中國水發興業能源集團有限公司
China Shuifa Singyes Energy Holdings Limited

Stock Code 港股代碼：750

2022
Annual Report
年報

CORPORATE INFORMATION
公司資料

AUDITOR

PricewaterhouseCoopers
22/F Prince's Building
Central,
Hong Kong

核數師

羅兵咸永道會計師事務所
香港
中環
太子大廈22

PRINCIPAL BANKERS

Agricultural Bank of China, Zhuhai Branch
Industrial and Commercial Bank of China Limited,
Zhuhai Branch
Ping An Bank Co., Ltd, Zhuhai Branch
Bank of Communications Co., Ltd, Zhuhai Branch
The Hong Kong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited

主要往來銀行

中國農業銀行珠海分行
中國工商銀行股份有限公司
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REGISTERED OFFICE

4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

註冊辦事處

4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3108, 31/F
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

香港總辦事處及主要經營地點

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PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, HM08
Bermuda

股份過戶登記總處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, HM08
Bermuda

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road
Hong Kong

股份過戶登記處香港分處

卓佳證券登記有限公司
香港
夏慤道16
D• 17

CORPORATE WEBSITE

www.sfsyenergy.com

企業網站

www.sfsyenergy.com

STOCK CODE

750

股份代號

750

FIVE-YEAR FINANCIAL SUMMARY
五年財務摘要

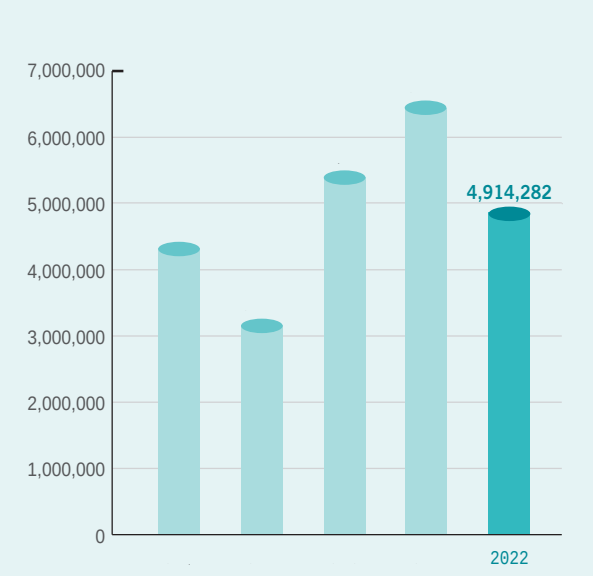
(For the year ended 31 December)

FIVE-YEAR FINANCIAL SUMMARY
RMB'000

五年財務摘要
人民幣千元

		2018	2019	2020	2021	2022 二零二二年
				(Restated)		
Revenue		4,416,563	3,306,519	5,578,524	6,503,428	**4,914,282**
Gross profit		620,901	28,270	914,408	1,074,976	**963,655**
Profit (loss) before tax		(562,959)	(976,452)	215,023	290,104	**47,421**
Profit attributable to owners of the Company		(678,801)	(995,228)	310,632	221,410	**3,837**
Basic earnings (loss) per share (RMB)*	*	(0.814)	(1.004)	0.132	0.088	**0.002**
Diluted earnings (loss) per share (RMB)*	*	(0.814)	(1.004)	0.132	0.088	**0.002**
Non-current assets		4,825,233	4,682,596	5,264,592	6,005,322	**7,066,118**
Current assets		6,571,894	7,274,664	8,458,746	8,592,662	**9,905,086**
Non-current liabilities		245,129	4,602,960	3,612,931	3,424,563	**4,767,784**
Current liabilities		7,460,266	3,317,564	5,521,938	6,491,422	**7,136,534**
Net assets		3,691,732	4,036,736	4,588,469	4,681,999	**5,066,886**

REVENUE
收入



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
本公司擁有人應佔溢利

CHAIRMAN'S STATEMENT
主席報告

Dear Shareholders,

On behalf of the board of directors, I am pleased to present the annual results of China Shuifa Singyes Energy Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2022 (the "Year" or the "reporting period").

As of 31 December 2022, the Group realized a total revenue of RMB4.914 billion, representing a year-on-year decrease of 24.4%; the operating profit amounted to approximately RMB436 million, representing a year-on-year decrease of 24.8%; the total profit amounted to RMB47 million, representing a year-on-year decrease of 83.8%.

FOCUS ON THREE PRINCIPAL BUSINESSES, STRENGTHEN THE INDUSTRIAL DEVELOPMENT RESULTS

During the year, the revenue of the clean energy business amounted to RMB2.759 billion, representing a year-on-year decrease of 29.2%; the tariff revenue amounted to RMB474 million, representing a year-on-year increase of 3.9%. As of 31 December 2022, the Group has owned clean energy assets with an aggregate installed capacity of over 700MW in Guangdong, Hunan, Shandong, Xinjiang and other parts of the country.

The revenue of the green building business amounted to RMB1.103 billion, representing a year-on-year decrease of 33.7%. During the year, through the extension of the industrial chain, the Group's technical support, construction management capabilities and brand influence have improved.

The revenue of the new material business amounted to RMB78 million, representing a year-on-year decrease of 40.5%. The market share of the Group's ITO film was near 65%, firmly securing a top position in the market. The light-adjusting film products continued to maintain a leading position with a market share of 40%. The Group has officially commenced the mass production of vehicle film, laying a good foundation for the full entry into the automotive industry.

聚焦三大主業，壯大產業發展成果

CORPORATE GOVERNANCE REPORT
企業管治報告

OVERVIEW

The directors of the Company (the "Directors") recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. This report outlines the principles and the code provisions of the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Directors consider that, for the year ended 31 December 2022, the Company has applied the principles and complied with all the applicable code provisions set out in the Code, except with the deviation set out in this report.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee in compliance with paragraph C.3 of the Code to oversee the financial reporting system and internal control procedures of the Group so as to ensure compliance with the Listing Rules. It has also established a nomination committee and a remuneration committee with defined terms of reference.

The Directors are committed to upholding the corporate governance practices of the Company to ensure formal and transparent procedures are in place to protect and maximize the interests of the shareholders of the Company (the "Shareholders").

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company from the listing date up to the date of this report (the "Review Period").

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the year.

概覽

本公司董事(「董事」)明白到在本集團管理架構及內部監控程序內引入良好企業管治元素的重要性，藉以達致有效的問責性。本報告概述了香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「守則」)之原則及守則條文。董事認為，截至二零二二年十二月三十一日止年度，本公司已採用該等原則並遵守守則所載所有適用守則條文，惟本報告中列出的偏差除外。

根據上市規則的規定，本公司已根據守則第
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遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事進行證券交易的準則。本公司已向全體董事作出具體查詢，全體董事確認，於年度內，彼等均已符合標準守則及其有關董事進行證券交易操守守則規定的準則。

CORPORATE GOVERNANCE REPORT
企業管治報告

THE BOARD OF DIRECTORS

The board of Directors (the "Board") takes responsibility to oversee all major matters of the Company, including the formulation and approval of overall business strategies, internal control and risk management systems, and supervising and monitoring the performance of the senior management who are delegated with the authority and responsibility for day-to-day management and operation of the Company. The Directors have the responsibility to act objectively in the interests of the Company.

Currently, the Board comprises nine Directors, including four executive Directors, namely, Mr. Zheng Qingtao, who is also the Chairman of the Company, Mr. Liu Hongwei, who is also the Vice-chairman of the Company, Mr. Chen Fushan and Mr. Wang Dongwei, two non-executive Directors, namely, Mr. Xie Wen and Ms Li Li and three independent non- executive Directors, namely, Mr. Yick Wing Fat, Simon, Dr. Wang Ching, and Dr. Tan Hongwei.

The Board has a strong independent element in its composition with over half of the board members are non-executive Directors and independent non-executive Directors to ensure that all decisions of the Board are made in the best interest of the Group's long-term development.

The Board has delegated various responsibilities to the Board committees including the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") (collectively, the "Board Committees"). Further details of these committees are set out below on pages 14 to 18.

The composition of the Board is well balanced with each Director having sound board level experience and expertise relevant to the business operations and development of the Group. The Board is comprised of members with extensive business, government, regulatory and policy experience from a variety of backgrounds. There is diversity of nationality, ethnicity, educational background, functional expertise and experience. A Board Diversity Policy was adopted by the Board in 2013.

董事會

董事會(「董事會」)負責監督本公司所有重要事宜，包括制定及批准整體業務策略、內部監控及風險管理系統、監督及監察獲授權負責本公司日常管理及運營的高級管理層的表現。董事有責任以本公司利益為前提按客觀標準行事。

目前，董事會由九名董事組成，包括四名執行董事鄭清濤先生(彼亦為本公司主席)、劉紅維先生(彼亦為本公司副主席)、陳福山先生及王棟偉先生，兩名非執行董事謝文先生及李麗女士，以及三名獨立非執行董事易永發先生，王京博士及譚洪衛博士。

董事會的組成有高度獨立性元素，過半數董事會成員為非執行董事及獨立非執行董事，這確保董事會所作出的所有決定都能符合本集團長遠發展的最佳利益。

董事會已分別委派審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)各董事會委員會(統稱「董事會委員會」)各司特定的職責。有關該等委員會的進一步詳情，載於下文第14至18頁。

CORPORATE GOVERNANCE REPORT
企業管治報告

SKILLS, KNOWLEDGE, EXPERIENCE AND ATTRIBUTES OF DIRECTORS

All Directors of the Board had served in office durng the period under review. Every Director commits to give sufficient time and attention to the affairs of the Company. The Directors also demonstrate their understanding and commit to high standards of corporate governance. The executive Director brings his perspectives to the Board through his deep understanding of the Group's business. The non-executive Directors and the independent non-executive Directors contribute their own skills and experience, understanding of local and global economies, and knowledge of capital markets to the Group's business. The Company is responsible for arranging and funding suitable continuous professional development programmes for all Directors to hone and refresh their knowledge and skills.

董事技能、知識、經驗及特性

各新任執行或非執行董事須參與就職課程，以確保其對職責及責任有正確認識。就職課程包括本集團業務營運及監管政策的概況、董事會會議程序、保留予董事會決策的事項、董事委員會簡介、董事的責任及職責、有關法規的要求、過去十二個月董事會及董事委員會的會議記錄審閱及本集團高級職員的簡要和實地考察（如需要）。根據守則條文第A.6.5

INDUCTION AND TRAINING

Each newly appointed Director, executive or non-executive, is required to undertake an induction program to ensure that he has a proper understanding of his duties and responsibilities. The induction program includes an overview of the Group's business operation and governance policies, the Board meetings' procedures, matters reserved to the Board, an introduction of the Board committees, the Directors' responsibilities and duties, relevant regulatory requirements, review(s) of minutes of the Board and Board committees in the past 12 months, and briefings with senior officers of the Group and site visits (if necessary). Pursuant to the Code Provision A.6.5 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure their contribution to the Board remains informed and relevant. During the Year, all Directors had participated in appropriate continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities.

就職及培訓

The company secretary of the Company maintains records of training attended by the Directors. The training attended by each Director during the Year is tabulated as follows:

Training Records

Name **姓名**		**Type of trainings** **培訓類型** (Note 1) (附註 1)	**Training matters** **培訓事項** (Note 2) (附註 2)
Executive Directors	**執行董事**		
Mr. Zheng Qingtao *(Chairman)*	M	a, b	i, ii, iii, iv
Mr. LIU Hongwei *(Vice chairman)*		a, b	i, ii, iii, iv
Mr. Chen Fushan		a, b	i, ii, iii, iv
Mr. Wang Dongwei		a, b	i, ii, iii, iv
Non-Executive Directors	**非執行董事**		
Mr. Xie Wen			
(appointed on 17 February 2022)		a, b	i, ii, iii, iv
Ms. Li Li			
(appointed on 21 May 2021)		a, b	i, ii, iii, iv
Ms. Wang Suhui			
(resigned on 17 February 2022)		N/A	N/A
Mr. Zhang Jianyuan			
(resigned on 21 May 2021)		N/A	

CORPORATE GOVERNANCE REPORT
企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE

For the year ended 31 December 2022, Mr. Zheng Qingtao has been the chairman of the Board and Mr. Wang Dongwei has been the president of the Company. The division of the responsibilities between the chairman of the Board and the president has been clearly set out in writing.

主席及主要行政人員

截至二零二二年十二月三十一日止年度，鄭清濤先生為董事會主席，王棟偉先生為本公司總裁。董事會主席與總裁的職責分工已以書面形式明確列明。

INDEPENDENT NON-EXECUTIVE DIRECTORS

All independent non-executive Directors of the Company possess a wealth of professional and industry expertise and management experience and have provided their professional advices to the Board. They have played a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. In particular, they bring an impartial view on issues of the Company's strategy, performance and control. The Board also considers that independent non-executive Directors provide independent advice on the Company's business strategy, results and management so that all interests of Shareholders are taken into consideration, and the interests of the Company and its shareholders are taken into account in all business decisions. The Company has received the annual confirmation signed by each independent non-executive Director to acknowledge their respective independence. After prudent enquiry, the Board is of the view that each of Mr. YICK Wing Fat, Simon, Dr. WANG Ching, and Dr. Tan Hongwei maintains the independence as required by Rule 3.13 of the Listing Rules.

獨立非執行董事

本公司所有獨立非執行董事均具備豐富的業界專業知識及管理經驗，能為董事會提供專業的意見。彼等透過提供獨立的判斷，在董事會中擔當重要的角色，在董事會的決策上舉足輕重。特別是在本公司策略、業績及監控上，彼等都能提出公正意見。董事會亦認為，獨立非執行董事就本公司的業務策略、業績及管理提供獨立意見，因此，股東的所有利益已獲考慮，所有業務決策中亦已顧及本公司及其股東的利益。本公司已收到各獨立非執行董事就聲明彼等各自的獨立性而簽署的年度確認。經審慎查詢後，董事會認為，易永發先生、王京博士及譚洪衛博士維持上市規則第3.13[illegible]
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All independent non-executive Directors of the Company will review, on an annual basis, any decisions in relation to new business opportunities referred to the Company. As at the date of this report, there is no new business opportunity introduced to the Group.

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DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors. Throughout 2022, no claim had been made against the Directors and the officers of the Company.

董事及高級職員之責任保險及賠償

本公司已就其董事可能會面對之法律行動向其董事及高級職員作適當之責任保險安排。於二零二二年，並無對本公司董事及高級職員提出任出申索。

CORPORATE GOVERNANCE REPORT
企業管治報告

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

The Bye-laws of the Company provide that at each annual general meeting, one-third of the directors for the time being shall retire from office by rotation and that every director shall be subject to retirement by rotation at least once every three years.

All of the non-executive Director and independent non-executive Directors are appointed for a specific term but they are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. The term of appointment of each Independent Non- Executive Director has been set out in the section headed "Directors' Service Contracts" of this report. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence and must provide an annual confirmation of his independence to the Company.

委任、重選及罷免董事

BOARD COMMITTEES

董事委員會

Audit Committee

審核委員會

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph C.3 of the Code. The primary duties of the Audit Committee are to oversee the financial reporting process and internal control procedure of the Group, to review the financial information of the Group and to consider issues relating to the external auditor. The Audit Committee consists of the three independent non-executive Directors, namely, Dr. Wang Ching, Mr. Yick Wing Fat, Simon and Dr. Tan Hongwei, Mr. Yick Wing Fat, Simon is the Chairman of the Audit Committee. The Audit Committee has reviewed the Group's consolidated financial statements for the six months ended 30 June 2022 and for the year ended 31 December 2022, the accounting principles and practices adopted by the Group and the system of internal control.

本公司遵守上市規則第3.21 3.23

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The Audit Committee has considered significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors, engagement of non-audit services and relevant scope of works and arrangements for employees to raise concerns about possible improprieties.

During the year ended 31 December 2022, the Audit Committee held 2 meetings.

The Audit Committee communicate with the external auditor, internal audit consultant and also the management regularly to ensure internal control policies were properly implemented by the management; and the financial statements comply with internal accounting standards in all material aspects.

The following table shows the attendance of members of the Audit Committee's meetings:

Directors: **董事：**	**No. of Audit Committee meetings attended/held:** **出席／舉行審核委員會會議的次數：**
YICK Wing Fat, Simon *(Chairman)*	2/2
Dr. WANG Ching	2/2
Dr. Tan Hongwei	2/2

The Audit Committee is provided with sufficient resources to perform its duties. Latest terms of reference of the Audit Committee can be viewed on the website of the Company and the website of the Stock Exchange.

CORPORATE GOVERNANCE REPORT
企業管治報告

Nomination Committee

The Company established a Nomination Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with Recommended Best Practices of paragraph A.5 of the Code. The primary duties of the Nomination committee include reviewing the structure, size, composition and diversity of the Board on a regular basis and making recommendations to the Board regarding any proposed changes. The Nomination Committee consists of five members, including three independent non-executive Directors and two executive Directors, namely Mr. Zheng Qingtao, Mr. Liu Hongwei, Dr. Wang Ching, Mr. Yick Wing Fat, Simon, and Dr. Tan Hongwei. The Nomination Committee is chaired by Mr. Zheng Qingtao.

Board Diversity Policy

The Board has adopted the board diversity policy which sets out the approach to achieve diversity on the Board. Accordingly, selection of candidates to the Board is based on a range of measurable objectives, including but not limited to gender, age, cultural and educational background, professional experience and qualifications, skills, knowledge and length of service, having due regard to the Company's own business model and specific needs from time to time. With the existing Board members coming from a variety of business and professional background, the Company considers that the Board possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the Company's business.

提名委員會

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董事會多元化政策

董事會已採納董事會多元化政策，當中載列達致董事會多元化的方法。因此，經計及本公司自身業務模式及不時特定需求後，董事會基於一系列可衡量目標（包括但不限於性別、年齡、文化及教育背景、專業經驗及資格、技能、知識及服務年期）篩選董事會侯補成員。由於現有董事會成員來自各種業務及專業背景，本公司認為董事會擁有適合本公司業務需求的均衡技能、經驗、專業知識及多元化觀點。

CORPORATE GOVERNANCE REPORT
企業管治報告

Nomination procedures include identification and acknowledgement of qualified individuals by the Nomination Committee and review and approval of such nomination by the Board. The Nomination Committee will evaluate potential candidates by considering factors such as professional expertise, relevant experience, personal ethics and integrity.

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During the year ended 31 December 2022, the Nomination Committee held 1 meeting to review the policies on senior management appointments and promotion. The following table shows the attendance and members of the Nomination Committee during the year ended 31 December 2022:

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Directors: 董事：		No. of Nomination Committee meetings attended/held: 出席／舉行提名委員會會議的次數：
ZHENG Qingtao *(Chairman)*	MX	1/1
LIU Hongwei	X	1/1
WANG Ching	X/	1/1
YICK Wing Fat, Simon	XX	1/1
Tan Hongwei	X	1/1

The Nomination Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Nomination Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

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CORPORATE GOVERNANCE REPORT
企業管治報告

COMPANY SECRETARY

The company secretary of the Company (the "Company Secretary") is responsible for keeping detailed minutes of each meeting of the Board or the Board committees including any dissenting views expressed by the Directors, which should be available to all Directors for inspection. He is also responsible for ensuring that the Board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance matters. All agenda, relevant materials and document are required to be sent out at least 3 days prior to the intended dates of the Board meetings or meetings of the Board committees. It is the responsibility of the Company Secretary to send the draft minutes of the meetings of the Board or the Board committees to all Directors for comments within a reasonable time after the aforesaid meetings. Final versions of minutes of meetings of the Board or the Board committees are also required to be sent to all Directors for record. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws are followed.

Moreover, the Company Secretary is responsible for keeping all Directors updated on the Listing Rules, regulatory requirements, as well as internal codes of conduct of the Company.

During the Year, the Company Secretary had confirmed that he had taken no less than 15 hours of relevant professional training.

公司秘書

本公司之公司秘書(「公司秘書」)負責保存各董事會或董事委員會會議之記錄詳情，包括董事所表達的任何反對意見，以供全體董事審查。彼亦負責確保董事會程序遵守所有適用法律、法規及規例，並就企業管治事宜向董事會提供意見。所有議程、相關材料及文件須於董事會會議或董事委員會會議之擬定舉行日期前最少三日發出。公司秘書負責於上述會議後之合理時間內向全體董事寄發董事會或董事委員會會議之草擬會議記錄，以供董事批註。董事會或董事委員會會議記錄之定稿亦須寄發全體董事，以供備存。全體董事均可向公司秘書諮詢意見及要求提供服務，以確保董事會遵守董事會的程序和所有適用的法例。

此外，公司秘書有責任向所有董事提供最新上市規則、監管要求以及本公司內部行為守則。

於年內，公司秘書已確認，彼已參加不少於15⊠8C⊠

FINANCIAL REPORTING AND INTERNAL CONTROL

Financial Reporting

The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, International Financial Reporting Standards have been adopted and the appropriate accounting policies, disclosure requirements under Hong Kong Companies Ordinance and the Listing Rules have been consistently used and applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the Shareholders, and make appropriate disclosure and announcements in a timely manner.

財務報告及內部監控

財務報告

董事會在財務部門的支援下，負責編製本公司及本集團的財務報表。本公司在編製財務報表時，已採納國際財務報告準則，並貫徹使用及應用適當的會計政策以及香港公司條例及上市規則的披露規定。董事會的目的是在致股東的年報及中期報告中，對本集團的業績作出清晰平衡的評估，並適時作出適當的披露和公佈。

CORPORATE GOVERNANCE REPORT
企業管治報告

Auditor's Remuneration

The audit committee of the Board is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorized external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of the external auditors. The Group engaged PricewaterhouseCoopers as its externals auditors. While Rongchuang CPA Limited acted as the external auditor of the Company's listed subsidiary China Singyes New Materials Holdings Limited. Details of the fees paid/payable to PricewaterhouseCoopers ("PWC") and Rongchuang CPA Limited during the year ended 31 December 2022 are as follows:

核數師酬金

董事會審核委員會負責就委聘、續聘及解聘法定外部核數師，批准外部核數師之酬金及聘用條款，以及與外部核數師辭任或解聘有關的任何問題，向董事會作出推薦意見。本集團已委聘羅兵咸永道會計師事務所為外部核數師。而融創會計師事務所有限公司則擔任本公司上市附屬公司中國興業新材料控股有限公司的外部核數師。截至二零二二年十二月三十一日止年度已付／應付羅兵咸永道會計師事務所及融創會計師事務所有限公司的費用詳情如下：

Audit service – PWC		
– Interim review and annual audit		RMB5,547,000
		5,547,000
Audit service – Rongchuang CPA Limited		
– Annual audit of China Singyes New Materials Holdings Limited ("Singyes New Materials")		RMB800,000
		800,000

Internal control and risk management

The Board acknowledges that it is the responsibility of the Board for the Group's system of internal control and risk management as well reviewing its effectiveness an on-going basis, and, in particular, considering the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, training programmes and budget. The Board will conduct periodic review, at least annually, which cover all material aspects, including financial, operational, risk management functions and is in compliance with all relevant regulations and endeavor to enhance the internal control and risk management measures of the Group. Such systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Directors consider that the internal control systems of the Group is effective and adequate.

內部監控及風險管理

董事會確認其持續對本集團內部監控及風險管目標的風險，並僅可提供合理但不絕對的保證以防止重大錯誤或損失。

董事認為本集團之內部監控制度乃屬有效及充足。

CORPORATE GOVERNANCE REPORT
企業管治報告

There is currently no internal audit function within the Group, the effectiveness of the internal control of the Group is reviewed by the internal audit department under Shuifa Group. Based on the understanding of the Directors, no material internal control weaknesses have been identified.

The Group also appointed external independent professional advisors to review the effectiveness of the Group's internal control system for the year ended 31 December 2022. The Group is in the process of improving and establishing the internal control manual to further enhance its internal control and risk management system.

DIRECTORS' RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company and its subsidiaries for the year ended 31 December 2022, which were prepared in accordance with applicable accounting standards.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 66 to 80.

SHAREHOLDERS' RIGHTS

Communication with Shareholders

The Board recognises the importance of effective and on-going communications with Shareholders and continues to act in the best interests of the Company and its shareholders. The Company keeps Shareholders and investors informed of its business performance and strategies by adopting a transparent and timely disclosure policy which complies with the Listing Rules and provides all Shareholders equal access to such information. The Company also publishes all documents on the Company's website.

董事對財務報表的責任

股權的權利

與股東之溝通

董事會確認與股東持續有效溝通之重要性，並繼續以本公司及其股東之最佳利益行事。通過採納符合上市規則之透明及時之披露政策，本公司持續向股東及投資者知會其業務表現及策略之最新情況，並讓全體股東平等獲得有關資料。本公司亦於本公司網站上刊發所有有關文件。

CORPORATE GOVERNANCE REPORT
企業管治報告

The annual general meeting of the Company (the "AGM") also provides a forum for the Board to dialogue and interact with the Shareholders directly. The Directors and the committee members are available to answer questions during the AGM. Notice of AGM, annual report, financial statements and related papers were posted to Shareholders for their consideration at least 20 clear business days prior to the AGM.

At each general meeting, the chairman of the meeting proposes individual resolutions in respect of each substantially separate matter. All matters at the Company's general meetings are resolved by poll and the procedures for conducting a poll will be explained at the meeting. Independent scrutineer will be engaged to ensure all votes at general meeting are properly counted. Poll vote results will be posted on the websites of the Company and HKEX in a timely manner.

AGM proceedings and policies regarding Shareholders' communication of the Company are continually reviewed in the light of corporate governance best practices.

Shareholders' Rights

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirements under Paragraph O of the Code which is effective from 1 April 2012.

20

股權的權利

以下載列本公司股東根據守則(自二零一二年四月一日起生效)第

CORPORATE GOVERNANCE REPORT
企業管治報告

(a) Convening of general meeting on requisition by shareholders

Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Company's registered office in Bermuda at 4th Floor North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong for the attention of the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within three (3) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

(a) 2p

4th Floor North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda 168 200 31 3108 (3) (21) 74(3)

CORPORATE GOVERNANCE REPORT
企業管治報告

(b) Procedures for putting forward proposals at a Shareholders' meeting

Pursuant to the Companies Act 1981 of Bermuda, either any number of the shareholders holding not less than one-twentieth (5%) of the total voting rights of all the shareholders of the Company, or not less than one hundred of such shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the Company's registered office in Bermuda at 4th Floor North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong for the attention of the Board on the secretary of the Company, with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution and not less than one week before the meeting in the case of any other requisition. Provided that if an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

(c) Enquiries to the Board

Shareholders may put forward enquiries to the Board in writing to the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the enquiries.

CORPORATE GOVERNANCE REPORT
企業管治報告

INVESTOR RELATION

During the period under review, there had been no significant change in the Company's constitutional documents.

投資者關係

於回顧期間，本公司組織章程文件並無發生任何重大變動。

CORPORATE GOVERNANCE ENHANCEMENT

The Company has been introducing, and continues to introduce, measures to comply with the Corporate Governance Code. Enhancing corporate governance is not simply a matter of applying and complying with the Corporate Governance Code of the Stock Exchange but about promoting and developing an ethical and healthy corporate culture.

The following is a summary of the work performed by the Board in respect of corporate governance during the Year:

(a) review the Company's policies and practices on corporate governance;

(b) review and monitor the training and continuous professional development of the Directors and senior management of the Company;

(c) review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) review and monitor the code of conduct applicable to employees and the Directors; and

(e) review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board considered the Company's risk management and internal control systems for the year ended 31 December 2022 are effective and adequate. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders to promote and improve our transparency are also welcome.

提升企業管治水平

本公司已經並將會繼續引進措施，以遵守企業管治守則。提升企業管治水平並非僅為應用及遵守聯交所之企業管治守則，乃為推動及發展具道德與健全之企業文化。

下文概述董事會於本年度就企業管治所進行之工作：

(a) [illegible]

(b) [illegible]

(c) [illegible]

(d) [illegible]

(e) [illegible]

[illegible]

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

We are a professional renewable energy solution provider and building contractor. Our main businesses are design, fabrication and installation of curtain wall, green building and solar projects. Solar projects included Building Integrated Photovoltaic System ("BIPV") system, roof top solar system and ground mounted solar system (collectively "Solar EPC"); we also engaged in the manufacturing and sale of renewable energy goods. Our BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. Our system allows the electricity generated from solar panels to be connected to the power grid of a building and the electricity generated from sun power will be consumed simultaneously. No extra electricity storage cost is required. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials. Leveraging on our track record and extensive experience in our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and renewable energy products. In 2020, the Group further diversified its business into Wind Power EPC. In the long run, we will aspire and strive to grow into an enterprise with a focus on renewable energy business.

