have been constantly innovating and the investment and financing activities are rather active, the establishment of the A + H capital operation platform will therefore enable CEEC to further broaden financing channels, expand brand influence and enhance competitiveness, and provide strong capital support for CEEC's business development and mergers and acquisitions in the future.

IV. SPECIFIC MEASURES TO FILL THE RETURNS AND ENHANCE THE ABILITY OF CEEC TO CONTINUE TO RETURN

In order to deal with the risk of dilution of immediate returns, CEEC has formulated the following measures to compensate for returns based on its own operating characteristics. However, the formulation of the following measures to compensate for returns does not mean that CEEC will guarantee future profits.

1. Accelerate the development of the main business and improve the profitability of the Surviving Company

After the completion of the transaction, CEEC and CGGC will achieve full integration of resources, eliminate potential horizontal competition, and fully release business synergies. The comprehensive service capabilities of the Surviving Company after the Merger will be further improved. CEEC and CGGC will further enhance their core competitiveness and industry influence as well as improve operating efficiency and profitability through the in-depth integration of assets, personnel, brand, management and other elements.

2. Strengthen the internal management and cost control of the Surviving Company

CEEC will further strengthen internal management, improve the efficiency of operation and management, and further strengthen cost control, and conduct comprehensive pre-, mid-, and post-event management and control of various operating, management, and financial expenses incurred in business operations and management.

3. Improving internal control system and providing systematic guarantee for the development of the Surviving Company

CEEC has established and improved its corporate governance structure to regulate its operation. It has a sound, independent operating mechanism for general meetings, the Board, the supervisory committee and management team. CEEC has set up functional departments that adapt to the production and operation of Surviving Company, and has in place different position units to perform position duties. All corporate departments have clear division of duties with checks and balances. The organizational structure of Surviving Company has been properly deployed and running effectively. There is a clear division of powers and duties between the general meetings, the Board, the supervisory committee and the management, which formed checks and balances and created a reasonable, complete and effective corporate governance and operation and management structure.

CEEC will strictly comply with the requirements of laws and regulations and regulatory documents, including the Company Law and the Securities Law. CEEC will continue to improve its corporate governance structure to effectively protect the rights and interests of investors, especially small and medium investors, and provide institutional guarantees for the development of Surviving Company.

4. Strictly implement the profit distribution policy and strengthen the investor return mechanism

CEEC will continue to attach importance to reasonable return on investment to shareholders, while taking into account the sustainable development of the Surviving Company, and formulating a continuous, stable and scientific dividend policy.

CEEC will continue to amend and improve the Articles of Association (Draft), and formulate the Shareholders' return plan accordingly in accordance with the Notice on Further Implementing Provisions Relevant to Dividend Distribution by Listed Companies and Guideline No. 3 on Supervision and Administration of Listed Companies – Distribution of Cash Dividends by Listed Companies issued by CSRC. The profit distribution policy of the Surviving Company attaches great importance to reasonable investment returns for investors, especially small and medium investors, and will fully listen to the opinions of investors and independent Directors, and effectively protect the rights of shareholders of the Surviving Company to enjoy investment income according to laws, reflecting the Surviving Company's long-term development concept of positive return to shareholders.

**V. UNDERTAKINGS OF THE DIRECTORS AND SENIOR MANAGEMENT OF CEEC IN
RELATION TO THE IMPLEMENTATION OF REMEDIAL MEASURES FOR DILUTION
OF IMMEDIATE RETURNS BY THE MERGER**

The Directors and senior management of CEEC have made following undertakings to implement remedial measures practicably to recover the immediate returns of the Surviving Company:

- “1. We undertake to perform their duties honestly and diligently, safeguard the lawful interests of the Company and all shareholders.
2. We undertake not to transfer benefits to other entities or individuals at nil consideration or under unfair terms, and not to damage the interest of the Company by other means.
3. We undertake to restrain our official consumption behavior.
4. We undertake not to utilize company assets in investing and consumption activities unrelated to our performance of duties.
5. We undertake, within our scope of duties and permitted authorities, to strive for procuring a linkage between the remuneration system established by the Board or the Remuneration and Appraisal Committee of the Company and the implementation of the return remedial measures with full force, and to vote (if having voting right) in favour of the relevant resolutions considered by the Board and the General Meeting of the Company.
6. If the Company implements equity incentives subsequently, we undertake, within the scope of our duties and permitted authorities, to procure a linkage between the exercise right of equity incentives and the implementation of return remedial measures of the Company with full force, and to vote (if having voting right) in favour of the relevant resolutions considered by the Board and the General Meeting of the Company.
7. From the date of making these undertakings to the completion of the Merger, if CSRC issues new regulatory requirements in relation to return remedial measures and its undertakings, and the above undertakings cannot satisfy such requirements of CSRC, we will make supplementary undertakings by then in accordance with the requirements of CSRC.
8. We undertake to implement practicably the relevant return remedial measures formulated by the Company and any of our undertakings made in respect of such relevant return remedial measures, if we violate such undertakings and cause the Company or investors to incur losses, we are willing to be liable for making compensation to the Company or investors.
”

Being one of the relevant liable entities in the return remedial measures, if we have violated the above undertakings or refuse to perform the above undertakings, we have agreed to be liable for punishment or relevant administrative measures in accordance with the relevant requirements and rules formulated or announced by the securities regulatory authorities, including the CSRC and stock exchanges.”

VI. RELATED UNDERTAKINGS OF CONTROLLING SHAREHOLDER OF CEEC

In order to ensure that the return remedial measures are implemented, Energy China Group, the controlling shareholder, made the following undertakings:

- “1. Not to overstep their authority to interfere with the operation and management of CEEC or infringe the interests of CEEC.
2. From the date of making these undertakings to the completion of the Merger by CEEC, if CSRC issues new regulatory requirements in relation to return remedial measures and its undertakings, and the above undertakings cannot satisfy such requirements of CSRC, we will make supplementary undertakings by then in accordance with the requirements of CSRC.
3. We undertake to implement practicably the relevant return remedial measures formulated by CEEC and any of the undertakings made by the Company in respect of such relevant return remedial measures, if the Company violates such undertakings and causes CEEC or investors to incur losses, the Company is willing to be liable for making compensation to the Company or investors.
”

Being one of the relevant liable entities in the return remedial measures, if the Company has violated the above undertakings or refuse to perform the above undertakings, the Company has agreed to be liable for punishment or relevant administrative measures in accordance with the relevant requirements and rules formulated or announced by the securities regulatory authorities, including the CSRC and stock exchanges.”

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2021



中國能源建設股份有限公司 CHINA ENERGY ENGINEERING CORPORATION LIMITED*

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

(Stock Code: 3996)

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2021

NOTICE IS HEREBY GIVEN that the second extraordinary general meeting of 2021 (the “EGM”) of China Energy Engineering Corporation Limited (the “Company”) will be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Friday, 9 April 2021 at 10 a.m. to consider and, if thought fit, to pass the following resolutions:

AS SPECIAL RESOLUTIONS

1. Resolution on the absorption and merger of CGGC through share swap by the issuance of A shares by the Company meeting the requirements for initial public offering and listing
2. Resolution on the plan for the absorption and merger of CGGC through share swap by the issuance of A shares by the Company
 - 2.1 Summary of the plan for the Merger
 - 2.2 Parties to the Merger
 - 2.3 Method of the Merger
 - 2.4 Class and nominal value of shares to be issued under share swap
 - 2.5 Targets of the share swap and registration date of implementation of the Merger
 - 2.6 Conversion price and issue price
 - 2.7 Conversion ratio
 - 2.8 Number of shares to be issued under the share swap
 - 2.9 Listing and trading of A shares of the Company
 - 2.10 Treatment of fractional shares
 - 2.11 Treatment of CGGC shares with restricted rights