管理層討論及分析

業務回顧

本集團是專業的可再生能源解決方案供應商及建築承包商。本集團主要從事設計、製造及安裝幕牆、綠色建築及太陽能項目。太陽能項目包括光伏建築一體化(「光伏建築一體化」)系統、屋頂太陽能系統和地面太陽能系統(統稱「太陽能

BUSINESS AND FINANCIAL REVIEW

業務及財務回顧

Revenue

收入

The following table set out the breakdown of revenue:

下表列示收入分類：

	For the year ended 31 December 截至十二月三十一日止年度		
	2022 二零二二年 RMB million 人民幣百萬元 (audited) (經審核)	2021 ZgZS RMB million (audited)	Increase/ (Decreased) by
Construction contracts			
– Curtain wall and green building	**1,102.9**	1,662.5	(33.7%)
– Solar EPC	**372.9**	357.2	4.4%
– Wind Power EPC	**1,911.5**	3,086.2	(38.1%)
	3,387.3	5,105.9	(33.7%)
Sale of electricity	**474.3**	455.6	4.1%
Sale of products[1]	**789.2**	610.2	29.4%
Others	**263.5**	331.7	(20.6%)
Revenue	**4,914.3**	6,503.4	24.5%

Notes:

1. Included Sale of New Material as at 31 December 2022 of RMB78.1 million (31 December 2021: RMB131.3 million).

附註：

1. 78.1 131.3

Gross profit and gross profit margin **毛利及毛利率**

	2022 二零二二年		2021 ZgZS	
	RMB million 人民幣百萬元	%	RMB million	%
Construction contracts				
Curtain walls and green buildings	**107.1**	**9.7**	142.0	8.5
— Solar EPC EPC	**3.2**	**0.9**	8.2	2.3
— Wind EPC EPC	**434.9**	**22.8**	481.3	15.6
	545.2	**16.1**	631.5	12.4
Sale of electricity	**266.8**	**56.3**	270.5	59.4
Sale of products	**73.1**	**9.3**	83.2	13.6
Others	**78.6**	**29.8**	89.8	27.1
Total gross profit and gross profit margin	**963.7**	**19.6**	1,075.0	16.5

The Group's revenue decreased by RMB1,589.1 million or 24.4%, from RMB6,503.4 million in 2021 to RMB4,914.3 million in 2022. Gross profit decreased by RMB111.3 million or 10.4%, from RMB1,075.0 million in 2021 to RMB963.7 million in 2022.

本集團的收入由二零二一年的人民幣6,503.4 1,589.1 24.4% ZgZZ 4,914.3 ZgZS 1,075.0 111.3 10.4% ZgZZ 963.7

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

5) Sale of products

Revenue from the sale of products mainly included the sale of renewable energy products such as wind power and photovoltaic project supporting products and solar thermal products. The increase the revenue from sale of products was mainly came from the wind power business.

*5) *[illegible]*

*[illegible]
[illegible]
[illegible]
[illegible]

Administrative and distribution expenses

Distribution expenses decreased by RMB18.6 million or 21.5%, the decrease in distribution expense is in line with the decrease in revenue of the Group.

Administrative expenses decreased by RMB39.7 million or 9.7% as compared with the year 2021.

行政及分銷開支

分銷開支減少人民幣18.6[illegible] 21.5d
[illegible]

~ZgZS[illegible] A[illegible]D[illegible]
39.7[illegible] 9.7%f

Liquidity and financial resources

The Group's primary source of funding included bank and other borrowings, advances from Shuifa BVI and receivables from project contacts, product sale as well as income from electricity sale. As at 31 December 2022, the Group had outstanding bank and other loans of approximately RMB6,783 million with effective interest rates ranging from 5.33% to 6.42%.

Apart from that, the Group also had outstanding balance of approximately RMB952 million due to Shuifa BVI, which bear interest at 6% per annum and is repayable by 31 December 2023.

流動資金及財務資源

本集團資金的主要來源包括銀行及其他借貸、
水發BVI[illegible]*[illegible]
ebV/[illegible]gZZ[illegible]ZgdS
[illegible]J[illegible]
[illegible] 67.83[illegible] 5.33% 6.42%

[illegible] BVIYJ[illegible]q
[illegible] 9.52[illegible] 6%[illegible]
[illegible]gZg[illegible]ZgdS[illegible]f

Capital expenditures

Capital expenditures of the Group amounted to RMB1,259.1 million for the year (2021: RMB948.9 million), it mainly included the capital expenditure incurred in wind power and solar photovoltaic power stations, as well as the acquisition of subsidiaries.

資本支出

於本年度，本集團的資本支出為人民幣
1,259.1[illegible]gZS[illegible] 948.9[illegible]
d[illegible]g*
[illegible]

COMMITMENTS

The Group had the following capital commitments at the end of the year:

承擔

於年末，本集團有以下資本承擔：

	2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS RMB'000
Contracted, but not provided for:		
Capital contribution for equity investment	**995,074**	—
Construction of buildings and solar photovoltaic power stations	**171,512**	213,806
Purchase of office properties	**—**	11,820
	1,166,586	225,626

Dividend

The Directors of the Company did not recommend a final dividend in respect of the year ended 31 December 2022 (2021: HK$0.020 per share). The actual dividend payout ratio in each year will depend on the actual performance of the Group, the general industry and economic environment.

股息

本公司董事不建議就截至二零二二年十二月三十一日止年度派付末期股息(二零二一年：每股0.020

HUMAN RESOURCES

As at 31 December 2022, the Group had about 1,500 employees. Employee salary and other benefit expenses was RMB255 million, similar to last year. The Group's remuneration policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from provident fund scheme (according to the provisions of Mandatory Provident Fund Schemes for Hong Kong employees) or the state-managed retirement pension scheme (for Mainland China employees) and medical insurance, discretionary bonus are also awarded to employees according to the assessment of individual performance.

人力資源

於二零二二年十二月三十一日，本集團約有
1,500

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

The table below sets forth information regarding our Directors:

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Name	Age	Position
Zheng Qingtao	49	Chairman and Executive Director
Liu Hongwei	59	Vice-Chairman and Executive Director
Chen Fushan	48	Executive Director
Wang Dongwei	41	Executive Director
Xie Wen	59	Non-executive Director
Li Li	44	Non-executive Director
Wang Ching	68	Independent non-executive Director
Yick Wing Fat, Simon	65	Independent non-executive Director
Tan Hongwei	63	Independent non-executive Director

EXECUTIVE DIRECTORS

Mr. Zheng Qingtao, aged 49, has been appointed as the Chairman and an executive Director of our Company on 28 November 2019. He has taken charge of the Group's Party building, strategic development and the overall work of the Board. He has been the assistant to general manager of Shuifa Group Co., Ltd. ( ) and general secretary of party branch* (c), chairman and general manager of Shuifa Energy Group Limited ( ) since March 2017. From February 2014 to February 2017 and from November 2012 to February 2014, before that Mr. Zheng served as the general manager and chairman of Shandong Shuifa Tianyuan Water Group Co., Ltd. ( ), and Liangshan County Water Development Co., Ltd.* ( ) and Shandong Shengdu Water Development Co., Ltd.* ( ), respectively. Mr. Zheng obtained his bachelor's degree in political thoughts education (A7) at Qufu Normal University* ( ) in the PRC in 2003 and has approximately 20 years of experience in corporate senior management and approximately 20 years of experience in the energy industry.

執行董事

鄭清濤先生，49

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DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Mr. Liu Hongwei, aged 59, is the Vice-chairman and an executive Director of our Company, responsible for assisting the strategic development and capital planning of the Group. He founded our Group since August 1995. After obtaining a bachelor's degree in engineering in July 1986 from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in inorganic materials engineering, Mr. Liu worked at the Shaanxi Glass Factory, as a technician until 1989. From 1989 to 1991, Mr. Liu was the director of production department at the Zhuhai Glass Factory. From 1991 to 1995, Mr. Liu Hongwei was the manager of the operation department of Zhuhai Singyes Safety Glass. In 1995, Zhuhai Singyes Green Building Technology Co., Ltd was established with Mr.Liu acted as the general manager. Since November 2003, Mr. Liu has been an executive Director of our Company. Mr. Liu is a Senior Engineer in respect of construction materials. He has more than 30 years' experience in the curtain wall engineering sector and more than 20 years' experience in the photovoltaic application sector.

劉紅維先生，59 K d X Y I f S X X H 8 d p S X S X S X X S f SXXS X j 38 X X . nd Z gggg S 30 O

Mr. Liu is also a director and a 53% shareholder of Strong Eagle Holdings Ltd. which holds 202,038,750 shares of the Company as at the date of this report (representing approximately 8.01% of the issued share capital of the Company which would fall to be disclosed to the listed issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

Strong Eagle Holdings Ltd. 53% p d S N K XV K 2 K 3 9 202,038,750 p I p I 8.01%

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Mr. Chen Fushan, aged 48, has been appointed as an executive Director of our Company on 28 November 2019. He has been a deputy general manager of Shuifa Energy Group Limited (▯▯) since 2019. During August 2014 to July 2018, Mr. Chen took the positions of marketing director, member of party committee (c▯) and assistant to director of the Heze branch (▯) and director of the Yucheng branch (▯) of Shanghai Pudong Development Bank. From June 2014 to July 2014, he served as the general manager of risk management at the Heze branch (▯) of Laishang Bank (: ▯). Mr. Chen was the director of the Yucheng branch (▯) and operational director of the Heze branch (▯) from May 2011 to June 2014 and from November 2010 to May 2011, respectively, both at Laishang Bank (: ▯). He worked at China Construction Bank, as director of the Dan County branch ($▯) from January 2007 to October 2010 and as deputy director of the Yucheng branch (▯) from February 2006 to December 2006. During August 1994 to January 2006, Mr. Chen served as an international business settlement officer, savings officer, officer and deputy manager of the credit department and customer service executive of the Heze branch (▯) of China Construction Bank. Mr. Chen graduated from Shandong Economics College* (▯) (currently known as Shandong University of Finance and Economics) with a major in international finance in the PRC in 2001 and has approximately 25 years of experience in audit, financial management, finance and initial public offerings etc.

陳福山先生，48 Kd▯▯gSX▯S▯
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DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Mr. Wang Dongwei, aged 41, has been appointed as an executive Director of our Company on 28 November 2019 and was appointed as the president of the Group and fully responsible for the day-to-day operation management and safety production of the Group. He has been a deputy general manager of Shuifa Energy Group Limited (▪▪) from June 2018 to October 2019. From May 2018 to June 2018, Mr. Wang was the assistant to general manager at Shandong ENN Energy Development Co., Ltd.* (▪ -▪▪), and from November 2014 to April 2018, he was a standing deputy general manager of Jinan ENN Combustion Gas Co., Ltd.* (▪ ▪▪). He served as the chief accountant of Qingdao ENN Jiaocheng Combustion Gas Co., Ltd.* (▪▪) from March 2011 to October 2014. Mr. Wang worked at Laiyang ENN Combustion Gas Co., Ltd.* (:▪▪) from March 2008 to February 2011 and Qingdao ENN Jiaonan Combustion Gas Co., Ltd.* (▪▪ ▪) from April 2006 to February 2008, as an executive of the finance department in both companies. From August 2004 to March 2006, Mr. Wang took the position of a supervising accountant of the finance department of Chucheng ENN Gas Combustion Co., Ltd* (▪▪), and from July 2001 to July 2004, he was an accountant of Zibo Huaqing Fire Resistant Materials Company Limited* (▪E▪). Mr. Wang obtained his master's degree in business administration at Zhongnan University of Economics and Law* (•▪,▪) in the PRC in 2012 and his bachelor's degree in accounting at Shandong Economics College* (▪) (currently known as Shandong University of Finance and Economics) in the PRC in 2003 and has approximately 15 years of senior management experience in the energy field.

王棟偉先生，41 Kd▪Z gSX▪S▪ Zd▪▪▪▪B ▪▪ ▪▪d▪▪▪▪M ▪▪ f▪Z gS▪▪ 2019▪ 10▪▪J▪ ▪▪gS▪gS▪ ▪▪/▪▪ ▪(▪gS,▪S▪gS▪ ,▪▪I▪ ▪ZgSS▪▪gS,▪▪▪ ▪▪/▪ ▪▪ggg▪▪gSS▪ ▪▪▪▪(▪gg ▪gg▪▪▪▪ ▪▪3•▪▪ MfZgg,▪ggg▪▪▪ ▪▪▪M 6▪▪ggS▪▪gg,▪ ▪▪E▪6 ▪▪gSZ▪7•▪, ▪M▪▪▪(▪ggg▪ ▪7▪▪H▪▪ ▪6▪▪I▪J▪▪ 15▪M▪

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

NON-EXECUTIVE DIRECTORS

Xie Wen, aged 59, has been appointed as a non-executive Director of the Group since 17 February 2022. Xie Wen graduated from Zhengzhou Textile Engineering College* (M[illegible]) in 1987. Mr. Wen was certified as a Level 1 Project Manager by the PRC Ministry of Construction in 2002, certified as a senior engineer by the Guangdong Province Personnel Bureau in 2004, and awarded as a registered constructor by the Ministry of Construction in 2008. He has nearly 30 years of experience in green building sector and has nearly 20 years of experience in the photovoltaic power application sector. Xie Wen is a director and a 13% shareholder of Strong Eagle Holdings Ltd.

LI Li, aged 44, has been appointed as a non-executive Director of the Group in May 2021. LI Li graduated from Chongqing University (E[illegible]) in 2003 with a bachelor's degree in finance. From January 2020 to present, she has been a senior manager of the finance department of Shuifa Group Co., Ltd. ([illegible]). LI Li is a senior economist and holds a qualification certificate of secretary to board of directors awarded by the Shanghai Stock Exchange. She has extensive experience in securities affairs management and asset management of listed companies.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wang Ching, aged 68, was appointed as an independent non-executive director of our Company in December 2008. Dr. Wang has over 20 years' managerial experience in investment banking, securities, treasury and asset management in the United States, Hong Kong, Taiwan and the PRC. He was the managing director of Shanghai International Asset Management (HK) Co. Ltd. (a licensed corporation registered with Hong Kong Securities and Futures Commission), and he was the executive director of Shanghai International Shanghai Growth Investment Limited (a company listed on the Main Board of the Hong Kong Stock Exchange). In addition, Dr. Wang is also currently an independent non-executive director of Minth Group Limited and Luen Thai Holdings Limited (both companies are listed on the Main Board of the Hong Kong Stock Exchange, as well as are independent third parties of the Company and affiliates of the Company). Dr. Wang obtained his master degree in business administration from the University of Houston and Ph.D. in finance from Columbia University in the city of New York.

非執行董事

謝文，59 Kd 2022[illegible] 2[illegible] 17 [illegible] 1987[illegible]8[illegible]M [illegible] 2002[illegible]7[illegible] t[illegible] 2004[illegible] 2008[illegible] St [illegible]30[illegible] [illegible]20[illegible] Strong Eagle Holdings Ltd Y[illegible] 13% p[illegible]pf

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獨立非執行董事

王京，68 Kd[illegible]gg[illegible]Z[illegible] I[illegible]n[illegible] [illegible]e0 [illegible](D[illegible]7[illegible]e[illegible] [illegible]M[illegible]CZd[illegible]H[illegible] [illegible]M[illegible] [illegible]N9[illegible]6W5[illegible] [illegible]j[illegible]t[illegible] j9[illegible]d[illegible] [illegible] [illegible]n[illegible]G•[illegible]t[illegible] j9d([illegible]n Kgkf[illegible]~vq[illegible]M[illegible] [illegible]P[illegible]D[illegible] f

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Yick Wing Fat, Simon, aged 65, is our independent non-executive director and chairman of the audit committee. Mr. Yick holds a Bachelor's degree in Business Administration from the Chinese University of Hong Kong, majoring in Accounting. He is a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in England. Mr. Yick has over 30 years of experience in audit, direct investment, investment banking and corporate advisory services.

易永發，65 Kd[illegible] 30[illegible]

Mr. Yick also serves as an independent non-executive director and chairman of the audit committee of Shenzhen Neptunus Interlong Bio-technique Co., Ltd. and Shanghai International Shanghai Growth Investment Limited (both are listed on the Stock Exchange). Mr. Yick is an independent non-executive director and chairman of audit committee and remuneration committee, member of nomination committee of Meta Media Holdings Limited (listed on Stock Exchange, Stock Code: 72).

Tan Hongwei, aged 63, is our non-executive Director and also a member of the Audit Committee and the Nomination Committee and the chairman of the Remuneration Committee. He is a professor and a doctoral supervisor at the School of Mechanical and Energy Engineering of Tongji University, a doctoral supervisor at the School of Architecture and Urban Planning of Tongji University and the interdisciplinary double-engaged responsible professor at the United Nations Environment Programme- School of Environmental Sustainability of Tongji University. He is also the key researcher of Climate Change Key Laboratory, the core member of the first class academic peak team (building technology) of Tongji University, the deputy director of the Tongji University Green Building and New Energy Research Center, and the director of the Tongji International Green Industry Innovation Center. Dr. Tan graduated from the Department of Architecture of Tokyo University with a doctoral degree in 1995. Dr. Tan has over 18 years of experience in the teaching and research in respect of energy-saving building technologies, application technology of renewable energy in buildings, building energy efficiency supervision platform technology, urban low-carbon energy planning technology, urban construction environment technology and other fields.

譚洪衛，63 Kd[illegible] 18[illegible]H

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

SENIOR MANAGEMENT

Mr. Wang Dongwei has been appointed as an executive Director of the Group since November 2019, and he was appointed as the president of the Group in January 2022. For further details on Mr. Wang Dongwei, please refer to the Directors' information above.

Zhang Chao, aged 51, is the deputy secretary to the Communist Party Committee of the Group, and is responsible for the investment, merger & acquisition and operation and management of the green building, new materials and clean energy sectors. Zhang Chao graduated from Qiqihaer Railway Transportation Employee University majoring in civil construction in July 1995, and he joined our Group in December 2002. Zhang Chao was certified as a Construction Appraiser in 2003, and he was awarded as a registered constructor in 2007. He has 20 years of experience in the curtain wall engineering sector and nearly 20 years of experience in the photovoltaic power application sector.

Wang Bin, aged 47, has been appointed as the secretary of the discipline committee of the Group in May 2021, and is responsible for discipline inspection and supervision. Wang Bin graduated from Qingdao Ocean University (□□□□□□□□□□) (currently known as the Ocean University of China) majoring in international trade in July 1999. From April 2021 to present, Wang Bin has been the committee member of the Communist Party and secretary of the discipline committee of Shuifa Energy Group Limited (□□□□□□□□□□

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Yu Jing, aged 48, was appointed as the Co-CFO of the Group on February 13, 2023, responsible for fund planning and accounting and financial management. She is a Senior Accountant, Taian City accounting leading

DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層

Luo Duo, aged 44, is the chief engineer of the Group, and is responsible for The Group's standard preparation, R&D management, transformation of achievements and other relevant work. Luo Duo graduated from Qingdao Construction Engineery College (currently known as Qingdao University of Technology) majoring in construction engineering in 2001, and she joined the Group in July 2001. Luo Duo was certified as a registered structural engineer in 2005 and was certified as a senior engineer in 2008. Luo Duo participated in organizing various national, provincial and municipal-level scientific research projects, such as "US-China Clean Energy Research Center Building Efficiency Project (•
f), the National Key R&D Programs of the "13th Five-Year Plan" under the Ministry of Science and Technology of the PRC – the "Green building and Industrialization of building" key project, the national 863 Program as well as Technology Support Plan under the "12th Five-Year Plan" of the PRC. She has obtained 37 national patents, published over 30 pieces of professional theses in national professional publications, participated in the writing of 13 books, and participated in setting up more than 40 national and industry standards.

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CHAN Koon Leung, Alexander, aged 46, he is the Secretary of the Board. He has over 20 years' experience in capital markets, financial management, corporate finance, compliance of listing rules and corporate governance. He is currently a fellow member of Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the company, he worked in an international accounting firm and a listed company. He graduated from The University of Southampton with a bachelor's degree majoring in Accounting and Finance.

陳冠良先生，46

Mr. Chan also serves as the company secretary of China Singyes New Materials Holdings Limited (Stock Code: 8073), which is a subsidiary of the Company.

8073

To the best knowledge of the Company, there are no financial, business or other material/relevant relationships among members of the Board and the senior management officers.

COMPANY SECRETARY

Mr. Chan Koon Leung, Alexander, is our company secretary. For further details regarding Mr. Chan, please see the paragraph headed "Senior Management" above.

公司秘書

陳冠良先生為本公司公司秘書。有關陳先生的進一步詳情，請參閱上文「高級管理人員」一段。

REPORT OF THE DIRECTORS
董事會報告書

The Directors are pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2022.

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in Bermuda on 24 October 2003 as an exempted company with limited liability. The registered office of the Company is located at 4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda. The Company has established a principal place of business in Hong Kong at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as an oversea company under Part XI of the Companies Ordinance on 29 August 2008. Mr. Chan Koon Leung, Alexander has been appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company is incorporated in the Bermuda, the operation of the Company is subject to the Companies Law and to its constitution comprising a memorandum of association and the bye-laws.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out in the section of "Directors and Senior Management" of this report. Save as disclosed in this report, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

主要營業地點

本公司於二零零三年十月二十四日於百慕達

董事及高級管理層履歷

13.51B(1)

REPORT OF THE DIRECTORS
董事會報告書

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is a professional renewable energy system integrator and building contractor, it is principally engaged in the design, fabrication and installation of conventional curtain walls and solar projects. Solar projects included building integrated photovoltaic ("BIPV") system, roof top solar system and ground mounted solar system (collectively "Solar EPC"). The BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. In addition, the Group also engages in the production and sale of renewable energy goods, including smart grid system, and solar thermal system.

The Group's principal operating market is in Mainland China.

Details of the principal activities of the principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's top five customers are the main contractors of various wind and solar farm investors. In aggregate, the largest and top five customers contributed approximately 28.3% and 37.8% of the Group's total revenue in 2022 respectively.

The Group currently outsources part of the construction works for various sub-contractors in the PRC, as well as sourcing solar penals, wind turbine, aluminium from suppliers inside the PRC. In 2022, the top five suppliers are wind farm project suppliers, and the largest and five largest suppliers were about 20.9% and 43.2% of the Group's total cost of sale in 2022 respectively.

主營業務

本公司為投資控股公司。本集團是專業的可再生能源系統集成商及建築承包商，主要從事設計、製造及安裝傳統幕牆及太陽能項目。太陽能項目包括光伏建築一體化(「光伏建築一體化」)系統、屋頂太陽能系統及地面太陽能電站(統稱為「太陽能EPf

(i)

(ii)

主要客戶及供應商

本集團五大客戶為風能及太陽能電站投資者。於二零二二年，最大及五大客戶分別佔本集團總收入約28.3%

37.8%f

REPORT OF THE DIRECTORS
董事會報告書

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major suppliers and/or customers.

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SUBSIDIARIES

Particulars of the Company's principal subsidiaries which principally affect the results as at 31 December 2022 are set out in note 13 to the financial statements.

附屬公司

本公司於二零二二年十二月三十一日足以影響其業績的主要附屬公司之詳情，載於財務報表附註 13f

FINANCIAL STATEMENTS AND DIVIDENDS

The profits of the Group for the year ended 31 December 2022 and the Company's and the Group's financial positions as at the same date are set out in the financial statements on pages 81 to 240. The Directors do not recommend a payment of a final dividend for the year ended 31 December 2022 (2021: HK$0.020 per share).

財務報表及股息

本集團截至二零二二年十二月三十一日止年度的溢利，以及本公司及本集團於該日的財務狀況，載於財務報表第 81 K 240 X X
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There was no arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

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RESERVES

Details of movements in the reserve of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 85 to 86 of the annual report and in note 38 to the financial statements respectively.

儲備

本集團及本公司於年內的儲備變動詳情分別載於年報第 85 K 86 X X
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REPORT OF THE DIRECTORS
董事會報告書

DISTRIBUTABLE RESERVES

As at 31 December 2022, the Company's reserve available for distribution calculated in accordance with the provisions of the applicable law of Bermuda, amount to approximately RMB34,507,000.

可供分派儲備

於二零二二年十二月三十一日，根據百慕達適用法律條款計算，本公司可供分派儲備為約人民幣34,507,000**。**

INTEREST BEARING BANK LOANS

Particulars of interest bearing bank loans of the Group as at 31 December 2022 are set out in note 29 to the financial statements.

附息銀行貸款

本集團於二零二二年十二月三十一日的附息銀行貸款詳情，載於財務報表附註29**。**

PROPERTY, PLANT AND EQUIPMENT

Details of acquisitions and other movements in property, plant and equipment are set out in note 14 to the financial statements.

物業、廠房及設備

收購物業、廠房及設備以及其他變動的詳情，載於財務報表附註14**。**

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 24 to the financial statements. The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company.

股本

本公司年內股本變動的詳情，載於財務報表附註24**。本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。**

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holding of the shares of the Company.

稅務寬免

本公司並無獲悉本公司股東因持有本公司股份而獲得任何稅務寬免。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 4 of the annual report.

五年財務摘要

本集團過去五個財政年度的業績以及資產與負債的概要，載於本年報第4**頁。**

REPORT OF THE DIRECTORS
董事會報告書

EVENTS AFTER THE END OF THE YEAR ENDED 31 DECEMBER 2022

On 28 February 2023, Hunan Green Energy, a subsidiary of the Group, has conditionally agreed to acquire, and Shuifa Energy and Shuifa Fengyuan Energy have conditionally agreed to sell 24% of the equity interest and 16% of the equity interest in Shuifa Energy (Tongyu), a subsidiary of the ultimate parent, respectively, at the aggregate consideration of RMB491,299,700. As at the reporting date, the transaction has not been completed.

In addition, Hunan Green Energy also entered into of a Share Subscription Agreement, pursuant to which Hunan Green Energy has agreed to subscribe for 105,613,100 shares of Shuifa Clean Energy, a subsidiary of the ultimate parent, at the aggregate subscription price of RMB503,774,500. As at the reporting date, Hunan Green Energy has completed the subscription of 105,613,100 shares. The first batch of subscription funds of RMB105,613,100 has been paid.

截至二零二二年十二月三十一日止年度後之事項

於2023 2 28

24% 16%

491,299,700

503,774,500

105,613,100

105,613,100

105,613,100

DIRECTORS

The Directors during the financial year and up to the date of this report were:

Executive Directors
Mr. Zheng Qingtao *(Chairman)*
Mr. Liu Hongwei *(Vice chairman)*
Mr. Chen Fushan
Mr. Wang Dongwei

Non-Executive Directors
Mr. Xie Wen (appointed on 17 February 2022)
Ms. Li Li (appointed on 21 May 2021)
Ms. Wang Suhui (resigned on 17 February 2022)
Mr. Zhang Jianyuan (resigned on 21 May 2021)

Independent Non-Executive Directors
Dr. Wang Ching
Mr. Yick Wing Fat, Simon
Dr. Tan Hongwei

董事

本財政年度及直至本報告日期止的董事如下：

執行董事
鄭清濤先生*(主席)*
劉紅維先生*(副主席)*
陳福山先生
王棟偉先生

非執行董事
謝文先生(於二零二二年二月十七日獲委任)
李麗女士(於二零二一年五月二十一日獲委任)
王素輝女士(於二零二二年二月十七日辭任)
張健源先生(於二零二一年五月二十一日辭任)

獨立非執行董事
王

REPORT OF THE DIRECTORS
董事會報告書

In accordance with Bye-law 87 of the Bye-laws of the Company, Mr. Liu Hongwei, Dr. Wang Ching and Mr. Chen Fushan are required to retire by rotation at the forthcoming annual general meeting. Each of the above Directors will offer themselves for re-election at the forthcoming annual general meeting.

REMUNERATION POLICY

The remuneration policy for the Directors and senior management members of the Group was based on their individual performance as well as market trends and practices. Details of the remuneration of the Directors are set out in note 7 to the consolidated financial statements.

The emoluments paid to the senior management (excluding the Directors) during the year ended 31 December 2022 were within the following bands:

Bands	範圍			Number of Senior Management 高級管理層數目
RMB100,001 to RMB1,000,000		100,001	1,000,000	1
RMB1,000,001 to RMB2,000,000		1,000,001	2,000,000	4
Total:				5

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Zheng Qingtao, Mr. Wang Dongwei and Mr. Chen Fushan, the executive Directors, has signed a letter of appointment with the Company for a term of three years commencing from 28 November 2019 unless terminated in accordance with the terms therein. Under the terms of the letter of appointment, the appointment may be terminated by not less than three months' prior written notice or otherwise served by either party on the other.

Mr. Liu Hongwei, an executive Director, has entered into a service contract with the Company for a term of three years commencing from 13 January 2012, and will be automatically renewed for another three years upon expiry.

薪酬政策

本集團之董事及高級管理層成員之薪酬政策乃根據其個體表現以及市場趨勢及慣例予以釐訂。董事之薪酬詳情載於綜合財務報表附註7

董事服務合約

執行董事鄭清濤先生、王棟偉先生及陳福山先生各自已與本公司訂立委任書，自二零一九年十一月二十八日起計為期三年，除非根據其條款予以終止。根據委任書條款，委任可由其中一方事先向另一方發出不少於三個月之書面通知或以其他方式予以終止。

執行董事劉紅維先生已與本公司訂立服務合約，自二零一二年一月十三日起計為期三年，並將於屆滿時自動另外續期三年。

Each of Mr. Xie Wen and Ms. Li Li, the non-executive Directors, have entered into a service contract with the Company for a term of three years commencing from 17 February 2022 and 21 May 2021, respectively. Under the terms of the service contract, the appointment may be terminated by not less than one month's prior written notice or otherwise served by either party on the other.

Mr. Yick Wing Fat, Simon and Dr. Wang Ching, the independent non-executive Directors, were appointed for a term of three years from 19 December 2008. Dr. Tan Hongwei, the independent non-executive director, was appointed for a term of three years from 18 April 2018. Their service contracts will be automatically renewed for another three years upon expiry.

All Directors are subject to retirement by rotation at least once every three years and in accordance with the Bye-laws of the Company.

None of the Directors has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The remuneration of directors are determined by the remuneration committee of the Company and by reference to the remuneration policies of other companies in similar capacity and the experience of the directors.

SHARE OPTION SCHEME

On 19 December 2008, the Company adopted a share option scheme (the "Share Option Scheme"). Under the Share Option Scheme, the Board may at its discretion, offer eligible persons (being any Director or employee (whether full-time or part-time), consultant or advisors of the Group who in the sole discretion of the Board has contributed or will contribute to the Group) (the "Eligible Persons") who the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at a subscription price determined in accordance with the Share Option Scheme.

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.

購股權計劃之目的

購股權計劃旨在獎勵或酬謝為本集團作出貢獻及努力不懈地促進本集團利益的合資格人士，以及用於董事會不時批准的其他目的。

Total number of Shares available under the Share Option Scheme

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 18,026,332 shares, representing 1.00% of the Company's issued share capital as at the date of this report. Pursuant to the terms of the Share Option Scheme, the exercise price of and/or the number of Shares subject to the outstanding Share Options are required to be adjusted as a result of a rights issue in July 2016. In accordance with the terms of the Share Option Scheme and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules, the exercise price of and the number of Shares subject to the outstanding Share Options granted on 22 May 2015 has been adjusted with effect from 20 July 2016:

購股權計劃下的股份數目總數

18,026,332

Date of grant 授出日期		Before Adjustments 調整前 Exercise price per Share 每股行使價 HK$	Before Adjustments 調整前 Number of Shares subject to the outstanding Share Options 涉及尚未行使購股權之股份數目	After Adjustments 調整後 Exercise price per Share 每股行使價 HK$	After Adjustments 調整後 Number of Shares subject to the outstanding Share Options 涉及尚未行使購股權之股份數目
22 May 2015	ZgS dZ	11.70	6,026,332	11.65	6,026,332
5 April 2017	ZgSV	3.55	12,000,000	N/A	12,000,000

Maximum entitlement of each Eligible Participant

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Eligible Person in any 12-month period up to the date of grant shall not exceed 1.0% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1.0% limit shall be subject to the issue of a circular by the Company and the approval of our Shareholders in general meeting with such Eligible Persons and his associate (as defined in the Listing Rules) abstaining from voting and the number and terms (including the subscription price) of such options being fixed before such general meeting and other requirements prescribed under the Listing Rules from time to time.

各合資格參與者有權得到的最高股份數目

在截至授出日期的任何十二個月期間，因行使根據購股權計劃及本公司任何其他購股權計劃向每名合資格人士授出的購股權（包括已行使、已註銷及尚未行使的購股權）而發行及可發行的股份總數，不得超過於授出日期已發行股份的1.0%fJ[illegible] 1.0%j
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
”[illegible]

Time of exercise of option

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The Board is currently unable to determine such minimum period. The date of grant of any particular option is the date on which the offer relating to such option is duly accepted by the grantee in accordance with the Share Option Scheme. An option may be exercised according to the terms of the Share Option Scheme and the offer in whole or in part by the grantee (or his personal representatives) before its expiry by giving notice in writing to our Company stating that the option is to be exercised and the number of Shares in respect of which it is exercised provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. Such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

購股權的行使時間

一般並無規定有關購股權在行使前必須持有的最短時間，惟董事會可於授出任何特定購股權時酌情釐定有關最短持有時間。董事會現時無法釐定該最短持有時間。任何特定購股權的授出日期為承授人根據購股權計劃正式接納獲授該等購股權的日期。承授人（或個人代表）可於購股權到期前根據購股權計劃及要約的條款，透過向本公司發出書面通知書，列明即將全部或部分行使購股權及行使購股權所涉股份數目，以行使購股權，惟有關股份數目須為股份在聯交所的每手買賣單位或其完整倍數。該通知須附有通知所述股份的認購價總額的股款。購股權行使期由董事會全權酌情釐定，惟不得超過授出日期起計十年。購股權計劃獲批准當日起計十年屆滿後不得再授出購股權。除非本公司於股東大會提前終止購股權計劃，否則購股權計劃獲股東在股東大會通過決議案採納當日起計十年內有效。

Price of Shares

股份價格

The subscription price for a share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board shall determine, save that such price must not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer to grant option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer to grant option (provided that the new issue price shall be used as the closing price for any business day falling within the period before the listing of the shares where our Company has been listed for less than five business days as at the date of offer to grant option); and (iii) the nominal value of a Share. A consideration of RMB1.00 is payable on acceptance of an offer of the grant of an option.

Remaining life of the Share Option Scheme

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme. The Share Option Scheme was terminated on 19 December 2018 and the share options already granted continue to be effective till 21 May 2027.

NEW SHARE OPTION SCHEME

The Company adopted a new share option scheme at its annual general meeting on 4 June 2018 (the "New Share Option Scheme"). No Share Option have been granted under such scheme.

Participants of the New Share Option Scheme

Under the New Share Option Scheme, the Board may at its discretion, offer eligible persons (being any Director or employee (whether full-time or part-time), consultants or suppliers of the Group who in the sole discretion of the Board has contributed or will contribute to the Group) (the "Eligible Person(s) of the New Share Option Scheme") who the Board may in its absolute discretion select to subscribe for such number of shares as the Board may determine at a subscription price determined in accordance with the New Share Option Scheme.

新購股權計劃的參與者

根據新購股權計劃，董事會可酌情決定向合資格人士(董事會全權酌情認為曾經或將會對本集團有貢獻的任何董事或僱員(無論全職或兼職)、顧問或供應商)(「新購股權計劃合資格人士」)授出購股權，以按新購股權計劃釐定的認購價認購董事會所釐定的該等股份數目。

Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentive or reward to Eligible Persons of the New Share Option Scheme for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.

新購股權計劃的目的

新購股權計劃旨在獎勵或酬謝為本集團作出貢獻及努力不懈地促進本集團利益的新購股權計劃合資格人士，以及用於董事會不時批准的其他目的。

Total number of Shares available under the New Share Option Scheme

The maximum number of shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme is 83,407,319 shares, representing 3.31% of the Company's issued share capital as at the date of this report.

新購股權計劃下的股份數目總數

[illegible]
[illegible] 83,407,319
[illegible]
3.31%[illegible]

Maximum entitlement of each Eligible Person under the New Share Option Scheme

The maximum number of shares issued and to be issued upon the exercise of the share options granted under the New Share Option Scheme and any other share option schemes of the Company to any Eligible Person(s) of the New Share Option Scheme (including cancelled, exercised and outstanding share options), in any 12-month period up to the date of grant shall not exceed 1% of the number of shares in issue, unless such grant has been duly approved by ordinary resolution of the Shareholders in general meeting in the manner prescriber by the relevant provisions of Chapter 17 of the Listing Rules and the terms of the New Share Option Scheme.

各合資格人士於新購股權計劃下有權得到的最高股份數目

行使根據新購股權計劃及本公司任何其他購股權計劃授予任何新購股權計劃合資格人士的購股權時已發行及將予發行之股份最高數目(包括已註銷，已行使及尚未行使購股權)，在截至授出日期的任何十二個月期間內，不得超過已發行股份數目的1%[illegible]
[illegible] 17[illegible]
[illegible]
[illegible]

Time of exercise of option

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board may in its absolute discretion specify the conditions which must be satisfied before the option may be exercised as it thinks fit when making an offer to an Eligible Person of the New Share Option Scheme. An option may be exercised according to the terms of the New Share Option Scheme and the relevant offer letter in whole or in part by the grantee (or his personal representatives) before its expiry by giving notice in writing to the Company stating that the option is to be exercised and the number of shares in respect of which it is exercised. Such notice must be accompanied by a remittance for the full amount of the subscription price for the shares in respect of which the notice is given. Subject to the terms of the New Share Option Scheme, an option may be exercised by the grantee (or his personal representatives) at any time during the option period of 10 years from the date of grant of the option.

購股權的行使時間

一般並無規定有關購股權在行使前必須持有的最短時間，惟董事會在向新購股權計劃合資格人士作出要約時，可全權酌情指明在行使購股權前彼認為必須滿足的條件。承授人(或個人代表)可於購股權到期前根據新購股權計劃及相關要約函的條款，透過向本公司發出書面通知書，列明即將全部或部分行使購股權及行使購股權所涉股份數目，以行使購股權。該通知須附有通知所述股份的認購價總額的股款。根據新購股權計劃的條款，承授人(或其個人代表)可在購股權授出日期起計十年內的任何時間行使購股權。

Basis of determining the subscription price

Subject to the terms of the New Share Option Scheme, the subscription price shall be a price solely determined by the Board and notified to an Eligible Person and shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (b) the average of the closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer; and (3) the nominal value of the shares. The amount payable by a grantee of a share option to the Company on acceptance of the offer for the grant of a share option is HK$1.00.

釐定認購價的基準

根據新購股權計劃的條款，認購價須為由董事會獨自釐定並通知合資格人士的價格，並須至少是以下各項的最高者 (a)

i(b) a H 8 t

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1.00

Remaining life of the New Share Option Scheme

The New Share Option Scheme shall be valid and effective for a period of 10 years commencing after the adoption date (i.e. 4 June 2018).

There was no exercise of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted at any time by the Company or any of its subsidiaries during the year ended 31 December 2022.

新購股權計劃的餘下有效期

新購股權計劃自採納日期(即二零一八年六月四日)起計十年內有效。

截至二零二二年十二月三十一日止年度，本公司或其任何附屬公司並未根據任何可換股證券、購股權、認股權證或任何時間已發行或已授出之類似權利行使任何轉換或認購權。

REPORT OF THE DIRECTORS
董事會報告書

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or their respective associate (as defined under the Listing Rules) was granted by the Company, or any of its subsidiaries, any rights or options to acquire Shares or debentures during the year ended 31 December 2022.

董事認購股份或債券的權利

[illegible]

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company as disclosed in this report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2022 or subsisted at the end of the year.

股票掛鈎協議

除於本報告所披露的本公司購股權計劃外，概無股票掛鈎協議將或可能導致本公司發行股份或規定本公司須訂立任何將或可能導致本公司發行股份的協議由本公司於截至二零二二年十二月三十一日止年度訂立或於年末仍然生效。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31 December 2022, the Appraisal Committee instructed the Trustee to purchase 1,870,000 Shares on the Stock Exchange with funds paid out of the Company's resources in order to satisfy the outstanding awards under the Share Award Scheme.

購買、出售或贖回本公司上市證券

截至二零二二年十二月三十一日止年度，評估委員會指示受託人以本公司資源中撥付的資金在聯交所購買 1,870,000 [illegible]

REPORT OF THE DIRECTORS
董事會報告書

DETAILS OF PERFORMANCE GUARANTEE UNDER RULE 14.36B

As disclosed in the announcement of the Company dated 15 December 2020, pursuant to a capital injection agreement dated 15 December 2020 (the "Capital Injection Agreement") and entered into among Jiangxi Yaxing Construction Co., Ltd.* (⊠3⊠) (the "Target Company"), Yu Nanhui (/⊠), Li Peng (⊠) and Chen Chen (⊠) (the "Target Shareholders") and Zhuhai Singyes Green Construction Technology Co., Ltd.* (.38⊠ , an indirect wholly-owned subsidiary of the Company) ("Zhuhai Singyes") in relation to the acquisition of 51% equity interest in the Target Company by way of an injection of capital of RMB39.9 million into the Target Company by Zhuhai Singyes (the "Capital Injection"). Pursuant to the Capital Injection Agreement, the Target Shareholders undertake and guarantee to Zhuhai Singyes that the audited net profit (after deducting non-recurring profit and loss) of the Target Company shall not be less than RMB30.00 million, RMB60.00 million and RMB90.00 million for the financial year ending 31 December 2021, 2022 and 2023, respectively (the "Guaranteed Profit(s)"). For the year ended 31 December 2022, the audited net profit of the Target Company met the Guaranteed Profit. The Company will closely monitor the above-mentioned performance guarantee.

根據第14.36B條作出之業績保證詳情

誠如本公司日期為二零二零年十二月十五日的公告所披露，江西亞興建設有限公司(「目標公司」)、余南暉、李鵬及陳晨(「目標股東」)以及珠海興業綠色建築科技有限公司(本公司間接全資附屬公司，「珠海興業」)訂立日期為二零二零年十二月十五日的注資協議(「注資協議」)，內容有關珠海興業向目標公司注資人民幣39,900,0⊠⊠⊠
⊠ 51% p⊠⊠⊠K Ddfzp⊠
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⊠⊠⊠& B⊠◆Z"⊠⊠
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INTEREST AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2022, so far as the Directors are aware, the Directors and chief executives of the Company and their associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which (i) 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 and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") to be notified to the Company and the Stock Exchange:

董事及本公司主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及短倉

⊠gZZ⊠⊠Z⊠dS⊠⊠
**⊠⊠⊠⊠⊠

Name 姓名	Company/name of associated corporation 本公司／相聯法團名稱	Capacity 身份	Type of interest 權益類別	Number of shares 股份數目	Approximate % of shareholding[3] 股權概約百分比[3]
Mr. Zheng Qingtao M	Company I	Beneficial interest [2] [2]	Long —Q	1,600,000	0.06%
Mr. Liu Hongwei j	Company I	Interest of a controlled corporation [1] a [1]	Long —Q	202,038,750	8.01%
		Beneficial interest [2] [2]	Long —Q	1,500,000	0.06%
			Sub-total 	203,538,750	8.07%
Mr. Chen Fushan 	Company I	Beneficial interest [2] [2]	Long —Q	1,400,000	0.05%
Mr. Wang Dongwei 	Company I	Beneficial interest [2] [2]	Long —Q	1,400,000	0.05%
Mr. Xie Wen 	Company I	Beneficial interest [2] [2]	Long —Q	1,400,000	0.05%

Note:

1. These 202,038,750 Shares are held by Strong Eagle Holdings Ltd. whose share capital is 53% owned by Mr. Liu Hongwei. Mr. Liu Hongwei is deemed to be interested in these Shares by virtue of the SFO.

2. Such interest represents the shares awards granted to the respective directors under a share award plan as announced by the Company on 29 December 2020. As at 31 December 2022, no share under the share award plan has neither been purchased by the Company nor allocated to the respective directors.

3. The percentage is calculated on the basis of 2,521,081,780 Shares in issue as at 31 December 2022.

Wj

1. 202,038,750 p p Strong Eagle Holdings Ltd. 5 j Strong Eagle Holdings Ltd. pI 53%d N 7

2. B 8 Z g Z gI Z ZdX YS p gZZ ZgdS I p p

3. gZZ ZgdS 2,521,081,780 pp f

REPORT OF THE DIRECTORS
董事會報告書

INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES

主要股東於股份、相關股份及債券中的權益及短倉

As at 31 December 2022, so far as the Directors are aware, save as disclosed above, the persons or corporations (not being a Director or a chief executive of the Company) who have interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such persons' interest in such securities, together with any options in respect of such capital, were as follows:

Shareholder 股東	Long/short position 長／短倉	Capacity/nature of interest 身份／權益性質	Number of shares 股份數目	Approximate % of shareholding[3] 股權概約百分比[3]
Water Development (HK) Holding Co., Limited	Long position —Q	Beneficial owner[1]	1,687,008,585	66.92%
	Long position —Q	Person having a security interest in shares	180,755,472	7.17%
	Long position —Q	Interest of corporation controlled by you[1]	1,867,764,057	74.09%
	Long position —Q	Interest of corporation controlled by you[1]	1,867,764,057	74.09%
Strong Eagle Holdings Ltd.	Long position —Q	Beneficial owner[2]	202,038,750	8.01%

REPORT OF THE DIRECTORS
董事會報告書

1. Water Development (HK) Holding Co., Limited is 100% beneficially owned by [redacted] and [redacted] is 100% beneficially owned by [redacted].

2.

REPORT OF THE DIRECTORS
董事會報告書

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Deemed disposal of subsidiaries

On 30 May 2022, Hunan Green Energy, an indirect wholly-owned subsidiary of the Company, entered into the Partnership Agreement with China Cinda and Cinda Capital for the establishment of the Limited Partnership. According to the Partnership Agreement, the total amount of capital commitments of the Limited Partnership is RMB1.251 billion, of which Cinda Capital (as general partner) will contribute RMB1.00 million, while Hunan Green Energy and China Cinda (as limited partners) will contribute RMB750 million and RMB500 million, respectively.

Upon the establishment of the Limited Partnership, the Limited Partnership and the Target Companies will be accounted for as subsidiaries of the Company, and their results will be consolidated into the Group's financial statements. For details, please refer to the Company's announcements dated 30 May 2022 and the circular dated 26 October 2022.

Acquisition of certain target companies

On 9 December 2022, Hunan Shuifa Singyes, a wholly-owned subsidiary of the Company, entered into Share Transfer Agreements with each of Shuifa Energy and Shuifa Fengyuan Energy and Shuifa Energy (Tongyu), whereby Hunan Shuifa Singyes has conditionally agreed to acquire and Shuifa Energy and Shuifa Fengyuan Energy have conditionally agreed to sell 24% of the equity interest and 16% of the equity interest in Shuifa Energy (Tongyu), respectively, at the aggregate consideration of RMB491,299,700 (equivalent to approximately HK$550,255,664).

Upon completion of the Share Transfers, Shuifa Energy (Tongyu) will be owned by Hunan Shuifa Singyes as to 40% and the board of directors of Shuifa Energy (Tongyu) will be controlled by Hunan Shuifa Singyes. As such, Shuifa Energy (Tongyu) will become a nonwholly owned subsidiary of the Company. Accordingly, the financial results of Shuifa Energy (Tongyu) will be consolidated into the Company's consolidated financial statements upon Completion of the Share Transfers.

重大投資、重大收購及出售

視作出售附屬公司

於二零二二年五月三十日，本公司間接全資附屬公司湖南綠能與中國信達及信達資本就成立有限合夥訂立合夥協議。根據合夥協議，有限合夥的出資總額為人民幣1,251,000,000

1,000,000 7

750,000,000

500,000,000

收購若干目標公司

於二零二二年十二月九日，本公司全資附屬公司湖南水發興業分別與水發能源及水發豐遠能源，及水發能源(通榆)訂立該等股份轉讓協議，據此，湖南水發興業已有條件同意收購，而水發能源及水發豐遠能源已有條件同意分別出售於水發能源(通榆)的24% p 16% p

491,299,700

550,255,664

40%

REPORT OF THE DIRECTORS
董事會報告書

On 9 December 2022, Hunan Shuifa Singyes, a wholly-owned subsidiary of the Company, entered into (i) the Share Subscription Agreement with Shuifa Clean Energy, pursuant to which Hunan Shuifa Singyes has agreed to subscribe for 105,613,100 shares of Shuifa Clean Energy at the aggregate subscription price of RMB503,774,500 (equivalent to approximately HK$564,227,440); and(ii) the Supplemental Share Subscription Agreement with Shuifa Energy with respect to the undertakings regarding the Share Subscription.

Shuifa Clean Energy is owned as to approximately 98.55% and 1.45% by Shuifa Energy and Linre New Energy, respectively. Upon completion of the Share Subscription, (i) Hunan Shuifa Singyes, Shuifa Energy and Linre New Energy will hold 51%, 48.29% and 0.71% of the total equity interest (on an enlarged basis) in Shuifa Clean Energy, respectively; and (ii) Shuifa Clean Energy will become a non-wholly owned subsidiary of the Company. Accordingly, the financial results of Shuifa Clean Energy will be consolidated into the Company's consolidated financial statements upon Completion of the Share Subscription.

For details, please refer to the Company's announcements dated 9 December 2022 and the circular dated 27 February 2023.

For the year ended 31 December 2022, save as the above and in this report, the Group we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any future plans for material investments as at the date of this report. Any material investments of the Group will be funded by internal resources and external borrowings.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Byelaws, or the law of Bermuda, being the jurisdiction in which the Company is incorporated.

有關重大投資或資本資產之未來計劃

除本報告所披露者外，於本報告日期，本集團並無任何未來重大投資計劃。本集團之任何重大投資將以內部資源及外部借貸撥付。

優先購買權

本公司細則或百慕達(即本公司註冊成立的司法權區)法例均無有關優先購買權的條文。

REPORT OF THE DIRECTORS
董事會報告書

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listing Issuer as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Upon the enquiry made by the Company all Directors confirmed that they had complied with the Model Code for the year ended 31 December 2022.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2022.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則，作為董事進行證券交易的行為守則。經本公司查詢後，所有董事確認彼等已遵守截至二零二二年十二月三十一日止年度的標準守則。

企業管治

本公司採納的主要企業管治常規，載於本年報企業管治報告。

管理合約

截至二零二二年十二月三十一日止年度，概無簽訂或存在涉及本公司全部或任何主要業務的管理及行政的合約。

REPORT OF THE DIRECTORS
董事會報告書

AUDIT COMMITTEE

The Company established an audit committee on 19 December 2008 with terms of references adopted on 19 December 2008 in compliance with the Code set out in Appendix 14 of the Listing Rules. The members of the audit committee are the three independent non-executive Directors, Mr. Yick Wing Fat, Simon, an independent non-executive Director, is the Chairman of the audit committee. The audit committee is to serve as a focal point for communication between other directors, the external auditor and the internal auditor (where an internal audit function exists) of the Company as regards their duties relating to financial and other reporting, internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time. The audit committee is to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The audit committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2022, including the accounting principles and practices adopted by the Group. For further details of the audit committee and other committees of the Board, please refer to the section headed "Corporate Governance Report".

審核委員會

本公司於二零零八年十二月十九日成立審核委員會，並於二零零八年十二月十九日採納按照上市規則附錄十四所載守則制定的職權範圍。審核委員會由三名獨立非執行董事組成，獨立非執行董事易永發先生為審核委員會主席。審核委員會就關乎彼等職責中有關財務及其他報告、內部監控、外部及內部審核以及董事會不時決定的其他財務及會計事宜，作為其他董事、外聘核數師與內部核數師(倘存在內部審核職能)之間的溝通橋樑。審核委員會負責協助董事會對本集團財務報告過程、內部監控及風險管理制度的效用作出獨立檢討，監管審核過程，以及履行董事會不時指派的其他職責和責任。審核委員會已審閱本集團截至二零二二年十二月三十一日止年度的綜合財務報表，包括本集團採納的會計原則及常規。有關審核委員會及董事會其他委員會的詳情，請參考「企業管治報告」一節。

KEY FINANCIAL AND BUSINESS PERFORMANCE INDICATORS

The key financial and business performance indicators comprise profitability trend and financial risk management. Details of profitability analysis are shown in "Management Discussion and Analysis" section of this annual report. Details of financial risk management are shown in Note 3 to the Financial Statements in this annual report.

主要財務及業務表現指標

[illegible]

[illegible] 3f

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group.

環境、社會和管治

本集團致力促進環境的可持續性及維持高標準企業社會管治，其對於建立激勵員工的框架是必需的，本集團亦為我們開展業務所在及為本集團創造可持續回報的社區作出貢獻。

ENVIRONMENTAL PROTECTION

The Group has implemented energy saving practices in its offices and premises where applicable. The Group also plans to upgrade its air-conditioning and electricity systems to achieve the energy saving and provision of clear air to workplace where possible.

環境保護

本集團已於其辦公室及物業實行適用的節能常規。本集團亦計劃升級其空調及電力系統，在可行的工作場所實行節能及提供清新空氣。

RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its long-term goals and development. To maintain its brand competitiveness and market status, the Group aims at delivering consistently high standards of quality in the service to its customers. During the year ended 31 December 2022, there was no material and significant dispute between the Group and its suppliers and/or customers.

與客戶及供應商的關係

USD414,931,692 2% CASH-PAY AND 4% PAY-IN-KIND SENIOR NOTE DUE 2022

On 19 December 2019, the Company issued USD414,931,692 2% cashpay and 4% pay-in-kind senior note due 2022 (the "2022 Senior Notes"). The 2022 Senior Notes are only offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended ("Regulation S"). The 2022 Senior Notes initially were offered to eligible Scheme Creditors and the Holding Period Trustee (as defined in the explanatory statement of the Company dated 1 November 2019) The 2022 Senior Notes have been listed on the Singapore Exchange Securities Trading Limited (the "SGX"). Such Senior Notes have already been fully paid during the year.

414,931,692美元(2%現金支付及4%實物支付)二零二二年到期之優先票據

於二零一九年十二月十九日，本公司已發行

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. These policies and procedures are reviewed regularly. As far as the Company is aware, it has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprises employees, customers and shareholders.

Employees

Employees are regarded as the most important and valuable assets of the Group. The objective of the Groups' human resource management is to reward and recognize performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

Customers

The Group has the mission to provide excellent and creative customer service whilst maintain our long-term profitability, business and asset growth. Various means have been established to strength the communication between the customers and the Group in the provision of quality customer service towards market penetration and expansion.

Shareholders

One of our corporate goals of the Group is to enhance corporate value to

REPORT OF THE DIRECTORS
董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the issued share capital of the Company pursuant to the Listing Rules and as agreed with the Stock Exchange, based on the information that is publicly available to the Company and within the knowledge of the Directors.

足夠公眾持股量

根據本公司可從公開途徑取得的資料及據董事所知悉，於本報告刊發日期，本公司一直維持上市規則所訂明並經與聯交所協定本公司已發行股本不少於25%Y[5p[

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-Executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-Executive Directors to be independent.

獨立性的確認

本公司已接獲各獨立非執行董事根據上市規則第3.13[[Y[n[(
[n[[H[n[

AUDITOR

The financial statements of the Company for the year have been audited by PWC which will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re-appointment of PWC as auditor of the Company is to be proposed of the forthcoming Annual General Meeting.

核數師

本公司於本年度的財務報表已經羅兵咸永道會計師事務所審核，而羅兵咸永道會計師事務所將任滿告退，惟彼等符合資格願意於應屆股東週年大會上膺選連任。有關續聘羅兵咸永道會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

By order of the Board

Zheng Qingtao
Chairman

Hong Kong, 29 March 2023

承董事會命

主席
鄭清濤

香港，二零二三年三月二十九日

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

To the Shareholders of China Shuifa Singyes Energy Holdings Limited
(incorporated in Bermuda with limited liability)

致中國水發興業能源集團有限公司全體股東
(於百慕達註冊成立之有限公司)

OPINION

What we have audited

The consolidated financial statements of China Shuifa Singyes Energy Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 81 to 240, comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

我們已審核內容

我們已審核載於第81 240 7 38

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我們的意見

我們認為，該等綜合財務報表已根據國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於二零二二年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現和綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

羅兵咸永道

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

Key audit matter
關鍵審核事項

1. Revenue recognition for provision of construction services
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Refer to note 2.24 in summary of significant accounting policies, note 4(i) in critical accounting estimates and judgements, and note 5 to the consolidated financial statements.
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W 4(i) 5f

During the year ended 31 December 2022, the Group has recognised revenue from provision of construction services of approximately RMB3,387,322,000 based on the progress towards the complete satisfaction of the Group's performance obligations under the respective construction contracts with customers (the "completion progress"). Management applied the input method to determine the completion progress which is measured mainly by reference to the proportion of contract costs incurred for works performed to date to estimated total budget construction costs for each contract. The input method involves the use of significant management's judgement and estimates on the total budget construction costs, completion progress and the remaining costs to completion for each of the construction projects. In addition, revenue, cost and gross profit realised from such projects may vary from the Group's original estimates because of changes in conditions and service scope (e.g. variation orders).
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3,387,322,000

How our audit addressed the key audit matter
關鍵審核事項在審核中是如何處理的

We obtained an understanding of the management's internal control and process of revenue recognition for provision of construction services and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity and susceptibility to management bias or fraud.

We evaluated and tested the key controls over the revenue recognition for provision of construction services.

We compared the actual construction costs for projects (including variation orders) as completed in the current year with the prior year estimation to assess the effectiveness of management's estimation process on a sample basis.

We reviewed the construction contracts terms including the service scope, total price and tested progress billings accepted by the respective customers on a sample basis.