* For identification purpose only

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2021

- 2.12 Lock-up period arrangement
- 2.13 Protection mechanism of rights for dissenting shareholders
- 2.14 Disposal of claims and debts and protection mechanism of rights for creditors in respect of the Merger
- 2.15 Arrangements for the transitional period
- 2.16 Arrangements for the transfer or closing of related assets in respect of the Merger
- 2.17 Employee settlement
- 2.18 Transfer arrangement of retained profits
- 2.19 Validity period of the resolution
- 3. Resolution on the Report of the Absorption and Merger of China Gezhouba Group Stock Company Limited through Share Swap by China Energy Engineering Corporation Limited and Related Transactions (Draft) and its summary
- 4. Resolution on entering into the Agreement on Absorption and Merger through Share Swap of China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited with effective conditions
- 5. Resolution on the approval of the audit report related to the Merger
- 6. Resolution on the confirmation of the valuation report related to the Merger
- 7. Resolution on the independence of the valuation agency, the reasonableness of valuation assumptions, the relevance of valuation methods and valuation purposes, and the fairness of valuation and pricing
- 8. Resolution on the A Share Price Stabilization Plan of the Company
- 9. Resolution on the Dividend Distribution Plan for the Three Years after the Absorption and Merger of China Gezhouba Group Stock Company Limited through Share Swap by the Issuance of A Shares by China Energy Engineering Corporation Limited
- 10. Resolution on the dilution of immediate returns by the Merger and proposed remedial measures
- 11. Resolution on the relevant commitments and restraint measures issued by the Company regarding the absorption and merger of CGGC through share swap by the issuance of A shares by the Company

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2021

12. Resolution on the Articles of Association (Draft) and its appendices applicable after the listing of A shares of the Company
13. Resolution on the amendments of the Administrative Measures for External Guarantees of China Energy Engineering Corporation Limited
14. Resolution on the confirmation of the related transactions during the reporting period (the year 2018, 2019 and 2020)
15. Resolution on amendment to the business scope of the Company
16. Resolution on the self-inspection report and related commitments of the real estate business of the Company
17. Resolution on authorization to the Board and its authorised persons to deal with matters relating to the Merger by the shareholders' general meeting

AS ORDINARY RESOLUTION

18. Resolution on the self-evaluation report of the internal control of the Company

Details of the resolutions set out in this notice will be set out in the circular issued by the Company as and when appropriate. Unless otherwise defined, capitalized terms used herein have the same meanings as those defined in the announcements dated 27 October 2020 and 19 March 2021 of the Company regarding the very substantial acquisition and connected transaction in relation to the absorption and merger of CGGC.

By order of the Board
CHINA ENERGY ENGINEERING CORPORATION LIMITED*
Song Hailiang
Chairman

Beijing, the PRC
22 March 2021

As at the date of this notice, the executive directors of the Company are Mr. Song Hailiang, Mr. Sun Hongshui and Mr. Ma Mingwei; the non-executive directors are Mr. Li Shulei, Mr. Liu Xueshi and Mr. Si Xinbo; and the independent non-executive directors are Mr. Zhao Lixin, Mr. Cheng Niangao and Dr. Ngai Wai Fung.

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2021

Notes:

1. The holders of H Shares and Domestic Shares whose names appear on the register of members of the Company on Friday, 9 April 2021 are entitled to attend and vote at the EGM. The register of members of the Company will be closed from Thursday, 1 April 2021 to Friday, 9 April 2021 (both days inclusive), during which no transfer of Shares can be registered. All transfer documents together with the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or the registered office of the Company at Room 01-2706, 1-24/F, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC (for holders of Domestic Shares) no later than 4:30 p.m. on Wednesday, 31 March 2021.
2. Shareholders who intend to attend the EGM in person or by proxy shall complete and sign the reply slip accompanying the notice of the EGM and return it by hand, by post or by fax to the Company's H Share registrar (as mentioned below) (for holders of H Shares), or to the address of the company secretary of the Company (as mentioned below) (for holders of Domestic Shares) (if applicable) at or before 10 a.m. on Wednesday, 7 April 2021. Completion and return of the reply slip do not affect the right of a Shareholder to attend the EGM.
3. Any Shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy needs not be a Shareholder of the Company.
4. A proxy shall be appointed by an instrument in writing (including the proxy form). Such instrument shall be signed by the appointer or his/her attorney duly authorized in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar for holders of H Shares or at the address of the company secretary of the Company for holders of Domestic Shares by 10 a.m. on Thursday, 8 April 2021. If the instrument appointing the proxy is signed by a person authorized by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarized. The notarized power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar or the address of the company secretary of the Company (as may be applicable).
5. Shareholders or their proxies are required to produce their identification documents when attending the EGM.
6. **Reminder in relation to epidemic prevention and control:** In view of the continuing risks of the COVID-19 outbreak, the Company will closely monitor the epidemic conditions and take appropriate precautionary measures in accordance with the relevant requirements on the epidemic prevention and control in Beijing. The Company particularly reminds its shareholders and participants who intend to attend the EGM to continue to pay attention to the latest development of the epidemic, adopt proper personal prevention measures and comply with the requirements on the epidemic prevention and control (including the relevant requirements on the epidemic prevention and control in Beijing) for their health and safety.
7. Miscellaneous
 - i. It is expected that the EGM will last for half a day. All attending Shareholders shall arrange for their transportation and accommodation and shall bear all their own expenses in connection with their attendance.
 - ii. The address of the company secretary:

Company Secretary
China Energy Engineering Corporation Limited
Building 1, No. 26A West Dawang Road
Chaoyang District, Beijing
The People's Republic of China
Postal code: 100022

Tel: +86 (10)5909 8818
Fax: +86 (10)5909 8711
Contact Person: Duan Qiurong
 - iii. The address of the Company's H Share registrar:

Computershare Hong Kong Investor Services Limited

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2021

Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
(For lodging share transfer documents)

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
(For deposit of reply slip or proxy form)

Tel: +852 2862 8555
Fax: +852 2865 0990

NOTICE OF THE SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING OF 2021



中國能源建設股份有限公司

CHINA ENERGY ENGINEERING CORPORATION LIMITED*

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

(Stock Code: 3996)

NOTICE OF THE SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING OF 2021

NOTICE IS HEREBY GIVEN that the second domestic shareholders' class meeting of 2021 (the **"Domestic Shareholders' Class Meeting"**) of China Energy Engineering Corporation Limited (the **"Company"**) will be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Friday, 9 April 2021 at 11 a.m. (or immediately after the conclusion of the second extraordinary general meeting of 2021 or any adjournment thereof) to consider and, if thought fit, to pass the following resolutions:

AS SPECIAL RESOLUTIONS

1. Resolution on the absorption and merger of CGGC through share swap by the issuance of A shares by the Company meeting the requirements for initial public offering and listing
2. Resolution on the plan for the absorption and merger of CGGC through share swap by the issuance of A shares by the Company
 - 2.1 Summary of the plan for the Merger
 - 2.2 Parties to the Merger
 - 2.3 Method of the Merger
 - 2.4 Class and nominal value of shares to be issued under share swap
 - 2.5 Targets of the share swap and registration date of implementation of the Merger
 - 2.6 Conversion price and issue price
 - 2.7 Conversion ratio
 - 2.8 Number of shares to be issued under the share swap
 - 2.9 Listing and trading of A shares of the Company
 - 2.10 Treatment of fractional shares

* For identification purpose only

NOTICE OF THE SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING OF 2021

- 2.11 Treatment of CGGC shares with restricted rights
 - 2.12 Lock-up period arrangement
 - 2.13 Protection mechanism of rights for dissenting shareholders
 - 2.14 Disposal of claims and debts and protection mechanism of rights for creditors in respect of the Merger
 - 2.15 Arrangements for the transitional period
 - 2.16 Arrangements for the transfer or closing of related assets in respect of the Merger
 - 2.17 Employee settlement
 - 2.18 Transfer arrangement of retained profits
 - 2.19 Validity period of the resolution
- 3. Resolution on entering into the Agreement on Absorption and Merger through Share Swap of China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited with effective conditions
 - 4. Resolution on the Articles of Association (Draft) and its appendices after the listing of A shares of the Company
 - 5. Resolution on authorization to the Board and its authorised persons to deal with matters relating to the Merger by the shareholders' general meeting

Details of the resolutions set out in this notice will be set out in the circular issued by the Company as and when appropriate. Unless otherwise defined, capitalized terms used herein have the same meanings as those defined in the announcements dated 27 October 2020 and 19 March 2021 of the Company regarding the very substantial acquisition and connected transaction in relation to the absorption and merger of CGGC.

By order of the Board
CHINA ENERGY ENGINEERING CORPORATION LIMITED*
Song Hailiang
Chairman

Beijing, the PRC
22 March 2021

As at the date of this notice, the executive directors of the Company are Mr. Song Hailiang, Mr. Sun Hongshui and Mr. Ma Mingwei; the non-executive directors are Mr. Li Shulei, Mr. Liu Xueshi and Mr. Si Xinbo; and the independent non-executive directors are Mr. Zhao Lixin, Mr. Cheng Niangao and Dr. Ngai Wai Fung.