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

羅兵咸永道

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 關鍵審核事項在審核中是如何處理的
1. Revenue recognition for provision of construction services (continued) *(續)*	
We focused on this area due to the magnitude of revenue as generated from the provision of construction services and the high degree of estimation uncertainty of management's judgements and estimates applied when using the input method. [illegible]	We tested the actual construction costs as incurred (including costs material used, labor costs and other costs) by validating the relevant underlying supporting evidence, such as contracts with suppliers, salary lists and supplier invoices etc., on a sample basis. [illegible] [illegible]
	We performed physical inspection of significant construction projects and discussed the completion progress of the construction services with the respective project managers-in-charge on a sample basis. [illegible]
	We checked the mathematical accuracy of the management's calculations of (i) the completion progress (calculated based on the total actual costs incurred to date and the latest total budget construction costs); and (ii) the amounts of revenue to be recognised based on the completion progress of different construction projects. [illegible]
	Based on the procedures performed, we considered that the management's judgments and estimations used in the revenue recognition for the Group's provision of construction services were supportable by the evidence we have gathered. [illegible]

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 關鍵審核事項在審核中是如何處理的
2. Impairment assessment of trade receivables and contract assets *[illegible]* Refer to note 2.11 in summary of significant accounting policies, note 4(ii) in critical accounting estimates and judgements, note 3.1 in financial risk management, and notes 19 and 20 to the consolidated financial statements. a[illegible]A[illegible]Y[illegible]W 2.11e 6[illegible] [illegible]Y[illegible]W 4(ii)e[illegible]M[illegible]Y[illegible]W 3.1d[illegible] [illegible]W	

pwc

羅兵咸永道

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 關鍵審核事項在審核中是如何處理的
2. Impairment assessment of trade receivables and contract assets (continued) *(續)* In respect of the Tariff Subsidy Receivables which amounted to RMB1,080,123,000 as at 31 December 2022, management considered that the expected credit loss on these receivables is insignificant, considering the regular settlement from the State Grid Corporation of China which are funded by the Ministry of Finance of China and there was no history of default. 1 Z g Z Z d Z g d S Y e h D 1,080,123,000 7 •77• ec k f&("	• tested, on a sample basis, the aging of trade receivables at the year end to supporting evidence; *g6
Management assessed the impairment of trade receivables and contract assets based on an assessment of the lifetime expected credit losses ("ECL") methodology. The impairment of individually significant trade receivables and contract assets were assessed on an individual basis based on management's estimates on the discounted future cash flows. Individually insignificant trade receivables and contract assets balances were grouped based on their shared credit risk characteristics for overall evaluation. The collective impairment provision was determined by management based on historical loss experience, taking into considerations of forward-looking macroeconomic data, industry risk and other factors. M 8Y H9 Y H9 $J8$–t Y H9YfH9" q D f H 8,	• for trade receivables and contract assets assessed on an individual basis, we evaluated the appropriateness of the judgements used by management by examining of the historical payment supporting evidence, on a sample basis, and checking the financial position and creditworthiness of the debtors; Y d u K1 18YM 4 G • for trade receivables and contract assets assessed on group basis, we assessed the historical default rate by considering the payment profile of debtors. We tested the historical data used in the calculation of the historical default rate, on a sample basis, to supporting documents; and Y d A 8Y 6 • evaluated management's assessment of current conditions and forward-looking factors including the indices of Gross Domestic Product (GDP) and Consumer Price Index (CPI) of China based on our understanding of the client's industry and with reference to external data sources. YY(UdY M K1 77 (GDP) 8pq lkJ8p (CPI) YYf

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 關鍵審核事項在審核中是如何處理的
2. Impairment assessment of trade receivables and contract assets (continued) *4XX*	
We focused on this area due to the magnitude of trade receivables and contract assets and the high degree of estimation uncertainty of management's judgements applied in assessing the impairment of such balances, and estimates involved in the impairment assessment for these assets. X]Y XX/X XX X]X:XY XX XXXBXY X	We performed the following procedures to assess the recoverability of the Tariff Subsidy Receivables: XBY XY XY X • discussed with management to understand the nature and the judgement involved in their determination that the expected credit loss on the Tariff Subsidy Receivables; ~MXXXXYk X f&Y XX • checked the approval documents for the Group's eligibility to the subsidies; X n XXX • circulated confirmation letter to the State Grid Corporation of China to confirm the unpaid balance of the Tariff Subsidy Receivables; and X77•ecXdXY JXXiX • checked the subsequent settlement of the Tariff Subsidy Receivables on a sample basis. XXXXXXf Based on the procedures performed, we considered that the management's impairment assessment of trade receivables and contract assets was supportable by the evidence we have gathered. XB YXXAXV/X4X]X *YXXQXXXXf

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

羅兵咸永道

Key audit matter
關鍵審核事項

3. Impairment assessment of certain property, plant and equipment
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Refer to note 2.10 in summary of significant accounting policies, note 4(v) in critical accounting estimates and judgements, and note 14 to the consolidated financial statements.
2.10e 6
4(v) 14f

As at 31 December 2022, the Group had certain property, plant and equipment with carrying amounts before impairment of approximately RMB377,094,000, against which a provision for impairment of approximately RMB13,605,000 has been recognised.
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377,094,000
13,605,000

How our audit addressed the key audit matter
關鍵審核事項在審核中是如何處理的

We obtained an understanding of management's internal control and process of assessment of impairment of these property, plant and equipment, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud.
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We evaluated the competence, capabilities and objectivity of the external valuation experts engaged by the Group.
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We compared the current year actual results with the prior year forecast to consider, with hindsight, whether key assumptions included in that forecast had been subject to management bias and to assess the effectiveness of management's estimate process.

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 關鍵審核事項在審核中是如何處理的
3. *Impairment assessment of certain property, plant and equipment (continued)* [illegible]	
Management performed an impairment assessment to determine the recoverable amounts of these property, plant and equipment individually or at the related cash-generating units ("CGU") level, which is the higher of the fair value less costs of disposal and value-in-use of the related assets or CGUs. The Group has engaged external valuation experts to assist in determining the value-in-use of the relevant CGUs. Determination of value in use of the relevant CGUs involved developing key assumptions, including: [illegible] • Compound annual growth rate in revenue within the budget period; [illegible] • Growth rates to extrapolate cash flows beyond the budget period; [illegible] • Gross margin; [illegible] • Improvement cost; and [illegible] • Pre-tax discount rate. [illegible]	We assessed management's future cash flow forecasts and calculation of value-in-use of each CGU. Our procedures included: [illegible]

羅兵咸永道

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 關鍵審核事項在審核中是如何處理的
3. Impairment assessment of certain property, plant and equipment (continued) *8e*	
We focused on this area due to the magnitude of impairment provisions as recognsied and the high degree of estimation uncertainty of management's judgements and estimate in deriving the assumptions used in assessing the impairment provision. :" B AY	We assessed management's sensitivity analysis to evaluate the assumptions to which the outcomes of the discounted cash flows are more sensitive and the degree to which and likelihood that these assumptions may move to trigger an impairment. AYYM4Y h$$–tY Based on the procedures performed, we considered that the management's impairment assessment of these property, plant and equipment were supportable by the evidence we gathered. 8e f

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

OTHER INFORMATION

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

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

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

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

其他資料

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INDEPENDENT AUDITORS' REPORT
獨立核數師報告

羅兵咸永道

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

董事及管治人員就綜合財務報表須承擔的責任

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 t 15in accordancr error andi tf ast 13it exists. Minvolvd

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

羅兵咸永道

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Y

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITORS' REPORT
獨立核數師報告

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, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Dou Wang, Angel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 March 2023

羅兵咸永道會計師事務所
執業會計師

香港，二零二三年三月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收益表

For the year ended 31 December 2022 ■■■

	Note	Year ended 31 December Ú dZÜgdSÚßË 2022 ZgZZË RMB'000 [OÆw©	2021 ■■■ RMB'000 ■■■
Revenue ■	5	**4,914,282**	6,503,428
Cost of sales ■	6	**(3,950,627)**	(5,428,452)
Gross profit ã;		**963,655**	1,074,976
Distribution costs ■	6	**(68,173)**	(86,819)
Administrative expenses A■	6	**(368,853)**	(408,515)
Net impairment losses on –D■& financial and contract assets X		**(136,376)**	(63,244)
Other income I■	8	**44,222**	51,862
Other gains – net I■X	9	**1,600**	11,400
Operating profit ¾ P;		**436,075**	579,660
Finance income D■	10	**2,807**	3,926
Finance costs D■	10	**(392,824)**	(292,947)
Finance costs – net D■X		**(390,017)**	(289,021)
Share of net results of associates ■■3,■ accounted for using the equity method L■6		**1,363**	(535)
Profit before income tax ðüÃP;		**47,421**	290,104
Income tax charge ■	11	**(26,298)**	(54,311)
Profit for the year IË P;		**21,123**	235,793
Other comprehensive income: I■j			
Items that will not be reclassified 5 -■ to profit or loss ■			
Currency translation differences .■■		**(106,824)**	22,535
Items that will be reclassified •■ to profit or loss ■			
Changes in fair value of equity 2■■ investments at fair value through I■■■■ other comprehensive income ■		**464**	(28)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收益表

For the year ended 31 December 2022 ☒gZZ☒ZⓖdS☒

		Note	Year ended 31 December 截至十二月三十一日止年度 2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Total other comprehensive income for the year	**本年度其他全面收益總額**		**(106,360)**	22,507
Total comprehensive income for the year	I☒☒☒		**(85,237)**	258,300
Profit attributable to:	☒☒P;j			
Owners of the Company	I☒		**3,837**	221,410
Non-controlling interests	☒☒		**17,286**	14,383
			21,123	235,793
Total comprehensive (loss)/income attributable to:	☒☒☒ ☒I☒☒j			
Owners of the Company	I☒		**(102,523)**	243,937
Non-controlling interests	☒☒		**17,286**	14,363
			(85,237)	258,300
Earnings per share for profit attributable to owners of the Company during the year (expressed in RMB per share)	**年內本公司擁有人應佔每股盈利（以每股人民幣元呈列）**			
– basic and diluted	– ☒	12	**0.002**	0.088

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December 2022 [illegible]

		Note	At 31 December 2022 於二零二二年十二月三十一日 RMB'000 人民幣千元	At 31 December 2021 [illegible] RMB'000 [illegible]
ASSETS	**資產**			
Non-current assets	**非流動資產**			
Property, plant and equipment	J8e[illegible]	14	**6,000,434**	4,971,792
Right-of-use assets	4[illegible]	15	**271,523**	261,049
Investment properties	[illegible]8	16	**335,182**	340,590
Intangible assets	[illegible]*	17	**106,588**	106,331
Prepayments	k[illegible]		**14,676**	10,120
Investments accounted for using the equity method	4[illegible],[illegible] [illegible]		**2,801**	1,438
Deferred income tax assets	[illegible]	31	**312,947**	303,499
Equity investment designated at fair value through other comprehensive income	8[illegible] l[illegible] [illegible]3Y[illegible]		**21,967**	10,503
			7,066,118	6,005,322
Current assets	**流動資產**			
Inventories	[illegible]	18	**80,106**	67,433
Contract assets	[illegible]	19	**3,904,782**	3,694,860
Trade and bills receivables	[illegible]	21	**4,207,583**	3,398,449
Prepayments, other receivables and other assets	k[illegible] [illegible]	22	**969,434**	750,977
Pledged deposits	[illegible]	23	**336,877**	21,820
Financial assets at fair value through profit or loss	2[illegible]BY –D*		**6,469**	–
Cash and cash equivalents	$–[illegible]–J	23	**399,835**	659,123
			9,905,086	8,592,662
Total assets	**資產總值**		**16,971,204**	14,597,984
EQUITY	**權益**			
Equity attributable to owners of the Company	**本公司擁有人應佔權益**			
Share capital	pI	24	**174,333**	174,333
Reserves	[illegible]	26	**2,243,325**	2,417,957
Retain earnings	5[illegible]		**1,781,379**	1,785,081
			4,199,037	4,377,371
Non-controlling interests	[illegible]3		**867,849**	304,628
Total equity	**權益總額**		**5,066,886**	4,681,999

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December 2022 ☒gZZ☒ZgdS☒

		Note ₩	At 31 December 2022 於二零二二年十二月三十一日 RMB'000 人民幣千元	At 31 December 2021 ☒gZS☒ dZgdS☒ RMB'000 ☒☒☒
LIABILITIES	**負債**			
Non-current liabilities	**非流動負債**			
Borrowings	☒	29	**4,472,946**	3,118,040
Lease liabilities	a☒	15	**20,736**	16,254
Deferred income tax liabilities	☒	31	**106,961**	110,302
Deferred income	☒	32	**167,141**	179,967
			4,767,784	3,424,563
Current liabilities	**流動負債**			
Trade and bills payables	☒☒☒	27	**2,770,918**	2,180,962
Other payables and accruals	I☒	28	**1,626,043**	1,686,262
Borrowings	☒	29	**2,310,066**	799,667
Senior notes	☒☒	30	**–**	1,468,208
Contract liabilities	☒	5	**324,428**	192,319
Income tax payable	☒		**100,329**	161,998
Lease liabilities	a☒	15	**4,750**	2,006
			7,136,534	6,491,422
Total liabilities	**負債總額**		**11,904,318**	9,915,985
Total equity and liabilities	**權益總額及負債**		**16,971,204**	14,597,984

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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The consolidated financial statements on pages 81 to 240 were approved by the Board of Directors of the Company on 29 March 2023 and were signed on its behalf.

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Mr. Zheng Qingtao
鄭清濤先生

☒

Mr. Wang Dongwei
王棟偉先生

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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For the year ended 31 December 2022 ▯▯▯

	Issued capital	Share premium account 股份	Merger reserve 合併	Contributed surplus 繳入	Fair value reserve of financial assets at fair value through other comprehensive income 按公平值計量且其變動計入其他全面收益的	Statutory reserve fund 合併	Enterprise expansion fund 吊	Share option reserve	Safety fund surplus reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

For the year ended 31 December 2022 [illegible]

	Issued capital	Share premium account	Merger reserve	Contributed surplus	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory reserve fund	Enterprise expansion fund	Share option reserve	Safety fund surplus reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other comprehensive income for the year:														
Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax	–	–	–	–	(28)	–	–	–	–	–	(28)	–	(28)	
Exchange differences on translation of financial statements	–	–	–	–	–	–	–	–	–	22,555	–	22,555	(20)	22,535
Total comprehensive income for the year	–	–	–	–	(28)	–	–	–	–	22,555	221,410	243,937	14,363	258,300
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	13,064	13,064
Transfer from retained profits	–	–	–	–	–	61,766	–	–	–	–	(61,766)	–	–	–
Business combination under common control	–	–	(90,986)	–	–	–	–	–	–	(12,194)	(103,180)	–	(103,180)	
Distribution to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(15,909)	(15,909)
Transfer from share premium account	–	(70,000)	–	70,000	–	–	–	–	–	–	–	–	–	–
2020 final dividend paid (Note 33)	–	–	–	–	–	–	–	–	–	–	(58,745)	(58,745)	–	(58,745)
Establishment for safety fund surplus reserve	–	–	–	–	–	–	–	100,815	–	(100,815)	–	–	–	
Utilisation of safety fund surplus reserve	–	–	–	–	–	–	–	(100,815)	–	100,815	–	–	–	
At 31 December 2021 於二零二一年十二月三十一日	174,333	2,001,435	(57,982)	23,252	(7,823)	384,973	115,969	55,322	–	(97,189)	1,785,081	4,377,371	304,628	4,681,999

The above consolidated statement of changes in equity should be read in [illegible] conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

For the year ended 31 December 2022 ■■■

	Note	Year ended 31 December 截至十二月三十一日止年度 2022 二零二二年 RMB'000 人民幣千元	2021 RMB'000
Cash flows from operating activities:			
Cash generated from operations		**103,159**	457,050
Income tax paid	34	**(51,401)**	(68,666)
Net cash generated from operating activities		**51,758**	388,384
Cash flows from investing activities:			
Payment for acquisition of subsidiary, net of cash acquired		**(5,308)**	(78,629)
Payments for property, plant and equipment		**(775,087)**	(764,277)
Purchase of intangible assets		**(609)**	(1,988)
Payments for leasehold land		**(11,038)**	(58,858)
Proceeds from disposal of subsidiaries		**(157)**	–
Payments for financial assets at fair value through other comprehensive income		**(16,000)**	–
Proceeds from sale of property, plant and equipment		**5,954**	4,533
Proceeds from government grants for property, plant and equipment		**–**	51,596
Proceeds from sale of financial assets at fair value through other comprehensive income		**2,000**	–
(Increase)/Decrease in maturity of pledged deposits		**(315,057)**	25,349
Net cash used in investing activities		**(1,115,302)**	(822,274)

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

For the year ended 31 December 2022 [illegible]

	Note	Year ended 31 December 截至十二月三十一日止年度 2022 二零二二年 RMB'000 人民幣千元	2021 [illegible] RMB'000 [illegible]
Cash flows from financing activities:	[illegible]		
Capital injection by a non-controlling interest shareholder of a subsidiary	[illegible]	**516,347**	–
Proceeds from borrowings	[illegible]	**4,292,048**	2,465,912
Proceeds from loans from related parties	[illegible]	**1,074,100**	1,137,015
Redemption of Senior Notes	[illegible]	**(1,593,424)**	–
Repayments of borrowings	[illegible]	**(1,861,628)**	(1,631,413)
Repayments of loans from related parties	[illegible]	**(1,319,722)**	(1,486,525)
Principal elements of lease payments	[illegible]		

NOTES TO FINANCIAL STATEMENTS
財務報表附註

For the year ended 31 December 2022 [illegible]

1. GENERAL INFORMATION

China Shuifa Singyes Energy Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda on 24 October 2003. The registered office of the Company is located at 4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda. The principal place of business of the Company is located at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the design, manufacture, supply and installation of conventional curtain walls, wind farm construction and building integrated solar photovoltaic systems, as well as the manufacture and sale of solar power products in the People's Republic of China (the "PRC"). There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the directors of the Company (the "Directors"), the immediate holding company, the intermediate holding company and ultimate holding company of the Company are Water Development (HK) Holding Co., Ltd., which is incorporated in Hong Kong, Shuifa Energy Group Limited ([illegible], "Shuifa Energy"), which is incorporated in the PRC, and Shuifa Group Co., Ltd ([illegible], "Shuifa Group"), which is incorporated in the PRC, respectively.

These consolidated financial statements are presented in Renminbi ("RMB") unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 29 March 2023.

1. 一般資料

中國水發興業能源集團有限公司(「本公司」)於二零零三年十月二十四日於百慕達註冊成立為獲豁免有限責任公司。本公司的註冊辦事處地址為4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda[illegible] 168 200[illegible] 31[illegible] 3108 [illegible]

[illegible]

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. These consolidated financial statements have been prepared under the historical cost convention, as modified by certain equity investments which have been measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

2. 主要會計政策概要

2.1 編製基準

本綜合財務報表根據所有適用國際財務報告準則(「國際財務報告準則」)及香港公司條例第622

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted for the current reporting period

A number of new or amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2. 主要會計政策概要(續)

2.1 編製基準

2.1.1

(a)

		Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效
IAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
IAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
AG 5 (Revised)	Merger Accounting for Common Control Combinations	1 January 2022
Annual Improvements to IFRS Standards 2018-2020		1 January 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New and amended standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2022 and have not been early adopted by the Group. The Group has already commenced an assessment of the impact of these new standards or amendments, certain of which are relevant to the Group's operation. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2. 主要會計政策概要(續)

2.1 編製基準(續)

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		Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
7☒☒ 1☒•	☒☒☒	ZgZg☒☒☒
IAS 1 and IFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023
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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New and amended standards and interpretations not yet adopted (Continued)

2. 主要會計政策概要(續)

2.1 編製基準(續)

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(b) J[illegible]
L[illegible]

		Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效
IAS 12 (Amendments) 7[illegible] 12[illegible] [illegible]	Deferred Tax related to Assets and Liabilities arising from a Single Transaction *[illegible]* [illegible]	1 January 2023 ZgZg[illegible]
IAS 8 (Amendments) 7[illegible] 8[illegible] [illegible]	Definition of Accounting Estimates 6Y[illegible]	1 January 2023 ZgZg[illegible]
IFRS 17 7[illegible] 17[illegible]	Insurance Contracts [illegible]	1 January 2023 ZgZg[illegible]
IFRS 10 and IAS 28 (Amendments) 7[illegible] K 10[illegible] [illegible] 28[illegible]	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [illegible]~IL[illegible] */[illegible]	To be determined [illegible]

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

Subsidiaries are all entities (including a structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations not under common control by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and balance sheet respectively.

2. 主要會計政策概要(續)

2.2 綜合入賬及權益會計原則

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting (continued)

2.2.2 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the comprehensive income of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the profit or loss where appropriate.

The Group's share of post-acquisition comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

2. 主要會計政策概要(續)

2.2 綜合入賬及權益會計原則(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting (continued)

2.2.2 Associates (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of net profit of associates accounted for using the equity method" in the consolidated statement of profit or loss and other comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss and other comprehensive income.

2. 主要會計政策概要(續)

2.2 綜合入賬及權益會計原則(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Consolidation (continued)

2.3.1 Business combination (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interests in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly consolidated statement of profit or loss and other comprehensive income.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2. 主要會計政策概要(續)

2.3 綜合入賬(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Consolidation (continued)

2.3.2 Common control combinations

For common control combinations, the consolidated financial statements incorporate the financial entities of the combining entities or businesses as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party. The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration of goodwill or excess of acquirer's interest in the net fair value of acquirer's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combinations, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

Transaction costs, including professional fees, registration fees, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

2. 主要會計政策概要(續)

2.3 綜合入賬(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Consolidation (continued)

2.3.3 Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.4 Separate financial statements

In the Company's statement of financial position, investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment (note 2.10). Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries, joint ventures and associates is required upon receiving dividends from these investees if the dividend exceeds the total comprehensive income of these entities in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2. 主要會計政策概要(續)

2.3 綜合入賬(續)

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2.4 獨立財務報表

附屬公司、合營企業及聯營公司投資按成本扣除減值列賬於本公司的財務狀況表(附註2☒10
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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, while the Company's functional currency is Hong Kong dollars ("HKD").

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

2. 主要會計政策概要(續)

2.5 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認定為作出策略性決定，負責分配資源和評估經營分部的表現的董事會。

2.6 外幣換算

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (continued)

(ii) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss and other comprehensive income within "finance costs, net". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within "other gains – net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2. 主要會計政策概要(續)

2.6 外幣換算(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

2. 主要會計政策概要(續)

2.6 外幣換算(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (continued)

(iii) Group companies (Continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.7 Property, plant and equipment

Property, plant and equipment other than construction-in-progress are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2. 主要會計政策概要(續)

2.6 外幣換算(續)

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2.7 物業、廠房及設備

除在建工程以外，物業、廠房及設備按成本減累計折舊及減值虧損列賬。歷史成本包括直接歸屬於收購項目的支出。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives, as follows:

Buildings	20 to 50 years
Plant and machinery	5 to 10 years
Motor vehicles	5 years
Office equipment and furnitures	3 to 5 years
Solar photovoltaic power stations	20 to 25 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals (Note 9) are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains – net' in the consolidated statement of profit or loss and other comprehensive income.

2. 主要會計政策概要(續)

2.7 物業、廠房及設備(續)

只有與項目有關的未來經濟利益很可能流入本集團，而該項目的成本能夠可靠計量時，其後的成本才會計入資產的賬面價值，或確認為另外一項資產(如適用)。已更換部分的賬面值已被剔除入賬。所有其他維修及保養於產生的報告期間在損益內扣除。

折舊的計算是採用直線法把成本分攤，扣除其剩餘價值，以按照下列預計使用年限計提折舊：

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2 SUMMARY OF SIGNIFICANT ACCOUNTING

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Investment properties (continued)

The investment properties' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An investment properties' carrying amount is written down immediately to its recoverable amount if the investment properties' carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

2.9 Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries which is not under common control, represents the excess of the consideration transferred over Group's interests in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the amount of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination not under common control is allocated to each of the units ("CGUs"), or groups of CGUs, that is expected to benefit from combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

2. 主要會計政策概要(續)

2.8 投資物業(續)

投資物業的剩餘價值及可使用年限，於各資產負債表日作出評估，如有需要則作適當調整。若投資物業的賬面值高於估計可收回價值，應即撇減至其可收回價值。出售投資物業的損益，視乎所得款項與賬面值的比較而定，並在綜合損益及其他全面收益表中確認。

2.9 無形資產

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets (continued)

(i) Goodwill (Continued)

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Software

Costs associated with maintaining software programs are recognised as an expense as incurred. Acquired software products are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (5 years).

(iii) Customer relationship

Customer relationship represents the fair value of relationship programs arising from the acquisition of subsidiaries not under common control which is amortised over the remaining period of validity 20 years.

2. 主要會計政策概要(續)

2.9 無形資產(續)

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(iii) [illegible]

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets (continued)

(iv) Research and development

Research expenditure and development expenditure that do not meet the criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2. 主要會計政策概要(續)

2.9 無形資產(續)

(iv) [illegible]

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2.10 非金融資產的減值

具有無限可使用年期的商譽和無形資產毋須攤銷，須至少每年進行一次減值測試，或若有事項或外部環境發生變化顯示其可能發生減值則需更頻繁地進行減值測試。當事件或情況變化表明賬面值可能無法收回時，則其他資產會進行減值測試。減值虧損按資產的賬面價值超過其可收回金額兩者的差額確認。可收回金額是資產公平值減出售成本與使用價值兩者中孰高者。就評估減值而言，資產按可獨立識別現金流入的最低水平分類，其很大程度上獨立於其他資產或資產組的現金流入(現金產生單位組)。已發生減值的非金融資產(不包括商譽)於每個報告期間末檢查，並在可行情況下轉回有關減值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets

2.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2. 主要會計政策概要(續)

2.11 投資及其他金融資產

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (continued)

2.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. 主要會計政策概要(續)

2.11 投資及其他金融資產(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (continued)

2.11.3 Measurement (Continued)

Debt instruments (Continued)

- Financial assets at fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

2. 主要會計政策概要(續)

2.11 投資及其他金融資產(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (continued)

2.11.3Measurement (Continued)

Debt instruments (Continued)

- Financial assets at FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (continued)

2.11.3 Measurement (Continued)

Equity instruments (Continued)

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.11.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.1 for further details.

2. 主要會計政策概要(續)

2.11 投資及其他金融資產(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and applicable variable selling expenses.

2.14 Trade and bills receivables, prepayments and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade receivables and other receivables is expected in normal operating cycle, they are classified as current assets. If not, they are presented as non-current assets.

2. 主要會計政策概要(續)

2.12 抵銷金融工具

當本集團有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在綜合資產負債表報告其淨額。

2.13 存貨

存貨按成本與可變現淨值較低者列示。成本採用加權平均法釐定。製成品及在產品成本包括原材料、直接人工、其他直接成本和有關的間接生產費用(依據正常經營能力)，惟不包括借款費用。採購存貨的成本在扣除返利和貼現後確定。可變現淨值是在正常業務過程中，減去估計完成成本及適用可變銷售費用後的估計售價。

2.14 應收貿易款項及應收票據、預付款項及其他應收款項

應收貿易款項為在日常經營活動中就商品銷售或服務執行而應收客戶的款項。如貿易應收款項及其他應收款項的收回預期在正常營業期內，其被分類為流動資產；否則分類為非流動資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Trade and bills receivables, prepayments and other receivables (Continued)

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See notes 21 and 22 for further information about the Group's trade and bills receivables, prepayments and other receivables, and note 3.1(b) for a description of the Group's impairment policies.

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2. 主要會計政策概要(續)

2.14 應收貿易款項及應收票據、預付款項及其他應收款項(續)

貿易應收款項按可無條件獲得的代價金額進行初始確認，惟當其包含重大融資成分時，則按公平值進行初始確認。本集團持有貿易應收款項的目的是收取合同現金流量，因此後續使用實際利率法按攤銷成本計量貿易應收款項。關於本集團貿易應收款項會計處理的更多信息，請參閱附註21 22f Y da 3.1(b)f

2.15 現金及現金等價物

就呈列現金流量表而言，現金及現金等價物包括手頭現金、金融機構的活期存款、可隨時轉換為已知數額現金且價值變動風險較少之其他短期高流通性且原到期日為三個月或以內的投資以及銀行透支。銀行透支於資產負債表流動負債內的借款中呈列。

2.16 股本

普通股被分類為權益。

發行新股直接應佔遞增成本，在權益中顯示為所得款項減少(扣除稅項)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Trade and bills payables, other payables and accruals

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables and accruals are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2. 主要會計政策概要(續)

2.17 應付貿易款項及應付票據、其他應付款項及應計款項

應付貿易款項為在日常經營活動中向供應商購買商品或服務而應支付的義務。如應付貿易款項及其他應付款項的支付日期在一年或以內，其被分類為流動負債；否則分類為非流動負債。

應付貿易款項及其他應付款項及應計款項首先按公平值計量，隨後採用實際利率法按攤銷成本列賬。

2.18 借款

借款於初始按公平值扣除所產生的交易成本確認。其後，借款按攤銷成本計量。所得款項(扣除交易成本後)與贖回金額之間如有任何差額，於借款期間一律採用實際利率法在損益確認。

設立融資額度時支付的費用倘部分或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部分或全部融資額度將會很可能被提取，則該費用資本化為流動資金服務預付款，並按有關的融資額度期間攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Borrowings (Continued)

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.19 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

2. 主要會計政策概要(續)

2.18 借款(續)

當合同中規定的義務解除、取消或屆滿時，將從資產負債表中終止確認借款。一項終止的或轉移給第三方的金融負債的賬面值與實際支付金額的差額，包括轉移任何非貨幣資產或承擔的債務，在損益中確認為融資成本。

除非本集團擁有無條件權利，可清償負債的期限延遲至報告期起計最少十二個月後，否則借款一律歸入流動負債。

2.19 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本在產生期內的損益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

2. 主要會計政策概要(續)

2.20 當期及遞延所得稅

本期間的所得稅支出包括當期和遞延稅項。稅項在損益中確認，但與在其他前面收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他全面收益或直接在權益中確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments that the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2. 主要會計政策概要(續)

2.20 當期及遞延所得稅(續)

(ii)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(iii) Offsetting

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2. 主要會計政策概要(續)

2.20 當期及遞延所得稅(續)

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2.21 僱員福利

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Employee benefits (Continued)

(ii) Pension obligations

The Group companies in Mainland China participate in defined contribution retirement benefit plans organised by relevant government authorities for its employees in Mainland China and contribute to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans.

The Group's subsidiary in Hong Kong participates in a mandatory provident fund ("MPF scheme") for its employees in Hong Kong. Both the subsidiary and the employees are required to contribute 5% of the salaries of the employee's, up to a maximum of HKD1,500 per employee per month. The assets of MPF scheme are held separately from those of the subsidiary in an independent administered fund.

The Group has no further significant obligation for post-retirement benefits beyond the contributions made. The contributions to these plans and MPF Scheme are recognised as employee benefit expense when incurred.

2. 主要會計政策概要(續)

2.21 僱員福利(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Employee benefits (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The unit amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and an employee remaining on service of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time).