NOTICE OF THE SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING OF 2021

Notes:

1. The holders of Domestic Shares whose names appear on the register of members of the Company on Friday, 9 April 2021 are entitled to attend and vote at the Domestic Shareholders' Class Meeting. The register of members of the Company will be closed from Thursday, 1 April 2021 to Friday, 9 April 2021 (both days inclusive), during which no transfer of Shares can be registered. All transfer documents together with the relevant share certificates must be delivered to the registered office of the Company at Room 01-2706, 1-24/F, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC no later than 4:30 p.m. on Wednesday, 31 March 2021.
2. Shareholders who intend to attend the Domestic Shareholders' Class Meeting in person or by proxy shall complete and sign the reply slip accompanying the notice of the Domestic Shareholders' Class Meeting and return it by hand, by post or by fax to the address of the company secretary of the Company (as mentioned below) at or before 10 a.m. on Wednesday, 7 April 2021. Completion and return of the reply slip do not affect the right of a Shareholder to attend the Domestic Shareholders' Class Meeting.
3. Any Shareholder of the Company entitled to attend and vote at the Domestic Shareholders' Class Meeting is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy needs not be a Shareholder of the Company.
4. A proxy shall be appointed by an instrument in writing (including the proxy form). Such instrument shall be signed by the appointer or his/her attorney duly authorized in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. The instrument appointing the proxy shall be deposited at the address of the company secretary of the Company by 10 a.m. on Thursday, 8 April 2021. If the instrument appointing the proxy is signed by a person authorized by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarized. The notarized power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the address of the company secretary of the Company.
5. Shareholders or their proxies are required to produce their identification documents when attending the Domestic Shareholders' Class Meeting.
6. **Reminder in relation to epidemic prevention and control:** In view of the continuing risks of the COVID-19 outbreak, the Company will closely monitor the epidemic conditions and take appropriate precautionary measures in accordance with the relevant requirements on the epidemic prevention and control in Beijing. The Company particularly reminds its shareholders and participants who intend to attend the Domestic Shareholders' Class Meeting to continue to pay attention to the latest development of the epidemic, adopt proper personal prevention measures and comply with the requirements on the epidemic prevention and control (including the relevant requirements on the epidemic prevention and control in Beijing) for their health and safety.
7. Miscellaneous
 - i. It is expected that the Domestic Shareholders' Class Meeting will last for half a day. All attending Shareholders shall arrange for their transportation and accommodation and shall bear all their own expenses in connection with their attendance.
 - ii. The address of the company secretary:

Company Secretary
China Energy Engineering Corporation Limited
Building 1, No. 26A West Dawang Road
Chaoyang District, Beijing
The People's Republic of China
Postal code: 100022

Tel: +86 (10)5909 8818
Fax: +86 (10)5909 8711
Contact Person: Duan Qiurong

NOTICE OF THE SECOND H SHAREHOLDERS' CLASS MEETING OF 2021



中國能源建設股份有限公司

CHINA ENERGY ENGINEERING CORPORATION LIMITED*

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

(Stock Code: 3996)

NOTICE OF THE SECOND H SHAREHOLDERS' CLASS MEETING OF 2021

NOTICE IS HEREBY GIVEN that the second H shareholders' class meeting of 2021 (the "**H Shareholders' Class Meeting**") of China Energy Engineering Corporation Limited (the "**Company**") will be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Friday, 9 April 2021 at 11:30 a.m. (or immediately after the conclusion of the second domestic shareholders' class meeting of 2021 or any adjournment thereof) to consider and, if thought fit, to pass the following resolutions:

AS SPECIAL RESOLUTIONS

1. Resolution on the absorption and merger of CGGC through share swap by the issuance of A shares by the Company meeting the requirements for initial public offering and listing
2. Resolution on the plan for the absorption and merger of CGGC through share swap by the issuance of A shares by the Company
 - 2.1 Summary of the plan for the Merger
 - 2.2 Parties to the Merger
 - 2.3 Method of the Merger
 - 2.4 Class and nominal value of shares to be issued under share swap
 - 2.5 Targets of the share swap and registration date of implementation of the Merger
 - 2.6 Conversion price and issue price
 - 2.7 Conversion Ratio
 - 2.8 Number of shares to be issued under the share swap
 - 2.9 Listing and trading of A shares of the Company
 - 2.10 Treatment of fractional shares
 - 2.11 Treatment of CGGC shares with restricted rights