Non-market performance and service vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2. 主要會計政策概要(續)

2.22 以股份為基礎的支付

本集團運作多項以權益結算以股份為基礎酬金計劃，據此，實體接受來自僱員的服務，作為本集團權益工具的代價(購股權)。已接受僱員服務(作為授出購股權的交換)的公平值確認為開支。支銷總額乃經參考已授出的購股權的公平值予以釐定：

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Share-based payments (Continued)

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant-date fair value is estimated for the purpose of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

Liabilities for the Group's long-term incentive plans are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as other non-current liabilities in the balance sheet.

2. 主要會計政策概要(續)

2.22 以股份為基礎的支付(續)

此外，在某些情況下，僱員可於授予日期前提供服務，因此估計授予日期的公平值以便確認於服務開始日期至授予日期期間內的支出。

於各報告期末，本集團對預期將按非市場表現及服務條件歸屬之購股權數目之估計進行修訂。其於綜合損益及其他全面收益表中確認修訂最初估計的影響(如有)，並對權益進行相應調整。

於購股權獲行使時認購已發行股份的現金計入股本(面值)及股份溢價(扣除任何直接應佔交易成本)。

本集團長期激勵計劃負債確認為相關服務期間的僱員福利開支。負債會重新計量至各報告日期的公平值，並於資產負債表呈列為其他非流動負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Share-based payments (Continued)

For equity-settled share-based payment transactions, the Group measures the assets or services received, and the corresponding increase in equity, directly, at the fair value of the assets or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the assets or services received, the Group will measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2.23 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2. 主要會計政策概要(續)

2.22 以股份為基礎的支付(續)

就以權益結算以股份為基礎付款交易而言，本集團按已收取資產或已接獲服務的公平值，直接計量已收取的資產或已接獲的服務，以及相應增加的股本，除非該公平值不能可靠估計則作別論。倘本集團不能可靠估計已收取資產或已接獲服務的公平值，則本集團將參考已獲授出的股本工具的公平值，間接計量其價值，以及相應增加的股本。

本公司就其權益工具向本集團附屬公司僱員授出的購股權被視為出資。獲得的僱員服務的公平值(參考授予日期的公平值計量)在歸屬期內確認為對附屬公司投資的增加，並相應計入母公司權益賬的權益。

2.23 撥備

倘本集團因過往事件而導致現時須承擔法律或推定責任，而履行該等責任將需要資源外流，並且已可靠估計有關金額，則會確認法律索償撥備。撥備不會就未來經營虧損作出確認。

如出現多項同類責任，而經考慮責任整體所屬類別後，釐定清償責任時可能會流出資源，則即使同類負債內的任何一個項目可能流出資源的機會極微，也會確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Provisions (Continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.24 Revenue recognition

(i) Construction service

The Group provides construction services for customers. Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards completion of the satisfaction of performance obligation, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The Group records revenue from construction services based on the percentage of completion of the respective construction services. The percentage of completion is determined by applying the input method that measured the progress towards completion of the satisfaction of that performance obligation, depending on the nature of the contract, is measured mainly by reference to the proportion of contract costs incurred for work performed to date to estimated total contract costs for each contract.

2. 主要會計政策概要(續)

2.23 撥備(續)

撥備於報告期末按管理層對履行現時責任所需開支的最佳估計的現值計量。用於釐定現值的折現率為稅前利率，其反映了當前市場對貨幣的時間價值及負債的特有風險的評估。隨時間推移而增加的撥備被確認為利息開支。

2.24 收入確認

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Revenue recognition (Continued)

(iii) Thermal supply

The Group provides thermal supply to the customers. Revenue is recognised when hot steam has generated and transmitted.

(iv) Sale of products

The Group manufactures and sells a range of construction material in the market. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

As receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2. 主要會計政策概要(續)

2.24 收入確認(續)

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Revenue recognition (Continued)

(v) Rendering of design and consultation service

The Group provides design and consultation services for the customers. Revenue from the design and consultation services is recognised over time, when the services are rendered.

2.25 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2. 主要會計政策概要(續)

2.24 收入確認(續)

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2.25 每股盈利

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(ii) ■■■

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Dividend income

Dividends are received from financial assets measured at FVPL and FVOCI. Dividends are recognised as other income in consolidated statement of profit or loss and other comprehensive income when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2.27 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

2. 主要會計政策概要(續)

2.26 股息收入

股息源自按公平值計量且其變動計入損益的金融資產以及按公平值計量且其變動計入其他全面收益的金融資產。當本集團已確立收取股息的權利時，股息才作為其他收益而計入綜合損益及其他全面收益表。即使股息是從收購前利潤中支付的，這一規定仍然適用，除非股息明顯代表對部分投資成本的收回。在這種情況下，若股息與按公平值計量且其變動計入其他全面收益的投資相關，則本集團將其計入其他全面收益。但是，本集團可能需要對該投資進行減值測試。

2.27 租賃

租賃確認為使用權資產，並在租賃資產可供本集團使用之日確認相應負債。

合同可能同時包含租賃組成部分和非租賃組成部分。本集團基於各租賃組成部分與非租賃組成部分的單獨價格相對比例分攤合同代價。不過，對於本集團作為承租人的房地產租賃，本集團已選擇不拆分租賃組成部分與非租賃組成部分，而是將其作為一項單一的租賃組成部分進行會計處理。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

2. 主要會計政策概要(續)

2.27 租賃(續)

租賃付款按租賃內含利率折現。本集團的租賃內含利率通常無法直接確定，在此情況下，應採用承租人的增量借款利率，即承租人在類似經濟環境下獲得與使用權資產價值接近的資產，在類似期間以類似抵押條件借入資金而必須支付的利率。

為確定增量借款利率，本集團應：

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- ☒☒☒☒☒ a☒7•e☒ ☒

☒H☒☒-a☒ ☒☒☒H☒r☒ ☒☒☒Y–D☒9 p d☒☒64☒*☒ ☒☒

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases (Continued)

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2. 主要會計政策概要(續)

2.27 租賃(續)

本集團未來可能會面臨基於指數或利率確定的可變租賃付款增加的風險，這部分可變租賃付款在實際發生時納入租賃負債。當基於指數或利率對租賃付款進行調整時，租賃負債應予以重估從而對使用權資產進行調整。

租賃付款在本金和融資成本之間進行分攤。融資成本在租賃期內計入損益，以按照固定的週期性利率對各期間負債餘額計算利息。

使用權資產按成本計量，包括：

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- ■■ Ya■■Ya ■
- ■■
- Ba■

4■ S■ Y4■ v~a■kQ■■ ■d■■■ ■4■■Y *Y4■■■■ *d■

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases (Continued)

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less or less without a purchase option. Low-value assets comprise IT equipment and vehicle.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

2.28 Dividend distribution

Dividend distribution to shareholders of the Company is recognised as a liability in the Group's consolidated balance sheet and the Company's balance sheet in the period in which the dividends are approved by shareholders of the Company.

2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are recognised in the consolidated statement of profit or loss and other comprehensive income on a straight line basis over the expected lives of the related assets.

2. 主要會計政策概要(續)

2.27 租賃(續)

與短期設備和車輛租賃及所有低價值資產租賃相關的付款額按直線法確認為費用，計入損益。短期租賃是指租賃期為十二個月或者少於十二個月的租賃。低價值資產包括IT[illegible]

[illegible]

2.28 股息分配

向本公司股東分配的股息在股息獲本公司股東批准的期間內於本集團綜合資產負債表及本公司資產負債表內列為負債。

2.29 政府補助

若可合理保證將會獲得有關補貼，且本集團將會符合一切附帶條件，政府補貼則會按公平值確認入賬。

有關成本的政府補貼會遞延入賬，並與該筆補貼所擬定抵償的成本互相配合，在所需期間於綜合損益及其他全面收益表確認。

有關購置物業、機器及設備的政府補貼，列作遞延政府補貼計入非流動負債，並採用直線法按有關資產的預計可使用年限在綜合損益及其他全面收益表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as part of "finance income".

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

For the purpose of consolidated statement of cash flows, the interest income received arising from deposits and loans activities are presented as relating to operating activities, while the interest income received arising from other bank deposits is presented as relating to investing activities.

2. 主要會計政策概要(續)

2.30 利息收入

按攤銷成本列賬之財務資產之利息收入採用實際利率法計算，並於損益中確認為「融資收入」之一部分。

金融資產利息收入按實際利率乘以金融資產賬面總額計算，後續會發生信貸減值的金融資產除外。發生信貸減值的金融資產的利息收入按實際利率乘以金融資產賬面值減去虧損撥備後的淨額計算。

就綜合現金流量表而言，由存款及貸款活動產生收到的利息收入，均列示在經營活動中，而由其他銀行存款產生收到的利息收入列示在投資活動中。

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial market and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC with functional currency as RMB. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities including cash and cash equivalents, borrowings, and other payables and accruals denominated in USD which is not the functional currency of the relevant group entities.

As at 31 December 2022, if USD has strengthened/ weakened by 5% against RMB, with all other variables held constant, the profit before income tax for the year would have been approximately RMB45,527,000 (2021: RMB54,284,000) lower/ higher.

3. 財務風險管理

本集團的經營活動承受多種財務風險：市場風險（包括外匯風險、公平值利率風險及現金流量利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃側重於金融市場的不可預測性，務求盡量降低對本集團財務表現造成的潛在不利影響。

3.1 財務風險因素

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[illegible] 45,527,000
[illegible]ZSJ[illegible]
[illegible] 54,284,000[illegible]

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. Details of the Group's borrowings have been disclosed in Note 29.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a)

(ii)

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

As at 31 December 2022 and 2021, if interest rates on borrowings at variable rates had been 100 basis points higher/lower with all other variables held constant, the profit before income tax for each year would have changed mainly as a result of higher/lower interest expense on floating rate borrowings. Details of the changes are as follows:

3. 財務風險管理(續)

3.1 財務風險因素(續)

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			2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
For the year ended:	☒			
the profit before income tax profit (decrease)/ increase	☒☒			
– 100 basis points higher	– ☒	100 H☒	**(6,770)**	(3,150)
– 100 basis points lower	– ☒	100 H☒	**6,770**	3,150

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, financial assets at fair value through other comprehensive income, contract assets, trade receivables and other receivables. The carrying amounts of cash and cash equivalents, contract assets, trade receivables and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

Credit risk on trade debtors is managed by the management of the individual business units and monitored by the Group's management on a group basis. Most customers are sizable and renowned. Management assesses the credit quality of smaller customers by considering their financial position, past experience therewith and other relevant factors. The utilisation of credit limits is regularly monitored.

(i) Credit risk of cash and cash equivalents

To manage this risk arising from bank balances, the Group primarily transacts with reputable banks which are all high-credit-quality financial institutions. There has no recent history of default in relation to these financial institutions. The expected credit loss is close to zero.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) ■■

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risk of financial assets at fair value through other comprehensive income

All of the Group's financial assets at fair value through other comprehensive income are considered to have low credit risk because they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(iii) Credit risk of trade receivables and contract assets

The Group has trade receivables and contract assets for provision of services or sales of goods subject to the expected credit loss model on adoption of IFRS 9.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) ⊠⊠

(ii) 2⊠⊠ ⊠⊠&⊠ Y−D *Y⊠, ⊠

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(iii) ⊠⊠ *Y⊠⊠

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I⊠⊠ S⊠K 9⊠ ⊠⊠⊠f &d1⊠⊠ ⊠4⊠ ⊠⊠&a⊠

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of trade receivables and contract assets (Continued)

Management assessed the impairment of trade receivables and contract assets based on expected credit losses methodology. The impairment of individually significant trade receivables and contract assets were assessed on an individual basis based on management's estimates of the discounted future cash flows. Individual insignificant trade receivables and contract assets balances were grouped based on their credit risk characteristics for overall evaluation. The collective impairment provision was determined by management based on historical loss experience, taking into considerations of forward-looking macroeconomic data, industry risk and other circumstances.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on their credit risk characteristics for overall evaluation. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b)

(iii)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of trade receivables and contract assets (Continued)

The expected loss rates are based on the payment profiles of sales over a period of 60 months before the balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the CPI and GDP to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

As at 31 December 2022, the Group had receivables of RMB1,080,123,000 relating to tariff subsidy receivables. The expected credit loss of these receivables is insignificant as continuous settlements were noted and there was no history of default. The settlement of these subsidies are paid by the State Grid Corporation of China and funded by the Ministry of Finance of China.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) ☒☒☒

(iii) ☒☒☒
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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of trade receivables and contract assets (Continued)

As at 31 December 2022, the Group had trade receivables (excluding tariff subsidy receivables) and contract assets amounting to approximately RMB4,029,497,000 and RMB4,146,431,000, respectively. Provisions for impairment of approximately RMB931,997,000 and RMB241,649,000 were recognised on the trade receivables (excluding tariff subsidy receivables) and contract assets, respectively.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b)

(iii)

4,029,497,000

4,146,431,000

931,997,000

241,649,000

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of trade receivables and contract assets (Continued)

On that basis, the loss allowance as at 31 December 2022 and 2021 was determined as follows for both trade receivables (excluding tariff subsidy receivables) and contract assets:

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) ☒

(iii) ☒
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31 December 2022		Within 180 days	181 to 365 days	1 to 2 year	2 to 3 year	Over 3 year	Total
二零二二年十二月三十一日		180日內	181日至365日	一至兩年	兩至三年	三年以上	總計
Expected loss rate	k☒&	2.94%	4.71%	18.31%	18.10%	51.02%	23.13%
Gross carrying amount	*&☒						
– trade receivables	– c☒						
(RMB'000)	☒☒☒	839,322	888,537	531,026	410,608	1,360,004	4,029,497
Loss allowance	f&a☒						
(RMB'000)	☒☒☒	(24,640)	(41,879)	(97,248)	(74,337)	(693,893)	(931,997)

3 FINANCIAL RISK MANAGEMENT (Continued)

3. 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(b) Credit risk (Continued)

(b) ▩▩

(iii) Credit risk of trade receivables and contract assets (Continued)

(iii) ▩▩
*Y▩▩

31 December 2021		Within 180 days	181 to 365 days	1 to 2 year	2 to 3 year	Over 3 year	Total
ZgZS▩Z▩dS▩	180	▩	181▩ 365 ▩	SG▩	Gg▩	g▩	▩
Expected loss rate	k▩&	3.93%	7.73%	7.84%	27.66%	51.38%	25.24%
Gross carrying amount – trade receivables (RMB'000)	*&▩ – q▩ ▩▩▩	728,086	217,403	696,054	531,071	1,152,971	3,325,585
Loss allowance (RMB'000)	f&a▩ ▩▩▩	(28,645)	(16,801)	(54,547)	(146,911)	(592,406)	(839,310)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of trade receivables and contract assets (Continued)

31 December 2022 ZgZZZdS		Within credit terms 於信貸期內
Expected loss rate	k&	5.83%
Gross carrying amount – contract assets (RMB'000)	*& –	4,146,431
Loss allowance (RMB'000)	f&	(241,649)

31 December 2021 ZgZSZdS		Within credit terms
Expected loss rate	k&	5.10%
Gross carrying amount – contract assets (RMB'000)	*& –	3,893,432
Loss allowance (RMB'000)	f&	(198,572)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b)

(iii) *Y

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of trade receivables and contract assets (Continued)

The loss allowances for trade receivables and contract assets as at 31 December reconcile to the opening loss allowances as follows:

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b)

(iii)

	Trade receivables and contract assets 應收貿易款項及合約資產	
	2022 二零二二年 RMB'000 人民幣千元	2021 RMB'000
Opening loss allowance at 1 January	**1,037,882**	974,488
Provision for impairment losses	**135,764**	63,394
Closing loss allowance at 31 December	**1,173,646**	1,037,882

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iv) Credit risk of other receivables

Other financial assets at amortised cost

The loss allowance for other financial assets at amortised cost as at 31 December reconciles to the opening loss allowance as follows:

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) ☒☒

(iv) I☒☒☒
,☒

2☒☒☒Y I
☒D*

☒ZgdS☒
☒☒☒Y I☒
–D *f&a☒
☒☒&a☒☒
☒j

	Other receivables 其他應收款項	
	2022 二零二二年	2021 ZgZS☒
	RMB'000 人民幣千元	RMB'000 ☒☒☒
Opening loss allowance at 1 January ☒☒☒☒☒&a☒	**109,338**	109,488
Increase/(Decrease) in the allowance recognised in profit or loss during the year ☒B☒☒a☒ ☒	**612**	(150)
Closing loss allowance at 31 December ☒ZgdS☒☒☒ f&a☒	**109,950**	109,338

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalent and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) t–,▩

2t–,▩▩▩
9j5$–▩–
Jd▩▩▩
X▩fl▩
▩▩▩▩▩
Xj5–Y3z▩

M▩▩▩▩–t▩
▩▩-▩
k▩

h▩▩▩
▩▩▩▩▩
l▩–D▩
▩▩fl▩▩
–X▩▩▩ h$$–t
▩

3 FINANCIAL RISK MANAGEMENT (Continued)

3. 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(c) Liquidity risk (Continued)

(c) t-

		Within 1 year 一年內 RMB'000 人民幣千元	1-2 years 一至兩年 RMB'000 人民幣千元	2-5 years 兩至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2022	☒gZZ☒ dZgdS☒					
Borrowings (including interest payable)	☒	2,680,969	1,327,597	2,069,076	2,065,858	8,143,500
Lease liabilities	a☒	7,864	6,474	10,369	11,707	36,414
Trade and bills payables	☒☒☒	2,770,918	–	–	–	2,770,918
Other payables and accruals	l☒	1,253,517	–	–	–	1,253,517
Total	☒	6,713,268	1,334,071	2,079,445	2,077,565	12,204,349
At 31 December 2021	☒gZS☒Z☒ gdS☒					
Senior notes	☒☒	1,551,266	–	–	–	1,551,266
Borrowings	☒	823,630	398,842	1,798,714	1,776,054	4,797,240
Lease liabilities (including interest payable)	☒☒	2,981	12,347	2,195	7,521	25,044
Trade and bills payables	☒☒☒	2,180,962	–	–	–	2,180,962
Other payables and accruals	l☒	1,572,038	–	–	–	1,572,038
Total	☒	6,130,877	411,189	1,800,909	1,783,575	10,126,550

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

3.2 資本風險管理

本集團旨在於管理資本時保障本集團持續經營的能力，從而為股東提供回報及為其他持份者提供利益，並維持最佳資本結構以降低資本成本。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the net debt to total capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as senior note, total borrowings, amount due to related parties and lease liabilities less cash and cash equivalents and pledged deposits. Total capital is calculated as 'total equity' as shown in the consolidated statements of financial position plus net debt.

The gearing ratios at 31 December 2022 and 2021 were as follows:

3. 財務風險管理(續)

3.2 資本風險管理(續)

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東返還資本、發行新股或出售資產以減少債務。

與業內其他公司一致，本集團根據淨債務與總資本比率監控資本。該比按淨債務除以總資本計算。淨債務按優先票據、總借貸、應付關聯方款項及租賃負債減去現金及現金等價物及已抵押存款計算。總資本按綜合財務狀況表所呈列的「總權益」加淨債務計算。

於二零二二年及二零二一年十二月三十一日的槓桿比率如下：

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯
Net debt	▯	**7,132,945**	5,951,966
Total equity	▯	**5,066,886**	4,681,999
Total capital	▯	**12,199,831**	10,633,965
The net debt to total capital ratio	▯▯	**58%**	56%

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. 財務風險管理(續)

3.3 公平值估計

下表為採用估值方法按公平值計量的金融工具分析。不同層級的定義如下：

- ☒☒'9 ☒☒4 f ¢
- ☒S4tY☒ *☒☒☒ ☒☒*☒ ☒☒Yi☒p☒ ☒Z4t•
- (☒☒p☒ *☒☒☒☒' H☒☒☒☒g4 f ¢

3 FINANCIAL RISK MANAGEMENT (Continued)

3. 財務風險管理(續)

3.3 Fair value estimation (Continued)

3.3 公平值估計(續)

The fair value measurements by level of the fair value measurement hierarchy were as follows:

按公平值計量層級劃分的公平值計量如下：

	Level 1 KS4t RMB'000 ▯▯▯	Level 2 KZ4t RMB'000 ▯▯▯	Level 3 Kg4t RMB'000 ▯▯▯	Total ▯ RMB'000 ▯▯▯
At 31 December 2022 ▯gZZ▯ dZ▯dS▯				
Financial assets at fair value through profit or loss 2–;▯BY –D*				
– Listed equity securities – j9pl▯	6,469	–	–	6,469
Financial assets at fair value through other comprehensive income 2▯ l▯ l▯▯BY –D*				
– Equity securities – pl▯	–	–	21,967	21,967
At 31 December 2021 ▯gZS▯ dZ▯dS▯				
Financial assets at fair value through other comprehensive income 2▯ l▯ l▯▯BY –D*				
– Equity securities – pl▯	–	–	10,503	10,503

During the year ended 31 December 2022, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets.

截至二零二二年十二月三十一日止年度，概無存在影響本集團金融資產公平值的業務或經濟環境的重大變動。

The carrying amounts of equity securities approximate their fair values.

股本證券的賬面值與其公平值相若。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

(i) Constructions service

The Group applies input method to measure the progress of constructions service provided by the Group, which is based on the entity's inputs to the satisfaction of constructions service relative to the total expected inputs to the satisfaction of constructions service. Because of the nature of the activity undertaken in constructions, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. In the contract progress, the management of the Group regularly reviews the transaction price and contract modification, contract costs in the budget prepared for each contract, the progress of the contract performance and the accumulatively actual cost. If there are circumstances that there are changes in the transaction price, the contract costs in the budget or the progress of the contract performance, estimates are revised. These revisions may result in increasing or decreasing in estimated revenues or costs and are reflected in consolidated statement of profit or loss and other comprehensive income in the current period. Where the actual contract revenue is less than expected or actual contract costs, an expected loss may arise.

4. 重要會計估計及判斷

[illegible]

(i) 建築服務

本集團採用投入法計量由本集團所提供的建築服務的進度，此乃根據實體為完成建築服務而作出的投入相對於為完成建築服務而預期之總投入計量。受建築過程中所進行的活動的性質影響，簽訂合約的日期與活動完工的日期通常屬於不同的會計期間。在合約進行過程中，本集團管理層會定期覆核各項合約的交易價格及合約變更、預算合約成本、履約進度及累計實際發生的合約成本。如果出現可能會導致合約交易價格、合約成本或履約進度發生變更的情況，則會進行修訂。修訂可能導致收入或成本的增加或減少，並在本期間的綜合損益及其他全面收益表中反映。倘實際合約收入低於預期或實際合約成本高於預期，則或會產生減值虧損。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(ii) Provision for impairment of receivables and contract assets

The Group's management determines the provision for impairment of receivables and contract assets based on the expected credit losses which uses a lifetime expected loss allowance. The loss allowances are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details the key assumptions and inputs used are disclosed in note 3.1(b).

(iii) Impairment assessments of goodwill with indefinite useful lives

The Group tests annually whether goodwill with indefinite useful lives have suffered any impairment, in accordance with the accounting policy stated in Note 2.9. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(iv) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 重要會計估計及判斷(續)

(ii) 應收款項及合約資產的減值撥備

本集團管理層根據使用全期預期信貸虧損計量的預期信貸虧損釐定應收款項及合約資產的減值撥備。虧損撥備乃基於有關違約風險及預期虧損率之假設計提。本集團於作出該等假設及選擇減值計算的輸入值時會根據本集團於各報告期末之過往紀錄、當前市況以及前瞻性估計作出判斷。有關主要假設及輸入數據的詳情於附註3.1(b)■

(iii) 無限可使用年期的商譽減值評估

本集團根據附註2.91¥6A
■■■■■
'■$■■$–*■
Y■X24■
Q■■Q■k
■

(iv) 物業、廠房及設備的可使用年期

本集團管理層釐定本集團物業、廠房及設備的估計使用年期及相關折舊開支。有關估計乃基於性質及功能相若之物業、廠房及設備的實際使用年期的過往經驗而作出。可能因技術創新及競爭對手因應嚴峻行業週期而採取的行動而出現重大變動。管理層會上調折舊開支，或者撇銷或撇減已棄用或售出的技術過時資產或非策略性資產。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(v) Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated statement of profit or loss and other comprehensive income.

4. 重要會計估計及判斷(續)

(v) 物業、廠房及設備減值

每當有事件或情況變化顯示賬面值可能無法收回時，本集團將對會物業、廠房及設備進行減值審閱。可收回金額乃按使用價值計算釐定。該等計算涉及判斷及估計。

管理層須判斷資產減值範疇，尤其是評估：(i) JI☒
j☒ ☒☒☒
ᵏ(ii) ☒- ☒C☒,☒
☒☒2☒•5☒☒
* YJ8$–t☒$☒
Gk•YO☒☒
Y&☒ (iii)☒–t
☒☒☒G☒☒
☒$–t☒☒I4☒
☒hhfJM☒☒
Y☒☒-t☒
☒☒h$☒–☒
☒☒☒6☒☒
•Y$☒☒☒☒☒
B☒☒Y☒K1☒☒
6f☒☒$☒☒8$–
t☒☒$☒;d☒
☒☒&B☒☒&☒
B☒☒

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(vi) Impairment of the Group's assets

The Group follows the guidance of IAS 36 to determine whether the Group's assets are impaired. As stated in IAS 36, the equity attributable to owners of an entity that exceeds its market capitalisation is an impairment indicator which would require an estimate of the recoverable amount to be performed. As at 31 December 2022, the Group's market capitalisation of approximately RMB2,027 million, which is lower than the equity attributable to owners of the Company of RMB3,837 million. The Group needs to assess whether its assets are impaired. This assessment requires significant judgments and estimations. In making these judgments and estimations, the Group evaluates and considers both qualitative and quantitative factors that will affect the value-in-use of an asset or a cash-generating unit ("CGU") such as the extent of difference between the equity attributable to owners of the Company and market capitalisation, composition of the Group's assets, results and timing of previous impairment tests.

(vii) Income taxes and deferred income tax

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4. 重要會計估計及判斷(續)

(vi) 本集團資產的減值

本集團按照國際會計準則第36

2,027,000,000

3,837,000,000

(vii) 所得稅及遞延所得稅

在正常業務過程中，若干交易的最終稅務結果並不確定。倘該等事宜的最終稅務結果與初步記錄的金額不同，該等差額將影響作出有關釐定撥備期間內的即期及遞延所得稅資產及負債撥備。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(vii) Income taxes and deferred income tax (Continued)

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates are changed.

4. 重要會計估計及判斷(續)

(vii) 所得稅及遞延所得稅(續)

JM⊠4⊠8⊠
P;⊠r⊠⊠
f&d⊠6⊠r⊠
⊠⊠&Y⊠
*fJk⊠X~a⊠
⊠d⊠Z6B⊠
⊠Y⊠
⊠⊠

5 SEGMENT INFORMATION

The Board of Directors of the Group has been identified as the chief operating decision-maker. The Board of Directors reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these internal reports.

The Board of Directors assesses the performance according to four main business segments as follows:

(i) Construction services: Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

(ii) Sale of products: Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, being when the products are delivered to the customers

5. 分部資料

本集團的董事會為主要營運決策人。董事會通過審閱本集團內部報告，以評估分部業績及分配資源。管理層已根據該等內部報告釐定出經營分部。

董事會根據以下四個主要業務分部對業績進行評估：

(i) jd6 Y⊠
⊠⊠⊠d4⊠⊠
⊠⊠ Y⊠⊠
⊠⊠⊠⊠
⊠⊠—⊠⊠
Y*fi⊠2⊠⊠
⊠&⊠⊠⊠
⊠⊠⊠

(ii) V/*⊠⊠V/*⊠⊠
W⊠S⊠E⊠⊠
⊠⊠

5 SEGMENT INFORMATION (Continued)

(iii) Sale of electricity and related tariff subsidy: Revenue from the sale of electricity is recognised in the accounting period when electricity is generated and transmitted. Revenue from the tariff subsidy represents subsidies received and receivable from the government authorities in respect of the Group's solar power plant business. Tariff subsidy is recognised at its fair value where there is a reasonable assurance that the additional tariff will be received and the Group will comply with all attached conditions, if any.

(iv) Others: The other remaining segments includes the thermal supply and the rendering of design as well as consultation service. Revenue from the thermal supply is recognised at the point in time when the steam is transmitted. Revenue from the design and consultation service is recognised, when the services are rendered.

The board of directors assesses the performance of the operating segments based on profit for the year.

(a) Segment revenue

5. 分部資料(續)

(iii) V/eb■■ ■j8
V/ebY■V■■e
Y6 ■■8■■
Y■81l■■8■
8 ■■■■A ■■Y ■
hfe■W■■■
■X.e■■Z ■
■■■■
■

(iv) l■■h■■6
■6■■ f8
6 Y■■■Y■
■■8■■ Y■
■6■

■■;Y■8
6f

(a) 分部收入

		Year ended 31 December 2022 截至二零二二年十二月三十一日止年度		Year ended 31 December 2021 ■gZS■ dZ■dS■ ■	
		RMB'000 人民幣千元	% %	RMB■000 ■■■	% %
Revenue from contracts with customers	■				
Construction services		**3,387,322**	**68.93**	5,105,877	78.51
Sale of products	*■/	**789,191**	**16.06**	610,234	9.38
Sale of electricity	ebV/	**474,255**	**9.65**	455,618	7.01
Others	l■	**263,514**	**5.36**	331,699	5.10
Revenue	■	**4,914,282**	**100.00**	6,503,428	100.00

5 SEGMENT INFORMATION (Continued)

5. 分部資料(續)

(b) Other segment information

(b) 其他分部資料

The segment results for the year ended 31 December 2022 are as follows:

截至二零二二年十二月三十一日止年度的分部業績如下：

		Construction services 建築合同 RMB'000 人民幣千元	Sale of products 產品銷售 RMB'000 人民幣千元	Sale of electricity 電力銷售 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Elimination 註銷 RMB'000 人民幣千元	The Group 本集團 RMB'000 人民幣千元
Revenue from contracts with customers:	☒						
– Recognised at a point of time	–☒H☒	–	789,191	474,255	188,122	–	1,451,568
– Recognised over time	–☒☒	3,387,322	–	–	75,392	–	3,462,714
Total revenue from external customers	**外部客戶收入總額**	3,387,322	789,191	474,255	263,514	–	4,914,282
Inter-segment revenue	☒	85,152	459,536	–	21,094	(565,782)	–
Segment revenue	**分部收入**	3,472,474	1,248,727	474,255	284,608	(565,782)	4,914,282
Gross profit	**毛利**	559,115	95,592	266,845	78,504	(36,401)	963,655

5 SEGMENT INFORMATION (Continued)

(b) Other segment information (Continued)

The segment results for the year ended 31 December 2021 are as follows:

		Construction services ▯ RMB▯000 ▯▯▯	Sale of products *▯/ RMB'000 ▯▯▯	Sale of electricity ebV/ RMB▯000 ▯▯▯	Others l▯ RMB▯000 ▯▯▯	Elimination WV RMB▯000 ▯▯▯	The Group l▯ RMB▯000 ▯▯▯
Revenue from contracts with customers:	▯						
– Recognised at a point of time	– ▯H▯	–	610,234	455,618	268,602	–	1,334,454
– Recognised over time	– ▯▯	5,105,877	–	–	63,097	–	5,168,974
Total revenue from external customers	**外部客戶收入總額**	5,105,877	610,234	455,618	331,699	–	6,503,428
Inter-segment revenue	▯	–	217,183	–	–	(217,183)	–
Segment revenue	**分部收入**	5,105,877	827,417	455,618	331,699	(217,183)	6,503,428
Gross profit	**毛利**						

5 SEGMENT INFORMATION (Continued)

(b) Other segment information (Continued)

Segment assets/liabilities

The segment assets/liabilities as at 31 December 2022 and 2021 are as follows:

5. 分部資料(續)

(b) 其他分部資料(續)

分部資產／負債

截至二零二二年及二零二一年十二月三十一日止年度的分部資產／負債如下：

		As at 31 December 2022 於二零二二年十二月三十一日				
		Construction services 建築服務	Sale of products 產品銷售	Sale of electricity 電力銷售	Others 其他	The Group 本集團
Total assets	**總資產**	7,867,362	1,282,638	6,968,020	474,432	16,592,452
Unallocated:	J☒					
Long-term equity investments	—☒☒					24,768
Loans to related parties	r☒☒					41,037
Deferred income tax assets	☒					312,947
Total	☒					16,971,204
Total liabilities	**總負債**	3,098,560	297,086	414,461	42,750	3,852,857
Unallocated:	J☒					
Deferred income tax liabilities	☒					106,961
Current tax liabilities (EIT)	C☒					100,329
Borrowings	☒					6,783,012
Loans from related parties	☒☒					1,061,159
Total	☒					11,904,318

5 SEGMENT INFORMATION (Continued)

(b) Other segment information (Continued)

Segment assets/liabilities (Continued)

As at 31 December 2021

b)eF38.104 Decem5F5025A0F67025A025303CB0264025A02DC026702640253302DA ang (en-GB)/MCID 9685 DC BT6.861 1 Tf6.8 0 0 8.5 107ext EFF0009

5 SEGMENT INFORMATION (Continued)

(b) Other segment information (Continued)

Revenue generated by regions, based on the locations of the business is as follows:

		Year ended 31 December 2022 二零二二年 RMB'000 人民幣千元	Year ended 31 December 2021 截至十二月三十一日 ZgZS⊠ RMB'000 ⊠⊠⊠
Domestic – Mainland China	7⊠- •7⊠	4,694,547	6,221,445
Overseas	.	219,735	281,983
		4,914,282	6,503,428

The total of non-current assets other than financial instruments and deferred income tax assets located in different regions is as follows:

		As at 31 December 2022 於十二月三十一日 二零二二年 RMB'000 人民幣千元	As at 31 December 2021 ZgZS⊠ RMB'000 ⊠⊠⊠
The total of non-current assets other than financial instruments and deferred income tax assets	⊠D⊠⊠.Y ⊠'⊠		
Domestic – Mainland China	7⊠- •7⊠	6,691,491	5,646,882
Overseas	.	13,782	25,248
		6,705,273	5,672,130

5. 分部資料(續)

(b) 其他分部資料(續)

根據業務所在地劃分，各地區產生的收入如下：

		截至十二月三十一日 二零二二年 RMB'000 人民幣千元	截至十二月三十一日 ZgZS⊠ RMB'000 ⊠⊠⊠
Domestic – Mainland China	7⊠- •7⊠	4,694,547	6,221,445
Overseas	.	219,735	281,983
		4,914,282	6,503,428

除金融工具及遞延所得稅資產外位於不同地區的非流動資產總值如下：

		於十二月三十一日 二零二二年 RMB'000 人民幣千元	於十二月三十一日 ZgZS⊠ RMB'000 ⊠⊠⊠
The total of non-current assets other than financial instruments and deferred income tax assets	⊠D⊠⊠.Y ⊠'⊠		
Domestic – Mainland China	7⊠- •7⊠	6,691,491	5,646,882
Overseas	.	13,782	25,248
		6,705,273	5,672,130

5 SEGMENT INFORMATION (Continued)

(c) Liabilities related to contracts with customers

(i) The Group has recognised the following liabilities related to contracts with customers:

5. 分部資料(續)

(c) 與客戶合約相關負債

(i) ▯▯~▯ ▯▯▯

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯▯
Construction services		**190,078**	59,772
Sale of products	*▯▯/	**134,350**	132,547
Total contract liabilities	▯	**324,428**	192,319

(ii) The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

(ii) h▯▯S▯ 7▯▯▯▯

		Year ended 31 December 截至十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯▯
Construction contracts		**58,586**	76,687
Sale of products	*▯▯/	**129,541**	43,618
		188,127	120,305

6. EXPENSE BY NATURE

6. 按性質劃分的開支

		Year ended 31 December 截至十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Raw materials consumed and changes in inventories of finished goods and merchandise	☒☒ ☒	2,498,542	3,604,434
Outsourced labor costs	.☒	974,068	1,478,831
Employee benefit expenses (Note 7)	☒E☒ 7•	254,595	246,413
Depreciation of property, plant and equipment (Note 14)	J8☒☒ 14•	207,909	200,976
Consulting services expenses	T☒	29,539	26,747
Travel and office expenses	☒☒	23,717	35,956
Auditor's remuneration	☒☒G	13,618	8,157
– Audit service	– ☒	7,262	7,986
– Others	– I☒	6,356	171
Impairment loss on property, plant and equipment (Note 14)	J8e☒& ☒V 14•	13,605	45,628
Amortisation of right-of-use assets (Note 15)	4☒☒V 15•	13,106	11,499
Repair and maintenance expenses	jL☒☒	10,325	3,084
Short-term rental expenses	☒–☒	7,779	8,287
Design expenses	☒	5,907	11,652
Amortization of intangible assets (Note 17)	☒*☒V 17•	5,733	5,841
Others	I☒	321,306	228,125
Depreciation of investment property	☒8☒	7,904	8,156
Total cost of sales, distribution cost and administrative expenses	☒/☒e☒☒ ☒☒	4,387,653	5,923,786

7. EMPLOYEE BENEFIT EXPENSES

The aggregate amounts of staff costs including directors' emoluments are as follows:

7. 僱員福利開支

包括董事酬金在內的員工成本總額如下：

	Year ended 31 December 截至十二月三十一日	
	2022 二零二二年 RMB'000 人民幣千元	2021 RMB'000
Employee benefit expense (including directors' and chief executive's remuneration)		
Wages and salaries and relevant benefits	**243,866**	233,290
Pension scheme defined contributions	**10,729**	12,757
Equity-settled share option expense	**–**	366
Total	**254,595**	246,413

7. EMPLOYEE BENEFIT EXPENSES

(a) Five highest paid employees

The five highest paid employees during the year included one (2021: two) director, details of whose remuneration are set out in note 39. Details of the remuneration for the year of the remaining four (2021: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

7. 僱員福利開支(續)

(a) 五位最高薪僱員

年內，五位最高薪僱員中包括一位董事(二零二一年：兩位董事)，彼等的酬金詳情載於附註 39f q h ☒Z g Z S ☒g ☒☒☒☒ ☒☒☒G–☒j

	Year ended 31 December 截至十二月三十一日	
	2022 二零二二年	2021 ZgZS☒
	RMB'000 人民幣千元	RMB'000 ☒☒☒
Salaries, allowances and benefits in kind	**6,132**	5,331
Pension scheme contributions	**168**	130
	6,300	5,461

The remunerations of the remaining highest paid employees whose fell within the following bands:

G–☒ ☒☒☒☒ pYpf☒j

			Number of employees 僱員數目	
			2022 二零二二年	2021 ZgZS☒
HKD1,000,001 to HKD1,500,000	1,000,001☒	1,500,000☒	**3**	–
HKD1,500,001 to HKD2,500,000	1,500,001☒	2,500,000☒	**1**	2
HKD2,500,001 to HKD3,500,000	2,500,001☒	3,500,000☒	**–**	1
			4	3

8. OTHER INCOME

An analysis of other income is as follows:

8. 其他收入

其他收入的分析如下：

	Year ended 31 December 截至十二月三十一日	
	2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯▯
Operating lease rental income from investment properties and others	**20,760**	23,493
Amortisation of deferred government grants (Note 32)	**12,826**	14,662
Others	**10,636**	13,707
	44,222	51,862

9. OTHER GAINS-NET

An analysis of other gains is as follows:

9. 其他收益淨額

其他收益的分析如下：

	Year ended 31 December 截至十二月三十一日	
	2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯▯
Gain on disposal of associates	**2,496**	–
Disposal loss of property, plant and equipment	**(223)**	(3,692)
Foreign exchange gains, net	**–**	14,421
Gains on debt restructuring	**–**	1,589
Others	**(673)**	(918)
	1,600	11,400

10. FINANCE COSTS, NET

10. 融資成本淨額

			Year ended 31 December 截至十二月三十一日	
			2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS⊠ RMB'000 ⊠⊠⊠
Finance cost:	**融資成本：**			
– Interest on bank and other loans	– ⊠⊠⊠		**218,409**	169,805
– Interest on senior notes (Note 30)	– ⊠⊠⊠	30•	**87,553**	91,573
– Interest on amounts due to related parties	– ⊠⊠		**55,209**	78,312
– Interest on lease liabilities (Note 15)	– a⊠⊠	15•	**1,512**	835
– Others	– l⊠		**421**	1,317
– Foreign exchange losses/(gains), net	.⊠.⊠•		**46,501**	(34,068)
Less: Interest capitalised	⊠⊠⊠		**(16,781)**	(14,827)
Total finance costs	D⊠⊠		**392,824**	292,947
Finance income:	**融資收入：**			
– Bank interest income	– ⊠⊠		**(2,807)**	(3,926)
Total finance income	D⊠		**(2,807)**	(3,926)
Finance costs – net	**融資成本淨額**		**390,017**	289,021

The capitalisation rates used to determine the amount of borrowing costs are 5.00% to 5.65% (2021: 4.90% to 6.32%) per annum for year 2022.

二零二二年用於釐定借款成本金額的資本化率介乎5.00% 5.65%⊠gZS ⊠4.90% 6.32%•

11. INCOME TAX CHARGE

The amount of income tax charged to the consolidated statement of profit or loss and other comprehensive income represents:

11. 所得稅支出

綜合損益及其他全面收益表內之所得稅項支出金額如下：

	Year ended 31 December 截至十二月三十一日	
	2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯
Current income tax ▯	**39,087**	114,467
Deferred income tax credit ▯	**(12,789)**	(60,156)
Income tax charge ▯	**26,298**	54,311

11. INCOME TAX CHARGE (Continued)

The difference between the actual income tax expense charged to the consolidated statement of profit or loss and other comprehensive income and the amounts which would result from applying the enacted tax rates to profit before taxation can be reconciled as follows:

11. 所得稅支出(續)

扣除自綜合損益及其他全面收益表的實際所得稅開支與就除稅前溢利應用已頒佈稅率所得出金額之間差額可調節如下：

	Year ended 31 December 截至十二月三十一日	
	2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Profit before income tax ☒;	**47,421**	290,104
Tax calculated at tax rates applicable to 2☒☒P;G☒☒ profits of the respective subsidiaries QY☒	**25,346**	81,749
Impact of preferential tax rate entitled .☒☒B☒	**(17,040)**	(42,655)
Income not subject to tax ☒☒☒	**(12,064)**	(21,127)
Expenses not deductible for tax purposes ”☒	**18,536**	30,307
Recognition of deferred income tax ☒I☒ previously not recognised ☒	**(2,777)**	–
Temporary difference for which no ☒ deferred income tax asset was recognised Yr☒	**6,774**	7,383
Tax losses for which no deferred income ☒ tax asset was recognised Y☒&	**26,735**	22,324
Utilisation of the tax losses ;☒☒ unrecognised previously Y☒&	**(1,562)**	(3,202)
Super deductions from research ☒K☒ and development expenditures	**(15,339)**	(10,856)
Tax filing difference for prior year ☒	**(2,311)**	(9,612)
	26,298	54,311

11. INCOME TAX CHARGE (Continued)

The applicable corporate income tax ("CIT") rate for Mainland China subsidiaries is 25% except for certain subsidiaries that are entitled to preferential tax rates as discussed below:

For Mainland China subsidiaries which are qualified as High and New Technology Enterprises, they are entitled to a preferential tax rate of 15%. For subsidiaries engaging in encouraged industries in Western China, they are entitled to a preferential tax rate of 15% for the period from 1 January 2011 to 31 December 2030. For subsidiaries engaging in the approved projects of solar power station construction, they are exempted from CIT for the first three years and are entitled to a 50% tax reduction for the subsequent three years (" g 5 g L ") since their respective first revenue-generating years. Thereafter, they are subject to CIT at a rate of 25% or 15%.

The Group's subsidiaries registered in Hong Kong are subject to a rate of 16.5% on the estimated assessable profits for the year ended 31 December 2022 (2021: 16.5%). For the year ended 31 December 2022, the Group's subsidiaries incorporated in Hong Kong did not have assessable profit and therefore have not provided for any Hong Kong profits tax.

11. 所得稅支出／(抵免)(續)

中國大陸附屬公司之適用企業所得稅(「企業所得稅」)稅率為25%d.ah•

15% 7

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g d S D . a 15%

f g Y•

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25% 15%

I W n

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16.5% gZS

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,521,081,780 (2021: 2,521,081,780) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2022 and 2021 in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices for the Company's shares during the current and the prior year.

12. 每股盈利

每股基本盈利乃根據本公司普通股權益持有人應佔年內溢利及年內已發行普通股的加權平均數2,521,081,780⊠g ZS⊠2,521,081,780 ⊠f

⊠gZZ⊠gZS⊠Z ⊠dS⊠I⊠4⊠ ⊠Y4⊠⊠⊠;i9 dB(⊠⊠⊠O• Y⊠p⊠j–X*⊠ ⊠

	Year ended 31 December 截至十二月三十一日	
	2022 二零二二年	2021 ZgZS⊠
	RMB'000 人民幣千元	RMB'000 ⊠⊠⊠
Profit attributable to equity holders of the Company	**3,837**	221,410
Weighted average number of ordinary shares issued	**2,521,082**	2,521,082
Basic earnings per share	**0.002**	0.088

13. SUBSIDIARIES (Continued)

13. 附屬公司(續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔權益百分比 %	Principal activities 主要業務
Directly held: (continued) **直接持有：(續)**				
Foshan Keliyuan New Energy Technology Co., Ltd. ☒oshan Keliyuan☒) ☒☒•J☒ ☒☒☒	PRC/ Mainland China •7J•7☒	RMB 30,000,000 ☒☒ 30,000,000☒	100%	Design, manufacture, supply and installation of solar photovoltaic power stations ☒☒6☒ ☒g
Singyes MRW Joint Venture Co., Ltd. ☒MRW ☒) Singyes MRW Joint Venture Co.,☒td. M☒W☒	Hong Kong 0☒	HKD 10,000 10,000☒	100%	Design, supply and installation of curtain walls ☒6☒
Indirectly held: **間接持有：**				
Macao Singyes Renewable Energy Technology Co., Ltd. ☒Macao Singyes☒) ☒8-☒ ☒☒☒	Macau ☒	–	100%	Design, supply and installation of curtain walls ☒6☒ ☒
China Singyes New Materials Holdings. Co., Ltd. ☒ingyes New Materials☒) •738-☒☒ ☒☒•☒	Bermuda ☒	USD 5,200,000 5,200,000☒	62.4%	Investment holding ☒

13. SUBSIDIARIES (Continued)

13. 附屬公司(續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) **間接持有：(續)**				
Zhuhai Singyes Green Building Technology Co., Ltd. ▯Zhuhai Singyes ▯ .38▯ ▯▯▯▯	PRC/ Mainland China •7J•7▯	USD 48,960,807 48,960,807▯	100%	Design, manufacture, supply and installation of curtain walls and solar photovoltaic power stations ▯▯6▯ ▯ ▯g
Shuifa Singyes Energy (Zhuhai) Co., Ltd. ▯huifa Singyes Energy▯) (formerly known as ▯Zhuhai Singyes Renewable Energy Co., Ltd▯) ▯8▯▯ ▯▯▯▯ ▯.38-▯ ▯	PRC/ Mainland China •7J•7▯	USD 47,868,500 47,868,500▯	100%	Design, manufacture, supply and installation of solar photovoltaic power stations ▯▯6▯ ▯ eg
Zhuhai Singyes Xinye Electricity Technology Co., Ltd. ▯ingyes Xinye▯) .4▯eb▯ ▯▯eb▯	PRC/ Mainland China •7J•7▯	RMB 20,000,000 ▯▯ 20,000,000▯	100%	Development of new energy materials, and development of marine biology technology ▯▯▯ ▯▯▯

13. SUBSIDIARIES (Continued)

13. 附屬公司(續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) **間接持有：(續)**				
Zhuhai Singyes New Materials Co., Ltd. ⊠huhai Singyes New Materials⊠)	PRC/ Mainland China •7J•7⊠	RMB 50,000,000 ⊠⊠ 50,000,000⊠	62.4%	Research, manufacture and sale of photovoltaic film ⊠⊠/ ⊠
Yan'an Singyes New Materials. Co., Ltd. ⊠an ⊠an New Materials⊠) (d)	PRC/ Mainland China •7J•7⊠	RMB 10,000,000 ⊠⊠ 10,000,000⊠	46.8%	Research, manufacture and sale of new materials ⊠⊠ V/-⊠
Hunan Singyes Solar Technology Co., Ltd. ⊠lunan Singyes⊠)	PRC/ Mainland China •7J•7⊠	RMB 410,143,300 ⊠⊠ 410,143,300⊠	100%	Research, development, manufacture and sale of solar products ⊠⊠⊠ V/⊠⊠
Zhuhai Singyes Energy-saving Technologies Co., Ltd. ⊠ingyes Energy-saving⊠)	PRC/ Mainland China •7J•7⊠	USD 65,000,000 65,000,000⊠	100%	Research and development of energy-saving products ⊠⊠

13. SUBSIDIARIES (Continued)

13. 附屬公司(續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) **間接持有：(續)**				
Xinjiang Singyes Renewable Energy Technology Co., Ltd. (b) ▯Xinjiang Singyes▯) -▯8-•▯▯ ▯▯▯•▯	PRC/ Mainland China •7J•7▯	RMB 438,270,000 ▯▯ 438,270,000▯	60.2%	Research and design of and investment in solar power projects ▯▯ ▯
Hunan Singyes Green Energy Co., Ltd. ▯Hunan Green Energy▯) ▯8▯p▯ ▯▯▯	PRC/ Mainland China •7J•7▯	RMB 912,000,000 ▯▯ 912,000,000▯	100%	Research and development of electricity and new energy ▯b▯ -•
Gansu Singyes Green Energy Technology Co., Ltd. ▯ansu Singyes▯) Z 38▯▯ ▯▯▯•▯	PRC/ Mainland China •7J•7▯	RMB 20,000,000 ▯▯ 20,000,000▯	100%	Research, construction and operation of solar power stations ▯▯ ▯g
Wuwei Dongrun Solar Energy Development Co., Ltd. (b) ▯Wuwei Dongrun▯) ▯-▯ ▯ ▯▯▯	PRC/ Mainland China •7J•7▯	RMB 5,000,000 ▯▯ 5,000,000▯	60.16%	Research, construction and operation of solar power stations ▯▯ ▯g

13. SUBSIDIARIES (Continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) **間接持有：(續)**				
Gansu Singyes Solar Technologies Co., Ltd. ☒Gansu Technologies☒) Z 38☒ ☒☒	PRC/ Mainland China •7J•7☒	RMB 20,000,000 ☒☒ 20,000,000☒	100%	Research, development, manufacture and sale of solar products ☒☒☒ V☒☒
Yangjiang Singyes Green Energy Technology Co., Ltd. ☒angjiang Singyes☒) ☒☒☒ ☒☒☒	PRC/ Mainland China •7J•7☒	RMB 184,080,000 ☒☒ 184,080,000☒	100%	Research and design of and investment in solar power projects ☒☒ ☒☒
Yangjiang Huazhi Green Energy Technology Co., Ltd. ☒angjiang Huazhi☒) ☒☒☒ ☒☒☒	PRC/ Mainland China •7J•7☒	RMB 184,829,600 ☒☒ 184,829,600☒	100%	Research and design of and investment in solar power projects ☒☒ ☒☒
Yangjiang Huayu Green Energy Technology Co., Ltd. ☒angjiang Huayu☒) ☒☒☒	PRC/ Mainland China •7J•7☒	USD 20,000,000 20,000,000☒	100%	Research and design of and investment in solar

13. SUBSIDIARIES (Continued)

13. 附屬公司(續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) **間接持有：(續)**				
Suixi Xinye Photovoltaic Electricity Co., Ltd. ▯uixi Xinye▯) 9c$8▯b▯ ▯▯▯▯▯	PRC/ Mainland China •7J•7▯	–	100%	Research and design of and investment in solar power projects ▯▯ ▯▯
Zhuhai Gangxing Technology Co., Ltd. ▯huhai Gangxing▯) .▯▯ ▯▯▯	PRC/ Mainland China •7J•7▯	–	100%	Research and development of energy-saving raw materials ▯ a▯
Huabei Limited ▯uabei▯) ▯▯▯	Hong Kong 0▯	HKD 10,000 10,000▯	62.4%	Investment holding ▯
Shenzhen Kangsheng Photoelectric Technology Co., Ltd. ▯henzhen Kangsheng▯) 9p8▯▯ ▯ ▯▯▯	PRC/ Mainland China •7J•7▯	RMB 16,000,000 ▯▯ 16,000,000▯	46.8%	Research, manufacture and sale of solar products ▯▯ V/▯▯

13. SUBSIDIARIES (Continued)

13. 附屬公司(續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) **間接持有：(續)**				
Shuifa Green Construction (Beijing) Urban Technology Development Co., Ltd. ☒huifa Green Construction☒) ☒☒ ☒ (e) •☒☒	PRC/ Mainland China •7J•7☒	RMB 15,000,000 ☒☒ 15,000,000☒	60%	Design services ☒
Dunhuang Anjie Renewable Energy Technology Co., Ltd. ☒unhuang Anjie☒) qo☒•☒ (e) ☒p•☒	PRC/ Mainland China •7J•7☒	–	100%	Research, construction and operation of solar power stations ☒☒ ☒g
Sishui Yixin Renewable Renewable Resources Co., Ltd. ☒ishui Yixin☒) 3☒-☒•☒ (e) ☒☒•☒	PRC/ Mainland China •7J•7☒	–	60%	Research, manufacture and sale of solar products ☒☒ V/☒☒
Heze Development Zone Shuifa Guangyao New Energy Co., Ltd. ☒eze Guangyao☒) ☒-•J ☒ ☒☒	PRC/ Mainland China •7J•7☒	RMB 1,000,000 ☒☒ 1,000,000☒	100%	Research, construction and operation of solar power stations ☒☒ ☒g

13. SUBSIDIARIES (Continued)

13. 附屬公司(續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) **間接持有：(續)**				
Xintai Zhongmu New Energy Technology Co., Ltd. ▯intai Zhongmu▯) -9•-•J▯ ▯▯▯	PRC/ Mainland China •7J•7▯	RMB 36,000,000 ▯▯ 36,000,000▯	86%	Research, construction and operation of solar power stations ▯▯ ▯g
Dongying Tianze New Energy Technology Co., Ltd. ▯ongying Tianze▯) ▯•J▯ •▯▯	PRC/ Mainland China •7J•7▯	RMB 60,000,000 ▯▯ 60,000,000▯	68%	Research, construction and operation of solar power stations ▯▯ ▯g
Shigatse Langming New Energy Technology Co., Ltd. ▯higatse Langming▯) ▯•J▯ •▯▯	PRC/ Mainland China •7 J •7▯	–	100%	Research, construction and operation of solar power stations ▯▯ ▯g
Shuifa Smart Energy (Zhuhai) Co., Ltd ▯huifa Smart Energy▯) ▯▯• ▯•J▯)	PRC/ Mainland China •7 J •7▯	–	100%	Research, construction and operation of solar power stations ▯▯ ▯g

13. SUBSIDIARIES (Continued)

13. 附屬公司(續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) **間接持有：(續)**				
Nanjing Xinfaneng Equity Investment Partnership (Limited Partnership) ☒Nanjing Xinfaneng☒)(b) ☒☒☒ ☒ ☒ (b)	PRC/ Mainland China •7J•7☒	RMB 508,700,000 ☒☒ 508,700,000☒	59.95%	Investment, holding ☒
Shanxi Yida Thermal Insulation Material Co., Ltd. ☒hanxi Yida☒) (e) ☒☒ ☒☒ (e)	PRC/ Mainland China •7J•7☒	RMB 12,630,000 ☒☒ 12,630,000☒	51%	Research, manufacture and sale of new materials ☒☒/ -☒

Notes:

(a) As at 31 December 2022, the Group's equity interests in these companies were pledged as collateral for the Group's bank and other loans of RMB3,756,048,000.

附註：

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☒☒☒ 3,756,048,000☒☒
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13. SUBSIDIARIES (Continued)

Notes: (Continued)

(b) The Group entered into partnership agreement in 2022 with China Cinda Asset Management Co., Ltd. (China Cinda) and Cinda Capital Management Co.,Ltd.(Cinda Capital) for the establishment of the Limited Partnership. Under the partnership agreement, the capital commitment of RMB750 million responsible by the Group will be paid by cash and the transfer of 99% equity interest in the Xinjiang Xingyes and Wuwei Dongrun, to the Limited Partnership. Xinjiang Xingyes and Wuwei Dongrun principally develop and engage in several photovoltaic power generation projects and own certain photovoltaic assets. According to the partnership agreement, the total amount of capital commitments of the Limited Partnership is RMB1.251 billion, of which Cinda Capital (as general partner) will contribute RMB1.00 million, while the Group and China Cinda (as limited partners) will contribute RMB750 million and RMB500 million. Following the establishment of the Limited Partnership, the Limited Partnership will further invest into the Xinjiang Xingyes and Wuwei Dongrun through capital injection, and the Limited Partnership will effectively own 99.38% equity interest in Xinjiang Xingye and 99.48% equity interest in Wuwei Dongrun.

The Group has completed the transaction at 2022, then as the effective interest of Xinjiang Xingyes and Wuwei Dongrun held by the Company was reduced from 100% to 60.20% in Xinjiang Xingye and from 100% to 60.16% in Wuwei Dongrun. The dilution of effect on capital injections from non-controlling interest is loss of RMB28,891,000.

(c) On 16 September 2022, the Group's subsidiaries acquired from third parties the 100% of equity interests in Shigatse Langming.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally contributed to the results for the year or formed substantial portions of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

(d) On 17 May 2022, Yan'an New Materials, a wholly-owned subsidiary of the Group was deregistered under PRC law.

(e) On 25 March 2022, the Group acquired 51% of the equity interests in Shanxi Yida Thermal Insulation Material Co., Ltd. ("Shanxi Yida") from unrelated parties ("Selling Shareholders").Shanxi Yida is primarily engaged in manufacture of thermal insulation and sound insulation materials in Mainland China.