* For identification purpose only

NOTICE OF THE SECOND H SHAREHOLDERS' CLASS MEETING OF 2021

- 2.12 Lock-up period arrangement
 - 2.13 Protection mechanism of rights for dissenting shareholders
 - 2.14 Disposal of claims and debts and protection mechanism of rights for creditors in respect of the Merger
 - 2.15 Arrangements for the transitional period
 - 2.16 Arrangements for the transfer or closing of related assets in respect of the Merger
 - 2.17 Employee settlement
 - 2.18 Transfer arrangement of retained profits
 - 2.19 Validity period of the resolution
- 3. Resolution on entering into the Agreement on Absorption and Merger through Share Swap of China Energy Engineering Corporation Limited and China Gezhouba Group Stock Company Limited with effective conditions
 - 4. Resolution on the Articles of Association (Draft) and its appendices applicable after the listing of A shares of the Company
 - 5. Resolution on authorization to the Board and its authorised persons to deal with matters relating to the Merger by the shareholders' general meeting

Details of the resolutions set out in this notice will be set out in the circular issued by the Company as and when appropriate. Unless otherwise defined, capitalized terms used herein have the same meanings as those defined in the announcements dated 27 October 2020 and 19 March 2021 of the Company regarding the very substantial acquisition and connected transaction in relation to the absorption and merger of CGGC.

By order of the Board
CHINA ENERGY ENGINEERING CORPORATION LIMITED*
Song Hailiang
Chairman

Beijing, the PRC
22 March 2021

As at the date of this notice, the executive directors of the Company are Mr. Song Hailiang, Mr. Sun Hongshui and Mr. Ma Mingwei; the non-executive directors are Mr. Li Shulei, Mr. Liu Xueshi and Mr. Si Xinbo; and the independent non-executive directors are Mr. Zhao Lixin, Mr. Cheng Niangao and Dr. Ngai Wai Fung.

NOTICE OF THE SECOND H SHAREHOLDERS' CLASS MEETING OF 2021

Notes:

1. The holders of H Shares whose names appear on the register of members of the Company on Friday, 9 April 2021 are entitled to attend and vote at the H Shareholders' Class Meeting. The register of members of the Company will be closed from Thursday, 1 April 2021 to Friday, 9 April 2021 (both days inclusive), during which no transfer of Shares can be registered. All transfer documents together with the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 31 March 2021.
2. Shareholders who intend to attend the H Shareholders' Class Meeting in person or by proxy shall complete and sign the reply slip accompanying the notice of the H Shareholders' Class Meeting and return it by hand, by post or by fax to the Company's H Share registrar (as mentioned below) at or before 10 a.m. on Wednesday, 7 April 2021. Completion and return of the reply slip do not affect the right of a Shareholder to attend the H Shareholders' Class Meeting.
3. Any Shareholder of the Company entitled to attend and vote at the H Shareholders' Class Meeting is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy needs not be a Shareholder of the Company.
4. A proxy shall be appointed by an instrument in writing (including the proxy form). Such instrument shall be signed by the appointer or his/her attorney duly authorized in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar by 10 a.m. on Thursday, 8 April 2021. If the instrument appointing the proxy is signed by a person authorized by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarized. The notarized power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar.
5. Shareholders or their proxies are required to produce their identification documents when attending the H Shareholders' Class Meeting.
6. **Reminder in relation to epidemic prevention and control:** In view of the continuing risks of the COVID-19 outbreak, the Company will closely monitor the epidemic conditions and take appropriate precautionary measures in accordance with the relevant requirements on the epidemic prevention and control in Beijing. The Company particularly reminds its shareholders and participants who intend to attend the H Shareholders' Class Meeting to continue to pay attention to the latest development of the epidemic, adopt proper personal prevention measures and comply with the requirements on the epidemic prevention and control (including the relevant requirements on the epidemic prevention and control in Beijing) for their health and safety.
7. Miscellaneous
 - i. It is expected that the H Shareholders' Class Meeting will last for half a day. All attending Shareholders shall arrange for their transportation and accommodation and shall bear all their own expenses in connection with their attendance.
 - ii. The address of the Company's H Share registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
(For lodging share transfer documents)

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
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Tel: +852 2862 8555
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