13. 附屬公司(續)

附註:(續)

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Building 土地 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment and furniture 辦公室設備及傢具 RMB'000 人民幣千元	Solar photovoltaic power stations 太陽能光伏電站 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2022	**於二零二二年一月一日**							
Cost	☒	1,199,566	469,525	14,205	47,812	4,078,589	639,068	6,448,765
Accumulated depreciation and impairment	☒	(252,463)	(266,622)	(10,691)	(39,141)	(908,056)	–	(1,476,973)
Net book amount	*&☒	947,103	202,903	3,514	8,671	3,170,533	639,068	4,971,792
Year ended 31 December 2022	**截至二零二二年十二月三十一日止年度**							
Opening net book amount	☒&☒	947,103	202,903	3,514	8,671	3,170,533	639,068	4,971,792
Additions	☒	21,115	9,280	2,185	603	5,301	851,884	890,368
Transfers	7E	–	2,825	–	–	15,789	(18,614)	–
Acquisition of subsidiaries (Note 36)	☒/ 36•	–	–	–	–	363,994	–	363,994
Disposals	/	(1,195)	(836)	(1,328)	(1,215)	–	(1,605)	(6,179)
Transfers to investment properties (Note 16)	7E☒8 ☒/ 16•	(2,496)	–	–	–	–	–	(2,496)
Depreciation charge (Note 6)	☒ ☒/ 6•	(22,490)	(28,300)	(1,248)	(3,422)	(152,449)	–	(207,909)
Impairment losses (Note 6)	☒☒/ 6•	(12,907)	–	–	–	(698)	–	(13,605)
Exchange differences	☒☒	1,176	–	59	134	2,869	231	4,469
Closing net book amount	☒*&☒	930,306	185,872	3,182	4,771	3,405,339	1,470,964	6,000,434
As at 31 December 2022	**於二零二二年十二月三十一日**							
Cost	☒	1,218,654	476,577	13,415	44,936	4,467,436	1,470,964	7,691,982
Accumulated depreciation and impairment	☒	(288,348)	(290,705)	(10,233)	(40,165)	(1,062,097)	–	(1,691,548)
Net book amount	*&☒	930,306	185,872	3,182	4,771	3,405,339	1,470,964	6,000,434

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

14. 物業、廠房及設備(續)

		Building	Plant and machinery	Motor vehicles	Office equipment and furniture	Solar photovoltaic power stations	Construction in progress	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021 cost	**於二零二一年一月一日成本**	1,160,232	528,096	16,450	58,120	3,576,939	291,410	5,631,247
Accumulated depreciation and impairment		(190,917)	(301,548)	(13,556)	(47,689)	(748,835)	–	(1,302,545)
Net book amount		969,315	226,548	2,894	10,431	2,828,104	291,410	4,328,702
Year ended 31 December 2021	**截至二零二一年十二月三十一日止年度**							
Opening net book amount		969,315	226,548	2,894	10,431	2,828,104	291,410	4,328,702
Additions		657	9,875	1,095	2,392	10,901	765,174	790,094
Transfers		–	5,355	–	–	410,877	(416,232)	–
Acquisition of subsidiaries		1,416	5,080	711	355	83,471	–	91,033
Disposals		–	(7,800)	(412)	(864)	(200)	(1,284)	(10,560)
Transfers from investment properties (Note 16)		22,615	–	–	–	–	–	22,615
Depreciation charge		(22,845)	(33,127)	(772)	(3,575)	(140,657)	–	(200,976)
Impairment losses		(23,661)	(3,028)	–	(145)	(18,794)	–	(45,628)
Exchange differences		(394)	–	(2)	77	(3,169)	–	(3,488)
Closing net book amount		947,103	202,903	3,514	8,671	3,170,533	639,068	4,971,792
As at 31 December 2021	**於二零二一年十二月三十一日**							
Cost		1,199,566	469,525	14,205	47,812	4,078,589	639,068	6,448,765
Accumulated depreciation and impairment		(252,463)	(266,622)	(10,691)	(39,141)	(908,056)	–	(1,476,973)
Net book amount		947,103	202,903	3,514	8,671	3,170,533	639,068	4,971,792

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

14. 物業、廠房及設備(續)

Notes:

附註：

(a) Depreciation of the Group's property, plant and equipment has been recognised as follows:

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		Year ended 31 December 截至十二月三十一日止年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Cost of sales	V/☒	173,479	173,784
General and administrative expenses	S☒☒	33,998	26,859
Selling and distribution expenses	V/☒☒	432	333
		207,909	200,976

(b) As at 31 December 2022, the following property, plant and equipment of the Group were pledged to secure bank and other loans granted to the Group (note 29).

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		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Buildings, machinery and motor vehicles	☒☒	1,037,780	949,901
Solar photovoltaic power stations	☒g	2,809,502	2,383,719
Solar photovoltaic power plant under construction	☒■☒	1,189,527	272,532
		5,036,809	3,606,152

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

(c) As at 31 December 2022, the application for the property ownership certificates of certain buildings with carrying amounts of RMB226,630,894 (2021: RMB277,447,000) was in progress. Those buildings can only be sold, transferred or mortgaged when their relevant ownership certificates have been obtained. In the opinion of the Directors, there are no major obstacles for the Group to obtain these building ownership certificates.

(d) Impairment losses

The recoverable amounts were determined based on fair value less costs of disposal calculations (Level 3 of fair value hierarchy). The valuation was performed by Zhuhai Dewei Real Estate and Land Appraisal Company Limited ("Zhuhai Dewei"), an independent professionally qualified valuer. Selection criteria of the external valuer include market knowledge, reputation, independence and whether professional standards are maintained.

Fair value hierarchy disclosure

The fair value of Hunan Industrial Park CGU were measured using significant unobservable inputs (Level 3 of fair value hierarchy). A reconciliation of impairment provisions while fair value categorised within Level 3 of the fair value hierarchy is as follows:

14. 物業、廠房及設備(續)

附註：(續)

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		Recoverable amounts ▯X RMB'000 ▯▯▯	Carrying amounts *&▯ RMB'000 ▯▯▯	Impairment provision ▯▯ RMB'000 ▯▯▯
Hunan Industrial Park CGU -Land and buildings	▯▯▯–*▯ ▯▯	167,816	180,723	12,907

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

14. 物業、廠房及設備(續)

Notes: (Continued)

附註：(續)

(d) Impairment losses (Continued)

(d) ☒☒

Fair value hierarchy disclosure (Continued)

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Set out below is an illustration of the valuation techniques used and the key inputs to the valuation of the Group's non-financial properties:

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Valuation technique 估值技術	Significant unobservable inputs 重大不可觀測輸入數據	Weighted average inputs 加權平均輸入數據
Discounted cash flow ☒$$–t☒☒	Potential gross rental income (per square/month) '☒☒☒☒	Plant: RMB20.5~22.5 Office: RMB37.5 ☒☒☒ 20.5-22.5☒ l☒☒☒ 37.5☒
Projections k☒	Vacancy rate d☒	5%(2025 and after) 15%(2024) 20%(2023) 5%☒gZ☒ 15%☒gZ,☒ 20%☒gZg☒
	Rate of return ☒	5.5%

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

(d) Impairment losses (Continued)

Fair value hierarchy disclosure (Continued)

(i) As at 31 December 2022, according to the latest guidance of generated-electricity price issued by the National Development and Reform Commission, in the opinion of the Directors, the recoverable amounts of two idle solar photovoltaic power stations pending grid connection were estimated to be less than their carrying amounts, and the carrying amounts of the relevant solar photovoltaic power stations were reduced to the extent of their recoverable amounts with an impairment loss of RMB698,000 (2021: RMB18,794,000).

The recoverable amounts are determined based on value in use calculations. Those calculations use cash flow projections based on financial budgets approved by management and assuming pre-tax discount rates ranging between 9.62% and 10.56% per annum. The period used to extrapolate the cash flows of two idle solar photovoltaic power stations was nineteen-year and twenty-year, respectively, which represent the remaining useful lives of the relevant solar photovoltaic power stations.

14. 物業、廠房及設備(續)

附註：(續)

(d)

(i)

15. LEASES

(i) Amounts recognised in the consolidated statements of financial position

The consolidated statements of financial position show the following amounts relating to leases:

15. 租賃

(i) 於綜合財務狀況表中確認的金額

綜合財務狀況表呈列以下有關租賃的金額：

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS⊠ RMB'000 ⊠⊠⊠
Right-of-use assets	**使用權資產**		
Land use right	z⊠⊠	**255,590**	251,380
Leased plant and office premises	⊠⊠8	**15,933**	9,669
		271,523	261,049
Lease liabilities	**租賃負債**		
Current	t	**4,750**	2,006
Non-current	⊠	**20,736**	16,254
		25,486	18,260

15. LEASES (Continued)

(i) Amounts recognised in the consolidated statements of financial position (Continued)

Movements in right-of-use assets are analysed as follows:

15. 租賃(續)

(i) 於綜合財務狀況表中確認的金額(續)

使用權資產的變動分析如下：

	Leased plant and office premises 租賃廠房及辦公室物業 RMB'000 人民幣千元	Land use right 土地使用權 RMB'000 人民幣千元	Total 總計
Year end 31 December 2022			
Net book amount as at 1 January 2022	9,669	251,380	261,049
Additions	10,591	10,967	21,558
Acquisition of subsidiaries (note 36)	–	2,589	2,589
Amortisation (note 6)	(3,888)	(9,218)	(13,106)
Exchange differences	(439)	(128)	(567)
Net book amount as at 31 December 2022	15,933	255,590	271,523
Year end 31 December 2021			
Net book amount as at 1 January 2021	3,622	219,112	222,734
Additions	5,846	58,858	64,704
Acquisition of subsidiaries	2,568	–	2,568
Disposal of subsidiaries	–	(17,506)	(17,506)
Amortisation (note 6)	(2,415)	(9,084)	(11,499)
Exchange differences	48	–	48
Net book amount as at 31 December 2021	9,669	251,380	261,049

15. LEASES (Continued)

(ii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss show the following amounts relating to leases:

15. 租賃(續)

(ii) 於綜合損益及其他全面收益表確認的金額

綜合全面收益表呈列以下有關租賃的金額：

		Year ended 31 December 截至十二月三十一日止年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS⊠ RMB'000 ⊠⊠⊠
Depreciation charge of right-of-use assets	**使用權資產的折舊開支**		
Land use right	z⊠⊠	**9,218**	9,084
Plant and office premises	⊠8	**3,888**	2,415
		13,106	11,499
Interest expense on lease liabilities (included in finance costs) (note 10)	⊠⊠ ;⊠ ⊠⊠• 10•	**1,512**	835
Expense relating to short-term leases and low value leases	~⊠⊠⊠ ⊠⊠	**7,779**	8,287

The total cash outflow for leases of the years ended 31 December 2022 were RMB12,697,000 (2021: RMB12,181,000).

截至二零二二年十二月三十一日止年度的租賃現金流出總額為人民幣12,697,000⊠⊠gZS⊠⊠⊠ 12,181f0⊠⊠

The Group leases various land use right, buildings, offices, equipment and others. Rental contracts are typically entered into for fixed periods. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, and leased assets may not be used as security for borrowing purposes.

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16. INVESTMENT PROPERTIES

16 投資物業

	2022 二零二二年 RMB'000 人民幣千元	2021 RMB'000
Carrying amount at 1 January	**340,590**	333,141
Additions	**–**	38,220
Transfers from property, plant and equipment (note 14)	**2,496**	–
Transfers to property, plant and equipment (note 14)	**–**	(22,615)
Depreciation for the year	**(7,904)**	(8,156)
Carrying amount at 31 December	**335,182**	340,590

The investment properties of the Group are stated at cost less accumulated depreciation and impairment, if any.

本集團之投資物業以成本減累計折舊及減值(如有)列賬。

17. INTANGIBLE ASSETS

17. 無形資產

			Customer relationship 客戶關係 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Goodwill 商譽 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2022	**截至二零二二年十二月三十一日止年度**					
Opening net book amount	☒&☒		85,350	3,229	17,752	106,331
Additions	☒		–	609	5,733	6,342
Amortisation charge (Note 6)	☒☒	6•	(4,948)	(785)	–	(5,733)
Impairment charge	☒		–	–	(355)	(355)
Exchange differences	☒☒		–	3	–	3
Net book amount	*&☒		80,402	3,056	23,130	106,588
As at 31 December 2022	**於二零二二年十二月三十一日**					
Cost	☒		94,833	11,049	23,485	129,367
Accumulated amortisation	☒		(14,431)	(7,993)	(355)	(22,779)
Net book amount	*&☒		80,402	3,056	23,130	106,588
Year ended 31 December 2021	**截至二零二一年十二月三十一日止年度**					
Opening net book amount	☒&☒		90,298	2,138	10,542	102,978
Additions	☒		–	1,988	7,210	9,198
Amortisation charge (Note 6)	☒☒	6•	(4,948)	(893)	–	(5,841)
Exchange differences	☒☒		–	(4)	–	(4)
Net book amount	*&☒		85,350	3,229	17,752	106,331
As at 31 December 2021	**於二零二一年十二月三十一日**					
Cost	☒		94,833	10,549	17,752	123,134
Accumulated amortisation	☒		(9,483)	(7,320)	–	(16,803)
Net book amount	*&☒		85,350	3,229	17,752	106,331

17. INTANGIBLE ASSETS (Continued)

Goodwill acquired through business combinations is allocated to each relevant CGU for impairment testing:

The recoverable amount of each CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering an projection period approved by management. The pre-tax discount rates applied to the cash flow projections ranged from 10.2% to 19.8% (2021: 10.2% to 19.8%).

17. 無形資產(續)

通過業務合併獲得的商譽分配至各相關現金產生單位作減值測試：

各現金產生單位的可收回金額乃根據使用價值計算(根據管理層批准的預測期財務預算使用現金流量預測)釐定。適用於現金流量預測的稅前貼現率介乎10.2% 19.8%■■■ 10.2% 19.8%■

18. INVENTORIES

18. 存貨

		As at 31 December 於十二月三十一日	
		2022	2021
		二零二二年	■■■■
		RMB'000	RMB'000
		人民幣千元	■■■■
Raw materials	■■	**42,470**	38,326
Finished goods and merchandise	■■	**41,155**	32,239
Impairment	■	**(3,519)**	(3,132)
		80,106	67,433

19. CONTRACT ASSETS

19. 合約資產

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Contract assets	☒	4,146,431	3,893,432
Loss allowance	f&a☒	(241,649)	(198,572)
Total contract assets	☒☒	3,904,782	3,694,860

(1) Contract assets are initially recognised for revenue earned from construction services as the receipt of consideration is conditional on successful completion of construction. Upon completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

(1) ☒☒☒ ☒ ☒☒☒☒ ☒☒q ☒☒☒☒Y–X -☒☒

(2) Management expected that the majority of the above disclosed contract assets as at 31 December 2022 will be recovered or settled within one year.

(2) M☒4kdj☒☒☒g ZZ☒ZgdS☒☒ ☒☒S☒☒f

20. FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

20. 按類別劃分的金融工具

本集團持有下列金融工具

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯▯
Financial assets	**金融資產**		
Financial assets at amortised cost	2▯▯▯Y–D*		
Trade and bills receivables	▯▯▯▯	**4,207,583**	3,398,449
Other receivables, excluding	I▯		
non-financial assets	▯▯D*●	**756,246**	454,812
Cash and bank	$–▯	**736,712**	680,943
Equity investment designated at fair value	8▯▯▯		
through other comprehensive income	▯▯▯Ypp▯	**21,967**	10,503
Financial assets at fair value through	2▯▯B•Y		
profit or loss	–D*	**6,469**	–
		5,728,977	4,544,707
Financial liabilities	**金融負債**		
Liabilities at amortised cost	2▯▯▯Y–D▯		
Trade and bills payables	▯▯▯▯	**2,770,918**	2,180,962
Other payables and accruals,	I▯		
excluding non-financial liabilities	▯▯D▯	**1,247,221**	1,572,038
Borrowings	▯	**6,783,012**	3,917,707
Senior notes	▯▯	**–**	1,468,208
Lease liabilities	a▯	**25,486**	18,260
		10,826,637	9,157,175

The Group's exposure to various risks associated with the financial instruments is discussed in note 3.

本集團面臨與金融工具有關的各種風險已與附註3▯

21 TRADE AND BILLS RECEIVABLES

21. 應收貿易款項及應收票據

			As at 31 December 於十二月三十一日	
			2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Bills receivables	☒☒		29,960	19,731
Tariff subsidy receivables	☒☒		1,080,123	892,443
Trade receivables from contracts with customers	☒ l☒☒		4,029,497	3,325,585
			5,139,580	4,237,759
Loss allowance (note 3.1)	a☒☒/	3.1•	(931,997)	(839,310)
			4,207,583	3,398,449

21 TRADE AND BILLS RECEIVABLES (Continued)

21. 應收貿易款項及應收票據(續)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the billing date and net of loss allowance, is as follows:

於報告期末，按照結算日期及扣除虧損撥備計算的應收貿易款項賬齡分析如下：

	Trade receivables 應收貿易款項		Tariff subsidy receivables 應收電價補貼	
	31 Dec 2022 二零二二年十二月三十一日 RMB'000 人民幣千元	31 Dec 2021 ZgZS▯ dZ▯ gdS▯ RMB'000 ▯▯▯	**31 Dec 2022 二零二二年十二月三十一日 RMB'000 人民幣千元**	31 Dec 2021 ZgZS▯ dZ▯ gdS▯ RMB'000 ▯▯▯
Within 180 days 180▯	**839,322**	728,086	**219,786**	157,906
181 days to 365 days 181▯ 365▯	**888,537**	217,403	**149,802**	138,054
1 to 2 years SG▯	**531,026**	696,054	**295,960**	211,552
2 to 3 years Gg▯	**410,608**	531,071	**211,552**	166,671
Over 3 years g▯	**1,360,004**	1,152,971	**203,023**	218,260
	4,029,497	3,325,585	**1,080,123**	892,443

* The Group's tariff subsidy receivables from the sale of electricity are mainly receivables from the State Grid. Tariff subsidy receivables represented the government subsidies on renewable energy for solar photovoltaic power stations to be received from the State Grid based on the prevailing government policies.

* I▯ebV/Y▯ 7•ecY▯e▯8▯ ▯A▯▯•ec▯ ▯g▯A▯f

As at 31 December 2022 the Group has pledged tariff subsidy receivables of approximately RMB878,639,084 (2021: RMB707,203,000) to secure bank and other loans granted to the Group (note 29).

▯gZZ▯Z▯dS▯I▯ ▯▯▯▯D▯ 878,639,084▯▯g Z S▯▯D▯ 707,203,000▯▯ ▯▯▯▯▯ ▯▯▯ f29

The carrying amounts of trade and bills receivables approximated their fair values as at the balance sheet date.

▯▯▯&▯ *▯▯

21 TRADE AND BILLS RECEIVABLES (Continued)

The Group's trade receivables were denominated in the following currency:

21. 應收貿易款項及應收票據(續)

本集團的應收貿易款項乃按以下貨幣計值：

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
RMB	☒☒	**4,992,755**	4,108,450
HKD	☒	**97,271**	82,822
MOP	☒	**15,908**	17,649
Others	l☒	**3,686**	9,107
		5,109,620	4,218,028

22. PREPAYMETS, DEPOSITS AND OTHER RECEIVABLES

22. 預付款項、按金及其他應收款項

			As at 31 December 於十二月三十一日	
			2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Prepayments to subcontractors and suppliers	k☒☒☒		**213,188**	296,165
Deposits	2–		**314,988**	220,592
Amounts due from related parties (note 37(c))	☒☒	37(c)•	**31,037**	11,687
Others	l☒		**520,171**	331,871
			1,079,384	860,315
Less: impairment	j☒		**(109,950)**	(109,338)
			969,434	750,977

The carrying amounts of other receivables approximated their fair values as at the balance sheet date.

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其他應收款項的賬面值與其公平值相若。

23. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

23. 現金及現金等價物以及抵押存款

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 RMB'000
Cash and cash equivalents		399,835	659,123
Pledged deposits		336,877	21,820
Cash and bank balances		736,712	680,943

The Group's cash and bank balances and time deposits were denominated in the following currencies:

本集團現金及銀行結存以及定期存款以下列貨幣列值：

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 RMB'000
RMB		436,117	660,023
USD		282,967	6,789
HKD		10,250	10,310
Others		7,378	3,821
		736,712	680,943

23. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (Continued)

RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks that are authorised to conduct foreign exchange business.

As at 31 December 2022, the weighted average effective interest rate on bank deposits with maturities within 3 months was 0.31% (2021: 0.48%) per annum.

23. 現金及現金等價物以及抵押存款(續)

人民幣不可自由地兌換為其他貨幣。然而，根據中國大陸的外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准通過獲授權經營外匯業務的銀行將人民幣兌換為其他貨幣。

於二零二二年十二月三十一日，三個月內到期之銀行存款之加權平均實際年利率為0.31%☒gZS☒0.48%。

24. SHARE CAPITAL

24. 股本

		As at 31 December 於十二月三十一日	
		2022 二零二二年	2021 ZgZS☒
		'000 千元	'000 w☒
Authorised: ,☒			
3,200,000,000 ordinary shares of USD0.01 each	3,200,000,000 p☒&☒ 0.01☒w☒	**USD32,000 32,000美元**	USD32,000 32,000☒
Issued and fully paid: ☒			
2,521,081,780 ordinary shares of USD0.01 each	2,521,081,780 p☒&☒ 0.01☒w☒	**USD25,211 25,211美元**	USD25,211 25,211☒
Equivalent to RMB	☒☒	**RMB174,333 人民幣174,333元**	RMB174,333 ☒☒ 174,333☒

There was no movement in the Company's issued share capital during the year ended 31 December 2022 and 2021.

本公司已發行股本於截至二零二二年及二零二一年十二月三十一日止年度並無變動。

25. SHARE OPTION SCHEME

(a) The Company's share option scheme

The Company had an option scheme (the "Former Scheme") for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Former Scheme was terminated on 19 December 2018 and the share options already granted continue to be effective till 21 May 2027. A new option scheme ("New Scheme") was approved by the Company's shareholders on 4 June 2018 and will remain in force for 10 years from that date. Eligible persons of the New Scheme include directors, employees, consultants and suppliers of the Group. Please refer to the Group's annual financial statements for the year ended 31 December 2018 for details.

No options have been granted under the New Scheme since it was adopted in 2018.

The following share options granted under the Former Scheme were outstanding during the year:

25. 購股權計劃

(a) 本公司的購股權計劃

本公司擁有購股權計劃(「舊計劃」),目的是向對本集團營運的成功作出貢獻的合資格人士提供激勵和獎勵。舊計劃已於二零一八年十二月十九日終止,而已授出購股權於二零二七年五月二十一日前繼續有效。一份新的購股權計劃(「新計劃」)已於二零一八年六月四月獲本公司股東批准,並將自該日起10■

		2022 二零二二年		2021 ZgZS■	
		Weighted average exercise price 加權平均行使價 HKD per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price ■ 4 HKD per share ■■	Number of options ■■ pf '000 w■
At 1 January	■■■	**6.26**	**18,026**	5.23	25,258
Expired during the year	■■	**–**	**–**	–	(7,232)
At 31 December	■Z■dS■	**6.26**	**18,026**	6.26	18,026

25. SHARE OPTION SCHEME (Continued)

(a) The Company's share option scheme (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows year are as follows:

25. 購股權計劃(續)

(a) 本公司的購股權計劃(續)

於報告期末尚未行使購股權之行使價及行使期如下：

Exercise price 行使價 HKD per share ☒☒	Exercise period 行使期	Number of shares 股份數目 For the year ended 31 December 截至十二月三十一日止年度 2022 二零二二年 '000 千份	2021 ZgZS☒ '000 w☒
11.65	16/5/2022-21/5/2025	**2,008**	2,008
11.65	17/5/2022-21/5/2025	**2,009**	2,009
11.65	18/5/2022-21/5/2025	**2,009**	2,009
3.55	05/4/2018-21/5/2027	**4,000**	4,000
3.55	05/4/2019-21/5/2027	**4,000**	4,000
3.55	05/4/2020-21/5/2027	**4,000**	4,000
		18,026	18,026

The Company did not recognise a share option expense during the year ended 31 December 2022 (2021:did not recognise a share option expense).

本公司於截至二零二二年十二月三十一日止年度並無確認購股權開支(二零二一年：並無確認購股權開支)。

25. SHARE OPTION SCHEME (Continued)

(b) Singyes New Materials share option scheme

A subsidiary of the Company, China Singyes New Materials Holdings Co., Ltd. ("Singyes New Materials"), operates a share option scheme (the "Singyes New Materials' Scheme")"), which was approved by its shareholders on 17 October 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Singyes New Materials' Scheme was adopted for the primary purposes of providing incentives and rewards to eligible persons for their contribution or potential contribution to the growth and development of Singyes New Materials and its subsidiaries.

The following share options were outstanding under the Singyes New Materials' Scheme during the year:

2022 二零二二年		2021	
Exercise price 行使價 HKD	Number 購股權數目	Exercise price	Number
		4	

25. SHARE OPTION SCHEME (Continued)

(b) Singyes New Materials share option scheme (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the year are as follows:

25. 購股權計劃(續)

(b) 興業新材料的購股權計劃(續)

於年末尚未行使購股權之行使價及行使期如下：

Exercise price 行使價 HKD per share ☒☒	Exercise period 行使期	Number of shares 股份數目 For the year ended 31 December 截至十二月三十一日止年度 2022 二零二二年 '000 千份	2021 ZgZS☒ '000 w☒
1.16	31/1/2021-30/1/2028	1,700	2,597
1.16	31/1/2022-30/1/2028	1,700	2,596
1.16	31/1/2023-30/1/2028	1,700	2,597
		5,100	7,790

During the year ended 31 December 2022, a total of 2,690,000 options (2021: 800,000) were forfeited due to the resignation of grantees and no options (2021: Nil) were surrendered by a grantee.

截至二零二二年十二月三十一日止年度，由於承授人辭任，合共失效2,690,000 ☒☒p ☒☒Z g ZS☒ 800,000d☒☒p ☒☒gZS☒☒-S☒☒

Singyes New Materials recognised share option expense of RMB765,000 and reversed share option expense of RMB1,733,000 due to forfeiture of share options, resulting in a net charge of share option expense of RMB968,000 during the year ended 31 December 2022 (2021: charge of share option expense of RMB366,000).

3 8 - ☒☒☒p ☒☒☒ 0 ☒ 765,000 ☒d ☒☒☒☒☒ p ☒☒a ☒☒p ☒☒☒O ☒ 1,733,000☒☒gZZ ☒ZgdS☒☒p☒ ☒☒X☒☒O ☒ 968,000 ☒☒gZS☒☒☒ ☒☒ 366ƒ00☒☒

26. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

(a) Statutory reserves of the PRC subsidiaries

In accordance with the "Law of the PRC on Joint Ventures Using Chinese and Foreign Investment" and the respective articles of association of the Group's subsidiaries in Mainland China, appropriations from net profit, as determined in accordance with PRC generally accepted accounting principles ("PRC GAAP") and after offsetting accumulated losses from prior years, should be made to the statutory reserve fund and the enterprise expansion fund, and before profit distributions to the investors. The reserve fund can be used to offset accumulated losses or to increase capital.

(b) Enterprise expansion fund

The enterprise expansion fund can be used for business development or to increase capital. The percentages to be appropriated to the reserve fund and the enterprise expansion fund in the foreign investment subsidiaries are determined by the board of directors. In addition, the wholly-foreign-owned subsidiaries are not required to appropriate the enterprise expansion fund, and the percentages to be appropriated to the reserve fund shall be no less than 10%. When the cumulative reserve fund reaches one-half of the registered capital, the appropriation is no longer mandatory.

26. 儲備

本集團於本年度及過往年度之儲備金額及相關變動載於財務報表之綜合權益變動表內。

(a) 中國附屬公司的法定儲備

根據《中華人民共和國中外合資經營企業法》及本集團在中國大陸附屬公司的公司章程，須從按照中國公認會計準則(「中國公認會計準則」)釐定的純利(經抵銷往年累計虧損後，及向投資者分派溢利前)撥付法定儲備基金及企業擴展基金。該儲備基金可用來抵銷累計虧損或增加資本。

(b) 企業擴展基金

企業擴展基金可用於業務發展或增加資本。外商投資附屬公司撥付至儲備基金及企業擴展基金的百分比由董事會釐定。此外，外商獨資附屬公司毋須將純利撥付至企業擴展基金，而撥付至儲備基金的百分比須不少於10%f■ ■■QW IS ■"■Sa■

26. RESERVES (Continued)

(c) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.22 to the consolidated financial statements. The amount will either be transferred to the share premium account when the related options are exercised or be transferred to retained profits should the related options expire or be forfeited. As at 31 December 2022, no share options were forfeited (31 December 2021: nil).

(d) Safety fund surplus reserve

Pursuant to Notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the PRC in February 2012, the Group is required to establish a safety fund surplus reserve. The safety fund can only be transferred to retained profits to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

26. 儲備(續)

(c) 購股權儲備

購股權儲備包括已授出但尚未行使的購股權的公平值，進一步闡述見綜合財務報表附註2.22☒
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(d) 安全基金盈餘儲備

根據中國財政部及國家安全生產監督管理總局於二零一二年二月聯合頒佈的關於安全生產費的通知，本集團須設立安全基金盈餘儲備。安全基金只可於產生時轉撥至保留溢利以抵銷安全相關開支，包括與安保設施及設備提升及維護以及安全生產檢查、評估、諮詢及培訓有關的開支。

27. TRADE AND BILLS PAYABLES

27. 應付貿易款項及應付票據

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯▯
Accounts payable	▯▯	**2,720,918**	2,053,390
Bills payable	▯▯	**50,000**	127,572
		2,770,918	2,180,962

As at 31 December 2022 and 2021, the aging analyses of the trade payables based on transaction date were as follows:

於二零二二年及二零二一年十二月三十一日，基於交易日期計算的應付貿易款項的賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯▯
Within 3 months	gH▯	**840,105**	1,184,288
Between 3 months and 6 months	g▯▯	**217,867**	303,368
Between 6 months and 1 year	▯▯▯	**1,148,920**	221,657
Between 1 year and 2 years	SG▯	**355,921**	342,738
Between 2 years and 3 years	Gg▯	**118,945**	83,318
Over 3 years	g▯	**89,160**	45,593
		2,770,918	2,180,962

The trade and bills payables are non-interest-bearing and are normally settled within one to six months.

應付貿易款項及應付票據為免息並通常按一至六個月期限結算。

The carrying amounts of trade and bills payables approximated their fair values as at the balance sheet date.

應付貿易款項及應付票據的賬面值與其公平值相若。

28. OTHER PAYABLES AND ACCRUALS

28. 其他應付款項及應計款項

			As at 31 December 於十二月三十一日	
			2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Amounts due to related parties (note 37)	☒☒	37•	**1,061,159**	1,278,914
Tax and surcharge payables	☒		**345,505**	85,804
Accrued expenses	☒		**32,642**	26,366
Interest payables	☒☒		**3,532**	6,421
Dividend payable	☒☒		**2,038**	5,518
Others	l☒		**181,167**	283,239
			1,626,043	1,686,262

29. BORROWINGS

29. 借貸

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 RMB'000
Non-current			
Bank borrowings – Secured	–	997,443	1,389,571
Bank borrowings – Unsecured	–	472,722	150,835
Other borrowings – Secured	–	3,002,781	1,577,634
		4,472,946	3,118,040
Current			
Bank borrowings – Secured	–	232,766	336,237
Bank borrowings – Unsecured	–	783,472	167,610
Other borrowings – Secured	–	597,368	295,820
Other borrowings – Unsecured	–	696,460	–
		2,310,066	799,667
Total borrowings		6,783,012	3,917,707

The fair values of the borrowings of the Group are approximate to their carrying amounts, since either the interest rates of those loans are close to current market rates or the loans are of a short-term nature.

本集團借貸的公平值與其賬面值相若，乃由於該等貸款的利率與現行市場利率相近或該等貸款屬短期性質。

As at 31 December 2022, the bank borrowings were secured by the pledge of the Group's property, plant and equipment (note14), trade receivables (note21), and equity shares of the subsidiaries. The bank borrowings were also supported by guarantees from Shuifa Energy, Shuifa Group, Shandong Shuifa Holdings and the certain subsidiaries, and several senior management personnel of the Group.

於二零二二年十二月三十一日，銀行借貸以本集團之物業、廠房及設備(附註

29. BORROWINGS (Continued)

As at 31 December 2022, the other loans are borrowed from financing lease companies, by way of equipment sale-leaseback arrangements, The other loans are secured by the property, plant and equipment (note14), trade receivables (note21), the right on the annual return of its certain solar photovoltaic power station and equity shares of the certain subsidiaries. The other loans were also supported by guarantees from Shuifa Energy and Shuifa Group and Shandong Shuifa Holdings.

The Group's borrowings are repayable as follows:

29. 借貸(續)

於二零二二年十二月三十一日，其他貸款乃以設備售後租回安排之方式自融資租賃公司借入。其他貸款以物業、廠房及設備(附註14☒☒☒
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		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
Analysed into:	☒		
Bank loans repayable	☒☒☒		
Within one year	S☒	**1,016,238**	503,847
In the second year	KZ☒	**809,925**	171,110
In the third to fifth years, inclusive	Kg☒☒☒	**488,451**	980,796
Beyond five years	☒	**171,789**	388,500
		2,486,403	2,044,253
Other loans repayable	I☒☒☒		
Within one year	S☒	**1,293,828**	295,820
In the second year	KZ☒	**284,008**	194,231
In the third to fifth years, inclusive	Kg☒☒☒	**1,161,161**	444,313
Beyond five years	☒	**1,557,61**	939,090
		4,296,609	1,873,454
		6,783,012	3,917,707

29. BORROWINGS (Continued)

As at 31 December 2022, except for those bank loans which are denominated in USD172,010,000(equivalent to RMB1,193,509,000), and those bank loans which are denominated in HKD643,040,000 (equivalent to RMB574,408,000), all bank and other loans were denominated in RMB.

The weighted average effective interest rates per annum for the years ended 31 December 2022 and 2021 were as follows:

29. 借貸(續)

於二零二二年十二月三十一日,
172,010,000
1,193,509,000
643,040,000
574,408,000

		Year ended 31 December 截至十二月三十一日止年度	
		2022 二零二二年	2021
USD		6.42%	2.50%
RMB		5.55%	6.04%
HKD		5.33%	–

30. SENIOR NOTES

		As at 31 December 於十二月三十一日	
		2022 二零二二年	2021
		RMB'000 人民幣千元	RMB'000
2022 Senior Notes		–	1,468,208

30. SENIOR NOTES (Continued)

The 2022 Senior Notes recognised in the consolidated statement of financial position as at 31 December 2022 are calculated as follows:

30. 優先票據(續)

於二零二二年十二月三十一日之綜合財務狀況表中確認的二零二二年優先票據按以下方式計算：

	As at 31 December 於十二月三十一日	
	2022 二零二二年	2021 ZgZS☒
	RMB'000 人民幣千元	RMB'000 ☒☒☒
As at 1 January ☒☒☒	**1,468,208**	1,488,096
Effective interest recognised for the year I☒☒☒		
(note 10) ☒V 10•	**87,553**	91,573
Interest paid during the year I☒☒	**(75,849)**	(89,969)
Redeem of senior notes ☒☒	**(1,593,424)**	–
Exchange differences ☒☒	**113,512**	(21,492)
As at 31 December ☒ZgdS☒	–	1,468,208
Fair value of the 2022 Senior Notes ZgZZ☒☒☒	–	1,405,319

On 19 December 2019, the Company issued guaranteed senior notes with an aggregate nominal value of USD414,932,000 (equivalent to approximately RMB2,815 million). The senior notes, were initially offered to eligible Scheme Creditors and the Holding Period Trustee (as defined in the announcement of the company dated 19 December 2019) outside the United States in accordance with Regulation S under the United States Securities Act of 1933, as amended, and have been listed on the Singapore Exchange Securities Trading Limited (the "SGX") since December 2019. All senior notes had been redeemed by the Group in 2022 (the "2022 Senior Notes").

於二零一九年十二月十九日，本公司發行總面值為414,932,000☒☒
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31 DEFERRED INCOME TAX

The analysis of net deferred income tax assets and deferred income tax liabilities is as follows:

31. 遞延所得稅資產

遞延所得稅資產及遞延所得稅負債淨值分析如下：

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯
Deferred income tax assets:	▯j		
– to be recovered within 12 months	– Z▯ZH▯	211,637	266,979
– to be recovered after more than 12 months	– Z▯ZH▯	103,064	36,520
Total deferred income tax assets	▯▯	314,701	303,499
Set-off with deferred income tax liabilities	~▯	(1,754)	–
Net deferred income tax assets	▯▯	312,947	303,499

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯
Deferred income tax liabilities:	▯		
– to be settled within 12 months	– Z▯ZH▯	1,272	1,397
– to be settled after more than 12 months	– Z▯ZH▯	107,443	108,905
Total deferred income tax liabilities	▯	108,715	110,302
Set-off with deferred income tax assets	~▯▯	(1,754)	–
Net deferred income tax liabilities	▯	106,961	110,302

31 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

31. 遞延所得稅資產(續)

年內，遞延所得稅資產及負債(並無考慮結餘可在同一徵稅區內抵銷)之變動如下：

	Cost incurred without invoice 無發票情況下產生之成本 RMB'000 ☒☒☒	Unrealized profit from intra-group transactions 集團內公司間交易之未變現溢利 RMB'000 ☒☒☒	Impairment 減值 RMB'000 ☒☒☒	Lease liabilities 租賃負債 RMB'000 ☒☒☒	Government grants 政府補助 RMB'000 ☒☒☒	Fair value adjustments arising from acquisition of subsidiaries 收購附屬公司產生之公平值調整 RMB'000 ☒☒☒	Tax losses recognised 已確認稅項虧損 RMB'000 ☒☒☒	Others 其他 RMB'000 ☒☒☒	Total 總計 RMB'000 ☒☒☒
Deferred income tax assets: **遞延所得稅資產：**									
At 1 January 2021 ☒gZS☒ S☒☒	62,360	10,319	145,341	1,157	17,578	3,794	–	498	241,047
Acquisition of subsidiaries ☒☒	–	–	–	–	–	916	–	–	916
Recognised in profit or loss ☒B☒	41,506	4,518	9,666	1,043	5,533	(232)	–	(498)	61,536
At 31 December 2021 ☒gZS☒ dZgdS☒	103,866	14,837	155,007	2,200	23,111	4,478	–	–	303,499
Recognised in profit or loss ☒B☒	(76,802)	(4,035)	22,072	(305)	(1,930)	(231)	72,433	–	11,202
At 31 December 2022 ☒gZZ☒ dZgdS☒	**27,064**	**10,802**	**177,079**	**1,895**	**21,181**	**4,247**	**72,433**	**–**	**314,701**

31 DEFERRED INCOME TAX (Continued)

31. 遞延所得稅資產(續)

		Fair value adjustments arising from acquisition of a subsidiary 收購一間附屬公司產生之公平值調整 RMB'000	Right-of-use assets 使用權資產 RMB'000	Provision for withholding income tax 預扣所得稅撥備 RMB'000	Total 總計 RMB'000
Deferred income tax liabilities:	**遞延所得稅負債：**				
At 1 January 2021	▪gZS▪▪▪	22,574	947	86,860	110,381
Recognised in the profit or loss	▪▪B▪	(1,237)	1,158	–	(79)
At 31 December 2021	▪gZS▪ dZ▪dS▪	21,337	2,105	86,860	110,302
Recognised in the profit or loss	▪▪B▪	(1,237)	(350)	–	(1,587)
At 31 December 2022	▪gZZ▪ dZ▪dS▪	**20,100**	**1,755**	**86,860**	**108,715**

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

本公司向其股東派付股息時不會附帶任何所得稅影響。

As at 31 December 2022, the Group has (i) tax losses of approximately of RMB120,238,000 (2021: RMB129,200,000) that will be carried forward indefinitely for offsetting against future taxable profits of the companies that the losses arose, (ii) tax losses of approximately of RMB250,884,000 (2021: RMB230,166,000) that will be carried forward in one to ten years for offsetting against future taxable profits of the companies that the losses arose, as well as (iii) other deductible temporary differences of RMB312,069,000 (2021: RMB267,623,000) that will be available for offsetting against future taxable profits. No deferred income tax assets have not been recognised in connection with these losses and temporary differences as it is not considered probable that taxable profit will be available against which they can be utilised.

於二零二二年十二月三十一日，本集團有(i)▪▪&▪▪▪ 120,238,000▪ ▪gZS▪▪▪ 129,200,000▪ ▪*▪▪&▪▪J 8▪▪P;d (ii)▪▪&▪▪▪ 250,884,000▪▪ g Z S ▪▪▪ 230,166,000▪▪▪ d▪▪ V*▪▪&▪▪J8▪▪;d ▪ (iii)I▪▪▪▪▪▪ 312,069,000▪▪ g Z S ▪▪▪ 267,623,000▪▪▪8▪ P;f▪ f&▪▪▪▪ ▪▪▪d▪▪ 8▪▪;”▪▪▪▪ *f

32. DEFERRED INCOME

		As at 31 December 於十二月三十一日	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS☒ RMB'000 ☒☒☒
At beginning of year	☒	179,967	143,033
Government grants related to assets received	☒*☒A☒	–	51,596
Released to profit or loss (note 8)	7&B (₩ 8)	(12,826)	(14,662)
At end of year	☒	167,141	

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of profit before income tax to cash generated from operations:

	Year ended 31 December 截至十二月三十一日止年度	
	2022 二零二二年	2021
	RMB'000 人民幣千元	RMB'000
Profit before income tax	**47,421**	290,104
Adjustments for:		
– depreciation of property, plant and equipment	**207,909**	200,976
– depreciation of investment properties	**7,904**	8,156
– depreciation of right-of-use assets	**13,106**	11,[illegible]
– amortisation of intangible assets	**5,733**	5,841

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

34. 綜合現金流量表附註(續)

Changes in liabilities arising from financing activities

融資活動產生之負債變動

		Borrowings 借貸 RMB'000 人民幣千元	Leases liabilities 租賃負債 RMB'000 人民幣千元	Senior notes 優先票據 RMB'000 人民幣千元	Amount due to the related parties 方款項 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2021	**於二零二一年一月一日**	3,048,649	26,200	1,488,096	1,528,987	6,091,932
Financing cash flows	D$–t	834,499	(3,059)	–	(349,510)	481,930
New leases	-a☒	–	6,355	–	–	6,355
Foreign exchange adjustments	.☒	(7,114)	(23)	(21,492)	(29,055)	(57,684)
Acquisition of subsidiaries	☒☒	–	2,568	–	–	2,568
Disposal of subsidiary	/•☒	–	(13,781)	–	–	(13,781)
Other changes	l☒					
Interest expense	;☒	169,805	835	91,573	78,312	340,525
Interest payments	;☒	(128,132)	(835)	(89,969)	–	(218,936)
As at 31 December 2021	**於二零二一年十二月三十一日**	3,917,707	18,260	1,468,208	1,228,734	6,632,909
Financing cash flows	D$–t	2,430,420	(3,406)	–	(245,622)	2,181,392
New leases	-a☒	–	7,319	–	–	7,319
Foreign exchange adjustments	.☒	53,760	532	113,512	(22,004)	145,800
Acquisition of subsidiaries (Note 36)	☒☒ 36•	207,262	2,781	–	–	210,043
Other changes	l☒					
– non cash borrowing	– ☒–☒	132,511	–	–	–	132,511
Redeem of senior notes	☒☒	–	–	(1,593,424)	–	(1,593,424)
Interest expense	;☒	218,409	1,512	87,553	55,209	362,683
Interest payments	;☒	(177,057)	(1,512)	(75,849)	–	(254,418)
As at 31 December 2022	**於二零二二年十二月三十一日**	6,783,012	25,486	–	1,016,317	7,692,304

35. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

35. 承擔

於報告期末，本集團有以下資本承擔：

	31 December 2022 二零二二年十二月三十一日 RMB'000 人民幣千元	31 December 2021 RMB'000
Contracted, but not provided for:		
Capital contribution for equity investment	**995,074**	–
Construction of buildings and solar photovoltaic power stations	**171,512**	213,806
Purchase of office properties	**–**	11,820
	1,166,586	225,626

36. BUSINESS COMBINATIONS

Acquisition of controlling interests

On 16 September 2022, Hunan Green Energy, an subsidiary of the Company completed the acquisition of 100% equity interests in Shigatse Langming New Energy Technology Co., Ltd. ("Shigatse Langming"). Shigatse Langming is engaged in the operation, development and sale of solar energy, wind energy, hydropower, and geothermal power project investment, and provision of corresponding technical services. The purchase consideration for the acquisition was RMB1 paid in cash on acquisition date.

The following table summarises the considerations paid for the acquisition and the fair value of the identifiable assets acquired and liabilities assumed at the respective acquisition dates:

36. 業務合併

收購控股權益

於二零二二年九月十六日，本公司一間附屬公司完成收購日喀則朗明新能源科技有限公司(「日喀則朗明」)的100% p
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	Shigatse Langming Solar Energy 日喀則朗明太陽能 RMB'000 人民幣千元
Property, plant and equipment (Note 14)	J8■⊠ 14• 363,994
Right-of-use assets (Note 15)	4⊠ ⊠/ 15• 2,589
Trade and bills receivables	⊠⊠⊠ 64,968
Prepayments, deposits and other receivables	k⊠2–⊠ 204
Cash and cash equivalents	$–⊠–J 29
Trade payables	⊠⊠ (112,007)
Other payables and accruals	I⊠ (115,467)
Lease liabilities	a⊠ (2,781)
Borrowings	⊠ (207,262)
Total identifiable net assets acquired at fair value	⊠⊠⊠ ⊠*⊠ (5,733)
Total of identifiable net assets	⊠* (5,733)
Goodwill on acquisition	⊠ 5,733
Satisfied by cash	⊠$–⊠ RMB 1 ⊠⊠ 1⊠

36. BUSINESS COMBINATIONS (Continued)

Acquisition of controlling interests (Continued)

An analysis of the cash flow in respect of the acquisition of above subsidiaries is as follows:

		RMB'000
Considerations paid in cash		RMB 1
Cash and cash equivalents acquired		29
Net outflow of cash and cash equivalents included in cash flows from investing activities		(29)

Had the combinations taken place on 16 September 2022, the contributions from Shigatse Langming Solar Energy to the Group's consolidated revenue and profit for the year ended 31 December 2022 were minimal.

36. 業務合併(續)

收購控股權益(續)

有關收購上述附屬公司的現金流量分析如下：

		人民幣千元
Considerations paid in cash		RMB 1
Cash and cash equivalents acquired		29
Net outflow of cash and cash equivalents included in cash flows from investing activities		(29)

倘於二零二二年九月十六日進行合併，日喀則朗明太陽能對本集團截至二零二二年十二月三十一日止年度的綜合收入及溢利貢獻甚微。

37. RELATED PARTY TRANSACTION

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) The directors of the Company are of the view that the following parties/companies were related parties that had transaction or balances with the Group during the financial years.

Name of related parties 關連方名稱	Relationship with the Company 與本公司的關係
Shuifa Group Co., Ltd ⊠huifa Group⊠)	Ultimate parent company ⊠⊠
•⊠⊠ Shandong Shuifa Minsheng Commercial Operation Management Co., Ltd. ⊠⊠86M⊠	Controlled by Shuifa Group ⊠
Dun⊠an (Tianjin) Energy Saving System Co., Ltd. ⊠⊠	Controlled by Shuifa Group ⊠
Shandong Shuifa Comprehensive Energy Co., Ltd. ⊠⊠	Controlled by Shuifa Group ⊠
Shuifa Clean Energy ⊠	Controlled by Shuifa Group ⊠
Qingdao Neng⊠an Hengxin Technology Co., Ltd. ⊠⊠	Controlled by Shuifa Group ⊠
Shandong Shuifa Mingde Property Management Co., Ltd. ⊠J8M⊠	Controlled by Shuifa Group ⊠
Shuifa Zhuoheng Engineering Management Co., Ltd. ⊠)⊠⊠	Controlled by Shuifa Group ⊠

37. 關連方交易

關連方指有能力控制、共同控制投資對象或可對其他可對投資對象行使權力的人士行使重大影響力的人士；須承擔或享有自其參與投資對象的可變回報的風險或權利的人士；以及可利用其對投資對象的權力影響投資者回報金額的人士。受共同控制或聯合控制的人士亦被視為關連方。關連方可為個人或其他實體。

(a) I⊠⊠ ⊠⊠
A⊠-I⊠⊠⊠qY
⊠⊠

37. RELATED PARTY TRANSACTION (Continued)

37. 關連方交易(續)

(b) Transactions with

(b) 與以下各方的交易

		Year ended 31 December 截至十二月三十一日止年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS⊠ RMB'000 ⊠W⊠
Ultimate holding company:	⊠⊠		
Loan interest expense	r⊠⊠	55,209	78,312
Fellow subsidiaries:	⊠⊠		
Acquisition of subsidiaries under common control	⊠h Y▪⊠	–	103,180
Purchase of office properties	⊠⊠8	–	34,375
Purchase of construction services	⊠	92,281	–
Purchase of goods	⊠ ⊠	34,842	–
Provision of construction services	d6	5,801	4,795
Loan interest	r⊠	2,588	–
Sale of electricity	/e	969	–
Provision of operating leases	d6⊠⊠	1,206	1,426
Associates:	L⊠		
Operating leases	⊠⊠	–	841
		192,896	222,929

37. RELATED PARTY TRANSACTION (Continued)

(c) Outstanding balances with related parties

37. 關連方交易(續)

(e) 關連方未償還結餘

	As at 31 December 於十二月三十一日	
	2022	2021
	二零二二年	▯▯▯▯
	RMB'000	RMB'000
	人民幣千元	▯▯▯▯
Due from associates: ▯▯		
Trade receivables ▯▯▯	**–**	444
Due from fellow subsidiaries: ▯▯		
Prepayments, and receivables and k▯▯▯		
other assets (note 22) ▯▯▯ 22•	**31,037**	11,687
Contract assets ▯	**8,786**	8,229
Due from non-controlling interest: ▯▯j		
Prepayments, and receivables and k▯▯▯		
other assets (note 22) ▯▯▯ 22•	**10,000**	–
Due to the Ultimate holding company: ▯▯		
Other payables and accruals ▯▯▯		
(note 28) ▯▯ 28•	**900,092**	1,094,815
Due to fellow subsidiaries: ▯▯		
Other payables and accruals (note 28) ▯▯▯		
▯▯ 28•	**161,067**	184,099

The amount due to the ultimate holding company, Shuifa Group, is a loan with principal amount of RMB812,405,000 (2021: RMB1,079,815,000) as at 31 December 2022. The loan interest bearing at a rate of 6% (2021: 6%) per annum.

應付最終控股公司水發集團的款項為於二零二二年十二月三十一日本金額為人民幣812,405,000▯▯Z g Z S ▯j ▯O ▯1,079,815,000▯▯r▯r▯▯▯ 6%▯gZS▯ ▯6%

37. RELATED PARTY TRANSACTION (Continued)

(d) Compensation of key management personnel of the Group

37. 關連方交易(續)

(d) 本集團主要管理人員的薪酬

		Year ended 31 December 截至十二月三十一日止年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS⊠ RMB'000 ⊠W⊠
Salaries, allowances and benefits	Z–euh⊠;B	12,618	14,585
Pension scheme contributions	⊠–⊠⊠	334	534
		12,952	15,119

(e) Guarantees obtained from related parties

The Group's bank borrowings and other loans borrowings are supported by the guarantees provided by related parties and certain senior management of the Group. Details are set out in note 29 above.

(e) 從關連方取得的擔保

本集團的銀行借貸及其他貸款借貸均由關連方及本集團若干高級管理人員提供擔保。詳情載於上文附註29f

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(a) Information about the statement of financial position of the Company at the end of the year is as follows:

38. 本公司的財務狀況表

(a) ▯▯▯

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) Information about the statement of financial position of the Company at the end of the year is as follows: (Continued)

38. 本公司的財務狀況表(續)

(a) ☒S☒d☒☒☒ K1☒

		At 31 December 2022 於二零二二年十二月三十一日 RMB'000 人民幣千元	At 31 December 2021 ☒gZS☒ dZgdS☒ RMB'000 ☒☒☒
EQUITY	**權益**		
Equity attributable to owners of the Company	**本公司擁有人應佔權益**		
Issued capital	☒l	**174,333**	174,333
Reserves	☒	**2,025,728**	1,960,140
Accumulated losses	☒&	**(1,632,363)**	(1,454,454)
Total equity	**權益總額**	**567,698**	680,019
LIABILITIES	**負債**		
Non-current liabilities	**非流動負債**		
Borrowings	☒	**253,198**	–
Current liabilities	**流動負債**		
Amount due to subsidiaries	☒☒	**177**	–
Senior notes	☒☒	**–**	1,468,208
Borrowings	☒	**1,247,531**	–
Other payables and accruals	l☒	**160,345**	1,086,991
		1,408,053	2,555,199
Total liabilities	**總負債**	**1,661,251**	2,555,199
Total equity and liabilities	**總權益及負債**	**2,228,949**	3,235,218

Mr. Zheng Qingtao
鄭清濤先生

Mr. Wang Dongwei
王棟偉先生

☒

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

38. 本公司的財務狀況表(續)

(b) A summary of the Company's reserves is as follows:

(b) ■■■

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

38. 本公司的財務狀況表(續)

(b) A summary of the Company's reserves is as follows: (Continued)

(b) I☒☒☒

	Share premium account 股份溢價賬 RMB'000 人民幣千元	Fair value reserve of financial assets at fair value through financial other comprehensive income 按公平值計量且其變動計入其他全面收益的金融資產公平值儲備 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌波動儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2022 ☒gZZ☒S☒☒	2,001,435	(7,823)	23,252	55,322	(112,046)	(1,454,454)	505,686
Loss for the year I☒&	–	–	–	–	–	(177,909)	(177,909)
Change in fair value of equity instruments at fair value through other comprehensive income, net of tax 2☒I☒☒BYB☒Y☒d☒	–	464	–	–	–	–	464
Other comprehensive income I☒☒	–	–	–	–	110,341	–	110,341
Total comprehensive (loss)/income for the year I☒•☒☒	–	464	–	–	110,341	(177,909)	(67,104)
Transfer from share premium account 7ap☒*	(70,000)	–	70,000	–	–	–	–
2021 final dividend declared ☒gZS☒K☒☒	–	–	(45,217)	–	–	–	(45,217)
At 31 December 2022 ☒gZZ☒dZ☒dS☒	1,931,435	(7,359)	48,035	55,322	(1,705)	(1,632,363)	393,365

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.16 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised or transferred to retained profits should the related options expire or be forfeited.

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39. BENEFITS AND INTERESTS OF DIRECTORS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a),(b),(c),(d) and (g) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

39. 董事福利及權益

根據上市規則、香港公司條例第383(1)(a)e(b)e(c)e(d) ▯ (g) ▯▯▯ ▯▯▯ 2▯▯▯ ▯▯▯G–▯j

		2022 二零二二年 RMB'000 人民幣千元	2021 ZgZS▯ RMB'000 ▯▯▯▯
Fees	▯	**1,277**	1,144
Salaries, allowance and benefits in kind	Z–euh▯;B	**2,172**	4,274
Pension scheme contributions	▯–▯▯	**251**	199
		3,700	5,617

39. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

39. 董事福利及權益(續)

			Fees 袍金 RMB'000 ☒☒☒	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 RMB'000 ☒☒☒	Pension scheme contributions 退休金計劃供款 RMB'000 ☒☒☒	Total remuneration 酬金總計 RMB'000 ☒☒☒
2022	**二零二二年**					
Executive directors:	B☒					
Mr. Liu Hongwei	j☒		**322**	**596**	**76**	**994**
Mr. Wang Dongwei	☒		**322**	**1,518**	**169**	**2,009**
Mr. Chen Fushan(a)	☒☒	(a)	**–**	**–**	**–**	**–**
Mr. Zheng Qingtao(b)	M☒	(b)	**–**	**–**	**–**	**–**
Non-executive directors:	☒j☒					
Mr. Xie Wen (c)	☒	(c)	**27**	**58**	**6**	**91**
Ms. Li Li	☒☒		**–**	**–**	**–**	**–**
Independent non-executive directors:	☒n☒☒					
Mr. Yick Wing Fat, Simon	☒☒		**267**	**–**	**–**	**267**
Dr. Wang Ching	☒ /☒		**179**	**–**	**–**	**179**
Dr. Tan Hongwei	☒☒		**160**	**–**	**–**	**160**
			1,277	**2,172**	**251**	**3,700**
2021	ZgZS☒					
Executive directors:	B☒					
Mr. Liu Hongwei	j☒		294	1,774	65	2,133
Mr. Wang Dongwei	☒		294	1,481	134	1,909
Mr. Chen Fushan(a)	☒☒	(a)	–	1,019	–	1,019
Mr. Zheng Qingtao(b)	M☒	(b)	–	–	–	–
Non-executive directors:	☒j☒					
Ms. Wang Suhui(c)	☒☒☒	(c)	–	–	–	–
Ms. Li Li	☒☒		–	–	–	–
Independent non-executive directors:	☒n☒☒					
Mr. Yick Wing Fat, Simon	☒☒		245	–	–	245
Dr. Wang Ching	☒ /☒		164	–	–	164
Dr. Tan Hongwei	☒☒		147	–	–	147
			1,144	4,274	199	5,617

39. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

Notes:

(a) Mr. Chen Fushan does not obtain any remuneration from the Company as he is also a senior executive of Shuifa Group and his remuneration is borne by Shuifa Group. In the opinion of the Directors, it is not practical to apportion his services and remuneration as a director of the Company and as a senior executive of Shuifa Group.

(b) Mr. Zheng Qingtao does not obtain any remuneration from the Company as he is also a senior executive of Shuifa Group and his remuneration is borne by Shuifa Group. In the opinion of the Directors, it is not practical to apportion his services and remuneration as a director of the Company and as a senior executive of Shuifa Group.

(c) Ms. Wang Suhui resigned as a non-executive director of the Company on 17 February 2022. Mr. Xie Wen was appointed as an independent non-executive director of the Company on 17 February 2022.

(d) Directors' retirement benefits

None of the directors received or will receive any retirement benefits for the years ended 31 December 2022 and 2021.

(e) Directors' termination benefits

None of the directors received or will receive any termination benefits for the years ended 31 December 2022 and 2021.

(f) Consideration provided to third parties for making available directors' services

During the years ended 31 December 2022 and 2021, the Company did not pay consideration to any third parties for making available directors' services.

39. 董事福利及權益(續)

39. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

Notes: (Continued)

(g) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealing in favour of directors, controlled bodies corporate by and connected entities with such directors during the years ended 31 December 2022 and 2021.

(h) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended 31 December 2022 and 2021.

39. 董事福利及權益(續)

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40. EVENTS AFTER THE REPORTING PERIOD

On 28 February 2023, Hunan Green Energy, has conditionally agreed to acquire, and Shuifa Energy and Shuifa Fengyuan Energy have conditionally agreed to sell 24% of the equity interest and 16% of the equity interest in Shuifa Energy (Tongyu), respectively, at the aggregate consideration of RMB491,299,700.

In addition, Hunan Green Energy also entered into of the Share Subscription Agreement, pursuant to which Hunan Green Energy has agreed to subscribe for 105,613,100 shares of Shuifa Clean Energy at the aggregate subscription price of RMB503,774,500. As at the reporting date, Hunan Green Energy has completed the subscription of 105,613,100 shares. The first batch of subscription funds of RMB105,613,100 has been paid.

40. 報告期後事件

中國水發興業能源集團有限公司
China Shuifa Singyes Energy Holdings Limited

http://www.sfsyenergy.com